कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
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Azadi Ka Amrit Mahotsav

A. File No.	:	GEN/ADJ/ADC/1228/2026-Adjn-O/o Pr Commr-Cus-Mundra
B. SCN No.	:	133/2026-27/ADC/ZDC/MCH
C. Date of Issue		25-08-2026
D. Issued by	:	**Dipak Zala,** Additional Commissioner of Customs, Custom House, AP&SEZ, Mundra.
E. Noticee(s)/Importer	:	**1.** M/s. C.L. Impex (IEC: BKJPC5734K) **2.** Shri Chetan Luthra, Proprietor of M/s. C.L. Impex

(Show Cause Notice under Section 124 of the Customs Act, 1962)

Whereas it appears that:

1.1 Specific intelligence was developed that M/s C.L. Impex situated at House No. 317, Khasra No. 50/4 7, Village Khera Kalan, Gali No. 3, New Delhi – 110082 holding IEC No. **BKJPC5734K** (hereinafter referred as "the Importer" for sake of brevity) was importing polyester fabrics of Chinese origin by mis-declaring the description, classification, quantity and value of the imported goods with an intent to evade applicable Customs duties at SEZ, Mundra.

1.2 Acting upon the said intelligence, scrutiny of import documents, Bills of Entry, pertaining to imports made by M/s C.L. Impex was undertaken. The following Bills of Entry filed by M/s. C.L. Impex has been put on hold on 28.02.2026.

Sr. No.	BE No.	BE Date	Declared Description	Declared CTH
1	7775786	27-02-2026	Polyester Dyed Laminated Fabric Width 58 Inch	59039090
2	7779487	27-02-2026	Polyester Fabric with PVC Coating Width 58 Inch	59031090

- Both the above BEs Z type BE intended for warehousing.

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred two Bills of Entry No. 7775786 and 7779487 both dated 27.02.2026 was examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 06.03.2026 and 07.03.2026 under panchnama at warehouse facility of M/s. OWS Warehouse Services LLP, Mundra. During the examination proceeding, it was found that the goods presented for examination imported vide Bills of Entry No. 7775786 and 7779487 both dated 27.02.2026, were prima-facie mis-declared with respect to the description of the goods. Accordingly, during the examination under panchnama proceeding dated 06.03.2026 and 07.03.2026, representative samples were drawn to analyze the exact nature of the fabrics. Further, it was also found that the quantity of imported goods during examination were in excess to that the goods in SQM (Sq. Mtrs) declared in these Bills of Entry.

2.2 During the examination under panchnama dated 06.03.2026 and 07.03.2026, representative samples were drawn from all the two containers covered under these Bills of Entry. **During examination, one representative sample of each variety of fabric from each container were drawn and marked as under**:-

Sr. No.	BE No.	BE Date	Representative Samples
1	7775786	27-02-2026	“7775786/A-1” and “7775786/B-1”
2	7779487	27-02-2026	“7779487/A-1”

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 The representative samples, drawn and marked as “7775786/A-1”, “7775786/B-1”, “7779487/A-1”, as detailed above, were sent to the Laboratories, Textile Committee, Mumbai for testing/determination of

- Nature of fabric (woven/knitted);
- Fibre composition;
- Warp and weft construction;
- Presence of textured or non-textured filament yarn;
- Presence and percentage of elastomeric yarn;
- GSM (grams per square metre);
- Fabric structure and weave pattern;
- Presence or absence of coating, impregnation, covering or lamination visible to the naked eye;
- Microscopic examination of yarn composition and fabric construction;

3.2 The Laboratory, Textile Committee, Mumbai had submitted the following test reports (**RUD-1**).

Sr. No.	BE No.	BE Date	Representative Samples	Test report
1	7775786	27-02-2026	"7775786/A-1"	0153032526-3258 dated 29.04.2026
			"7775786/B-1"	0153032526-3259 dated 29.04.2026
2	7779487	27-02-2026	"7779487/A-1"	0153032526-3257 dated 29.04.2026

3.3 The test report had two parts viz. Part – I and Part – II. At Part I, the Test Result dated 29.04.2026, the Laboratory, Textile Committee, Mumbai had informed that the presence of dyes prohibited by the Government of India under Section 6(2)(D) of the Environment (Protection) Act, 1986 (29 of 1986) read with Rule 13 of the Environment (Protection) Rules, 1986 vide Notification S.O. 108(E) dated 30.01.1990 and SO 243(E) dated 25.03.1997 are not detected.

3.4 Further, at Part II of the test results, the Laboratories, Textile Committee reported on the parameters tested by them. Based on the tested results, the description of the goods has been arrived at to be "100% Polyester satin woven printed fabric - 100% Non-texturized Filament Yarn" and "PA coated Polyester dyed fabric" in respect of Bill of Entry No. 7775786 dated 27.02.2026 and "PVC coated dyed woven polyester - (non-texturized filament yarn)" in respect of Bill of Entry No. 7779487 dated 27.02.2026.

3.5 The test reports in respect of the goods imported vide Bill of Entry No. **7775786 dated 27.02.2026** revealed that the consignment comprised two distinct varieties of fabrics, namely

(1) "100% Polyester Satin Woven Printed Fabric made from 100% Non-texturized Filament Yarn" in respect of representative sample "7775786/A-1" and

(2) "PA Coated Polyester Dyed Fabric" in respect of representative sample "7775786/B-1".

Thus, the laboratory findings revealed that the imported goods were not homogeneous in nature and were not wholly covered by the description declared in the Bill of Entry. A substantial portion of the imported goods was found to consist of a different variety of fabric than that declared by the importer, thereby rendering the declaration incorrect and incomplete. Accordingly, it appears that the goods corresponding to the second test report (0153032526-3259 dated 29.04.2026) were used as a cover to conceal the true nature, classification and duty implications of the goods corresponding to the first test report (0153032526-3258 dated 29.04.2026) and the that the second category was **deliberately imported along with the first category to camouflage the high duty structure liable goods**. Further, it was also observed that there is substantial mis-declaration with respect to the quantity declared in this bill of entry.

