OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS

CUSTOMS HOUSE, MP & SEZ

MUNDRA, KUTCH-GUJARAT -370421

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सत्यमेव जयते

A	**FILE NO.** फ़ाइल संख्या	CUS/APR/4699/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	**OIO NO.** आदेश संख्या	MCH/ADC/ZDC/356/2026-27
C	**PASSED BY** जारीकर्ता	Dipak Zala, Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
D	**DATE OF ORDER** आदेश की तारीख	29.09.2026
E	**DATE OF ISSUE** जारी करने की तिथि	29.09.2026
F	**SCN No. & Date** कारण बताओ नोटिस क्रमांक	Waived.
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. Sky Root Overseas(AFEFS3633J)

1. यहआदेश संबन्धित को नि:शुल्क 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 परअपील कर सकताहै-

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),

HAVING HIS OFFICE AT 4TH 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 –

(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 ड्यूटि/ 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.

BRIEF FACTS OF THE CASE:

On the basis of intelligence, the consignment covered under BE No. 3122139 (Z-Type) dated 13.08.2026 was placed on hold at the premises of M/s. Rudraksh Terminal LLP (SEZ Warehouse Unit), Mundra, for detailed scrutiny and examination by SIIB officers. The examination of the consignment was conducted on 14.08.2026 in the presence of Shri Rajneesh Dwivedi, authorised representative of the importer M/s. Sky Root Overseas and authorised person of M/s. Rudraksh Terminal LLP. The examination proceedings were conducted in the presence of two independent Panch witnesses. The Panchnama records that Container No. TLLU7974446 was covered under the aforesaid Bill of Entry.

The importer's representative produced the Bill of Entry No. 3122139 dated 13.08.2026. As per the Bill of Entry, the goods were declared as under:

Sr. No.	CTH	Description	Declared Quantity
1	59039090	Polyester Fabrics Laminated with Transparent Film	4,575 SQM
2	59031090	Polyester Fabrics with PVC Backing	1,12,366 SQM
Total			1,16,941SQM

The declared value of the goods in the Bill of Entry was USD 14032.92, equivalent to an assessable value of approximately Rs. 13,47,862/-, and the importer had self-assessed Customs duty of Rs. 3,78,749/-.

2. Action taken – Examination findings:

Container No. TLLU7974446, pertaining to BE No. 3122139 dated 13.08.2026, was identified and presented for examination. The seal bearing No. EMCFQQ7485 was verified and found intact and matching with the declared particulars. The container was found in sound condition without any apparent external damage or tampering. The weighment slip produced from the SEZ Unit reflected a gross cargo weight of 27,920 Kgs, against the declared gross weight of 27,900 Kgs.

Thereafter, the seal was cut in the presence of the Panch witnesses and the authorised representative of the importer. On opening the container, the cargo was found to be fully stuffed with fabric rolls. The fabric rolls were destuffed and segregated according to different colours/types. Physical examination resulted in a total of 1,067 fabric rolls, which were weighed and inventoried as under:

Sr. No	Description	No. of rolls	Avg. Weight per roll (KGS)	Total Weight (KGS)
1	FABRICS 1	44	10.6	466
2	FABRIC 2	651	25.8	16796
		262	30.7	8043
		110	24.2	2662

As the exact nature, composition and classification of the fabrics could not be ascertained merely by visual examination, representative samples were drawn in triplicate from the three different types/colours of fabrics randomly and forwarded to **CRCL, Kandla** for testing. The samples were properly packed, sealed and marked in the presence of the authorised representative of the importer.

Sr. No.	Fabric type	Colour	Test Memo No.	Date
1	Fabric 1	green	159	14.08.2026
2	Fabric 2	pink	160	14.08.2026
3	Fabric 2	black	161	14.08.2026

3. Investigations Conducted:

3.1 Laboratory Examination

The representative samples were forwarded to CRCL, Kandla vide Test Memo Nos. 159,160 and 161 dated 14.08.2026.

