

		<p>कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा, सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421 <b>OFFICE OF THE COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.</b></p>
<b>A</b>	<b>FILE NO.</b> फाइल संख्या	<b>CUS/APR/1228/2026-Gr 3-O/o Pr Commr-Cus-Mundra</b>
<b>B</b>	<b>OIO NO.</b> आदेश संख्या	MCH/ADC/ZDC/715/2025-26
<b>C</b>	<b>PASSED BY</b> जारीकर्ता	<b>Shri Dipak Zala</b> <b>Additional Commissioner of Customs/अपर आयुक्त</b> <b>सीमा शुल्क,</b> <b>Custom House, Mundra/कस्टम हाउस, मुंद्रा।</b>
<b>D</b>	<b>DATE OF ORDER</b> आदेश की तारीख	20.03.2026
<b>E</b>	<b>DATE OF ISSUE</b> जारी करने की तिथि	20.03.2026
<b>F</b>	<b>SCN No. &amp; Date</b> कारण बताओ नोटिस क्रमांक	<b>Waived.</b>
<b>G</b>	<b>NOTICEE/ PARTY/ IMPORTER</b> नोटिसकर्ता/पार्टी/आयातक	<b>M/s. Radhe Krishna Enterprises,</b> <b>(IEC: AIVPT7337G)</b> <b>Flat No 604, 6th Floor, Apurva Tower Chs</b> <b>Ltd, Birla College Road, Kalyan West,</b> <b>Adharwadi Chowk, Kalyan, Thane,</b> <b>Maharashtra-421301</b>
<b>H</b>	<b>DIN/दस्तावेज़ पहचान</b> संख्या	<b>20260371MO0000712587</b>

1. यह आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**“सीमाशुल्कआयुक्त (अपील),**

**चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,**

**नवरंगपुरा,अहमदाबाद 380 009”**

**“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA**

**HAVING HIS OFFICE AT 4<sup>TH</sup> FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,**

**NAVRANGPURA, AHMEDABAD-380 009.”**

3. उक्तअपील यहआदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by

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- (i) उक्त अपील की एक प्रति और A copy of the appeal, and  
(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं.-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमाशुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute

### **ISSUE IN BRIEF:**

On the basis of Specific information received to this office, the goods imported by M/s. Radhe Krishna Enterprises, Flat No 604, 6th Floor, Apurva Tower Chs Ltd, Birla College Road, Kalyan West, Adharwadi Chowk, Kalyan, Thane, Maharashtra-421301 (IEC: AIVPT7337G), (herein after referred as “the importer” for brevity) under Bill of Entry No. T- 4012361 dated 21.08.2025, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s Fast Track CFS Private Limited, APSEZ, Mundra (Kutch) Port- INAJM6. The details of the goods declared in the Bill of entry no. T-4012361 dated 21.08.2025 are detailed below:

### **Table-I**

<b>Sr. No</b>	<b>CTH</b>	<b>Description</b>	<b>Quantity</b>	<b>UQC</b>
1	59031090	PVC Coated Fabric	46081	Sqm.

### **Examination of the Goods:**

2. Whereas, the examination of the Bill of Entry No. T- 4012361 dated 21.08.2025 was conducted on 28.08.2025 under Examination Report in the presence of Authorized Representative of the importer and SEZ unit M/s Fast Track CFS Private Limited. Shri Sudhir Patil informed that the import of goods in Container No. LGEU6409802 was earlier covered under SEZ BE No. 3952210 dated 18.08.2025 (Z-type) in container no. TRHU6554170. The shipping line seal no. FX41006543 on the said container had already been cut after assessment of T-Type Bill of Entry. The weight as per the BE and the Weighment slip is as under:

<b>Sr. no.</b>	<b>Container no.</b>	<b>Weight of Goods as per BL in Kgs</b>	<b>Weight of Goods as per Weighment slip in Kgs</b>
1	TRHU6554170	27980	27940

Further, he stated that for the same goods, SEZ BE No. 4012361 dated 21.08.2025 (T-type) was filed, stuffed in Container No. LGEU6409802, affixed with Custodian Seal No. TS0044501. Thereafter, the custodian seal no. TS0044501 of the container no. LGEU6409802 was cut and gates of the container were opened. Upon opening the gates, it is observed that the container was stuffed with rolls of fabric. Thereafter, all the rolls are de-stuffed from the container with the help of labourers and stacked in the warehouse. Upon de-stuffing, the rolls of different types as tabulated below are found. The number of rolls is quantified and verified with the packing list. Each type of rolls is unrolled for examination. To ascertain exact nature and composition of the fabric, representative samples (in triplicate) of each type of rolls are drawn and sealed in paper envelopes. As a token of authenticity and on satisfaction with the manner of drawing sample, Shri Sudhir Patil puts his dated signatures on the said representative samples and also on the sealed envelopes in which those representative samples are placed. The details of the goods found during the examination is as below:

**Table-II**

Sr. No.	Particulars	Colour	Quantity of Rolls
1	AR100	Beige	38
2	BURFI TPU	Mixed	83
3	EVA	Mixed	80
4	JUGMUG (Patterns – Box, Croco, Nug)	Mixed	134
5	HYCROSS SOFTY	Mixed	79
6	NEW MAHARAJA	Mixed	162
7	SILKY SOFT	Mixed	145
8	STAR MILD	Mixed	81

9	WF PATENT	Mixed	55
10	PUBG	Mixed	74
11	SUPER STAR	Mixed	100
12	PATENT TC	Black	30
Total			1061

The goods, received in container no. LGEU6409802, were examined as per the commercial invoice No. RMICO-1045 dated 05.07.2025, issued by M/s Red Maple International Co., China. During examination a total of 1061 fabric rolls of variable lengths were found. The rolls were packed in transparent plastic sheet. The rolls were opened and examined. However, to ascertain exact nature and composition of the fabric, samples were drawn and sent to the lab CRCL, Kandla vide Test Memo No. 202-213/2025-26 dated 28.08.2025 for testing.

### **3. Classification of the Goods:**

The samples were drawn and sent to the lab CRCL, Kandla vide Test Memo No. 202-213/2025-26 dated 28.08.2025 for testing. The CRCL, Kandla Lab vide their Lab report no. 5198-5209 SIIB dated 18.09.2025 in r/o TM no. 202-213/2025-26 dated 28.08.2025 provided the nature and composition of the goods. Accordingly, the re-determined description and CTH of the goods is as follows.:

**Table-III**

Sr. No.	Particulars	Declared Description	Re-determined Description of goods as per Test Report	Declared CTH	Re-determined CTH
1	AR100	PVC Coated fabric	Non-Woven Polyester Laminated Fabric		56031400
2	BURFI TPU		Knitted Polyester		59032090

			PU Coated and PVC Laminated fabric		
3	EVA		Bonded knitted fabric of polyester filament yarns		60063200
4	JUGMUG (Patterns – Box, Croco, Nug)		Knitted Polyester PU Coated and PVC Laminated fabric	5903109 0	59032090
5	HYCROSS SOFTY		Knitted Polyester PU Coated Fabric		59032090
6	NEW MAHARAJA		Knitted Polyester PU Laminated Fabric		59032090
7	SILKY SOFT		Knitted Polyester PU Laminated Fabric		59032090
8	STAR MILD		Knitted Polyester PU Laminated Fabric		59032090
9	WF PATENT		Knitted Polyester PVC Coated and PU Laminated fabric		59031090
10	PUBG		Knitted Polyester PU Laminated Fabric		59032090
11	SUPER STAR		Knitted Polyester PU Laminated Fabric		59032090
12	PATENT TC		Woven Polyester		59031090

