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A. File No.	: GEN/ADJ/ADC/1244/2026-Adjn-O/o Pr Commr-Cus-Mundra	
B. SCN No.	: 131/2026-27/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. Nagarmal Radheyshyam (IEC: AAXPS3396Q) 2. Shri Vijay Singhania, Proprietor of M/s. Nagarmal Radheyshyam	

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

Whereas it appears that:

1.1 Specific intelligence was developed that M/s Nagarmal Radheyshyam situated at First Floor, Property Bearing No.X/925 , Chand Mohalla, Gandhi Nagar, Delhi – 110 031, holding IEC No. AAXPS3396Q (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 Nagarmal Radheyshyam was undertaken. The following Bill of Entry filed by M/s. Nagarmal Radheyshyam has been put on hold on 28.02.2026.

Sr. No.	BE No.	BE Date	Declared Description	Declared CTH
1	7775787 (Z)	27.02.2026	POLYESTER DYED LAMINATED FABRICS	59039090

- Z type BE intended for warehousing

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred Bill of Entry No. 7775787 dated 27.02.2026 was examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 20.03.2026 under panchnama at warehouse facility of M/s. OWS Warehouse Services LLP, APSEZ, Mundra. During the examination proceeding, it was found that the goods presented for examination imported vide Bills of Entry No. 7775787 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 20.03.2026, representative samples were drawn to analyze the exact nature of the fabric. 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 20.03.2026, representative samples were drawn from the 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	7775787	27.02.2026	"7775787/Type-1/A-1" , "7775787/Type-2/B-1" and "7775787/Type-3/C-1"

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 The representative samples, drawn and marked as "7775787Type-1/A-1", "7775787/Type-2/B-1", "7775787/Type-3/C-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 their test reports (RUD-1) on the basis of the parameters tested by them.

Sr. No.	BE No.	BE Date	Representative Samples	Test report
1	7775787	27.02.2026	"7775787/Type-1/A-1"	0153032526-3255 dated 29.04.2026
			"7775787/Type-2/B-1"	0153032526-3276 dated 16.04.2026
			"7775787/Type-3/C-1"	0153032526-3256 dated 29.04.2026

3.3 The test report has two parts viz. Part – I and Part – II. At Part I of the Test Results dated 16.04.2026 and 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 26.03.1997 are not detected.

3.4 Further, at Part II of the test results, the Laboratories, Textile Committee had reported tested result on the parameters tested by them. Based on the tested results, the description of the goods has been arrived at as under

BE NUMBER	BEDATE	ITEM DESCRIPTION (DECLARED)	CTI declared	Description as per Test Result
7775787	27-02-2026	POLYESTER LAMINATED FABRICS	59039090	TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn
				Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)
				Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)

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. No.	BE No.	BE Date	Declared Qty (Sq.Mtr.)	Declared/ Net Weight (Kg)	GSM as per Test Report	Actual Qty based on GSM (Sq.Mtr.)	Excess Qty (Sq.Mtr.)
1	7775787	27.02.2026	83,451	24634	128.4	9,600	86,949
					133.4	1,07,850	
					177.8	52,950	
Total			83,451			1,70,400	86,949

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 The investigation conducted by the Directorate of Revenue Intelligence established that the goods imported by M/s. Nagarmal Radheyshyam under Bill of Entry No. 7775787 and dated 27.02.2026 were prima facie mis-declared with respect to their classification, quantity and value. The importer had declared the goods as "Polyester Dyed Laminated Fabric" under CTI 59039090. However, representative samples drawn from the imported consignments were tested by the Textile Committee Laboratory, Mumbai. The test reports revealed that the goods covered under Bill of Entry No. 7775787 dated 27.02.2026 were other than fabric declared by the importer. Description and Classification as per test report are tabulated in para 3.4 above. Accordingly, the classification adopted by the

importer was found to be incorrect and resulted in mis-declaration of the imported goods.

5.2 Investigation further established that the importer had significantly understated the quantity of the imported goods. Against the total declared quantity of 83,451 square metres, the actual quantity was determined to be 1,70,400 square metres on the basis of the GSM determined through laboratory testing and the net weight of the imported goods. The quantity discrepancy of 86,949 square metres resulted in suppression and consequently, the assessable value declared by the importer was also found to be grossly suppressed.