3.6 Further, the laboratory examination of the representative samples drawn from the goods imported vide **Bill of Entry No. 7779487 dated 27.02.2026** established that the tested samples were **"PVC Coated Dyed Woven Polyester Fabric (Non-texturized Filament Yarn)"**, which corresponded with the description declared in the Bill of Entry. However, on comparison of the quantity declared by the importer with the quantity found during examination, it was observed that the importer had significantly understated the quantity of the imported fabrics in square meters at the time of filing the Bill of Entry. Consequently, the actual quantity of the imported goods was found to be substantially higher than the quantity declared, resulting in undervaluation of the imported goods and consequent short payment of the applicable customs duties.

4. QUANTITY RE-DETERMINATION AND MISDECLARATION

4.1 During investigation, it was noticed that the quantity declared in the Bills of Entry did not correspond with the actual quantity of fabrics imported. The imported goods were fabrics, the quantity of which is ordinarily traded and assessed in square meters. Therefore, the actual quantity was worked out on the basis of GSM (grams per square meter) determined through laboratory testing and the net weight of the imported goods declared in the Bills of Entry and as per the weighment made during the examination of the goods. The weighment of the imported goods found matched with the declared Gross weight in respect of both the Bills of Entry. Accordingly, the net weight as declared in the Packing List of the concerned Bills of Entry has been taken for determination of the Quantity (in SQM).

4.2 The formula adopted for determination of actual quantity was:

$$\text{Quantity (Sq. Mtr.)} = \text{Net Weight (Kg.)} \times 1000 \div \text{GSM}$$

4.3 The comparison is tabulated below:

Sr.	BE No.	BE Date	Declared Qty	Declared / Net Weight	Sample	GSM as per Test	Actual Qty based on GSM	Excess Qty

No.			(Sq.Mtr.)	(Kg)		Report	(Sq.Mtr.)	(Sq.Mtr.)
1	7775786	27.02.2026	85479	25437	7775786/A1	70.8	23086 Kgs. 326073 SQM	3,17,594
					7775786/B1	49.4	77000 SQM	
2	7779487	27.02.2026	53949	25419	7779487/A1	202.6	1,25,464	71,515
Total			1,39,428				5,28,537	3,89,109

4.4 The above calculation shows that the quantities declared in the Bills of Entry were grossly understated and did not represent the actual quantity of goods imported. The quantity declared by the importer constituted only a fraction of the actual quantity ascertainable from the GSM and net weight of the imported fabrics. Since quantity is one of the fundamental parameters for determination of assessable value, the substantial understatement of quantity directly impacted valuation and resulted in corresponding suppression of assessable value and Customs duty.

5. SEIZURE OF GOODS

5.1 On the basis of the investigation conducted, scrutiny of the import documents, and the laboratory test reports, it has been revealed that the goods imported vide Bill of Entry No. 7775786 and. 7779487 both dated 27.02.2026 have not been correctly declared before Customs.

5.2 In respect of Bill of Entry No. 7775786 dated 27.02.2026, the laboratory test report revealed that the imported consignment comprised two distinct varieties of fabrics, namely "100% Polyester Satin Woven Printed Fabric made from 100% Non-texturized Filament Yarn" and "PA Coated Polyester Dyed Fabric", whereas the importer had declared the goods as "Polyester Dyed Laminated Fabric Width 58 Inch" under Customs Tariff Item 59039090. The laboratory findings, therefore, revealed that a substantial portion of the imported goods was different from the description declared in the Bill of Entry, thereby indicating deliberate misdeclaration of the nature, description and classification of the imported goods with an intent to evade the applicable Customs duty.

5.3 Further, in respect of Bill of Entry No. 7779487 dated 27.02.2026, although the laboratory examination confirmed the description of the goods as PVC coated dyed woven polyester fabric (non-texturized filament yarn), it was found that the importer had grossly understated the quantity of the imported goods in terms of square metres. The actual quantity, re-determined on the basis of the laboratory findings, including GSM and net weight, was found to be substantially higher than the quantity declared in the Bill of Entry. Such suppression of quantity resulted in undervaluation of the imported goods and consequent short payment of the customs duties leviable thereon.

5.4 The aforesaid acts of mis-declaration of classification, quantity and value were undertaken with the intent to evade payment of applicable Customs duty and rendered the imported goods liable to confiscation under the provisions of Section 111(m) of the Customs Act, 1962 for mis-declaration in respect of material particulars.

5.5 Accordingly, having reasonable belief that the imported goods were liable to confiscation under the provisions of the Customs Act, 1962, the goods covered under Bill of Entry Nos. 7775786 and 7779487 and dated 27.02.2026, were seized under Section 110 of the Customs Act, 1962, under a reasonable belief that the same were liable to confiscation under **Section 111(m)** and other applicable provisions of the Customs Act, 1962.