			PVC Coated fabric		
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#### 4. **Re-determination of Quantity of the Goods:**

The importer has declared the total no. of packages as 1061 with total quantity of 46081 SQM in the said Bill of Entry. Further, the Representative samples of the goods forwarded to CRCL Kandla. As per Test Report, Examination Finding and CE Report the Re-determined quantity of goods is as below:

**Table-IV**

Sr. No.	Re-determined Description of goods as per Test Report	Declared Quantity in SQM	Weight of goods in KGS	Re-determined Quantity in SQM/KGS
1	Non-Woven Polyester Laminated Fabric	46081	1140	2250.74
2	Knitted Polyester PU Coated and PVC Laminated fabric		2365.5	5861
3	Bonded knitted fabric of polyester filament yarns		2152	2152
4	Knitted Polyester PU Coated and PVC Laminated fabric		3028.4	4747.3
5	Knitted Polyester PU Coated Fabric		1975	5612.55
6	Knitted Polyester PU Laminated Fabric		4837.8	15343.48
7	Knitted Polyester PU Laminated Fabric		4248.5	10581
8	Knitted Polyester PU Laminated Fabric		2527.2	11312.4
9	Knitted Polyester PVC Coated and PU Laminated fabric		1585	4420.34
10	Knitted Polyester PU Laminated Fabric		1990.6	5396.63

11	Knitted Polyester PU Laminated Fabric	1500	7201.15
12	Woven Polyester PVC Coated fabric	630	1969.98

Re-determination of quantity in metre for the goods mentioned in above table at Sr. No. 2, 4 & 5 for ADD vide notfn no. 14/2022 dated 20.05.2022 and same is as below:

**Table-V**

Sr. No.	Re-determined Description of goods as per Test Report	Declared Quantity in Metre
1	Knitted Polyester PU Coated and PVC Laminated fabric	3978.41
2	Knitted Polyester PU Coated and PVC Laminated fabric	3490.66
3	Knitted Polyester PU Coated Fabric	4008.96

**5. Rejection and Determination of Valuation:**

5.1. The inconsistency observed in filing of the Bill of Entry suggests deliberate Undervaluation, mis-declaration of quantity and mis-classification. In the Bill of Entry No. T- 4012361 dated 21.08.2025, submitted by the importer consist of 01 item were listed for import as detailed in Table-I above.

5.2. As imported items were found to be undervalued, mis-declared and mis-classified in the Bill of Entry No. T- 4012361 dated 21.08.2025, hence they were liable to be re-assessed under section 17(4) of the Customs Act, 1962. Since, mis-declaration of the goods, in parameters such as valuation and mis-classification, was noticed, the declared value of the goods is liable to be determined in terms of Rule 12, explanation 1 (i), of the said Rules, by going sequentially from Rule 2 to 9 thereof.

**Determination of valuation:**

- a) Efforts were made to find out the correct assessable value of the imported goods found undeclared. It was observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data extracted with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value could not be determined under Rules 4 and 5 of CVR, 2007.
- b) As per Rule 6 *ibid*, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule then under Rule 8.
- c) As the imported goods were found to be non-standard, the sale price of identical or similar goods was not available in the domestic market as the goods are miscellaneous in nature and found in different variety, description, specification, model, brand, make, sizes and quality, therefore, determination of transaction value under Rule 7 of CVR, 2007 was not possible.
- d) As substantial data related to the cost or value of materials and fabrication or other processing employed in producing the imported goods required to compute the value under Rule 8 is also not available. Therefore, valuation of the impugned goods could not be ascertained under Rule 8 of CVR, 2007.
- e) Hence, valuation of the goods is to be determined under residual method of valuation provided under Rule 9 of the CV Rules *ibid*.

Accordingly, the Chartered Engineer was appointed for valuation of the goods. The Chartered Engineer vide his CE Report No. ABJ:INSP:CE:MUN:SIIB:SAB:RK:25-26:02 dated 25.02.2026 has suggested the valuation of the imported goods as under:

**Table-VI**

<b>Sr. No.</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Unit Suggestive Average C.I.F. Value by</b>	<b>Total Suggestive Average C.I.F. Value by</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in</b>

				<b>C.E. (in USD)</b>	<b>C.E. (in USD)</b>	<b>INR) \$=88.6</b>
1	Non-Woven Polyester Laminated Fabric	2250.74	Sqm	0.22	495.163	43871
2	Knitted Polyester PU Coated and PVC Laminated fabric	5861	Sqm	0.5	2930.500	259642
3	Bonded knitted fabric of polyester filament yarns	2152	Kgs	3.51	7553.520	669242
4	Knitted Polyester PU Coated and PVC Laminated fabric	4747.3	Sqm	0.5	2373.650	210305
5	Knitted Polyester PU Coated Fabric	5612.55	Sqm	0.6	3367.530	298363
6	Knitted Polyester PU Laminated Fabric	15343.48	Sqm	0.21	3222.131	285481
7	Knitted	10581	Sqm	0.22	2327.820	206245

	Polyester PU Laminated Fabric					
8	Knitted Polyester PU Laminated Fabric	11312.4	Sqm	0.2	2262.480	200456
9	Knitted Polyester PVC Coated and PU Laminated fabric	4420.34	Sqm	0.22	972.475	86161
10	Knitted Polyester PU Laminated Fabric	5396.63	Sqm	0.21	1133.292	100410
11	Knitted Polyester PU Laminated Fabric	7201.15	Sqm	0.2	1440.230	127604
12	Woven Polyester PVC Coated fabric	1969.98	Sqm	0.4	787.992	69816
					28866.783	25,57,597/-

The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 25,57,597/-** in contrast to the declared assessable value as **Rs. 7,34,900/-**.

5.3. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

#### 6. **Re-determination of Duty:**

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-classified/mis-declared the imported goods to evade payment of duties and taxes by. The duty liability for the imported goods as per re-determined value is ascertained as under:

**Table-VII**

<b>S r N o</b>	<b>Descript ion</b>	<b>Total Quant ity</b>	<b>Meas ure Unit</b>	<b>Total Suggest ive Averag e C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggest ive Averag e C.I.F. Value by C.E. (in INR) \$=88.6</b>	<b>BCD @ 20%/1 15 Rs per Kg (in Rs.)</b>	<b>SWS @ 10/0 % of BCD( in Rs.)</b>	<b>ADD @ 0.46/Me tre vide notfn 14/2022 dated 20.05.2 022</b>	<b>IGST @ 12/5 % (In rs.)</b>	<b>Total Duty (in Rs.)</b>
1	Non- Woven Polyester Laminat ed Fabric	2250.7 4	Sqm	495.163	43871	8774	877	0	6423	16074
2	Knitted Polyester PU Coated and PVC	5861	Sqm	2930.50 0	259642	51928	5193	162144	5746 9	276734

	Laminat ed fabric									
3	Bonded knitted fabric of polyester filament yarns	2152	Kgs	7553.52 0	669242	24748 0	0	0	4583 6	293316
4	Knitted Polyester PU Coated and PVC Laminat ed fabric	4747.3	Sqm	2373.65 0	210305	42061	4206	142265	4786 1	236393
5	Knitted Polyester PU Coated Fabric	5612.5 5	Sqm	3367.53 0	298363	59673	5967	163389	6328 7	292316
6	Knitted Polyester PU Laminat ed Fabric	15343. 48	Sqm	3222.13 1	285481	57096	5710	0	4179 4	104600
7	Knitted Polyester PU Laminat ed Fabric	10581	Sqm	2327.82 0	206245	41249	4125	0	3019 4	75568
8	Knitted Polyester	11312.	Sqm	2262.48	200456	40091	4009	0	2934	73447