5.3 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 and under other applicable provisions of Section 111 of the Customs Act, 1962.

5.4 Accordingly, having reasonable belief that the imported goods were liable to confiscation under the provisions of the Customs Act, 1962, the goods covered under Bills of Entry No. 7775787 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 Ankit Singhania S/o. Vijay Singhania, Authorised person of M/s. Nagarmal Radheyshyam was recorded under Section 108 of the Customs Act, 1962, on 29.06.2026 (RUD-2), wherein he interalia stated that -

- He is the authorised person of M/s. Nagarmal Radheyshyam and son of Shri Vijay Singhania, proprietor of M/s. Nagarmal Radheyshyam. He further stated that all the affairs and business activities of the firm were looked after by his father. He stated that M/s. Nagarmal Radheyshyam had been carrying on its business since the year 1990 and was engaged in the trading of fabrics, garments, and other allied products. He further stated that M/s. Nagarmal Radheyshyam had been importing different varieties of fabrics from China since the year 2022.
- He stated that he had perused the Panchnamas dated 20.03.2026 drawn at M/s. OWS Warehouse Services, APSEZ, Mundra. He further stated that the contents of the said Panchnamas were correct to the best of his knowledge and belief and that, in token of their correctness, he had affixed his dated signatures thereon. He confirmed and agreed that he had authorised Shri Harshit Tiwari to remain present during the examination and drawal of representative samples from the imported goods covered under Bill of Entry No. 7775787 dated 27.02.2026. He further stated that the sample drawl process

adopted during the examination was accepted by him and by M/s. Nagarmal Radheyshyam.

- He stated that he had carefully perused the test reports of the representative samples drawn during the examination conducted at M/s. OWS Warehouse Services LLP, APSEZ, Mundra in respect of Bill of Entry No. 7775787 (three representative samples), all dated 27.02.2026, which had been received from the Laboratories, Textile Committee, Government of India, Mumbai. He further stated that, in token of having perused the said test reports, he had affixed his dated signatures on each of the test reports. He also acknowledged the receipt of copies of all the aforesaid test reports. He stated that he had carefully examined the test reports and agreed with the test results based on the parameters mentioned therein. He further accepted and confirmed that the test reports were true and correct and stated that he had no objection whatsoever to the test results or to any of the parameters mentioned therein.
- He stated that he had perused Bill of Entry No 7775787 dated 27.02.2026, filed by him for the import of fabrics at APSEZ, Mundra (at M/s. OWS Warehouse Services LLP), and had affixed his dated signatures thereon in token of having perused the same and in confirmation of their correctness. He further stated that the aforesaid Bill of Entry had been filed by M/s. Nagarmal Radheyshyam for the clearance of imported fabrics from China. He stated that the declarations and particulars furnished in the said Bills of Entry had been made after due care and application of mind. He further stated that the Customs Tariff Item (CTI), assessable value, rate of duty, exemption benefits claimed, and all other particulars declared therein were true and correct to the best of the firm's knowledge and belief. He further stated that, being the authorised person acting on behalf of the proprietorship firm, he was aware of the responsibility to ensure that true, correct, and complete particulars were furnished while filing the Bill of Entry.
- He stated that he agreed that the declared description of the goods covered under Bill of Entry No. 7775787(Z) dated 27.02.2026 was "POLYESTER DYED LAMINATED FABRIC". He further stated that he had perused the Panchnama as well as the test reports issued by the Laboratories, Textile Committee, Mumbai in respect of the representative samples marked as "7775787/Type-1/A-1", "7775787/Type-2/B-1", and "7775787/Type-3/C-1". He stated that he had examined the test reports and agreed and confirmed that the tested parameters mentioned therein clearly indicated that the representative samples drawn from the imported goods were different from the description declared in the Bill of Entry in respect of the samples "7775787/Type-1/A-1", "7775787/Type-2/B-1", and "7775787/Type-3/C-1". He further stated that he agreed with the findings of the test reports. He stated that the details of the test reports, revised description, revised Customs Tariff Item (CTI), square metres (SQM) calculated on the basis of GSM, and the assessable value based on the revised description were as under:-