The laboratory reports received in respect of the samples are summarised below:

Sr. No.	Lab Report	Colour	Laboratory finding	GSM
1	SIIB-3009	Green	Woven fabric composed of polyester filament yarn and lamination film is composed of polymeric material based on polyurethane; Polyester 88.66 % by weight and laminating material balance	65.45
2	SIIB-3010	Pink	Woven fabric composed of polyester filament yarn and lamination composed of polymer based on compounded PVC; Polyester 32.74 % by weight and PVC balance	205.04
3	SIIB-3011	Black	Woven fabric composed of polyester filament yarn and lamination composed of polymer based on compounded PVC; Polyester 29.15 %	251.5

			by weight and PVC balance	

The CRCL report pertaining to Lab No. SIIB-3009 records a green coloured Woven fabric composed of polyester filament yarn and lamination film is composed of polymeric material based on polyurethane; Polyester 88.66 % by weight and laminating material balance with GSM of 65.45.

The report bearing Lab No. SIIB-3010 records a Pink coloured woven fabric Woven fabric composed of polyester filament yarn and lamination composed of polymer based on compounded PVC; Polyester 32.74 % by weight, with GSM of 205.04 and polyester composition of 32.74 % by weight.

The report bearing Lab No. SIIB-3011 records a black coloured woven fabric composed of polyester filament yarn and lamination composed of polymer based on compounded PVC. The GSM was reported as 251.5 and polyester composition as 29.15 % by weight.

3.2 Re-determination of quantity

In view of the GSM established by CRCL, the quantity of the imported fabrics in SQM is required to be recalculated on the basis of the actual weight and GSM.

The quantity has been worked out as:

Quantity in SQM = Weight in Kgs × 1000 / GSM

Accordingly:

Sr. No.	**Fabric Type**	**Total Weight (Kgs)**	**GSM as per CRCL**	**Re-determined Quantity (SQM)**
1	Polyurethane laminated fabric – Green	466	65.45	7,120

2	PVC coated fabric – Pink	8,043	205.04	39,226
3	PVC coated fabric – Black	19,458	251.5	77,368
Total		**27,967**		**1,23,714**

Thus, against the total quantity of 1,16,941 SQM declared in the Bill of Entry, the quantity worked out on the basis of the actual weight and GSM established by CRCL comes to approximately 1,23,714 SQM, resulting in an excess/re-determined quantity of approximately 6,773 SQM.

The Chartered Engineer also relied upon the inventoried quantities/weights of the three categories of fabrics for valuation purposes.

3.3 Rejection of declared value and re-determination of Assessable Value

The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "*the CVR, 2007*") provides the method of valuation. The Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10. The Rule 3(4) ibid states that "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 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of the CVR, 2007, is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the 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.

Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the goods have been un-declared/mis-declared by means of description, the value of contemporaneous imports of identical and similar goods of same quality and composition was not found. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

"Rule 9: Residual method – (1) Subject to the provisions of Rule 3, where the value of the 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:"

Whereas, as per the provisions of Rule 9 ibid, the assessable value of the goods actually found during examination are required to be re-determined under Rule 9 ibid, i.e. as per the residual method. Whereas, the impugned goods were inspected by Shri Anwar Y. Kukad, Chartered Engineer & Government approved valuer, who submitted his Valuation report vide reference No. – AYK:VAL:03045:2026 dated 07.09.2026 has suggested the value of the imported goods as 21045.15 USD (CIF Value) as detailed in Table-E below: -

Table-E

As per the Chartered Engineer's report, the value assessed is as follows:

Sr. No.	**Description**	**Quantity /Weight (Kgs)**	**Unit CIF Value (USD)**	**Total CIF Value (USD)**	**CIF Value in INR**
1	FABRICS LAMINATED WITH TRANSPARENT FILM	466	0.9	419	40283
2	FABRIC WITH PVC BACKING	16,796	0.75	12,597	1209942
		8,043	0.75	6,032	579,398
		2,662	0.75	1,997	191764
Total		**27,967**		**21,045**	**20,21,387**

Thus, the Chartered Engineer has assessed the total CIF value of the imported goods at USD 21,045.15, equivalent to approximately Rs. 20,21,387/- at the exchange rate of 1 USD = Rs. 96.05. The Chartered Engineer's report states that the valuation was based, inter alia, upon the

inventory, market analysis, market survey, supply-demand analysis and documents submitted by the importer/CHA.