	PU Laminated Fabric	4		0					7	
9	Knitted Polyester PVC Coated and PU Laminated fabric	4420.34	Sqm	972.475	86161	17232	1723	0	12614	31569
10	Knitted Polyester PU Laminated Fabric	5396.63	Sqm	1133.292	100410	20082	2008	0	14700	36790
11	Knitted Polyester PU Laminated Fabric	7201.15	Sqm	1440.230	127604	25521	2552	0	18681	46754
12	Woven Polyester PVC Coated fabric	1969.98	Sqm	787.992	69816	13963	1396	0	10221	25581
				28866.783	2557597	625151	37767	467799	378427	15,09,144/-

From the **Table VII above**, the total duty liability of the importer comes as Rs. 15,09,144/-.

6.2. The importer in the BE no. T-4012361 dated 21.08.2025, has declared the value of the goods as Rs. 7,34,900/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs. 2,69,267/-**.

6.3. Based on the calculations from Table-VII above, the importer needs to pay/levy a differential liability of Rs. 12,39,877/- on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

6.4. **Policy Compliance:**

All the goods mentioned in above Table-VI except the goods mentioned at Sr. No. 3 are freely importable after paying applicable duties. The goods mentioned at Sr. No. 3 of Table-VI are restricted and allowed for import freely if the CIF value of goods are 3.5 USD or above as per DGFT Notification no. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025. The importer has not declared the said goods in the BE. So, the said goods are liable for confiscation under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962.

7. **LEGAL PROVISIONS:**

7.1. **Section 2 (14)** of the Customs Act, 1962, "**dutiable goods**" means any goods which are chargeable to duty and on which duty has not been paid;

7.2. **SECTION 46(4)** of the Customs Act, 1962, prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.

7.3. **Section 111** of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

The following goods brought from a place outside India shall be liable for confiscation:

*(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary*

*to any prohibition imposed by or under this Act or any other law for the time being in force;*

*(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

*(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54*

....

7.4. **Section 112** of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under:

Any person, -

*(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or*

*(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,*

*shall be liable, -*

*(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:*

**Provided** that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

*(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the*

declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

**7.5. 114AA. Penalty for use of false and incorrect material.—**

*If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.*

**7.6. SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under:

*No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –*

(a) *is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;*

(b) *is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and*

(c) *is given a reasonable opportunity of being heard in the matter:*

**Provided** that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.

**Provided** further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.

7.7. **SECTION 125** provides the Option to pay fine in lieu of confiscation as under:

*(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:*

**Provided** that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:

**Provided** further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

*(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]*

*(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.*

7.8. **Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:**

**“Rule 4. Transaction value of identical goods. -** (1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

.....

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

**“Rule 5. Transaction value of similar goods . -** (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that .....

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, *mutatis mutandis*, also apply in respect of similar goods.

**Rule 7. Deductive value.-**

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) *If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.*

(3) (a) *If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.*

(b) *In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).*

**Rule 8. Computed value.-**

*Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-*

(a) *the cost or value of materials and fabrication or other processing employed in producing the imported goods;*

(b) *an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;*

(c) *the cost or value of all other expenses under sub-rule (2) of rule 10.*

**Rule 9. Residual method:-**

(1) *Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;*

*Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or*

*buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.*

*(2) No value shall be determined under the provisions of" this rule on the basis of –*

*(i) the selling price in India of the goods produced in India;*

*(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;*

*(iii) the price of the goods on the domestic market of the country of exportation;*

*(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*

*(v) the price of the goods for the export to a country other than India;*

*(vi) minimum customs values; or*

*(vii) arbitrary or fictitious values.*

**Rule 12. Rejection of declared value.** - *(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

#### 8. **Outcome of Investigation:**

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Radhe Krishna Enterprises, Flat No 604, 6th Floor, Apurva Tower Chs Ltd, Birla College Road, Kalyan West, Adharwadi Chowk, Kalyan, Thane, Maharashtra-421301 (IEC: AIVPT7337G), under Bill of Entry No. T- 4012361 dated 21.08.2025, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the import consignment of M/s.

Radhe Krishna Enterprises under Bill of Entry No. T- 4012361 dated 21.08.2025. The examination uncovered deliberate mis-declaration in quantity, mis-classification and undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. **Examination and Findings:**

- The examination of container no. LGEU6409802, conducted on 28.08.2025 under examination report in the presence of Shri Sudhir Patil, revealed discrepancies in the goods imported by M/s. Radhe Krishna Enterprises under Bill of Entry No. T-4012361 dated 21.08.2025:
- Sample were drawn and sent to CRCL, Kandla, for testing, which confirmed the goods are other than the declaration.
- **Declared goods:** PVC Coated Fabric, classified under the CTH 59031090.
- **Found goods and classification:**

Sr. No.	Particulars	Declared Description	Re-determined Description of goods as per Test Report	Declared CTH	Re-determined CTH
1	AR100	PVC Coated fabric	Non-Woven Polyester Laminated Fabric		56031400
2	BURFI TPU		Knitted Polyester PU Coated and PVC Laminated fabric		59032090
3	EVA		Bonded knitted fabric of polyester filament yarns		60063200
4	JUGMUG (Patterns – Box, Croco, Nug)		Knitted Polyester PU Coated and PVC Laminated fabric	59031090	59032090
5	HYCROSS		Knitted Polyester		59032090

	SOFTY		PU Coated Fabric	
6	NEW MAHARAJA		Knitted Polyester PU Laminated Fabric	59032090
7	SILKY SOFT		Knitted Polyester PU Laminated Fabric	59032090
8	STAR MILD		Knitted Polyester PU Laminated Fabric	59032090
9	WF PATENT		Knitted Polyester PVC Coated and PU Laminated fabric	59031090
10	PUBG		Knitted Polyester PU Laminated Fabric	59032090
11	SUPER STAR		Knitted Polyester PU Laminated Fabric	59032090
12	PATENT TC		Woven Polyester PVC Coated fabric	59031090

- The goods were found to be grossly undervalued in the declared CIF value.

#### 8.2. **Valuation of the Goods:**

- **Declared Value:** The importer declared an assessable value of INR 7,34,900/-.
- **Redetermined Value:** The Chartered Engineer's report (ref no. ABJ:INSP:CE:MUN:SIIB:SAB:RK:25-26:02 dated 25.02.2026) determined the fair CIF value at USD 28,866.783/-, equivalent to INR 25,57,597/- (at INR 88.6/USD).

- **Valuation Method:** The declared value was rejected under Rule 12 of CVR Rules, 2007, due to undervaluation/mis-declaration and mis-classification. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

### 8.3. **Duty Evasion:**

- The importer's deliberate undervaluation resulted in a differential duty liability of INR 12,39,877/- (total duty liability of INR 15,09,144/- as per Table VII minus declared duty of INR 2,69,267/-).

### 8.5. **Conclusion:**

The importer has, by their acts of omission and commission, rendered the goods found mis-classified/undervalued/mis-declared in quantity, with a re-determined assessable value of INR 25,57,597/- under Bill of Entry No. T- 4012361 dated 21.08.2025 liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a)(i) & 112(a)(ii) of the Customs Act, 1962. As the importer has deliberately mis-declared the quantity of the goods are also liable for penalty under Section 114AA of the Customs Act, 1962.