6. STATEMENT OF KEY PERSON

6.1 Statement of Shri Himanshu Goyal S/o. Shri Subhash Chand Goyal, Authorised person of M/s. C.L.Impex was recorded under Section 108 of the Customs Act, 1962, on 30.06.2026 (**RUD 2**), wherein he interalia stated that –

- He is a authorised person of M/s. C.L. Impex (IEC BKJPC5734K). He stated that that M/s. C.L. Impex is functioning since 2025 and engaged in trading business of fabric. He stated that M/s. C.L. Impex imports different variety of fabric from China, since 2025. he stated that he is duly authorised by the proprietor of M/s. C.L. Impex and his statement would be binding on his firm M/s. C.L. Impex. He stated that M/s. C.L. Impex is proprietor-ship firm and Shri Chetan Luthra is proprietor of M/s. C.L. Impex.
- He had perused the Panchnama dated 06.03.2026 and 07.03.2026 drawn at M/s. OWS Warehouse Services, APSEZ, Mundra. He stated that the contents of the said Panchnama are correct to the best of his knowledge and belief and he confirmed and agreed with the fact that they had authorised Shri Harshit Tiwari to remain present during the course of examination and drawl of representative samples from the imported goods in respect of Bills of Entry No. 7775786 and 7779487 dated 27.02.2026. He accepted with the sample drawing process adopted during examination.
- He had perused the test report of representative samples drawn during examination at M/s. OWS Warehouse Services LLP, APSEZ, Mundra in respect of BE Nos. 7775786 (two samples) and 7779487 (one sample) dated 27.02.2026, received from the Laboratories, Textile Committee, Government of India, Mumbai. He stated that the test reports were perused by him carefully and he agreed with the test result based on the parameters mentioned therein. He accepted and confirmed that the test report is true and correct. He explicitly conveyed no objection on the test result in respect of any of the parameters mentioned therein.
- He had perused the Bills of Entry No. 7775786 and 7779487 dated 27.02.2026 filed by me for import of fabrics at APSEZ, Mundra (at M/s. OWS Warehouse Services LLP) and stated that those Bills of Entry were filed by them for clearances of imported fabrics from China. He stated that the entries/declaration made in the said Bills of Entry were done

after careful application of mind. He stated that the CTI, Assessable Value, Rate of Duty, Exemption benefit availed and other details mentioned therein were within the best knowledge of his firm and being a proprietor-ship of the firm he aware that they were responsible for filing of true and correct details while filing the Bills of Entry.

- He had agreed that the declared description in respect of BE No. 7775786 dated 27.02.2026, "POLYESTER DYED LAMINATED FABRIC". He had perused the panchnama and the test result of the Laboratories, Textile Committee, Mumbai in respect of the testing of representative samples marked with "7775786/A-1" and "7775786/B-1". He agreed and confirmed that the tested parameters of the test result clearly shows that the representative samples drawn from the imported goods are different than that declared in the Bill of Entry in respect of sample "7775786/A-1". He agreed with the test report. The details of test report and its revised description and CTI, Sq.mtrs (based on GSM) and Assessable Value based on the revised description is as under :-

BE NUMBER	BEDATE	ITEM DESCRIPTION (DECLARED)	CTI declared	Description as per Test Result	CTI	GSM as per test report	Quantity
7775786	27-02-2026	POLYESTER LAMINATED FABRICS	59039090	100% Polyester satin woven printed fabric - 100% Non-texturized Filament Yarn	54076190	70.8	1400 rolls of 16.490 Kgs. each
				Polymethyl Acrylate (Acrylate based polymer) coated dyed woven fabric (non-texturised)	59039090	49.4	200 rolls of 20.120 Kgs. each (220 Mtrs. Lenth and 1.75 Mtr width)

- He agreed that the declared description do not match with the description as per test report on the basis of tested parameters in respect representative sample 7775786/A-1 of Bills of Entry No. 7775786 dated 27.02.2026. He agreed with the re-classification of CTI based on the test report and his firm agreed with the same and ready to pay differential duty arising out them.
- He had perused the test report and confirmed that the tested parameters of the test report shows that the description of the imported goods is other than the declared goods in respect representative samples "7775786/A-1" and he agreed that the imported goods in respect of "7775786/A-1" mis-declared in as much as the description, CTI and Assessable Value of the imported goods. Accordingly, he agreed that the CTI and assessable value and CTI of the said goods may be re-assessed based on the test report and examination panchnama. Further, he agreed that assessable value also to be re-assessed on the basis of contemporary value of actually imported goods based on description/CTI arrived on test report. His firm is ready to pay the differential duty arising out of the same.

- He agreed that the declared description in respect of BE No. **7779487 dated 27.02.2026**, "Polyester Fabric with PVC Coating width 58". He had perused the panchnama and test report towards the testing of representative samples marked with "7779487/A-1". He agreed with the test report. The details of test report and its revised Sq.mtrs (based on GSM) is as under :-

BE NUMBER	BEDATE	ITEM DESCRIPTION (DECLARED)	CTH declared	AV for sq mtrs. (USD)	Declared Quantity	Desciption as per Test Result	CTH	GSM	Net Weight Kgs.	Sq. Mtrs. Calculated based on GSM
7779487	27-02-2026	PVC coated dyed woven polyester - (non-texturized filament yarn)	59031090	0.16 (re-assessed 0.18)	53949	Dyed wowven polyester coated with PVC - 100% non-texturized filament yarn	59031090	202.6	25419	125464

7. RE-CLASSIFICATION OF GOODS

Re-classification of 100% Polyester satin woven printed fabric - 100% Non-texturized Filament Yarn covered under Bill of Entry No. 7775786 ("7775786/A1).

7.1 The importer, M/s. C.L. Impex, declared the imported goods covered under Bill of Entry Nos. 7775786 ("7775786/A1) as **"Polyester Dyed Laminated Fabric"** and classified the same under **CTH 59039090**.

7.2 The laboratory examination reveals that the representative sample is 100% polyester satin woven printed fabric made from 100% non-texturized polyester filament yarn. The test report confirms that the fabric is a **woven** fabric, manufactured wholly from non-texturized polyester filament yarn, and is printed. Further, the laboratory has not reported the presence of any plastic coating, impregnation, covering or lamination on the fabric.