BE NUMBER	BEDATE	ITEM DESCRIPTION (DECLARED)	CTI declared	Description as per Test Result	CTI	GSM as per test report	SQM as per examination
7775787	27-02-2026	POLYESTER LAMINATED FABRICS	59039090	TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn	59032090	128.4	9600
				Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)	54075290	133.4	107850
				Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)	54074290	177.8	52950

- He stated that he agreed that the declared description of the imported goods did not match the description reflected in the test report based on the tested parameters in respect of **Bill of Entry No. 7775787(Z) dated 27.02.2026**. He further stated that he agreed with the re-classification of the **Customs Tariff Item (CTI)** based on the findings recorded in the test report. He also stated that he agreed with the computation of the square metres (SQM) arrived at on the basis of the GSM and the declared net weight as mentioned in the packing list and ascertained during the physical examination. He further agreed that the actual quantity in square metres (SQM), as so arrived at, was in excess of the quantity in square metres (SQM) declared in the Bill of Entry. He stated that both he and **M/s. Nagarmal Radheyshyam** accepted the above findings and were ready and willing to pay the differential customs duty, if any, arising therefrom. He further stated that, according to him, the overseas supplier had dispatched goods different from those that had been ordered.
- He stated that he had perused the test report and confirmed that the tested parameters of the test report in respect of representative sample "7775787/A-1" indicated that the description of the imported goods was different from the description declared in the Bill of Entry. He further stated that he agreed that the imported goods had been mis-declared with regard to their description, quantity, **Customs Tariff Item (CTI)**, and assessable value. Accordingly, he agreed that the CTI, quantity, and assessable value of the said goods might be re-assessed on the basis of the test report and the examination Panchnama. He further stated that he agreed that the assessable value of the goods might also be re-determined on the basis of the contemporaneous value of the goods actually imported, having regard to the description and CTI as determined in the test report. He stated that **M/s. Nagarmal Radheyshyam** was ready and willing to pay the differential customs duty, if any, arising on account of such re-assessment.

7. RE-CLASSIFICATION OF GOODS

7.1 The importer, M/s. Nagarmal Radheyshyam, declared the imported goods covered under Bill of Entry No. 7775787 as "**Polyester Dyed Laminated Fabric**" and classified the same under **CTI 59039090**.

7.2 In order to ascertain the correct nature and classification of the goods, representative samples were drawn and forwarded to the Textile Committee Laboratory, Mumbai. The laboratory reports revealed that the goods imported under Sample "7775787/Type-1/A-1") are "TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn", Sample "7775787/Type-1/B-1" are "Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric (Polyurethane) yarn" and Sample "7775787/Type-1/C-1") are "Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)".

7.2.1 Classification of TPU Laminated Polyester Fabrics

The importer had declared the goods under Heading 5903 of Chapter 59

Tariff Item 59039090 covers

"Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902."

However, tariff Item 59032090 specifically covers :

"Textile fabrics impregnated, coated, covered or laminated with polyurethane, other than those of heading 5902"

7.2.2 Thus, where a textile fabric is laminated with polyurethane, classification is specifically provided under Customs Tariff Item 59032090.

7.2.3 The Textile Committee Laboratory specifically reported the goods as "TPU Laminated 100% Polyester Dyed Woven Fabric". TPU (Thermoplastic Polyurethane) is a polyurethane polymer. Therefore, the goods are textile fabrics laminated with polyurethane. In terms of the General Rules for Interpretation (GRI), particularly Rule 1, classification shall be determined according to the terms of the headings and relevant Section and Chapter Notes. Since Heading 590320 specifically covers textile fabrics laminated with polyurethane, recourse to the residual entry 59039090 is not warranted. Since CTH 59032090 specifically covers textile fabrics coated, covered or laminated with polyurethane, classification under residual tariff item 59039090 ("Other") is untenable. Accordingly, the goods imported under Bill of Entry No. 7775787 (sample "7775787/Type-1/A-1") are correctly classifiable under:

CTH 59032090 - Textile fabrics impregnated, coated, covered or laminated with polyurethane - Other.