### **Waiver of Notice and Personal Hearing: -**

9. The importer M/s. Radhe Krishna Enterprises, Flat No 604, 6th Floor, Apurva Tower Chs Ltd, Birla College Road, Kalyan West, Adharwadi Chowk, Kalyan, Thane, Maharashtra-421301 (IEC: AIVPT7337G) vide their email dated 27.02.2026, have requested for waiver of the Show Cause Notice and personal hearing in the matter, necessary adjudication proceeding/action may be initiated in respect of the said Bill of Entry as per the Customs Act, 1962. The lab report (5198-5209 SIIB dated 18.09.2025 in r/o TM no. 202-213/2025-26) and valuation report dated 25.02.2026 were shared with the importer via email. The importer reviewed and agreed with the test reports and valuation report, accepting the revised classification and valuation, and requested the release of the consignment.

### 10. **In view of the above, it appears that:**

- a) The declared Description, No. of Items, Quantity, Weight and Classification of the goods in the Bill of Entry No. 4012361 dated 21.08.2025 is liable to be rejected and need to be re-determined as per above discussion.
- b) The declared total assessable value of the goods, i.e., Rs. 7,34,900/-, is liable to be rejected and the same needs to be re-determined as Rs. 25,57,597/ under Rule 9 of the Customs Valuation Rules, 2007.
- c) The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 12,39,877/- under Section 17(4) of the Customs Act, 1962.
- d) The goods mentioned at Sr. No. 3 imported vide Bill of Entry No. 4012361 dated 21.08.2025 having re-determined value of Rs. 6,69,242/-, are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.
- e) The goods, except mentioned at Sr. No. 3, imported vide Bill of Entry No. 4012361 dated 21.08.2025 having re-determined value of Rs. 18,88,355/-, are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962.
- f) The importer is liable for penalty under Section 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962.

### **SCN and Personal Hearing**

11. The importer vide their email dated 27.02.2026 submitted that they agreed with the test reports and valuation report, accepting the revised classification and valuation and requested for waiver of the Show Cause Notice and personal hearing in the matter and requested for necessary adjudication proceeding/action in respect of the said Bill of Entry as per the Customs Act, 1962. Further vide subsequent email dated 16.03.2026, importer requested waiver of Show Cause Notice and personal hearing and requested to finalize the matter.

### **Discussion and Findings**

12. I find that the importer, M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G), vide their email dated 27.02.2026, agreed with the test reports and valuation report, accepting the revised classification and valuation and requested for waiver of the Show Cause Notice and personal hearing in the matter, and requested for necessary adjudication proceeding/action in respect of the said Bill of Entry under the provisions of Customs Law and vide subsequent email dated

16.03.2026, importer requested waiver of Show Cause Notice and personal hearing and requested to finalize the matter. In view of the importer's explicit waiver of SCN and Personal Hearing, the principles of natural justice under Section 124 of the Customs Act, 1962, have been duly complied with. Considering the importer's waiver and the availability of all material evidence on record, including the Bill of Entry, examination report, CRCL test reports, Chartered Engineer report, packing list, and invoice, the case is ripe for adjudication on merits without issuance of SCN or conduct of Personal Hearing, as per the provisions of Section 124 of the Customs Act, 1962.

12.1 As the principles of natural justice stand complied with in view of the importer's explicit waiver of Show Cause Notice and personal hearing vide their emails dated 27.02.2026 and 16.03.2026, I now proceed to adjudicate the matter on merits. After going through the facts of the case as brought out in the Investigation Report, the following key issues are identified for determination:

- i) Whether the declared Description, No. of Items, Quantity, Weight and Classification of the goods in the Bill of Entry No. 4012361 dated 21.08.2025 is liable to be rejected and need to be re-determined.
- ii) Whether the declared total assessable value of the goods, i.e., Rs. 7,34,900/-, is liable to be rejected and the same needs to be re-determined as Rs. 25,57,597/- under Rule 9 of the Customs Valuation Rules, 2007.
- iii) Whether the self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 12,39,877/- under Section 17(4) of the Customs Act, 1962
- iv) Whether the goods mentioned at Sr. No. 3 of table-III imported vide Bill of Entry No. 4012361 dated 21.08.2025 having re-determined value of Rs. 6,69,242/-, are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962.
- v) Whether the goods, except mentioned at Sr. No. 3, imported vide Bill of Entry No. 4012361 dated 21.08.2025 having re-determined value of Rs. 18,88,355/-, are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962.
- vi) Whether the importer is liable for penalty under Section 112(a)(i), 112(a)(ii) and 114AA of the Customs Act, 1962.

13. I now proceed to discuss Issue, whether the Description, No. of Items, Quantity, Weight and Classification of the goods in the Bill of Entry No. 4012361 dated 21.08.2025 is liable to be rejected and need to be re-determined.

13.1 The importer M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G) filed Bill of Entry No. T- 4012361 dated 21.08.2025 declaring the subject goods as "PVC Coated Fabric " under CTH 59031090. The Investigation Report establishes that the goods imported vide Bill of Entry No. T- 4012361 dated 21.08.2025 were subjected to detailed scrutiny based on intelligence indicating high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The consignment, declared as " PVC Coated Fabric " under CTH 59031090, was held for 100% examination by the Special Intelligence and Investigation Branch (SIIB), Custom House, Mundra. The examination of Bill of Entry No. T- 4012361 dated 21.08.2025 was conducted on 28.08.2025 under in the presence of Authorized Representative of the importer and SEZ unit M/s Fast Track CFS Private Limited. The goods in Container No. LGEU6409802 was earlier imported under SEZ BE No. 3952210 dated 18.08.2025 (Z-type) in container no. TRHU6554170.

13.2 I observed that goods of container no. LGEU6409802 was examined on 28.08.2025 in reference of the commercial invoice No. RMICO-1045 dated 05.07.2025, a total of 1061 fabric rolls of variable lengths were found. The number of rolls is quantified and verified with the packing list. The details of the goods found during the examination is detailed as below:

Table-VIII

Sr. No.	Particulars	Colour	Quantity of Rolls
1	AR100	Beige	38
2	BURFI TPU	Mixed	83
3	EVA	Mixed	80
4	JUGMUG (Patterns - Box, Croco, Nug)	Mixed	134
5	HYCROSS SOFTY	Mixed	79
6	NEW MAHARAJA	Mixed	162
7	SILKY SOFT	Mixed	145
8	STAR MILD	Mixed	81

9	WF PATENT	Mixed	55
10	PUBG	Mixed	74
11	SUPER STAR	Mixed	100
12	PATENT TC	Black	30
Total			1061

13.2 Representative samples were drawn and forwarded to the Central Revenues Control Laboratory (CRCL), Kandla, vide Test Memo Nos. 202-213/2025-26 dated 28.08.2025. The CRCL, Kandla Lab vide their Lab report no. 5198-5209 SIIB dated 18.09.2025 provided the nature and composition of the goods. Accordingly, as per the findings of CRCL test reports, the re-determined description and CTH of the goods is as follows.:

**Table-IX**

Sr. No.	Particulars	Declared Description	Re-determined Description of goods as per Test Report	Declared CTH	Re-determined CTH
1	AR100	PVC Coated fabric	Non-Woven Polyester Laminated Fabric	59031090	56031400
2	BURFI TPU		Knitted Polyester PU Coated and PVC Laminated fabric		59032090
3	EVA		Bonded knitted fabric of polyester filament yarns		60063200
4	JUGMUG (Patterns - Box, Croco, Nug)		Knitted Polyester PU Coated and PVC Laminated fabric		59032090
5	HYCROSS SOFTY		Knitted Polyester PU Coated Fabric		59032090
6	NEW MAHARAJA		Knitted Polyester PU Laminated Fabric		59032090

7	SILKY SOFT		Knitted Polyester PU Laminated Fabric		59032090
8	STAR MILD		Knitted Polyester PU Laminated Fabric		59032090
9	WF PATENT		Knitted Polyester PVC Coated and PU Laminated fabric		59031090
10	PUBG		Knitted Polyester PU Laminated Fabric		59032090
11	SUPER STAR		Knitted Polyester PU Laminated Fabric		59032090
12	PATENT TC		Woven Polyester PVC Coated fabric		59031090

This establishes twelve distinct categories of goods differing significantly from the uniform declaration.