7.3 Heading **5903** of the First Schedule to the Customs Tariff Act, 1975 covers **textile fabrics impregnated, coated, covered or laminated with plastics**, other than those excluded by the Chapter Notes to Chapter 59. Since the laboratory findings do not establish the presence of any plastic coating or lamination, the impugned goods do not satisfy the essential characteristics required for classification under Heading **5903**. Consequently, classification under the declared **CTI 59039090** is not legally sustainable.

7.4 The goods are, in fact, woven fabrics of 100% polyester filament yarn, composed entirely of non-texturized polyester filament yarn. They are therefore appropriately classifiable under Heading 5407, which specifically covers woven fabrics of polyester filament yarn.

7.5 Within Heading 5407, the goods contain 85% or more by weight of polyester filaments, are printed, and are manufactured from non-texturized polyester filament yarn. In accordance with the General Rules for the Interpretation of the Import Tariff and the structure of Heading 5407, the goods merit classification under Customs Tariff Item (CTI) 54076190, covering other woven fabrics containing 85% or more by weight of non-texturized polyester filaments.

7.6 The classification under **CTI 54076190** is more specific and accurately reflects the actual characteristics of the imported goods as determined by the laboratory examination. Accordingly, the declaration of the goods under **CTI 59039090** is incorrect and amounts to mis-declaration of the Customs Tariff classification. Such misclassification has resulted in incorrect assessment of duty and consequent short payment of customs duty.

7.7. The laboratory examination of the representative samples drawn from the remaining goods covered under the aforesaid Bills of Entry revealed that the description, composition, construction and other technical parameters of such goods were in conformity with the declarations made by the importer in the respective Bills of Entry. No discrepancy with regard to the nature, classification or description of those goods was noticed based on the laboratory findings. Accordingly, except to the extent specifically discussed in the preceding paragraphs, the imported goods were found to correspond with the declarations furnished by the importer and, therefore, no adverse inference is warranted in respect of such goods on the basis of the laboratory examination with respect to its classification.

7.8 The proprietor of M/s C.L. Impex was confronted with the findings of The Laboratories, Textile Committee, Mumbai and, in his statement recorded under Section 108 of the Customs Act, 1962, accepted the test reports and did not dispute the proposed re-classification of the imported goods under Customs Tariff Item 54076190. Therefore, the nature, composition and classification of the imported goods stand conclusively established through scientific testing and the admission of the importer. Consequently, the imported goods are correctly classifiable under Customs Tariff Item 54076190 and not under Customs Tariff Headings 59039090 as declared in the Bills of Entry in respect of goods covered under representative samples "7775786/A1" in respect of Bill of Entry No. 7775786 dated 27.02.2026.

8. VALUATION OF IMPORTED GOODS

8.1 Section 14 of the Customs Act, 1962 read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that the assessable value of imported goods shall ordinarily be the transaction value, that is, the price actually paid or payable for the goods when sold for export to India, subject to the provisions of the said Rules.

8.2 During investigation, the declared transaction values of the imported goods were examined with reference to the import documents, laboratory reports, quantity determination and contemporaneous import data. Investigation established that the importer declared the goods as "Polyester laminated fabric" whereas the Textile Committee, Mumbai reported the goods as "100% polyester satin woven printed fabric made from 100% non-texturized polyester filament yarn" in respect of Bill of Entry No. 7775786 dated 27.02.2026 ("7775786/A1"). Investigation further revealed that the quantities declared in the Bills of Entry were grossly understated. Based on GSM and net weight of the imported goods, the actual quantities were determined to be substantially higher than the quantities declared before Customs. Thus, the declarations made by the importer with regard to description, classification and quantity were found to be incorrect. Since the declared description, classification and quantity themselves were found to be false and inaccurate, serious doubts arose regarding the truth and accuracy of the declared transaction value.

8.3 In terms of Rule 12(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where there has reason to doubt the truth or accuracy of the declared value, the importer may be asked to furnish further information and where such doubt persists, the declared value may be rejected. In the present case, the substantial mis-declaration of description, classification and quantity constituted sufficient grounds to reject the declared transaction value.

8.4 Accordingly, the declared transaction values became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8.5 After rejection of the declared transaction value, efforts were made to determine the value in accordance with the sequential application of Rule 4 to 9 of the Customs Valuation (Determination of Value of Imported Gods) Rules, 2007. Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined.

8.6 Valuation of "100% polyester woven printed fabric made from 100% non-texturized polyester filament yarn" in respect of Bill of Entry No. 7775786 dated 27.02.2026 ("7775786/A-1") :

8.6.1 Rule 4 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not applicable in the present case as the assessable value of the impugned goods cannot be determined on the basis of the transaction value of identical goods. In the case of textile fabrics, determination of identicality requires comparison of various technical and commercial parameters such as fiber composition, construction (woven/knitted), GSM, yarn type, denier, texturised/non-texturised nature, coating or lamination, design, finish, quality, brand and end use. However, such detailed specifications are not available in respect of past imports recorded in the database. Consequently, it is not possible to ascertain whether any contemporaneously imported fabrics are identical to the impugned goods in all material respects as required under Rule 4. In the absence of reliable and verifiable data relating to contemporaneous imports of identical goods, the provisions of Rule 4 could not be applied for determination of the assessable value of the goods under investigation. Hence, Contemporaneous import data relating to imports of similar goods originating from China and imported during the relevant period was examined.