7.3. Classification of Fabric Containing Elastomeric (polyurethane) Yarn

7.3.1 The Textile Committee Laboratory reported the goods covered under Bill of Entry No. 7775787 (sample "7775787/Type-1/B-1") as, "Dyed woven polyester filament fabric containing textured and filament yarn with approximately 3.2% elastomeric yarn (polyurethane)." The test report establishes that the goods are essentially woven fabrics manufactured from polyester filament yarn and contain elastomeric yarn imparting stretch characteristics.

7.3.2 The chapter 54 of the Customs Tariff Act covers "Man Made Filaments"

Heading 5407 specifically covers

" Other Woven fabrics containing 85% or more by weight of textured polyester filaments,"

Tariff item 54075290 covers :

"Other dyed woven fabrics containing 85% of more than weight of textured polyester filaments"

7.3.3 Since the fabric was reported as a **dyed woven polyester filament fabric**, classification falls under Heading 540752.

The appropriate tariff item is:

CTH 54075290 - Other dyed woven fabrics of polyester filaments.

7.3.4 The laboratory report in respect of Bill of Entry No. 7775787 (sample "7775787/Type-1/B-1") does not indicate the presence of any plastic coating, impregnation, covering or lamination. Therefore, the essential condition for classification under Heading 5903 is absent. As the goods are fundamentally woven fabrics of synthetic filament yarn and not coated or laminated textile fabrics, classification under Heading 59039090 is not sustainable. Accordingly, the goods are correctly classifiable **CTH 54075290 - Dyed woven fabrics of polyester filaments - Other.**

CTI 54075290 - Other woven fabrics containing 85% or more by weight of textured polyester filaments - Dyed - Other.

7.4 Classification of Dyed Woven Polyamide Filament Fabric containing Texturized Filament Yarn with Elastomeric Yarn (Polyurethane)

7.4.1 The goods under consideration are described as "**Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)**".

Heading **5407** of the First Schedule to the Customs Tariff Act covers:

"Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404."

The imported goods are woven fabrics manufactured from **synthetic filament yarn**, wherein the predominant constituent is **polyamide filament yarn** along with texturized filament yarn. The fabric also contains **8% elastomeric yarn (polyurethane)**. The goods are dyed woven fabrics and are covered under the scope of Heading 5407.

7.4.2 The imported goods consist of dyed woven fabric containing texturized

polyamide (92%) filament yarn. The presence of 8% **elastomeric yarn (polyurethane)** does not alter the essential character of the fabric, as the fabric remains a woven fabric of synthetic filament yarn of polyamide origin.

7.4.3 In terms of **General Rules for Interpretation (GRI) Rule 1**, classification of goods shall be determined according to the terms of the headings and the relevant Section Notes and Chapter Notes. Since the goods are dyed woven fabrics containing polyamide filament yarn and satisfy the description covered under **CTI 54074290**, the said tariff item is applicable.

7.4.4 Further, the presence of 8% **elastomeric yarn (polyurethane)** does not render the goods classifiable under Heading 5903, as the polyurethane is incorporated as yarn within the woven fabric and the goods are neither impregnated, coated, covered, nor laminated with polyurethane.

7.4.5 Accordingly, the goods imported under Bill of Entry No. 7775787 (sample "7775787/Type-3/C-1") and Laboratory Test result description described as "**Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)**" are correctly classifiable under:

CTI 54074290 - Other woven fabrics containing 85% or more by weight of filaments of nylon or other polyamides - Dyed - Other.

7.5 In view the above discussion, the summary of re-determined classification based on the test results are as under :-

BE No.	Declared CTI	Correct CTI	Basis of Re-classification
777578	59039090	59032090	TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn
	59039090	54075290	Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)
	59039090	54074290	Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)

7.6 Shri Ankit Singhania S/o. Vijay Singhania, Authorised person of M/s. Nagarmal Radheyshyam 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 as tabulated above. Therefore, the nature, composition and classification of the imported goods stand revealed through scientific testing and the admission of the importer. Consequently, the imported goods are correctly classifiable under Customs Tariff Item as per table above and not under Customs Tariff Headings as declared in the Bills of Entry.