13.3 Regarding the match between declared and actual description, the declared goods as " PVC Coated Fabric " under CTH 59031090 do not fully correspond to the tested characteristics. The importer accepted the CRCL test reports vide email dated 27.02.2026 without contesting the findings.

13.4 I observe that importer had declared the goods as PVC Coated Fabric of total quantity as 46081 Sqm, however, from the examination carried out twelve different type of fabric having total quantity as 76848.57 Sqm was found. The details of each type of goods with quantity is mentioned as below:-

Sr. No.	Re-determined Description of goods as per Test Report	Declared Quantity in SQM	Weight of goods in KGS	Re-determined Quantity in SQM/KGS
1	Non-Woven Polyester Laminated		1140	2250.74

	Fabric			
2	Knitted Polyester PU Coated and PVC Laminated fabric		2365.5	5861
3	Bonded knitted fabric of polyester filament yarns		2152	2152
4	Knitted Polyester PU Coated and PVC Laminated fabric		3028.4	4747.3
5	Knitted Polyester PU Coated Fabric		1975	5612.55
6	Knitted Polyester PU Laminated Fabric	46081	4837.8	15343.48
7	Knitted Polyester PU Laminated Fabric		4248.5	10581
8	Knitted Polyester PU Laminated Fabric		2527.2	11312.4
9	Knitted Polyester PVC Coated and PU Laminated fabric		1585	4420.34
10	Knitted Polyester PU Laminated Fabric		1990.6	5396.63
11	Knitted Polyester PU Laminated Fabric		1500	7201.15
12	Woven Polyester PVC Coated fabric		630	1969.98

Further, I also observed that as per the finding of test reports of CRCL, Kandla, the goods mentioned at sr. no. 2,4 and 5 are liable for ADD vide notfn no. 14/2022 dated 20.05.2022, details are those goods are as mentioned below:-

Sr. No.	Re-determined Description of goods as per Test Report	Declared Quantity in Metre
1	Knitted Polyester PU Coated and PVC Laminated fabric	3978.41
2	Knitted Polyester PU Coated and PVC Laminated fabric	3490.66
3	Knitted Polyester PU Coated Fabric	4008.96

This indicates mis-declaration in item-wise description, classification, quantity basis, and specifications.

13.5 The quality parameters confirmed varying grades (different GSM, lamination/impregnation, yarn texturing), contributing to undervaluation. The goods were unbranded.

13.6 Evidence of mis-declaration is inferred from the discrepancies in description, classification, and value. No comparable data was available from NIDB/previous imports, leading to reliance on Chartered Engineer's opinion.

13.7 With regard to Description and Quantity, the imported had declared 1061 package containing 46081 Sqm of PVC coated Fabric, however, from the examination carried out twelve different type of fabric in 1061 packages having total quantity of goods was found as 76848.57 Sqm. Importer involved in gross mis-declaration likely aimed at evading higher duties.

13.8 Regarding the classification - the importer declared the entire consignment uniformly under CTH 59031090, while the Investigation Report, supported by the CRCL test results, establishes twelve different items classifiable under four different CTH as detailed in table-III.

13.9 Heading 5903 of the Customs Tariff Act, 1975 covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902". The sub-headings are structured based on the type of plastic material used. Specifically:

- CTH 590310 covers fabrics with polyvinyl chloride (PVC);
- CTH 590320 covers fabrics with polyurethane (PU);
- CTH 590390 is the residual entry covering "Other" plastics not specified elsewhere.

The declared CTH 59031090 falls under the category which cover the fabrics covered with polyvinyl chloride (PVC). In contrast, CTH 59032090 specifically covers "With polyurethane - Other".

The CRCL test reports ( Lab report no. 5198-5209 SIIB dated 18.09.2025) provide the findings as mentioned in Table-III. The contents of the table are not being repeated here for the sake of brevity.

13.10 The uniform declaration of the entire consignment under CTH 59031090 is incorrect as it ignores the specific identification of lamination, coating and other specifications. The CRCL test reports provide scientific evidence overriding the generic declaration. The importer's acceptance of the test reports vide email/letter dated 28.02.2026 further confirms the discrepancies.

In view of above discussions and as per the findings of the examination of the goods and CRCL test reports and investigation report findings, therefore, I hold that:

- Item at sr. no. 1 of table-III is correctly classifiable under CTH 56031400;
- Item at sr. no. 2, 4, 5, 6, 7, 8, 10 and 11 of table-III are correctly classifiable under CTH 59032090;
- Item at sr. no. 3 of table-III is correctly classifiable under CTH 60063200;
- Item at sr. no. 9 & 12 of table-III are correctly classifiable under CTH 59031090;

The mis-classification of the consignment has resulted in incorrect duty assessment.

14. I now proceed to discuss the issue, whether the declared assessable value of Rs. 7,34,900 /- of the mis-declared and undeclared imported goods is liable to be rejected and re-determined as Rs. 25,57,597/-under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

14.1 From the investigation carried out, I observed that inconsistency observed in the Bill of Entry No. T- 4012361 dated 21.08.2025 established deliberate Undervaluation, mis-declaration of quantity and mis-classification. The importer, during the course of investigation, accepted the CRCL test report and further agreed with the valuation suggested by the Chartered Engineer vide, while requesting waiver of Show Cause Notice. Thus, the declared value is not acceptable as the true transaction value and merits rejection in terms of Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially applying Rules 4 to 9 of the Customs Valuation Rules, 2007.