8.6.2 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s C.L. Impex. The contemporaneous import data pertaining to similar woven polyester filament fabrics containing elastomeric yarn imported from China was examined and found suitable for valuation purposes in the present case. The data of the contemporaneous import is as under:-

CUSTOM HOUSE CODE	BE NUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE (USD)	Weighted Average
INMAA1	7545495	16-02-2026	100% POLYESTER WOVEN PRINTED LINING WIDTH:58.5" GSM:60 (9949 YDS)(13517.77 SQM)	54076190	810.15	KGS	5.89	4775.52
INMAA1	7588472	17-02-2026	PRINTED POLYESTER FABRIC (100% NON TEXTURED FILAMENT) WIDTH150CM GSM 65 (+/-10%) (51829 MTRS - 77743.5 SQM)	54076190	4820.1	KGS	3.51	16896.25
INMAA1	7588451	17-02-2026	PRINTED POLYESTER FABRIC (100% NON TEXTURED FILAMENT) WIDTH150CM GSM 65 (+/-10%) (39224 MTRS - 58836 SQM)	54076190	3710.7	KGS	4.28	15885.72
INPPG6	7421103	09-02-2026	PRINTED POLYESTER FABRIC(100% NON TEXTURISED FILAMENT) (GSM:72 +/-10%)(WIDTH-150CM)(P8900)	54076190	661.2	KGS	4.30	2843.70
INMAA1	7305325	04-02-2026	PRINTED POLYESTER FABRIC (100% NON TEXTURED FILAMENT) WIDTH150CM GSM 75 (+/-10%) (4200 MTRS - 6300 SQM)	54076190	455	KGS	4.25	1932.00
					10457.15		22.23	42333.19
								4.05

8.6.3 The contemporaneous import data indicated a weighted average transaction value of USD 4.05 per kgs. for similar imported goods. Since the contemporaneous imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 4.05 per kgs. was considered appropriate for determination of value under Rule 5 of the Customs Valuation Rules, 2007. Accordingly, the assessable value of the imported goods was re-determined under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, in respect of goods 100% polyester satin woven printed fabric made from 100% non-texturized polyester filament yarn.

8.6.4 Further, with respect of Bill of Entry No. 7775786 dated 27.02.2026 ("7775786/B-1") and 7779487 dated 27.02.2026, the description of the imported goods were matched with the concerned test report, hence, the re-valuation of the imported goods is not warranted.

9. RE-DETERMINATION OF ASSESSABLE VALUE

9.1 Applying the contemporaneous value of USD 4.05 per kgs. in respect of Bill of Entry No. 7775786 dated 27.02.2026 ("7775786/A1") and ("7775786/B-1") and 7779487 dated 27.02.2026, to the actual quantities determined on the basis of GSM and net weight, the assessable value was re-determined as follows:

Bill of Entry No.	Declared AV (₹)	Item	Actual Qty. (Sq. Mtr./Kgs.)	Value Adopted (USD.)	Re-determined AV (₹)
7775786 dated 27.02.2026	953,267.36	1	23086 Kgs.	4.05 per Kgs. (for 100% polyester Woven printed Fabric- non-texturised)	85,92,493.77
		2	77000 SQM	0.12 per SQM (for PA Coated Fabric)	849,156.00
7779487 dated 27.02.2026	902,464.13	2	125464 SQM	0.18 per SQM	20,75,424.97
Total	1,555,731.49			–	1,15,17,074.74

9.2 The comparison of declared and re-determined values is reproduced below:

Particulars	Declared Value (₹)	Re-determined Value (₹)
Bill of Entry No. 7775786 dated 27.02.2026	953,267.36	9441649.77
Bill of Entry No. 7779487 dated 27.02.2026	902,464.13	2,075,424.97
Total	18,55,731.49	1,15,17,074.74

9.3 The above comparison clearly reveals substantial undervaluation of the imported goods. The assessable value was re-determined by applying the contemporaneous import value to the actual quantity derived on the basis of GSM and net weight. The importer declared a total assessable value of ₹18,55,731/-, whereas the correct assessable value works out to Rs. ₹1,15,17,075/-.

9.4 Shri Himanshu Goyal, Authorized person of M/s C.L. Impex, in his statement dated 30.06.2026, recorded under Section 108 of the Customs Act, 1962, accepted the findings of the laboratory report and had admitted that the contemporaneous valuation methodology adopted by the department. He was also informed of the differential duty liability arising from the re-determination of assessable value. Therefore, the declared transaction value is liable to rejection under Rule 12 read with Rule 3(2) of the Customs Valuation Rules, 2007 and the assessable value is correctly re-determined under Rule 5 of Customs Valuation Rules, 2007.

10. Summary of Investigation and Differential Duty Calculation :

10.1 On the basis of the examination, test result and oral statement of Shri Himanshu Goyal, Authorised Person of M/s C.L. Impex, Delhi, it is clear that M/s. C.L. Impex is importing polyester laminated fabrics of Chinese origin by mis-declaring the description, classification, quantity and value of the imported goods with an intent to evade applicable Customs duties. The Bills of Entry No. 7775786 and. 7779487 both dated 27.02.2026 were subjected to detailed examination and during the examination, representative samples have been drawn and the said representative samples were sent to the Laboratory, Textile Committee, Mumbai for testing of the fabric for determination of various parameters of fabric to obtain specific CTI of the imported fabrics.

10.2 The Textile Committee, Mumbai, vide Test Reports dated 29.04.2026, reported that imported goods in respect of 7775786 (“7775786/A1”), the imported goods were found as 100% Polyester Printed Woven Fabric of 100% Non-Texturised Filament Yarn correctly classifiable under Customs Tariff Item 54076190 and in respect of 7775786 (“7775786/B1”) the test report confirms that the said goods is “PA Coated Polyester Dyed Fabric” as declared by the importer under CTH 59039090.

10.3 The manner of declaration of the entire consignment under a common description and classification, despite the presence of goods attracting a different tariff classification and with higher duty structure, indicates an attempt to mask the actual nature of the goods. The inclusion of the goods correctly classifiable under CTH 59039090 (PA Coated Polyester Dyed Fabric) appears to have facilitated the mis-declaration of the 100% polyester woven printed fabric (100% non-texuturized) classifiable under CTH 54076190 and the consequent evasion of applicable Customs Duty. Further, the importer had declared 85479 SQM, however, upon calculation of SQM based on the GSM of the imported goods, it was found that the actual quantity imported is 403073 SQM. Therefore, it emerges that the importer had grossly understated the quantity to enable to pay less Customs Duty.