Accordingly, the declared assessable value of approximately Rs. 13,47,862/- appears liable to be rejected and the assessable value appears liable to be re-determined at approximately Rs. 20,21,387/- under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

3.4 Re-determination of Customs Duty

The Bill of Entry records a declared assessable value of approximately Rs. 13,47,862/- and self-assessed Customs duty of Rs. 3,78,749/-.

On the basis of the revised assessable value of Rs. 20,21,387/-, and the applicable rates of BCD 20%, SWS 10% and IGST 5%, the duty works out approximately as under:

Particulars	**Amount (Rs.)**
Revised Assessable Value	20,21,387
BCD @ 20%	404,277
SWS @ 10% of BCD	40,428
IGST @ 5%	123,305
Total Re-determined Duty	568,010
Duty self-assessed	378,749
Short levy / differential duty	189,261

Thus, there appears to be non/short levy of Customs duty amounting to approximately Rs. 1,89,261/-.

4. Outcome of the Investigation:

The investigation conducted by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra, in respect of the import consignment of M/s. Sky Root Overseas (IEC: AFEFS3633J) under Z-Bill of Entry No. 3122139 dated 13.08.2026, covering Container No.

TLLU7974446, revealed discrepancies requiring verification with regard to the declared quantity and valuation of the imported fabrics. The examination of the consignment was conducted on 14.08.2026 at the premises of M/s. Rudraksh Terminal LLP (SEZ Warehouse Unit), Mundra, under Panchnama dated 14.08.2026. The outcomes of the investigation are as follows:

5. Examination of the Goods

The officers of the SIIB Section, Customs House, Mundra, conducted a detailed examination of the goods stuffed in Container No. TLLU7974446, covered under Z-Bill of Entry No. 3122139 dated 13.08.2026, under Panchnama dated 14.08.2026. During the course of examination, the container was opened and completely de-stuffed. The cargo was found to comprise fabric rolls, which were segregated and physically counted. A total of 1067 fabric rolls were found during examination, having a total weight of 27968 Kgs. The inventory prepared during examination recorded 44 rolls weighing 466 Kgs, 651 rolls weighing 16796 Kgs, 262 rolls weighing 8043 Kgs and 110 rolls weighing 2662 Kgs.

The goods had been declared in the Bill of Entry as (i) Polyester Fabrics Laminated with Transparent Film under CTH 59039090, quantity 4575 SQM, and (ii) Polyester Fabrics with PVC Backing under CTH 59031090, quantity 116941 SQM.

As the exact nature, composition and characteristics of the different types of fabrics could not be conclusively ascertained by visual examination alone, representative samples were drawn in triplicate from the three different types/colours of fabrics and sealed for laboratory testing for determination of their exact nature, composition and classification. The samples were forwarded to CRCL, Kandla for examination.

6. Valuation of the Goods

Whereas, as per the provisions of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where the proper officer has reasonable doubt regarding the truth or accuracy of the value

declared, the declared value may be rejected and the value is required to be determined in accordance with the provisions of the said Rules. Further, where the value cannot be determined under the preceding rules, the same is required to be determined under Rule 9 ibid, i.e. by the residual method.

In the instant case, the imported fabrics were inspected by Shri Anwar Y. Kukad, Chartered Mechanical Engineer and Government Approved Valuer, who submitted his valuation report vide Reference No. AYK:VAL:03045:2026 dated 07.09.2026. The Chartered Engineer inspected the goods at M/s. Rudraksh Terminal LLP, Mundra on 05.09.2026 and assessed the value of the fabrics on the basis of the inventory, market analysis, market survey, supply-demand analysis and documents furnished by the importer/CHA.