### **3. Determination of the method of valuation-**

*(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;*

*(2) Value of imported goods under sub-rule (1) shall be accepted:*

*Provided that -*

*(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -*

*(i) are imposed or required by law or by the public authorities in India; or*

*(ii) limit the geographical area in which the goods may be resold; or*

*i. do not substantially affect the value of the goods;*

*(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;*

*(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and*

*(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.*

*(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.*

*(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.*

*(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;*

*(ii) the deductive value for identical goods or similar goods;*

*(iii) the computed value for identical goods or similar goods:*

*Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;*

*(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.*

*(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.*

#### **4. Transaction value of identical goods. -**

*(1)(a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;*

*Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.*

*(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.*

*(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.*

*(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.*

(3) *In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.*

**Rule 5 (Transaction value of similar goods).-**

(1) *Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

*Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.*

(2) *The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.*

*Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule 7 of CVR, 2007.*

**Rule 7 of the CVR, 2007, stipulates that:-**

(1) *Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions :-*

(i) *either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;*

(ii) *the usual costs of transport and insurance and associated costs incurred within India;*

(iii) *the customs duties and other taxes payable in India by reason of importation or sale of the goods.*

(2) *If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in*

*India, at the earliest date after importation but before the expiry of ninety days after such importation.*

(3) (a) *If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.*

(b) *In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).*

**Rule 8 of the CVR, 2007, stipulates that:-**

*Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-*

(a) *the cost or value of materials and fabrication or other processing employed in producing the imported goods;*

(b) *an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;*

(c) *the cost or value of all other expenses under sub-rule (2) of rule 10.*

**Rule 9 of the CVR, 2007, stipulates that:-**

(1) *Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;*

*Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.*

(2) *No value shall be determined under the provisions of this rule on the basis of –*

(i) *the selling price in India of the goods produced in India;*

(ii) *a system which provides for the acceptance for customs purposes of the highest of the two alternative values;*

(iii) *the price of the goods on the domestic market of the country of exportation;*

- (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;*
- (v) the price of the goods for the export to a country other than India;*
- (vi) minimum customs values; or*
- (vii) arbitrary or fictitious values.*

14.2 I state that "Value" has been defined under Section 2(41) of the Customs Act, 1962 as "Value", in relation to any goods, means the value thereof determined in accordance with the provisions of sub-section (1) or sub-section (2) of section 14".

14.3 The Section 14 *ibid* provides, *inter alia*, that the value of the imported goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such their conditions as may be specified in the rules made in this behalf. Further, its proviso provides that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf. I find that as per the above provision value of any imported goods is the price actually paid or payable for the goods plus the components of other incidental charges to the extent mentioned in proviso to Section 14 *ibid* and in the manner specified in the Rules made under Section 14 *ibid*.

14.4 I find that Rule 4 (1) (a) of Rules 2007 stipulates determination of value of goods on the basis of value of identical goods. Rule 5, providing for transaction value of similar goods. I observed that the imported goods were found in different variety, description, specification and quality, so, it was not possible to find and compare the same with other goods having identical/similar description, brand, make, model, quantity and Country of Origin. As the import data with respect to contemporaneous imports was general in nature and contemporaneous data for imports of identical/similar goods was not available/found, therefore, the value cannot be determined under Rules 4 and 5 of CVR, 2007. As per Rule 6 *ibid*, if the value cannot be determined under Rules 3, 4 and 5 same shall be determined under the provisions of Rule 7 or when same cannot be determined under that rule

then under Rule 8. I also noticed that no exact sales values and data required for quantification of the deductions was available, hence, rule 7 cannot be invoked. Further, computed value, as provided under Rule 8, cannot be calculated in the absence of quantifiable data relating to cost of production, manufacture or processing of import goods. In such scenario, I find it appropriate to invoke the provisions of Rule 9 i.e. residual method for determining the value of the impugned import goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

14.5 I find that in the absence of credible contemporaneous import data for identical or similar goods (due to the unbranded nature, varying specifications, and lack of detailed matches in NIDB/DGOV databases during the relevant period), the value of these goods cannot be determined in terms of Rules 4, 5, 6, 7, or 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Hence, the value is to be determined in terms of Rule 9 of the said Rules.

14.6 For the purpose of valuation, the empanelled Chartered Engineer, vide his report ref no. ABJ:INSP:CE:MUN:SIIB:SAB:RK:25-26:02 dated 25.02.2026, has suggested the valuation of the goods as detailed under:-

<b>Sr. No</b>	<b>Description</b>	<b>Total Quantity</b>	<b>Measure Unit</b>	<b>Unit Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in USD)</b>	<b>Total Suggestive Average C.I.F. Value by C.E. (in INR) \$=88.6</b>
1	Non-Woven Polyester Laminated Fabric	2250.74	Sqm	0.22	495.163	43871
2	Knitted Polyester PU Coated and PVC Laminated fabric	5861	Sqm	0.5	2930.500	259642
3	Bonded knitted fabric of polyester filament yarns	2152	Kgs	3.51	7553.520	669242
4	Knitted Polyester PU Coated and	4747.3	Sqm	0.5	2373.650	210305

	PVC Laminated fabric					
5	Knitted Polyester PU Coated Fabric	5612.55	Sqm	0.6	3367.530	298363
6	Knitted Polyester PU Laminated Fabric	15343.48	Sqm	0.21	3222.131	285481
7	Knitted Polyester PU Laminated Fabric	10581	Sqm	0.22	2327.820	206245
8	Knitted Polyester PU Laminated Fabric	11312.4	Sqm	0.2	2262.480	200456
9	Knitted Polyester PVC Coated and PU Laminated fabric	4420.34	Sqm	0.22	972.475	86161
10	Knitted Polyester PU Laminated Fabric	5396.63	Sqm	0.21	1133.292	100410
11	Knitted Polyester PU Laminated Fabric	7201.15	Sqm	0.2	1440.230	127604
12	Woven Polyester PVC Coated fabric	1969.98	Sqm	0.4	787.992	69816
					28866.783	25,57,597/-

14.7 In view of the above, I find that the value as provided by the Chartered Engineer has to be considered as the basis for arriving at the assessable value of these goods. I hold that the declared value in respect of the aforementioned goods is liable to be rejected under Rule 12 of the CVR, 2007 and the same is liable to be re-determined under Section 14 of the Customs Act, 1962 read with Rule 9 of the CVR, 2007. Thus, I find it appropriate to consider the value suggested by the

Chartered Engineer for the present shipment and re-determine the same at Rs. 25,57,597/- (Rupees Twenty-Five Lakhs Fifty Seven Thousand Five Hundred Ninety Seven only).

14.8 The re-determined assessable value is based solely on the independent expert opinion of the empanelled Chartered Engineer, as no reliable contemporaneous imports of identical or similar goods with matching specifications could be established from NIDB data or previous imports by the importer. The importer's acceptance of this valuation vide letter/email dated 27.02.2026 further supports its adoption.

15. I now proceed to discuss next Issue, whether the self-assessment done by the importer needs to be rejected and the Bill of Entry needs to be re-assessed as per Section 17(4) of the Customs Act, 1962 with the differential duty of Rs. 12,39,877/ - (Rupees Twelve Lakh Thirty Nine Thousand Eight Hundred Seventy Seven Only)

15.1 Under Section 17(1) of the Customs Act, 1962, the importer is responsible for self-assessing the duty leviable on imported goods based on accurate declarations in the Bill of Entry. The importer self-assessed duty at Rs. 2,69,267 /- on the declared value of Rs. 7,34,900 /-, using the declared classifications and quantities. However, as established above, the declarations were materially false, leading to undervaluation and misclassification. Section 17(4) empowers the proper officer to re-assess the duty where verification, examination, or testing reveals incorrect self assessment, without prejudice to other actions.

15.2 The re-assessment is based on the re-determined classifications and value (Rs. 25,57,597/-), applying applicable rates of Basic Customs Duty (BCD), Social Welfare Surcharge (SWS), Anti dumping duty(ADD), and Integrated Goods and Services Tax (IGST). The total re-determined duty (summary of table-VII) comes as under:-

<b>Component</b>	<b>Amount (Rs.)</b>
Basic Customs Duty (BCD)	6,25,151/-
Social Welfare Surcharge (SWS)	37,767/-
Anti Dumping duty(ADD)	4,67,799

<b>Component</b>	<b>Amount (Rs.)</b>
IGST	3,78,427
<b>Total Duty</b>	<b>15,09,144</b>
<b>Declared Duty</b>	<b>2,69,267</b>
<b>Differential Duty</b>	<b>12,39,877</b>

15.3 The differential duty is calculated as re-determined duty minus declared duty: Rs. **15,09,144/-** - Rs. **2,69,267/-** = Rs. **12,39,877/-**. This differential duty of Rs. 12,39,877/- is recoverable, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry No. T- 4012361 dated 21.08.2025.