10.4 Based on the laboratory findings, the imported goods were found correctly classified under Customs Tariff Item 59039090 in respect of 7779487 ("7779487 / A1"). However, the quantity of goods mentioned in Bill of Entry is far low than the actual imported quantity. The importer had declared 53949 SQM, however, upon calculation of SQM based on the GSM of the imported goods, it was found that the actual quantity imported is 125464 SQM. Therefore, it emerges that the importer had grossly understated the quantity to enable to pay less Customs Duty.

10.5 On the basis of GSM determined through laboratory testing and net weight of the imported goods, the actual quantity was re-determined at **5,28,537** Sq. Mtrs. as against the declared quantity of **1,39,428** Sq. Mtrs., resulting in excess quantity of **3,89,109** Sq. Mtrs.

10.6 Since the description, classification and quantity declared by the importer were found to be false and inaccurate, the declared transaction value became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Contemporaneous import data of similar 100% Polyester printed Woven Fabric (100% non-texturised Filament Yarn) imported from China during the relevant period was examined. Based on such imports, a weighted average transaction value of 100% Polyester printed Woven Fabric (100% non-texturised Filament Yarn) USD 4.05 per kgs, was adopted for valuation under Rule 5 of the Customs Valuation Rules, 2007.

10.7. Applying the contemporaneous value to the actual quantity determined during investigation, the assessable value of the imported goods was re-determined at Rs. **₹1,15,17,075/-** as against the declared assessable value of **₹18,55,731/-,** thereby it emerges substantial undervaluation.

10.7 Shri Himanshu Goyal, Authorised Person of M/s C.L. Impex, in his statement recorded under Section 108 of the Customs Act, 1962, accepted the test reports, re-classification, quantity re-determination and valuation methodology adopted during investigation and agreed to discharge the differential duty liability arising therefrom. The investigation has thus revealed that M/s C.L. Impex knowingly filed Bills of Entry containing incorrect declarations relating to the description, classification, quantity and value of the imported goods.

10.8 Accordingly, differential duty arising out of the mis-declaration of description, CTI, Quantity and Assessable Value of the imported goods is as under :-

BE No.	BE Date	Duty Declared (₹)	Item No.	CTH as per Test Report	New AV (₹)	BCD (₹)	SCD @10% (₹)	IGST @5% (₹)	Duty Payable (₹)	Differential Duty (₹)
7775786	27.02.2026	267,868.10	1	54076190	8,592,493.77	3,462,900.00	0.00	6,02,769.69	4065669.69	4,036,414.42
			2	59039090	849,156.00	169,831.20	16,983.12	51,798.52	238,612.84	
7779487	27.02.2026	253,592.40	1	59031090	2,075,424.97	415,084.99	41,508.50	1,26,600.92	583,194.42	329,602.00
Grand Total		521,460.50			1,15,17,074.74	4,047,816.19	58,491.62	7,81,169.13	4,887,476.94	4,366,016.44

11. Legal Provisions

11.1 Section 14 - Valuation of goods.

(1) For the purposes of the Customs Tariff Act, 1975, or any other law for the time being in force, the value of the imported goods and export 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, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf:

Provided 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 licence 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:

Provided further that the rules made in this behalf may provide for,-
(i)the circumstances in which the buyer and the seller shall be deemed to be related;
(ii)the manner of determination of value in respect of goods when there is no sale, or the buyer and the seller are related, or price is not the sole consideration for the sale or in any other case;
(iii)the manner of acceptance or rejection of value declared by the importer or

exporter, as the case may be, where the proper officer has reason to doubt the truth or accuracy of such value, and determination of value for the purposes of this section:

Provided also that such price shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46, or a shipping bill of export, as the case may be, is presented under section 50.

11.2 **Section 17 of the Customs Act, 1962**

17. Assessment of duty. – (1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.
…….
(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

11.3. **Section 46 of the Customs Act, 1962**:

46. Entry of goods on importation. – (1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

11.4 **Section 110 of the Customs Act, 1962**

110. Seizure of goods, documents and things. – (1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.

11.5 **Section 111 of the Customs Act, 1962**

111. Confiscation of improperly imported goods, etc. – The following goods brought from a place outside India shall be liable to confiscation: –

…….

(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 3[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;

11.6 **Section 112 of the Customs Act, 1962**

112. Penalty for improper importation of goods, etc. — 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, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(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 3[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 4[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 5[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.

11.7 **Section 114AA of the Customs Act, 1962**

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, 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.]

11.8 **Section 124 of the Customs Act, 1962**

124. Issue of show cause notice before confiscation of goods, etc.—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 2[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. 3 [Provided further that notwithstanding the 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.]

11.9 **Section 125 of the Customs Act, 1962**

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 4[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, the provisions of this section shall not apply:

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.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

11.10 **Section 30 of SEZ Act, 2005**

Subject to the conditions specified in the rules made by the Central Government in this behalf:-

(a) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including antidumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and

(b) the rate of duty and tariff valuation, if any, applicable to goods removed from a

Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

11.11 **Rule 28 of SEZ Rules, 2006**

28. (1) A Unit or Developer may import goods directly into the Special Economic Zone or through any other:

(a) ports or airports;

(b) land customs stations;

(c) inland container depots;

(d) foreign post offices;

(e) authorized couriers; or

(f) through personal baggage of passengers authorized by the Special Economic Zone Unit; or

(g) Via Satellite data communication such as internet or any other telecommunication link.