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 mis-declared the goods as per Description and Classification. Investigation further established 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 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 Goods) 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 “TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)”

8.6.1 In the instant case, the declared transaction value of the imported goods has been found unacceptable under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, for the reasons discussed hereinabove. Further, determination of value under Rules 4 and 5 could not be undertaken due to the non-availability of contemporaneous imports of identical or similar goods possessing comparable specifications such as composition, GSM, construction, quality, finish, and country of origin. Likewise, valuation under Rules 7 and 8 was not feasible in the absence of reliable data required for application of the deductive and computed value methods. Consequently, the assessable value has been determined under Rule 9 of the Customs Valuation Rules, 2007, by adopting reasonable means consistent with the principles and general provisions of Section 14 of the Customs Act, 1962 and the Valuation Rules. For this purpose, reliance has been placed upon contemporaneous assessments of comparable fabric imports made through other Bills of Entry, wherein the assessable values had been finalized on the basis of suggestive values adopted by the Customs formations after due examination and assessment. The assessable value so adopted is not based on a solitary instance but is supported by multiple contemporaneous assessments of comparable textile fabrics, thereby ensuring uniformity, reasonableness and conformity with the valuation principles embodied in Section 14 of the Customs Act, 1962 and Rule 9 of the Customs Valuation Rules, 2007.

8.6.2 The contemporaneous assessment import data pertaining to similar polyester dyed fabric laminated with PU 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	BE DATE	COUNTRY OF ORIGIN	ITEM DESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE (USD)
INAJM6	8780015	20-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	192263.3	SQM	0.18
INAJM6	8745170	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	217367.6	SQM	0.18
INAJM6	8329444	27-03-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	205777.7	SQM	0.18
INAJM6	8745591	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	185377.1	SQM	0.18
		02-06-		POLYESTER DYED				

INAJM6	9634132	2026	CN	LAMINATED FABRIC	59032090	171428.5	SQM	0.18
INAJM6	7000960	20-01-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	216059.5	SQM	0.18
INAJM6	9021850	02-05-2026	CN	POLYESTER DYED LAMINATED FABRIC	59032090	207904.7	SQM	0.18
INAJM6	8725958	17-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	155937.1	SQM	0.18
INAJM6	8745324	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	194292.4	SQM	0.18
INAJM6	9588774	30-05-2026	CN	POLYESTER DYED LAMINATED FABRIC	59032090	167948.7	SQM	0.18
INAJM6	8745045	18-04-2026	CN	POLYESTER DYED FABRIC LAMINATED WITH PU	59032090	200457.6	SQM	0.18
INAJM6	9661697	03-06-2026	CN	POLYESTER DYED PU LAMINATED FABRIC	59032090	193545.9	SQM	0.18

8.6.3 The contemporaneous assessment of import data indicated assessable value of USD 0.18 per square meter for such similar imported goods. Since the contemporaneous assessment imports related to similar goods imported at or about the same time and from the same country of origin, the value of USD 0.18 per square meter was considered appropriate for determination of the imported goods under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the assessable value of the imported goods was re-determined under Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

8.7 Valuation of “Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)”

8.7.1 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, texturized/non-texturized 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.

8.7.2 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Nagarmal Radheyshyam. 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:-