In the instant case, the total duty on Bill of entry no. T- 4012361 dated 21.08.2025 comes as Rs. 15,09,144/-. The item mentioned at sr. no. 3 is a prohibited item and duty comes as Rs. 2,93,316/- as detailed in table VII. The total duty on other item (other than item no. 3) comes as Rs. 12,15,828/- (Total duty Rs. 15,09,144 - Rs. 2,93,316 (duty at item no 3)). The total duty declared in the subject Bill of Entry is Rs. 2,69,267/-. Accordingly, differential duty on non-prohibited goods comes as **Rs. 9,46,561/-** (Total duty on non-prohibited items i.e. Rs. 12,15,828 - Rs. 2,69,267 (Duty declared in BE)).

15.4 In view of the foregoing, I find and that the self-assessment is rejected, as discussed in the foregoing Paras, and the Bill of Entry is to be re assessed under Section 17(4). Duty so arise consequent to the re assessment is payable by the importer

16. I now proceed to discuss whether all goods found during examination which are found to be mis declared/misclassified/under-valued and including undeclared goods having re-determined value of Rs. 25,57,597/-, are liable for confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962.

16.1 It is proposed in the Investigation Report that the goods are liable for confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962. In this regard, I find that Section 111 of the Customs Act, 1962 prescribes the confiscation of improperly imported goods. The relevant clauses of Section 111 are reproduced below:

*(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

*(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

*(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.*

16.2 In view of the facts and material evidence on record, it is clearly established that the goods imported in the present shipment have been found mis-declared in respect of description, classification, quantity, valuation, and other material particulars. The imported goods were subject to the provisions of the Customs Act, 1962, including confiscation provisions for mis-declaration.

16.3 I find that the goods imported by M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G) were not correctly declared in respect of their description, classification, and quantity. The importer had declared the consignment uniformly as "PVC Coated Fabric" under CTH 59031090; however, upon examination and laboratory testing, the goods were confirmed to comprise of twelve different types as detailed in table-III above. Further, the declared value did not correspond to the actual transaction value, as established by the rejection under Rule 12 of the CVR, 2007 and re-determination under Rule 9 at a higher value based on the Chartered Engineer's report.

16.4 Section 111 of the Customs Act, 1962, enumerates the circumstances under which improperly imported goods are liable to confiscation. Specifically,

clause (l) provides: "any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77." This clause targets omissions or excesses in the declaration, where goods are either concealed (not declared) or declared in lesser quantities than actually imported, thereby evading proper assessment and duty payment. Clause (m) states: "any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54." This addresses mismatches in value, description, classification, or other particulars, where the declared details do not align with the actual goods, leading to undervaluation, misclassification, or other discrepancies that affect duty liability. Both clauses are invoked when there is a breach of the importer's obligation under Section 46(4) to make a true declaration in the Bill of Entry and under Section 46(4A) to ensure accuracy, completeness, and compliance. Such acts or omissions render the goods subject to "smuggling" as defined under Section 2(39), i.e., any act or omission making goods liable to confiscation under Section 111. In the present case, the goods in question (excluding items at sr. no. 3 of table III) encompass both mis-declared and undeclared items, with a re-determined aggregate value of Rs. 18,88,355/- (total re-determined value Rs. 25,57,597/- minus Rs. 6,69,242/- for the excluded item), as established above. These goods are dutiable under various headings of the Customs Tariff Act, 1975, and the discrepancies indicate deliberate intent to evade duties.

16.5 I find that the mis-declaration of description, classification, and quantity in the Bill of Entry brings the goods within the ambit of Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of description, classification, quantity, and other material particulars with the entry made under the Customs Act, 1962. Additionally, the undervaluation renders the goods not correctly included in respect of value in the entry, attracting Section 111(l) read with Section 111(m). The goods (other than sr. no. 3) are dutiable and not prohibited; however, the mis-declaration in value, description, classification, and quantity makes them liable to confiscation. Accordingly, I find that the imported goods, having re-determined assessable value of Rs. 18,88,355/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

16.6 I now proceed to discuss whether the undeclared goods i.e. “PU Coated Fabric” (Sr. no. 3) having re-determined assessable value of Rs. 6,69,242/- are restricted and allowed for import freely if the CIF value of goods is 3.5 USD or above as per DGFT Notification no. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025.

16.7 I observe that investigation revealed that for consignments covered under Serial No 3 of Table III, the importer had imported “Bonded knitted fabric of polyester filament yarns having CTH 60063200 by way of concealment. As per DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025, for import of goods falling under CTH 60063200, a minimum import price of 3.5 USD per KG is imposed. Any import of these goods below Minimum Import price is prohibited. I find that the importer had not declared these goods having CTH 60063200 in the Bills of Entry for consignments covered under Serial No 3 of Table III, with the intention to evade the application of Minimum import price on these goods. The importer had attempted to import “Bonded knitted fabric of polyester filament yarns” having CTH 60063200, by way of concealment and below minimum import price as mandated by DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025” therefore the subject goods covered under Bill of Entry mentioned at sr. no. 3 of the Table-III are liable for confiscation under Section 111(d) of the Customs Act 1962.

16.8 Additionally, the goods mentioned at sr. no. 03 of table-III are liable for confiscation under Section 111(l) as "any dutiable or prohibited goods which are not included... in the entry made under this Act." Here, the complete non-declaration in the Bill of Entry qualifies as non-inclusion, and since the goods are both dutiable (attracting BCD, SWS, IGST) and restricted (DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025), this clause is squarely applicable. The concealment within the container, mixed with other goods, further evidences intent to evade regulatory scrutiny. Under Section 111(m), the goods "do not correspond in respect of value or in any other particular with the entry," as there is no entry at all—value declared as zero vs. actual Rs. 6,69,242/-, no description, classification, or quantity mentioned—constituting a total mismatch.

In view of the foregoing, I find and hold that the undeclared goods i.e. “Bonded knitted fabric of polyester filament yarns having CTH 60063200 having

assessable value of Rs. 6,69,242/- was imported in violation of DGFT Notification No77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025, rendering these goods liable for confiscation under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962.

17.1 From the investigations carried out, I find that the importer, intentionally mis-declared the goods in the all the Bills of Entry. The importer mis-declared the description, classification and value of the goods in the import documents, in violation of the provisions of Section 46 of the Customs Act, 1962. In particular, the importer has violated the provisions of Section 46(2), since the Bills of Entry filed by them did not correspond to the goods declared in the Bills of Lading. Furthermore, they have violated Section 46(4A), as the true description, classification and valuation of the imported goods were not declared.

In view of above, it is evident that the importer has mis-declared the goods in respect of description, classification, quantity, valuation, and other particulars. Thus, by these acts of omission and commission, the importer has rendered the subject goods liable for confiscation and also rendered themselves liable for penal action under the provisions of Section 112(a) of the Customs Act, 1962. I find that the for all the goods except sr. no. 3 of table-III, importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, as the goods are dutiable (and not prohibited) and the mis-declaration has resulted in short-levy of duty sought to be evaded.