(2) Goods imported through ports or airports, land customs stations, or inland container depots shall be allowed to be transferred in full cargo load or less than container load cargo by direct transfer from such port or airport or Inland container Depot or land customs station to the Special Economic Zone.

(3) The import of Information Technology enabled services, including software, shall also be allowed through data communication link, internet, e-mail or any other electronic mode.

(4) The Unit or Developer may also procure goods required for the authorized operations, without payment of duty, from International Exhibitions held in India or from bonded warehouses set up under the Foreign Trade Policy and under the Customs Act in the Domestic Tariff Area;

(5) The goods imported by the Unit or Developer shall be allowed to be transferred from the port or airport to the Special Economic Zone without examination by the Customs Authorities at the port or airport, as the case may be:

Provided that the goods may be examined with the prior permission of the Assistant or Deputy Commissioner of Customs in writing in case there is specific adverse information or intelligence:

(6) The goods imported by a Developer or Unit shall be transshipped by the carrier or its agent directly to the Special Economic Zone.

(7) Where import cargo destination is other than the Special Economic Zone, delivery shall be allowed at the destination port or airport on the strength of Bill of Entry assessed by Special Economic Zone Customs without any Transshipment Bond:

Provided that in case of high value goods imported through the airport, the goods may be transferred to the Custodian who shall transfer the same to a designated Customs Area located inside the Processing Area designated by the Specified Officer for further delivery to the Unit or Developer:

Provided further that the high value cargo imported through the airport may also be transferred under the Customs escort at the option of the Unit or the Developer

11.12 **Rule 29 of SEZ Rules, 2006**

29. (1) Direct delivery shall be permitted at the place of import for clearance of goods imported by Units and Developer from ports or airports or land customs stations or inland container depots as is being done in the case of import of perishable or lifesaving drugs.

(2) The Unit or Developer, hereinafter referred to as the Special Economic Zone Importer, shall follow the following procedure for imports, namely:-

(a) the Special Economic Zone Importer shall file Bill of Entry for home consumption in quintuplicate giving therein, description with specially stamped endorsement as "Special Economic Zone Cargo" along with Bill of Lading or Airway Bill and invoice and packing list with the Authorized Officer who shall register and assign a running annual serial number and assess the Bill of Entry, on the basis of transaction value, which shall not require any counter signature of the Specified Officer:

11.13 **S.O. 2666(E) dated 05.08.2016.—**

In exercise of the powers conferred by sub-section (2) of section 21 and second proviso to section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby authorises the Additional Director

General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 (52 of 1962) and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

12. CONTRAVENTISON OF LEGAL PROVISIONS :

12.1. Consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 08.04.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who must ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

12.2. The Importer, by mis-declaring the goods and mis-classifying them as detailed in the Table ibid. knowingly and deliberately misrepresented the true nature and classification of the imported Fabrics. This mis-declaration of goods in the Bill of Entry is a contravention of Section 46 of the Customs Act, 1962. The willful misclassification of fabrics under respective CTI was not merely an error but a conscious act to avoid the higher rate of Basic Customs Duty applicable to the actual imported fabrics. This demonstrates an intent to evade legally applicable duties. The pattern of mis-declaration and misclassification across the said consignment, indicates a clear mens-rea and an active intention on the part of the Importer to defraud the revenue. The importer, as an experienced entity in the import trade, is expected to exercise due diligence in ascertaining the correct description and classification of their imports. The willful act of the importer has resulted in short/non-levy of applicable customs duties other taxes.

12.3. By mis-declaring both the quantity and description of the goods with the intent to conceal the import of actual fabric and misclassifying them, importer intended to evade applicable customs duty. This act of the importer is contrary to the provisions of the Customs Act-1962 and has made the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

12.4 M/s C.L. Impex imported fabrics from China by intentionally mis-declaring the quantity and description of the goods. Such acts of omission and commission to have rendered the goods liable for confiscation under 111(m) of the Customs Act 1962. Hence, this has made importer liable for penalty under Section 112(a) or 112 (b) of the Customs Act, 1962. These actions of the Importer amount to deliberate mis-statement and suppression of facts with intent to evade duty, making them liable for penalty under Section 112(a) or 112 (b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

12.5. In view of the foregoing facts and evidences on record, it is observed that M/s C.L. Impex is a proprietary concern in which Shri Chetan Luthra is the key person who handles purchase (Import) of goods from China. As categorically stated, in his voluntary statements dated 30.06.2026, it is evident that Shri Chetan Luthra, being the importer and Proprietor of the affairs of M/s C.L. Impex, has submitted incorrect and false declarations to Customs authorities at the time of import, having full knowledge that the imported goods were other than what was declared in the respective Bill of Entries. Chetan Luthra, Proprietor of M/s C.L. Impex, situated at House No. 317, Khasra No. 50/4 7, Village Khera Kalan, Gali No. 3, New Delhi – 110082 holding IEC No. BKJPC5734K appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Shri Chetan Luthra has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, Shri Chetan Luthra has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

12.6 Further, the goods imported earlier by M/s C.L. Impex had been imported through SEZ and subsequently cleared in DTA which clearly indicate the modus of clearance of imported goods in DTA through SEZ route. The modus of clearances of earlier imported consignments clearly indicate the intention of importer for subsequent clearance of goods in DTA through the SEZ route. In respect of two bills of entry, they had already filed DTA Bills of Entry.