As per the Chartered Engineer's report, the total CIF value of the goods has been assessed at USD 21,045.15, equivalent to approximately Rs. 2021387/-, calculated at the Customs exchange rate of Rs. 96.05 per USD.

Accordingly, the assessable value of the goods declared by the importer in Z-Bill of Entry No. 3122139 dated 13.08.2026 is liable to be examined/re-determined in terms of the provisions of the Customs Valuation Rules, 2007, on the basis of the valuation report of the Chartered Engineer.

7. Re-determination of Duty:

The total value of the imported goods, as assessed by the Chartered Engineer, comes to Rs. 2021386.66 as against the declared assessable value of approximately Rs. 13,47,862/- in the Bill of Entry. Accordingly, the Customs duty liability is required to be re-determined on the basis of the re-determined assessable value and the applicable rate of duty. The Bill of Entry records the declared transaction value and Customs duty particulars in respect of the subject consignment.

8. Quantity and Classification:

The Bill of Entry declared the goods under CTH 59039090 and 59031090 in quantities of 4575 SQM and 116941 SQM, respectively. During examination, the goods were found in the form of 1,067 fabric rolls weighing 27,968 Kgs.

Since the quantity in the Bill of Entry was declared in SQM and the laboratory testing was undertaken for determination of the characteristics and GSM of the fabrics, the quantity is required to be re-determined on the basis of the actual weight and GSM established from the test reports, wherever applicable.

9. Confiscation of Goods and Penal Action:

In view of the above, the imported goods covered under Bill of Entry No. 3122139 dated 13.08.2026 require re-assessment/re-determination of quantity and assessable value on the basis of the findings of physical examination, laboratory testing and the Chartered Engineer's valuation report. To the extent that the declared particulars in the Bill of Entry are found not to correspond with the goods actually imported, the goods may be liable for confiscation under the relevant provisions of Sections 111(l) and 111(m) of the Customs Act, 1962.

Further, if it is established that the importer knowingly or intentionally furnished incorrect material particulars in the Bill of Entry or supporting documents, the importer may be liable for penal action under the relevant provisions of Sections 112(a)(ii) and 114AA of the Customs Act, 1962, as applicable.

10. <u>RELEVANT LEGAL PROVISIONS</u>:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions. — In this Act, unless the context otherwise requires, —

.....

(o) "**import"** means—

(i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or

(ii) receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;

Section 21: Single enforcement officer or agency for notified offences. —

(1) The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.

(2) The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.

(3) Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.

Section 22: Investigation, inspection, search or seizure. —

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub- section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

(1) In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) 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 a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.

(2) The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.*

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

Section 2(22)*: "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;*

Section 2(23): *"import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*

Section 2(25): *"imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;*

Section 2(26): *"importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;*

Section 2(39): *"smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.*

Section 11A: *"illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.*

Section 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.

Section 46. Entry of goods on importation:

(4) *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, relating to the imported goods.*

(4A) *the importer who presents a bill of entry shall ensure the following, namely:*

(a) The accuracy and completeness of the information given therein;

(b) The authenticity and validity of any document supporting it; and

(c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

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

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(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 transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;*

Section 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) ……..

(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:

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.

(C) 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 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.*

11. The importer has, vide email dated 03.09.2026 and 09.09.2026, accepted the findings of the examination and valuation conducted by the SIIB officers and expressed their willingness to abide by the decision and outcome arrived at by the Customs authorities based on the facts, documents and merits of the case. The importer has also requested that the issuance of a Show Cause Notice (SCN) and the requirement of Personal Hearing may kindly be waived and has undertaken to abide by the decision and outcome of the Customs authorities based on the facts, documents and merits of the case.