CUSTOMHOUSECODE	BENUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNITPRICE	Total Value
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	2694.825	SQM	1.793103	4832.099
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	4491.375	SQM	1.793103	8053.498
INNSA1	5688547	14-11-2025	WOVEN FABRIC - WQ-19447 FABRIC 93% POLYESTER 7%SPANDEX, STYLE NO. BP-TP-ST-MARTINI 270 GSM CUTABLE WIDTH 145 CM FULL WID	54075290	2694.825	SQM	1.793103	4832.099
INPPG6	5854439	22-11-2025	WOVEN FABRIC BP-DO-WILSON2# OFF WHITE , 95% POLY, 5% SPANDEX, 268 GSM,WIDTH 145CM (1530 MTR)	54075290	2218.5	SQM	1.965517	4360.499
INPPG6	5854439	22-11-2025	WOVEN FABRIC BP-DO-WILSON2# BLACK , 95% POLY, 5% SPANDEX, 268 GSM,WIDTH 145CM (1524 MTR)	54075290	2209.8	SQM	1.965517	4343.399
INMAA1	6139397	06-12-2025	95.3% POLYESTER 4.7% SPANDEX WOVEN DYED FABRIC GSM 180 WIDTH56/57" (26848.7 MTRS)	54075290	38871.55	SQM	0.635447	24700.81
INMAA1	6139397	06-12-2025	95.7% POLYESTER 4.3% SPANDEX WOVEN DYED FABRIC GSM 230 WIDTH56/57" (3883.5 MTRS)	54075290	5622.531	SQM	0.725239	4077.679
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# NAVY, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (1613.8 MTR)	54075290	2388.42	SQM	1.75676	4195.881
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# BLACK, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (1882.6 MTR)	54075290	2786.24	SQM	1.756762	4894.761
INPPG6	6170173	08-12-2025	WOVEN FABRIC BP-TP-ST-MARTINI# BEIGE, 93% POLYESTER , 7% SPANDEX , 270 GSM , WIDTH 148 CM (2342.5 MTR)	54075290	3466.9	SQM	1.756757	6090.501
INMAA1	6337603	16-12-2025	96.8% POLYESTER 3.2% SPANDEX WOVEN DYED FABRIC WIDTH 56/57"GSM 250 (5557.50 MTRS)	54075290	8046.149	SQM	1.174195	9447.747
INMAA1	6343249	17-12-2025	92% POLYESTER 8% SPANDEX PLAIN WOVEN OVER DYED FABRIC GSM 140 (+/-5%) WIDTH 56" (+/-1%) (4803 YARDS)	54075290	6246.98	SQM	1.614588	10086.3
			Total		81738.09			89915.27
			Weighted Average Price					1.1

8.7.3 The contemporaneous import data indicated a weighted average transaction value of USD 1.10 per square meter 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 1.10 per square meter 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 **Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)**.

8.8 Valuation of Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)

8.8.1 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 identically requires comparison of various technical and commercial parameters such as fiber composition, construction (woven/knitted), GSM, yarn type, denier, texturized/non-texturized 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.

8.8.2 Investigation revealed that similar fabrics of Chinese origin were being imported contemporaneously at substantially higher values than the values declared by M/s Nagarmal Radheyshyam. 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	BENUMBER	BEDATE	ITEMDESCRIPTION	CTH	QUANTITY	UQC	UNIT PRICE	Total Value
INMAA1	7250750	2/2/2026	88% POLYAMIDE 12% ELASTANE WOVEN FABRIC WIDTH: 138CM GSM:200 (+/-10) (3601 Y)(3292.75 M)	54074290	4544	SQM	2.83	12855.57
INCCU1	6877871	13-01-2026	RELEVANT FABRIC 90% POLYAMIDE 10% ELASTANE 155GSM YQLB9207 FT508:RIBSTOP PD + DWR, WITH UPF (5250 MTR @\$ 2.43/MTR)	54074290	7716.129	SQM	2.33	18007.5
INCCU1	6877871	13-01-2026	RELEVANT FABRIC 90% POLYAMIDE 10% ELASTANE 155GSM YQLB9207 FT508:RIBSTOP PD + DWR, WITH UPF (2130 MTR @\$ 2.43/MTR)	54074290	3129.03	SQM	2.33	7305.9
INCCU1	7445771	11/2/2026	LINING AND INTERLINING MATERIALS 96% POLYAMIDE 4% SPANDEX 200D+40D*200D+40D 280GSM 144 CM COLOR:BLACK (4647MTR@\$4.02/MTR)	54074290	6615.71	SQM	2.82	18680.94
					22004.87			56849.91

8.8.3 The contemporaneous import data indicated a weighted average transaction value of USD 2.58 per square meter 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 2.58 per square meter 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 **Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)**.

9.1 Applying the contemporaneous value of import per square meter in respect of BEs to the actual quantities determined on the basis of GSM and net weight, the assessable value was re-determined as follows:

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

9.3 The above comparison clearly establishes 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. In respect of TPU Laminated Polyester Fabrics (CTH 59032090), a value of USD 0.18 per Sq.Mtr. was adopted. In respect of Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane) (CTH 54075290), a value of USD 1.10 per Sq.Mtr. was adopted

based on contemporaneous import data. In respect of Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane) (CTH 54074290), a value of USD 2.58 per Sq.Mtr. was adopted based on contemporaneous import data. The importer declared a total assessable value of ₹9,20,298/- whereas the correct assessable value determined in accordance with Rule 5 and 9 of the Customs Valuation Rules, 2007 works out to Rs. ₹2,26,95,613/-.