13. Now, therefore, –

13.1 M/s C.L. Impex, having its address at House No. 317, Khasra No. 50/4 7, Village Khera Kalan, Gali No. 3, New Delhi – 110082 holding IEC No. **BKJPC5734K,** are hereby called upon to show cause in writing to **the Additional Commissioner of Customs**, Custom House, Mundra having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of the notice, as to why: -

i. The goods imported under Bills of Entry No. 7775786 and 7779487 both dated 27.02.2026, which were found to have been mis-declared in terms of description, quantity & value and were seized vide Seizure Memo, should not be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct by mentioning the correct description, quantity and by re-classifying the same under the correct CTI, as per Annexure- A, instead of the declared Customs Tariff Heading, and the applicable duties should not be re-assessed, accordingly.

ii. The declared assessable value of **Rs. 18,55,731/-** (Rupees Eighteen Lakhs Fifty-Five Thousand Seven Hundred and Thirty-One Only) should not be rejected and goods be re-assessed at **Rs. 1,15,17,075/- (Rupees One Crore Fifteen Lakhs Seventeen Thousand Seventy Five only)**, as discussed above.

iii. The seized goods, as detailed in Seizure Memo with re-determined value of **Rs. 1,15,17,075/- (Rupees One Crore Fifteen Lakhs Seventeen Thousand Seventy Five only)**, should not be confiscated under Section 111 (m) of the Customs Act, 1962.

iv. The differential duty amounting to **Rs. 43,66,016/ - (Rupees Forty Three Lakhs Sixty Six Thousand and Sixteen Only)**, as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should not be re-assessed in respect of the Z types BE filed by them.

v. Penalty should not be imposed under Section 112 (a) or 112 (b) of Customs Act, 1962.

13.2 Shri Chetan Luthra, Proprietor of M/s C.L. Impex, is hereby required to show cause in writing to **the Additional Commissioner of Customs**, Custom House, Mundra within 30 (thirty) days from the date of receipt of the notice, as to why penalty under **Section 114AA** of the Customs Act, 1962, should not be imposed upon him.

14. This Show Cause Notice is being issued under Section 124 of the Customs Act, 1962 without prejudice to any other action that may be taken against the Noticees or any other person / party connected with this case, under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply in writing within 30 days of issuance of this notice. In their written reply, they should specifically mention whether they would like to be heard in person or through their authorized representative, by the adjudicating authority. They should also produce at the time of showing cause, all the evidences upon which they intend to rely in support of their defense. If no cause is shown against the action proposed in this Show Cause Notice within 30 days from the receipt of this Show Cause Notice (or extended period, if allowed) or if they or their representatives do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

15. This Show Cause Notice is being issued on the basis of the evidences available on record. The Department reserves the right to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material facts related to goods under investigation and any other import/smuggling by the said noticees, which may come to the notice of the Department after issuance of this notice and prior to the adjudication of the case.

16. The Copies of relied upon documents, as mentioned in the Show Cause Notice, are listed in **Annexure-R** and are enclosed with the Show Cause Notice and also are an integral part of this Show Cause Notice.

Digitally signed by
Dipakbhai Zala
Date: 25-08-2026
18:35:50

(Dipak Zala)
Additional Commissioner of Customs,
Custom House, Mundra.

To,

1. M/s. C.L. Impex (IEC: BKJPC5734K),
   House No. 317, Khasra No. 50/47,
   Village Khera Kalan, Gali No. 3, New Delhi – 110082

2. Shri Chetan Luthra, Proprietor of M/s. C.L. Impex,
   House No. 317, Khasra No. 50/47,
   Village Khera Kalan, Gali No. 3, New Delhi – 110082

Copy to:

1. The Deputy Director, DRI, Ahmedabad Zonal Unit,
   Unit No. 15, Magnet Corporate Park, Near Sola Flyover,
   S.G. Highway, Thaltej, Ahmedabad – 380 054

2. The Deputy Commissioner, EDI, Customs Mundra (For uploading on Mundra Customs Website)

<u>Annexure – R</u>

Sr No.	Document
RUD-1	Copy of Test Reports of Textile Committee, Mumbai
RUD-2	Copy of Statement of Shri Himanshu Goyal, Authorised Person of M/s. C.L. Impex, recorded under Section 108 of the Customs Act, 1962 on 30.06.2026
RUD-3	Quantification of Duty and Differential Duty (Annexure-A)

ANNEXURE 'A'

Sr. No.	Name of the Importer	BENUMBER	BEDATE	ITEMDESCRIPTION (DECLARED)	CTH declared	AV per sq mtrs. (USD)	AV as per BE	Duty Declared/ paid	Sq Mtrs Declared	Desciption as per Test Result	CTH	GSM	Net weight	Sq Mtrs calculated on the basis of GSM	Remark on CTH	AV per Kgs/sqm	New AV	BCD (New)		SCD (New)		IGST (New)		Payable	Difference
1	C L IMPEX	7775786	27-02-2026	POLYESTER DYED LAMINATED FABRIC WIDTH 58 INCH	59039090	0.12	953267.36	267868.10	85479	100% Polyester satin woven printed fabric - 100% Non-texturized Filament Yarn	54076190	70.8	23086	326073.45	20% or 150 per Kgs., which ever is higher	4.05	8592493.77	150 per Kgss.	3462900.00	0	0.00	5	602769.69	4065669.69	4036414.42
										PA coated Polyester dyed fabric	59039090	49.4	3803.8	77000	As declared excess in Sqm	0.12	849156.00	20	169831.20	10	16983.12	5	51798.52	238612.84	
	C L IMPEX	7779487	27-02-2026	POLYESTER FABRIC WITH PVC COATING WIDTH 58 INCH	59031090	0.18	902464.13	253592.40	53949	PVC coated dyed woven polyester - (non-texturized filament yarn)	59031090	202.6	25419	125463.97	As declared excess in Sqm	0.18	2075424.97	20	415084.99	10	41508.50	5	126600.92	583194.42	329602.02
							1855731.49	**521460.50**	**139428**					**528537.41**			**11517074.74**		**4047816.19**		**58491.62**		**781169.13**	**4887476.94**	**4366016.44**