12. In view of the above facts, it appears that:

i. The assessable value of the imported goods covered under BE No. 3122139 (Z-Type) dated 13.08.2026 is liable to be re-determined under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962, as under:

BE No. & Date	Declared Value	Re-determined Value
3122139 dated 13.08.2026	Rs. 13,47,862/-	Rs. 20,21,387/-

ii. The Customs duty involved in the imported goods is liable to be re-determined as under:

Particulars	Declared in BE	Re-determined
Total Duty	Rs. 3,78,749/-	Rs. 5,68,010/-
Differential Duty		Rs. 1,89,261/-

iii. The said BE No. 3122139 dated 13.08.2026 is liable to be re-assessed accordingly under Section 17(4) of the Customs Act, 1962.

iv. The imported goods have been found to differ from the declaration in the Bill of Entry with regard to quantity and classification/description, and therefore appear liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

v. The importer, M/s. Sky Root Overseas, appears liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

vi. The importer, M/s. Sky Root Overseas, appears liable for penalty under Section 114AA of the Customs Act, 1962.

12.1 Accordingly, an Investigation report 169/2026-27 dated 14.09.2026 has been issued by the SIIB, Mundra Customs.

WRITTEN SUBMISSION AND PERSONAL HEARING

13. M/s. Sky Root Overseas, Importer, vide their letter dated 21.09.2026 submitted that they accepted the value determined by the CE; that they also

requested to waiver the SCN and PH in the subject matter and they are ready to pay the differential duty with nominal fine and penalty.

DISCUSSION FINDINGS

14. I have carefully gone through the Investigation Report No. 169/2026-27 dated 14.09.2026 forwarded by SIIB, Custom House, Mundra, the relied upon documents and all other material available on record. I note that M/s. Sky Root Overseas vide their emails dated 03.09.2026 and 09.09.2026 and letter dated 21.09.2026 have accepted the examination findings and the CE valuation, have requested waiver of Show Cause Notice and Personal Hearing, and have expressed readiness to pay the differential duty with nominal fine and penalty. I am satisfied that the principles of natural justice have been duly complied with, and the matter is accordingly being disposed of on merits under the first proviso to Section 124 of the Customs Act, 1962.

14.1 On a careful perusal of the Investigation Report and case records, I find that the following main issues arise for consideration and determination in this case:

(i) Whether the declared quantity and description of goods covered under Z-Bill of Entry No. 3122139 dated 13.08.2026 are correct, are liable to be rejected;

(ii) Whether the declared assessable value of **Rs. 13,47,862/-** (Rupees Thirteen Lakh Forty-Seven Thousand Eight Hundred and Sixty-Two Only) is liable to be rejected under Rule 12 of the CVR, 2007 and re-determined as **Rs. 20,21,387/-** (Rupees Twenty Lakh Twenty-One Thousand Three Hundred and Eighty-Seven Only) as per the CE Valuation Report No. AYK:VAL:03045:2026;

(iii) Whether Z-Bill of Entry No. 3122139 dated 13.08.2026 is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 and levy of differential duty of **Rs. 1,89,261/-**;

(iv) Whether the imported goods having re-determined value of Rs. 20,21,387/- are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962; and

(v) Whether penalty is imposable on M/s. Sky Root Overseas under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962.

15. FIRST ISSUE — RE-DETERMINATION OF QUANTITY AND DESCRIPTION:

15.1 I find that M/s. Sky Root Overseas filed Z-Bill of Entry No. 3122139 dated 13.08.2026 at M/s. Rudraksh Terminal LLP (SEZ Warehouse Unit), APSEZ, Mundra, declaring two items of fabric — (i) Polyester Fabrics Laminated with Transparent Film (CTH 59039090, quantity 4,575 SQM) and (ii) Polyester Fabrics with PVC Backing (CTH 59031090, quantity 1,12,366 SQM) — with a total declared quantity of 1,16,941 SQM and declared assessable value of approximately Rs. 13,47,862/-.