17.2 Additionally, with respect to the goods, mentioned at Serial Nos. 3 of Table-III, the importer has imported "Bonded knitted fabric of polyester filament yarns" (CTH 60063200) by way of concealment and at prices below the minimum import price mandated by DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025, thereby rendering the subject goods liable for confiscation under Section 111(d) of the Customs Act 1962. In view of the above, for item mentioned at sr. no. 3 of table-III, I find that the importer is liable for penal action under Sections 112(a)(i) of the Customs Act, 1962.

17.3 As regards the penalty on the importer under Section 114AA of the Customs Act, 1962 is concerned, Section 114AA provides for penal action against any person who knowingly or intentionally makes, signs, or uses, or causes to be made, signed, or used, any declaration, statement, or document which is false or

incorrect in any material particular in the transaction of business for the purposes of the Act. From the investigation and material on record, it is observed that the importer has filed the Bill of Entry No. T- 4012361 dated 21.08.2025 with incorrect declaration in material particulars such as description (uniform PVC Coated Fabric instead of distinct PU-coated, laminated non-treated, and impregnated types), under CTH 59031090 instead of varying CTHs, quantity (uniform basis instead of item-wise), and value (undervalued at Rs. 7,34,900/ - against re-determined Rs. 25,57,597 /-). The importer had knowingly and intentionally made/signed/used and/or caused to be made/signed/used the import documents and related declarations which were false or incorrect in these material particulars. Therefore, the importer is liable to penalty under Section 114AA of the Customs Act, 1962.

18. With respect to the applicability of duty rate and recovery of differential duty, I confirm the calculations as discussed in the foregoing paras and hold that the differential duty of Rs. 12,39,877/- is short-levied due to mis-declaration, mis-classification, and undervaluation. The same, in addition to the duty already self-assessed and paid on the declared value in the Bill of Entry No. T- 4012361 dated 21.08.2025, shall be recovered accordingly.

19. I now proceed to discuss the applicability of Section 125(1) of the Customs Act, 1962, in the context of the goods found during the examination of Bill of Entry No. T-4012361 dated 21.08.2025, and determine whether these goods, including the restricted " Bonded knitted fabric of polyester filament yarns," can be released upon payment of a Redemption Fine (RF) in lieu of confiscation.

19.1 As the impugned goods have been found liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962 (as discussed above), it becomes necessary to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. The statutory provision reads as under:

*"Section 125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of*

*confiscation such fine as the said officer thinks fit: Provided that... [provisos omitted for brevity]"*

19.2 A plain reading of the above provision reveals that the imposition of redemption fine serves as an alternative to confiscation, providing the owner of the goods an opportunity to redeem them on payment of a fine, wherever their clearance for home consumption is not restricted under any policy or statutory provision.

19.3 In the instant case, the goods except at sr. no. 03 of table-III are dutiable but not restricted under the Customs Tariff Act, 1975 or the Foreign Trade (Development & Regulation) Act, 1992 (as discussed in para 16 above). There exists no restriction or prohibition under any policy framework which would prevent their clearance for home consumption. Since the goods are non-prohibited, the mandatory provision under Section 125(1) comes into operation. Accordingly, the importer is entitled to the option of redemption of the confiscated goods for home consumption on payment of an appropriate fine in lieu of confiscation.

19.4 For goods mentioned at sr. no. 03 of table-III, the restricted goods i.e. Bonded knitted fabric of polyester filament yarns, the RF option is discretionary, as its import is below the minimum import price mandated by DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025. This procedural violation, unlike absolute prohibitions, permits discretion, as clearance may be feasible post compliance. The goods' value (Rs. 6,69,242/-) support a discretionary RF, subject to compliance of DGFT Notification No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025, to balance regulatory enforcement with release feasibility.

20. In view of the above findings, I conclude that the importer mis-classified the goods, mis-declared the description and quantity of the goods, and undervalued the consignment by declaring Rs. 7,34,900/- against the re-determined value of Rs. 25,57,597/-, rendering the goods liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962, and making the importer liable to penalty under Section 112 a(i)(item at sr. no. 3) and 112(a)(ii)(other than sr. no. 03) and Section 114AA of the Customs Act, 1962.

In view of the foregoing, I find and hold that under Section 125(1) of the Customs Act, 1962, all goods (total value Rs. 25,57,597/-) are eligible for release upon payment of a Redemption Fine subject to compliance with DGFT Notification

No. 77/2023 dated 16.03.2024, 33/2024 dated 01.10.2024 and 49/2024-25 dated 04.01.2025.

21. In view of the foregoing discussion and findings, I pass the following order:

**Order**

(i) I reject the self-assessment made by the importer in Bill of Entry No. T-4012361 dated 21.08.2025 under Section 17(1) of the Customs Act, 1962. Further, I order re-assessment of the said Bill of Entry under the provisions of Section 17(4) of the Customs Act, 1962 with the re-determined classification and value as discussed in above paras 13.10 and 14.6. The duty arising consequent to such re-assessment shall be payable by the importer.

(ii) I reject the declared assessable value of Rs. 7,34,900/- (Rupees Seven Lakhs Thirty Four Thousand Nine Hundred only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and order to re-determine the same at Rs. 25,57,597/- (Rupees Twenty-Five Lakh Fifty Seven Thousand Five Hundred Ninety Seven only) under Rule 9 ibid, read with Section 14 of the Customs Act, 1962.

(iii) I order to confiscate the goods mentioned at Sr. No. 3 of table III under Bill of Entry No. T- 4012361 dated 21.08.2025 having re-determined value of Rs. 6,69,242 (Rupees Six Lakh Sixty Nine Thousand Two Hundred Forty Two Only) under Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods on payment of a redemption fine of Rs. 66,000/- (Rupees Sixty Six Thousand only) under Section 125 of the Customs Act, 1962.

(iv) I order to confiscate all the goods (other than mentioned at Sr. No. 3 of table III) under Bill of Entry No. T- 4012361 dated 21.08.2025 having re-determined value of Rs. 18,88,355 (Rupees Eighteen Lakh Eighty Eight Thousand Three hundred Fifty Five Only) under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods on payment of a redemption fine of Rs. 1,88,000/- (Rupees One Lakh Eighty Eight Thousand only) under Section 125 of the Customs Act, 1962.

(v) I impose a penalty of Rs. 30,000/- (Rupees Thirty Thousand only) upon the importer, M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G), under Section 112(a)(i) of the Customs Act, 1962.

(vi) I impose a penalty of Rs. 94,000/- (Rupees Ninety Four Thousand only) upon the importer, M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G), under Section 112(a)(ii) of the Customs Act, 1962.

(v) I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) upon the importer, M/s. Radhe Krishna Enterprises (IEC: AIVPT7337G), under Section 114AA of the Customs Act, 1962.

22. This Order is issued without prejudice to any other action that may be taken against the importer or the goods under the provisions of the Customs Act, 1962 or rules made thereunder or under any other law for the time being in force.

*Additional Commissioner,*

*Customs House, Mundra*

To:

M/s. Radhe Krishna Enterprises, (IEC: AIVPT7337G)

Flat No 604, 6th Floor,

Apurva Tower Chs Ltd, Birla College Road,

Kalyan West, Adharwadi Chowk, Kalyan,

Thane, Maharashtra-421301

**Copy to:**

1. The Deputy/Assistant Commissioner (SIIB), Customs House, Mundra.
2. The Dy./Asstt. Commissioner (Review Cell), Customs House, Mundra.