9.4 In his statement recorded under Section 108 of the Customs Act, 1962, the Authorized person of M/s Nagarmal Radheyshyam 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 and 9 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 Statement of Shri Ankit Singhania, Authorised person of M/s. Nagarmal Radheyshyam, it is clear that M/s. Nagarmal Radheyshyam is importing 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. 7775787 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 16.04.2026 and 29.04.2026, reported that imported goods in respect of 7775787 (Samples "7775787/Type-1/A-1", "7775787/Type-2/B-1" and "7775787/Type-3/C-1") In respect of Sample "7775787/Type-1/A-1" the imported goods were found to be TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn correctly classifiable under Customs Tariff Item 59032090. In respect of Sample "7775787/Type-2/B-1", the imported goods were found to be Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane) classifiable under Customs Tariff Item 54075290. And In respect of Sample "7775787/Type-3/C-1" the imported goods were found to be

Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane) classifiable under Customs Tariff Item 54075290. However, the importer had declared goods as Polyester Dyed Laminated Fabrics, under CTH 59039090, resulting in adoption of an incorrect tariff classification. Thus, the importer had mis-declared the classification of the imported goods.

10.3 Based on the laboratory findings, the imported goods were found correctly classifiable under Customs Tariff Item 59032090 54075290 and 54074290 as against the declared classifications under CTH 59039090. Thus, the importer had mis-declared the description and classification of the imported goods. Investigation further established that the quantity declared in the Bills of Entry was grossly understated. On the basis of GSM determined through laboratory testing and net weight of the imported goods, the actual quantity was re-determined at 1,70,400 Sq. Mtrs. as against the declared quantity of 83,451 Sq. Mtrs., resulting in excess quantity of 86,949 Sq. Mtrs. 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.

10.4 Contemporaneous import data of similar woven polyester filament fabrics containing elastomeric yarn imported from China during the relevant period was examined. Based on such imports, a weighted average transaction value of TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn, Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane) and Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane) USD 0.18, 1.10 and 2.58 per Sq. Mtr., respectively, was adopted for valuation under Rule 5 of the Customs Valuation Rules, 2007. Applying the contemporaneous value to the actual quantity determined during investigation, the assessable value of the imported goods was re-determined at Rs. **₹2,36,15,911/-** as against the declared assessable value of **₹9,20,297/-**, thereby it emerges substantial undervaluation.

10.5 Shri Ankit Singhania, Authorised person of M/s. Nagarmal Radheyshyam, 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 Nagarmal Radheyshyam knowingly filed Bills of Entry containing incorrect

declarations relating to the description, classification, quantity and value of the imported goods.

10.6 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	Sq. Mtrs. Calculated based on GSM	New AV (₹)	BCD (₹)	SCD @10% (₹)	IGST @5% (₹)	Duty Payable (₹)	Differential Duty (₹)
7775787	27-02-2026	258,603.70	1	59032090	9,600	158,803.20	31760.64	3176.06.20	9687.00	44623.70	6199908.5
7775787	27-02-2026	258,603.70	2	54075290	10,7850	10,902,556.50	2,480,550.00	0.00	669,155.33	3,149,705.33	
7775787	27-02-2026	258,603.70	3	54074290	52,950	12,554,550.90	2,510,910.18	0.00	753,273.05	3,264,183.23	

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. CONTRAVENTION 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 Nagarmal Radheyshyam 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 Nagarmal Radheyshyam is a proprietary concern in which Shri Vijay Singhania is proprietor of M/s. Nagarmal Radheyshyam categorically stated, in his voluntary statements dated 29.06.2026 that M/s Nagarmal Radheyshyam, 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. Shri Vijay Singhania Proprietor of M/s Nagarmal Radheyshyam, situated at First Floor, Property Bearing No.X/925 , Chand Mohalla, Gandhi Nagar, Delhi - 110 031, holding IEC No. AAXPS3396Q appears to have indulged in presenting documents falsifying the identity of the

goods, before the Customs authorities for import of the goods. Thus, Shri Vijay Singhania 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 Vijay Singhania 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 Nagarmal Radheyshyam 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 the bill of entry, they had already filed DTA Bills of Entry.

13. Now, therefore, -

13.1. M/s Nagarmal Radheyshyam, having its address at First Floor, Property Bearing No.X/925 , Chand Mohalla, Gandhi Nagar, Delhi - 110 031, holding IEC No. AAXPS3396Q 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. 7775787 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. 9,20,298/- (Rupees Nine Lakhs Twenty Thousand Two Hundred Ninety Eight Only)** should not be rejected and goods be re-determined and re-determined at **Rs. 2,36,15,911/- (Rupees Two Crore Thirty Six Lakhs Fifteen Thousand Nine Hundred Eleven only)**, as discussed above.
- iii. The seized goods, as detailed in Seizure Memo with re-determined value of **Rs. 2,36,15,911/- (Rupees Two Crore Thirty Six Lakhs Fifteen Thousand Nine Hundred Eleven only)**, should not be confiscated under Section 111 (m) of the Customs Act, 1962.

- iv. The differential duty amounting to **Rs. 61,99,909/- (Rupees Sixty One Lakhs Ninety Nine Thousand Nine Hundred Nine 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.
- v. Penalty should not be imposed under Section 112 (a) or 112(b) of Customs Act, 1962.

13.2 Shri Vijay Singhania, proprietor of M/s. Nagarmal Radheyshyam 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
16:31:45**

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

To,

1. M/s. Nagarmal Radheyshyam (IEC: AAXPS3396Q),
First Floor, Property Bearing No.X/925 ,
Chand Mohalla, Gandhi Nagar, Delhi – 110 031
2. Shri Vijay Singhania, Proprietor of M/s. Nagarmal Radheyshyam,
First Floor, Property Bearing No.X/925 ,
Chand Mohalla, Gandhi Nagar, Delhi – 110 031

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)

Annexure-R

Sr. No.	Document
RUD-1	Copy of Test Reports of Textile Committee, Mumbai
RUD-2	Copy of Statement of Shri Ankit Singhania, Authorised Person of M/s. Nagarmal Radheyshyam, recorded under Section 108 of the Customs Act, 1962 on 29.06.2026
RUD-3	Quantification of Duty and Differential Duty (Annexure-A)

ANNEXURE - A - DIFFERENTIAL DUTY CALCULATION

Sr. No.	Name of the Importer	BENUMBER	BEDATE	ITEMDESCRIPTION (DECLARED)	CTH declared	AV for sq mtrs. (USD)	AV as per BE	Duty Declared/ paid	Declared Quantity	Description as per Test Result	CTH	Sq Mtrs found during examination	GSM	Net Weight Kgs.	Sq. Mtrs. Calculated based on GSM	Remark on CTH	AV per Sqm. (USD)	New AV	BCD (New)		SCD (New)		IGST (New)		Payable	Difference
1	NAGARMAL RADHEYSHYAM	7775787	27-02-2026	POLYESTER DYED LAMINATED FABRIC	59039090	0.12	920297.63	258603.7	83451	TPU laminated polyester dyed plain woven fabric - 100% texturized filament yarn	59032090	9600	128.4	1232.64	9600	CTH Change	0.18	158803.20	20	31760.64	10	3176.06	5	9687.00	44623.70	6199908.56
										Dyed woven polyester filament fabric containing texturized filament yarn with 3.2% elastomeric yarn (Polyurethane)	54075290	107850	133.4	14387.19	107850	20% or 23 per sq mtr whichever is higher	1.1	10902556.50	Rs. 23 per Sq. Mts.	2480550.00	0	0.00	5	669155.33	3149705.33	
										Dyed woven polyamide filament fabric containing texturized filament yarn with 8% elastomeric yarn (Polyurethane)	54074290	52950	177.8	9414.51	52950	20% or 36 per sq mtr whichever is higher	2.58	12554550.90	Rs. 36 per Sq. Mts.	2510910.18	0	0.00	5	753273.05	3264183.23	
										Total								23615910.60		5023220.82		3176.06		1432115.37	6458512.26	6199908.56