15.2 During examination conducted under Panchnama dated 14.08.2026, Container No. TLLU7974446 was found to contain 1,067 fabric rolls of three different types, with a total weight of 27,967 Kgs. Representative samples were drawn from each type of fabric in triplicate and forwarded to CRCL, Kandla vide Test Memo Nos. 159, 160 and 161 dated 14.08.2026. The CRCL, Kandla submitted three laboratory reports summarised as under:

Lab Report No.	**Colour**	**Composition as per CRCL**	**GSM**
SIIB-3009	Green	Woven polyester filament fabric with polyurethane lamination film; Polyester 88.66%	65.45
SIIB-3010	Pink	Woven polyester filament fabric with PVC lamination; Polyester 32.74%	205.04
SIIB-3011	Black	Woven polyester filament fabric with PVC	251.50

Lab Report No.	**Colour**	**Composition as per CRCL**	**GSM**
		lamination; Polyester 29.15%	

15.3 I find that the CRCL reports confirm that the green-coloured fabric (Fabric 1) is a polyester woven fabric with polyurethane lamination. The pink and black-coloured fabrics (Fabric 2) are polyester woven fabrics with PVC lamination.

15.4 I find that the quantity needs to be re-determined on the basis of the actual weight of each type of fabric and the GSM established by the CRCL test reports, using the formula: Quantity (SQM) = Weight (Kgs) × 1000 ÷ GSM. Applying this formula to the inventoried weights and the CRCL-determined GSM values, the re-determined quantities work out as under:

Sr. No.	**Fabric Type**	**Total Weight (Kgs)**	**GSM (CRCL)**	**Re-determined Quantity (SQM)**
1	Polyurethane laminated fabric (Green) — CTH 59039090	466	65.45	7,120
2	PVC coated fabric (Pink) — CTH 59031090	8,043	205.04	39,226
3	PVC coated fabric (Black) — CTH 59031090	19,458	251.50	77,368
Total		**27,967**		**1,23,714**

Thus, the total re-determined quantity is 1,23,714 SQM as against the declared quantity of 1,16,941 SQM — an excess of 6,773 SQM. The excess quantity was not included in the entry made in the Bill of Entry.

15.5 I further find that the declaration in the Bill of Entry does not correctly reflect the composition of the goods as established by the CRCL test reports. The declared description and quantity in the Bill of Entry do not correspond to the actual goods found during examination in respect of quantity and certain characteristics. The importer has, vide their letter dated 21.09.2026, accepted these findings without any objection.

16. S ECOND ISSUE — REJECTION OF DECLARED VALUE AND RE-DETERMINATION OF ASSESSABLE VALUE:

16.1 I find that since the goods have been found to differ from the Bill of Entry declaration in terms of quantity, the declared assessable value of Rs. 13,47,862/- cannot be accepted as the correct and accurate transaction value. Since the declaration was found to be not fully accurate, the declared value is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

16.2 Since comparable contemporaneous import data for the goods in question at the quantities and specifications found during examination was not readily available, the assessable value could not be determined under Rules 4 to 8 of the CVR, 2007. The assessable value is accordingly required to be determined under Rule 9 (Residual Method) of the CVR, 2007.

16.3 The Chartered Engineer Shri Anwar Y. Kukad, Government Approved Valuer, inspected the goods at M/s. Rudraksh Terminal LLP on 05.09.2026 and submitted his Valuation Report vide Reference No. AYK:VAL:03045:2026 dated 07.09.2026. The CE assessed the goods on the basis of their inventory, market analysis, market survey, supply-demand analysis and documents furnished by the importer. The CE determined the total CIF value at **USD 21,045.15**, equivalent to **Rs. 20,21,387/-** at the applicable exchange rate of Rs. 96.05 per USD, as under:

Sr. No.	**Description**	**Weight (Kgs)**	**Unit CIF (USD/Kg)**	**CIF Value (USD)**	**CIF Value (Rs.)**
1	Fabrics Laminated with	466	0.90	419	40,283

Sr. No.	Description	Weight (Kgs)	Unit CIF (USD/Kg)	CIF Value (USD)	CIF Value (Rs.)
	Transparent Film				
2	Fabric with PVC Backing	16,796	0.75	12,597	12,09,942
3	Fabric with PVC Backing	8,043	0.75	6,032	5,79,398
4	Fabric with PVC Backing	2,662	0.75	1,997	1,91,764
Total		**27,967**		**21,045**	**20,21,387**

16.4 The importer has accepted this re-determined value without any objection. I accordingly reject the declared assessable value of Rs. 13,47,862/- (Rupees Thirteen Lakh Forty-Seven Thousand Eight Hundred and Sixty-Two Only) under Rule 12 of the CVR, 2007 and re-determine the assessable value at **Rs. 20,21,387/-** (Rupees Twenty Lakh Twenty-One Thousand Three Hundred and Eighty-Seven Only) under Rule 9 of the CVR, 2007, read with Section 14 of the Customs Act, 1962.

17. THIRD ISSUE — RE-ASSESSMENT:

17.1 I find that on the basis of the re-determined assessable value of Rs. 20,21,387/-, the total Customs duty leviable on the imported goods works out as under:

Particulars	Amount (Rs.)
Re-determined Assessable Value	20,21,387/-
BCD @ 20%	4,04,277/-
SWS @ 10% of BCD	40,428/-
IGST @ 5%	1,23,305/-
Total Re-determined Duty	**5,68,010/-**
Duty Self-assessed by Importer	3,78,749/-
Differential Duty	**1,89,261/-**

17.2 I accordingly order re-assessment of Z-Bill of Entry No. 3122139 dated 13.08.2026 under Section 17(4) of the Customs Act, 1962 and levy differential duty of **Rs. 1,89,261/- (Rupees One Lakh Eighty-Nine**

Thousand Two Hundred and Sixty-One Only) during the assessment of the said Bill of entry.

18. FOURTH ISSUE — CONFISCATION OF GOODS:

18.1 I find that the goods imported by M/s. Sky Root Overseas under Z-Bill of Entry No. 3122139 dated 13.08.2026 were found to differ from the Bill of Entry declaration in the following respects:

(a) Excess quantity: The total quantity found during examination, as re-determined on the basis of actual weight and CRCL-established GSM, is 1,23,714 SQM as against the declared quantity of 1,16,941 SQM — an excess of 6,773 SQM which was not included in the entry made under the Customs Act, 1962. This renders the excess quantity goods liable for confiscation under **Section 111(l)** of the Customs Act, 1962.

(b) Value not corresponding with the entry: The declared assessable value of Rs. 13,47,862/- does not correspond with the re-determined value of Rs. 20,21,387/- as assessed by the Chartered Engineer. This renders the goods liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

18.2 Accordingly, the entire consignment of imported fabrics — comprising 27,967 Kgs (approximately 1,23,714 SQM) covered under Z-Bill of Entry No. 3122139 dated 13.08.2026, container TLLU7974446, having re-determined assessable value of Rs. 20,21,387/- — is liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962.

18.3 I now consider whether to give the importer an option to pay a redemption fine in lieu of confiscation under Section 125(1) of the Customs Act, 1962. The imported goods — polyester woven fabrics with polyurethane lamination and with PVC lamination — are freely importable goods and are not prohibited goods. Section 125(1) of the Customs Act, 1962 mandates that in the case of non-prohibited goods, the adjudicating authority shall give the owner an option to pay a fine in lieu of confiscation. I accordingly give M/s. Sky Root Overseas an option to redeem the said goods for home

consumption on payment of redemption fine under Section 125(1) of the Customs Act, 1962, subject to payment of all applicable customs duty, differential duty and interest.

19. FIFTH ISSUE — PENALTIES:

19.1 Penalty under Section 112(a)(ii) of the Customs Act, 1962:

I find that M/s. Sky Root Overseas, by under-declaring the quantity of imported fabrics (1,16,941 SQM declared against 1,23,714 SQM actually found) and by understating the value of the goods (declared Rs. 13,47,862/- against re-determined Rs. 20,21,387/-), has done acts and omissions which rendered the goods liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. As a result, Customs duty of Rs. 1,89,261/- was short-levied. The goods are dutiable goods and are not prohibited goods. M/s. Sky Root Overseas has accordingly rendered itself liable for penalty under **Section 112(a)(ii)** of the Customs Act, 1962.

19.2 Penalty under Section 114AA of the Customs Act, 1962:

I find that M/s. Sky Root Overseas caused to be made, signed and used the Z-Bill of Entry No. 3122139 dated 13.08.2026 and supporting documents which contained incorrect particulars in material respects — specifically, the quantity of the imported goods (declared as 1,16,941 SQM whereas the re-determined quantity is 1,23,714 SQM) and the value (declared as Rs. 13,47,862/- whereas the re-determined value is Rs. 20,21,387/-). These constitute false and incorrect declarations in material particulars in the transaction of customs business for the purposes of the Customs Act, 1962. M/s. Sky Root Overseas has accordingly rendered itself liable for penalty under **Section 114AA** of the Customs Act, 1962.

20. In view of the aforesaid discussions and findings, I pass the following order:

ORDER

(i) I order re-determination of the quantity of the imported fabrics covered under Z-Bill of Entry No. 3122139 dated 13.08.2026, from the declared quantity of 1,16,941 SQM to the re-determined quantity of 1,23,714 SQM, as calculated in Table under Para 3.2 above.

(ii) I reject the declared assessable value of Rs. 13,47,862/- (Rupees Thirteen Lakh Forty-Seven Thousand Eight Hundred and Sixty-Two Only) under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the assessable value at **Rs. 20,21,387/-** (Rupees Twenty Lakh Twenty-One Thousand Three Hundred and Eighty-Seven Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962, as discussed in Table-E above.

(iii) I order re-assessment of Z-Bill of Entry No. 3122139 dated 13.08.2026 under Section 17(4) of the Customs Act, 1962 in accordance with the re-determined quantity and assessable value.

(iv) I order confiscation of the imported goods covered under Z-Bill of Entry No. 3122139 dated 13.08.2026, container TLLU7974446, having re-determined assessable value of **Rs. 20,21,387/-** (Rupees Twenty Lakh Twenty-One Thousand Three Hundred and Eighty-Seven Only), under Sections 111(l) and 111(m) of the Customs Act, 1962. However, I give M/s. Sky Root Overseas an option to redeem the said goods for home consumption on payment of Redemption Fine of **Rs. 2,00,000/- (Rupees Two Lakh Only)** under Section 125(1) of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 18,000/- (Rupees Eighteen Thousand Only)** on **M/s. Sky Root Overseas (IEC: AFEFS3633J)**, Ground Floor JB-6/251, Welcome Seelampur, Delhi-110053, under Section 112(a)(ii) of the Customs Act, 1962.

(vi) I impose a penalty of **Rs. 5,000/- (Rupees Five Thousand Only)** on **M/s. Sky Root Overseas (IEC: AFEFS3633J)** under Section 114AA of the Customs Act, 1962.

21. This Order-in-Original is issued without prejudice to any other action that may be taken against M/s. Sky Root Overseas or any other person under the provisions of the Customs Act, 1962 or any rules/regulations/notifications made thereunder, or under any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 29-09-2026 11:41:28

(DIPAK ZALA)
Additional Commissioner of Customs,
Mundra Customs

To,

M/s. Sky Root Overseas (IEC-AFEFS3633J)

Ground Floor JB-6/251, Welcome Seelampur, Delhi – 110053

Copy to:

1. The Additional Commissioner (SIIB), Customs House, Mundra
2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra