	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,** **CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: adj-mundra@gov.in	
A	फा. सं./ FILE NO.	GEN/ADJ/ADC/1068/2026-Adjn-O/o Pr. Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/438/2026-27
C	द्वारा पारित किया गया PASSED BY	Dipak Zala, Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	26.10.2026
E	जारी करने की तिथि DATE OF ISSUE	26.10.2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NO. & DATE	130/2026-27/ADC/ZDC/MCH dated 25.08.2026
G	नोटिसी/पार्टी / आयातक NOTICEE/PARTY/ IMPORTER	(i) M/s. Aanya Exim (IEC 0210025697) (ii) Shri Santosh Prasad Jaiswal, Proprietor of M/s Aanya Exim

1. यह अपील आदेश 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 अपील आदेश से असंतुष्ट है तो व–ह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्र सीए 3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:
   "सीमा शुल्क आयुक्त (अपील), चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"
   "The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."
3. उक्त अपील यह आदेश 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 accompanied by –
5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. 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 (Appeals) 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

1.1 Specific intelligence was developed that M/s. Aanya Exim situated at M 1, Essel Mansion, 2286-87, Aarya Samaj Road, Karol Bagh, New Delhi – 110 005 holding IEC No. 0210025697 (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 the intent to evade applicable Customs duties.

1.2 Acting upon the said intelligence, scrutiny of import documents, Bills of Entry, pertaining to imports made by M/s. Aanya Exim was undertaken. The import data in respect of M/s. Aanya Exim was scrutinized and the following Bills of Entry imported through SEZ, Mundra were identified for detailed investigation.

TABLE - A

Sr. No.	Bill of Entry No.	BE Date	Description Declared	Declared CTI	Declared Qty (SQM)
1	7751283-Z/7782495-T	27.02.2026	Polyester Laminated Fabrics	59039090	60645
2	7751240-Z / 7782505-T	27.02.2026	Polyester Laminated Fabrics	59039090	87903

2. EXAMINATION OF GOODS

2.1 The goods imported vide the above referred two Bills of Entry No. 7782495 and 7782505 both dated 27.02.2026 were examined by the officers of Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad on 08.03.2026 and 19.03.2026 under panchnama at warehouse facility of M/s. Shoolin Trade Link LLP, Mundra. During the examination proceeding, it was found that the goods presented for examination imported vide Bills of Entry No. 7782495 and

7782505 both dated 27.02.2026, were prima-facie mis-declared with respect to the description of the goods. Accordingly, during the examination under panchnama proceeding dated 08.03.2026 and 19.03.2026, representative samples were drawn to ascertain the exact nature of the fabric. Further, it was also found during examination that the quantity of imported goods were in excess of that declared in these two Bills of Entry.

2.2 Imported fabrics in each of the container were of similar type and therefore, one representative sample from each container was drawn and marked as "7751283 /A-1" in respect of BE No. 7782495-T dated 27.02.2026 and "7751240/A-1" in respect of Bill of Entry No. 7782505-T dated 27.02.2026.

3. TESTING OF REPRESENTATIVE SAMPLES

3.1 Both the representative samples as detailed above at Para 2.2 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 submitted the following test reports**.**

TABE - B

Sr. No.	Bill of Entry No.	Date	Test Report No. and date
1	7751283-Z/ 7782495-T	27.02.2026	0153032526-3285 (in Part I and II) dated 16.04.2026
2	7751240-Z / 7782505-T	27.02.2026	0153032526-3284 (in Part I and II) dated 16.04.2026

3.3 In Part I of both the Test Results dated 16.04.2026, the Laboratory, Textile Committee, Mumbai informed that dyes prohibited by the Government of India under Section 6(2) (D) of the Environment (Protection) Act, 1986 (29 of 1986) read with Rule 13 of the Environment (Protection) Rules, 1986 vide Notification S.O. 108(E) dated 30.01.1990 and SO 243(E) dated 25.03.1997 are not detected, in the tested samples.

3.4 In Part II of the test results, the Laboratories, Textile Committee reported on the parameters tested by them. Based on these results, the correct description of the imported goods was found to be "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)" in respect of both Bills of Entry No. 7782495 dated 27.02.2026 and 7782505 dated 27.02.2026. The GSM of the fabric was reported as 129.8 and 128.8, respectively.

3.5 The test reports revealed that the imported goods were TPU Laminated 100% Polyester Dyed Woven Fabric. The reports indicated that the imported goods were not merely laminated polyester fabric as declared in the Bills of Entry, but were laminated with Polyurethane. Thus, the declarations of the importer in respect of description and classification were found to be incorrect. The goods were plainly declared as Polyester Laminated Fabric without mentioning the material of the laminate and on testing found to be TPU Laminated 100% Polyester Dyed Woven Fabric.

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 to the actual quantity of fabrics found during examination. 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 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 was taken for determination of the Quantity (in SQM).

4.2 The formula adopted for determination of actual quantity was:

Quantity (Sq. Mtr.) = Net Weight (Kg.) × 1000 ÷ GSM

4.3 In respect of Bill of Entry No. 7782495 dated 27.02.2026, the importer declared quantity as 60,645 square meters. However, based upon GSM of 129.8 and net weight of 24,300 kg, the actual quantity works out to :

SQM = 24,300 × 1000 ÷ 129.8 = 1,87,211 square meters

4.4 Thus, against the declared quantity of 60,645 square meters, the actual quantity was found to be 1,87,211 square meters, which was more than three times the declared quantity.

4.5 In respect of Bill of Entry No. 7782505 dated 27.02.2026, the importer declared quantity as 87,903 square meters. However, based upon GSM of 128.8 and net weight of 27,250 kg, the actual quantity works out to:

SQM = 27,250 × 1000 ÷ 128.8 = 2,11,568 square meters

4.6 Thus, against the declared quantity of 87,903 square meters, the actual quantity was found to be 2,11,568 square meters, which was more than thrice the declared quantity.

4.7 The comparison is tabulated below:

TABLE - C

Sr. No.	Bill of Entry No.	BE Date	Declared Qty (Sq.Mtr.)	Actual Qty (Sq.Mtr.)	Excess Qty (Sq.Mtr.)
1	7751283-Z/ 7782495-T	27.02.2026	60,645	1,87,211	1,26,566
2	7751240-Z / 7782505-T	27.02.2026	87,903	2,11,568	1,23,665
Total			1,48,548	3,98,779	2,50,231

4.8 Based on the GSM determined through laboratory testing, the actual quantity in the imported consignments was found to be **3,98,779 Sq. Mtrs.** as against the declared quantity of **1,48,548 Sq. Mtrs.**, resulting in an **excess quantity of 2,50,231 Sq. Mtrs.** This clearly brought out 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 indicated that the goods imported by M/s. Aanya Exim under Bill of Entry Nos. 7751283-Z/7782495-T and 7751240-Z/7782505-T, both 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 Laminated Fabrics" classifiable under CTI 59039090. Examination of the goods and subsequent laboratory testing by the Textile Committee, Mumbai, however, revealed that the goods were specifically TPU (Thermoplastic Polyurethane) Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn). Thus, while the goods were indeed laminated fabrics, the importer failed to correctly declare the nature of the polyurethane (TPU) lamination, which is a material fact having a direct bearing on tariff classification. In view of the test results, the goods were found correctly classifiable under CTI 59032090, applicable to textile fabrics impregnated, coated, covered or laminated with polyurethane, and not under the declared CTI 59039090. Accordingly, the classification adopted by the importer was found to be incorrect and resulted in misdeclaration of the imported goods.

5.2 Investigation further revealed that the importer had significantly understated the quantity of the imported goods. Against the declared quantity of **1,48,548 square metres**, the actual quantity was determined to be **3,98,779 square metres** on the basis of the GSM determined through laboratory testing and the net weight of the imported goods. The quantity discrepancy of **2,50,231 square metres** resulted in substantial suppression of the assessable value.

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.

5.4 Accordingly, on the reasonable belief that the imported goods were liable to confiscation under section 111 of the Customs Act, 1962, the goods covered under Bill of Entry Nos. **7751283-Z /7782495-T** and **7751240-Z/7782505-T**, both dated **27.02.2026**, were seized under **Section 110 of the Customs Act, 1962.**

6. STATEMENT OF KEY PERSON

6.1 Statement of Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim was recorded under Section 108 of the Customs Act, 1962, on 16.06.2026, wherein he interalia stated that -

- He is the authorised person of M/s. Aanya Exim (IEC 0210025697); that M/s. Aanya Exim is functioning since 2015; that M/s. Aanya Exim is presently engaged in trading business of fabric; that M/s. Aanya imports different variety of fabric from China, since 2023; that his statement is binding on M/s. Aanya Exim and he is duly aurhorised by Shri Santosh Prasad Jaiswal, Proprietor of M/s. Aanya Exim; that M/s. Aanya Exim is a proprietor-ship and Shri Santosh Prasad Jaiswal is proprietor of M/s. Aanya Exim.
- He had perused from the Panchnama dated 08.03.2026 and 19.03.2026 drawn at Shoolin Trade Link LLP, APSEZ, Mundra and stated that the contents of the said Panchnama were correct to the best of his knowledge and belief. He also confirmed and agreed with the fact that his firm had authorised Shri Pranjal Singh to remain present during the course of examination and drawl of representative samples from the imported goods in respect of Bills of Entry No. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026; that the sample drawing process adopted during examination is being accepted by him and his firm.
- He had carefully perused the test report of representative samples drawn during examination at Shoolin Trade Link LLP, APSEZ, Mundra in respect of BE Nos. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026 (one representative sample each from these Bill of Entry), received from the Laboratories, Textile Committee, Government of India, Mumbai. He agreed with the test result based on the parameters mentioned therein and also accepted and confirmed that the test report is true and correct. He explicitly conveyed no objection on the test result in respect of any of the parameters mentioned therein.

- He had perused the Bills of Entry No. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026 filed for import of fabrics at APSEZ, Mundra (at M/s. Shoolin Trade Link LLP). These Bills of Entry were filed by their firm for clearances of imported fabrics from China; that the entries/declaration made in the said Bills of Entry were done after careful application of mind; that the CTH, Assessable Value, Rate of Duty, Exemption benefit availed and other details mentioned therein were as per his knowledge of their firm and they aware that they are responsible for filing of true and correct details while filing Bills of Entry, under the Customs law..
- He agreed that the declared description in respect of BE No. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026 was "Polyester Laminated Fabric". He had perused the panchnama and also had perused the test results of the Laboratories, Textile Committee, Mumbai in respect of representative samples marked with "7751283/A-1" and "7751240/A-1" and agreed and confirmed that the tested parameters of the test result clearly showed that the representative samples drawn from the imported goods are different than those declared in the Bill of Entry in respect of sample "7751283/A-1" and "7751240/A-1". He agreed with the test report and the details of test report also the and revised description, CTI, Sqmtrs (based on GSM) and Assessable Value of the imported goods under :-

TABLE - D

BE NUMBER	**BE DATE**	**ITEM DESCRIPTION (DECLARED)**	**CTI declared**	**Description as per Test Result**	**CTI – on the basis of test report**	**GSM**	**Net Weight**	**Sq. Mtrs. Calculated based on GSM**
7782495 - Z 7751283 - T	27-02-2026	POLYESTER LAMINATED FABRICS	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090	129.8	24300 (found during examination)	187211.09
7751240 - Z 7782505 - T	27-02-2026	POLYESTER LAMINATED FABRICS	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100%	59032090	128.8	27250	211568.32

				Texturised Filament Yarn)				

- He agreed that the declared descriptions do not match with the ascertained description as per test report in both the Bills of Entry No. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026. He agreed with the re-classification of CTI based on the test report and also agreed with the Sq. Mtrs arrived on the basis of the GSM and declared Net weight in the Packing List. He explicitly agreed that the SQM is excess in comparison to the SQM declared and arrived on the basis of GSM. He submitted that they were ready to pay the applicable differential duties.
- He had perused the test report and confirmed that the tested parameters show that the description of the imported goods is other than declared in respect of goods imported under BE No. 7782495-T (7751283-Z) and 7782505-T (7751240-Z) both dated 27.02.2026 and further, agreed that the imported goods are mis-declared in respect of description, quantity, CTI and Assessable Value. He agreed that the CTI, Quantity and assessable value may be re-assessed based on the test report and examination panchnama. He specifically agreed that assessable value is to be re-assessed on the basis of contemporary value of similar/identical imported goods.

7. RE-CLASSIFICATION OF GOODS

7.1 The importer had declared the imported goods as "Polyester Laminated Fabrics" classifiable under CTI 59039090. of the First Schedule to the Customs Tariff Act, 1975. Representative samples drawn from the imported consignments were tested by The Laboratories, Textile Committee, Mumbai. The laboratory reported the goods as:

TABLE - E

BE No. and Date	Description as derived from test report
7782495-T / 7751283-Z dated 27.02.2026	"TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)"
7751240-Z / 7782505-T dated 27.02.2026	"TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)"

7.2 The importer, 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 polyurethene, other than those of heading 5902.*"

7.3 The importer declared the goods only as **"Polyester Laminated Fabric"** and classified them under **CTI 59039090**, the issue is not that the goods were not laminated. Rather, the importer failed to correctly declare the nature of the plastic used for lamination, resulting in adoption of an incorrect tariff classification. However, the laboratory test conducted by the Textile Committee revealed that the goods were **TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)**. Thus, while the goods were declared as laminated fabrics in a general sense, the importer did not declare the specific nature of the lamination, namely **Thermoplastic Polyurethane (TPU)**, which is a material fact having a direct bearing on tariff classification, as also the value of the imported goods.

7.4 In terms of **Heading 5903** of the First Schedule to the Customs Tariff Act, 1975, textile fabrics impregnated, coated, covered or laminated with plastics are classifiable according to the nature of the plastic material used. More specifically, **CTI 59032090** covers textile fabrics impregnated, coated, covered or laminated with **polyurethane**, whereas **CTI 59039090** is a residual entry applicable to fabrics laminated with plastics other than those specifically covered elsewhere under Heading 5903.

7.5 Since, the laboratory clearly reported that the imported goods are laminated with **TPU (Polyurethane)**, the goods are specifically covered under **CTI 59032090**. In accordance with **Rule 1 of the General Rules for Interpretation of the Import Tariff**, classification is to be determined according to the terms of the headings and the relevant Section Notes and Chapter Notes. Therefore, the goods merit classification under the specific entry **CTI 59032090**, and not under the residual entry **CTI 59039090** adopted by the importer. Accordingly, the classification declared in the Bills of Entry is incorrect and liable to be rejected for assessment purposes.

7.6 Accordingly, the imported goods are liable to be re-classified as under:

TABLE - F

Bill of Entry No.	Declared Description	Declared CTI	Goods as per Test Report	Correct CTI
7782495 dated 27.02.2026	Polyester Laminated Fabric	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090
7782505 dated 27.02.2026	Polyester Laminated Fabric	59039090	TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)	59032090

7.7 Shri Rajeev Kumar, Authorised Person of M/s. Aanya Exim was confronted with the findings of The Laboratories, Textile Committee, Mumbai and, in his statement recorded under Section 108 of the Customs Act, 1962, he accepted the test reports and the proposed re-classification of the imported goods under Customs

Tariff Item 59032090. Therefore, the nature, composition and classification of the imported goods stand determined through scientific testing and the admission of the importer. Consequently, the imported goods are correctly classifiable under Customs Tariff Item 59032090 and not under Customs Tariff Item 59039090 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 brought out that the importer declared the goods as "Polyester laminated fabric" whereas the Textile Committee, Mumbai reported the goods as "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)". Investigation further revealed that the quantities declared in the Bills of Entry were grossly understated. Based on GSM and net weight of the imported goods, the actual quantities were determined to be substantially higher than the quantities declared before Customs. Thus, the declarations made by the importer with regard to description, classification and quantity were found to be incorrect. Since the declared description, classification and quantity themselves were found to be false and inaccurate, the truth and accuracy of the declared transaction value was doubtful.

8.3 In terms of Rule 12(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where there reasons 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 misdeclaration of description, classification and quantity constitute 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, the value require re-determination by sequentially proceeding from Rule 4 to 9 of the Customs Valuation (Determination of Value of Imported Gods) Rules, 2007.

8.6 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.

8.7 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 :-

TABLE - G

CUSTOM HOUSE CODE	BE NUMBER	BEDATE	COUNTRY OF ORIGIN	ITEMDESCRIPTION	CTI	QUANTITY	UQC	UNIT PRICE
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
INAJM6	9634132	02-06-2026	CN	POLYESTER 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 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 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

8.8 The contemporaneous assessment of import data indicated transaction value of USD 0.18 per square meter for 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 value under Rule 9 of the

Customs Valuation 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.

9. RE-DETERMINATION OF ASSESSABLE VALUE

9.1 As discussed in foregoing paragraph, the contemporaneous value of USD 0.18 per square meter was applied to the actual quantities determined on the basis of GSM and net weight. Consequently, the assessable value was re-determined as follows:

TABLE - H

Bill of Entry No. date	Declared AV (Rs.)	Actual Qty (Sq.Mtr.)	Value Adopted	Re-determined AV (Rs.)
7782495-T / 7751283-Z dated 27.02.2026	6,68,793.06	1,87,211	USD 0.18/Sq.Mtr.	30,96,845.92
7751240-Z / 7782505-T dated 27.02.2026	9,69,394.28	2,11,568	USD 0.18/Sq.Mtr.	34,99,757.86

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

TABLE - I

Particulars	Declared Value (Rs.)	Re-determined Value (Rs.)
7782495-T / 7751283-Z dated 27.02.2026	6,68,793.06	30,96,845.92
7751240-Z / 7782505-T dated 27.02.2026	9,69,394.28	34,99,757.86
Total	**16,38,187.34**	**65,96,603.78**

9.3 The above comparison reveals substantial undervaluation of the imported goods. The importer declared a total assessable value of Rs.16,38,187/- whereas the correct assessable value determined in accordance with Rule 9 of the Customs Valuation Rules, 2007 works out to Rs.65,96,604/-.

9.4 In his statement recorded under Section 108 of the Customs Act, 1962, the Authorized person of M/s. Aanya Exim accepted the findings of the laboratory report and accepted 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 9 on the basis of contemporaneous imports assessments of similar goods.

10. Summary of Investigation and Differential Duty Calculation :

10.1 On the basis of the examination, test result and oral statement of authorized representative of M/s Aanya Exim, Delhi, it is clear that M/s. Aanya Exim is 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. The Bills of Entry No. 7782495(T) dated 27.02.2026 and 7782505(T) dated 27.02.2026 were subjected to detailed examination and during the examination, representative samples were drawn and 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 Based on the laboratory findings, the imported goods were found to be TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn) correctly classifiable under Customs Tariff Item 59032090, as against the classification declared by the importer under CTI 59039090. Although the goods were declared as Polyester Laminated Fabrics, the specific nature of the lamination, namely polyurethane (TPU), was not correctly declared, resulting in adoption of an incorrect tariff classification. Thus, the importer had mis-declared the classification of the imported goods.

10.3 Investigation further revealed that the quantity declared in the Bills of Entry was grossly understated. On the basis of the GSM determined through laboratory testing and the net weight of the imported goods, the actual quantity was re-determined at 3,98,779 Sq. Mtrs. as against the declared quantity of 1,48,548 Sq. Mtrs., resulting in an excess quantity of 2,50,231 Sq. Mtrs. Consequently, the assessable value of the imported goods was found to have been substantially suppressed.

10.4 In view of the incorrect declaration of classification and substantial misdeclaration of quantity, the truth and accuracy of the particulars furnished in the Bills of Entry stood seriously undermined. Therefore, the declared transaction value ceased to be acceptable for Customs valuation purposes and became liable for rejection under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the assessable value was required to be re-determined in accordance with the provisions of the said Valuation Rules.

10.5 In view of the rejection of the declared transaction value under Rule 12 read with Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, contemporaneous import assessment data of **TPU laminated polyester fabrics/similar polyester laminated fabrics of Chinese origin** imported during the relevant period was examined. Based on the contemporaneous imports of identical/similar goods, a value of **USD 0.18 per Sq. Mtr.** was considered appropriate for determination of the assessable value under **Rule 9 of the Customs Valuation Rules, 2007**. Applying the said value to the actual quantity of **3,98,779 Sq. Mtrs.** determined during the course of investigation, the assessable value of the imported goods was re-determined at **₹65,96,603.78/-** as against the declared

assessable value of **₹16,38,187.34/-**, thereby establishing substantial undervaluation of the imported goods.

10.6 Shri Rajeev Kumar, Authorized Person of M/s. Aanya Exim, 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 clearly brought out that M/s. Aanya Exim knowingly filed Bills of Entry containing incorrect declarations relating to the description, classification, quantity and value of the imported goods.

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

TABLE - J

BE NUMBER	BEDATE	Duty Declared	CTI as per test result	Sq. Mtrs. Calculated based on GSM	AV re-determined	BCD (New) 20%	SCD (New) (10%	IGST (New) (5%)	Duty Payable	Difference
7782495-T / 7751283-Z	27.02.2026	187930.90	59032090	187211	30,96,845.92	619369.18	61936.92	188907.60	870213.70	682282.80
7751240-Z / 7782505-T	27.02.2026	272399.90	59032090	211568	34,99,757.86	699951.57	69995.16	213485.23	983431.96	711032.06
		460330.80			65,96,603.78	1319320.75	131932.08	402392.83	1853645.66	1393314.86

10.8 The re-determined assessable value resulted in a total Customs duty liability of ₹18,53,645.66/- as against the duty of ₹4,60,330.80/- already paid, leading to a differential duty of ₹13,93,314.86/-.

11. Legal Provisions

11.1 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.

11.2 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]:

11.3 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.

11.4 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;

11.5 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.

11.6 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.]

11.7 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.]

11.8 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.]

11.9 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.

11.10 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

11.11 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:

11.12 S.O. 2666(E) dated 05.08.2016.—

In exercise of the powers conferred by sub-section (2) of section 21 and second proviso to section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby authorises the Additional Director General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 (52 of 1962) and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

12. CONTRAVENTISON OF PROVISION

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 8.4.2011, 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. Aanya Exim imported fabrics from China by intentionally mis-declaring the quantity and description of the goods 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) & (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) & (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 Aanya Exim is a proprietary concern in which Santosh Prasad Jaiswal is the key person who handles purchase (Import) of goods from China. As categorically stated, in his voluntary statements dated 16.06.2026, it is evident that Shri Santosh Prasad Jaiswal, being the importer and Proprietor of the affairs of M/s. Aanya Exim, 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. Santosh Prasad Jaiswal Proprietor of M/s Aanya Exim, situated at M 1, Essel Mansion, 2286-87, Aarya Samaj Road, Karol Bagh, New Delhi – 110 005 holding IEC 0210025697, appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Santosh Prasad Jaiswal 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 with intention to defraud revenue. Hence, Santosh Prasad Jaiswal has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

13.1 Accordingly, Show Cause Notice No. 130/2026-27/ADC/ZDC/MCH dated 25.08.2026 was issued to the Importer calling upon it to show cause as to why:

(i) The goods imported under Bills of Entry No. 7782505(T) dated 27.02.2026 and 7782495 (T) dated 27.02.2026, which were found to have been mis-declared in terms of description, quantity & value and seized vide Seizure Memo dated 23.06.2026, should not be reassessed under section 17 of the Customs Act, 1962 by mentioning the correct description as "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)" in respect of Bill of Entry No. 7782495 (T) dated 27.02.2026 and Bill of Entry No. 7782505(T) dated 27.02.2026, the Quantity of Fabric in SQM as 187211 and 211568, respectively and by re-classifying the same under the correct CTI to 59032090 for both the Bills of Entry, as above, instead of the declared Customs Tariff Item, and the applicable duties should not be re-assessed, accordingly under section 17 of Customs Act, 1962.

(ii) The declared assessable value of **Rs. 16,38,187/-** (Rupees Sixteen Lakhs Thirty Eight Thousand One Hundred and Eighty Seven Only) should not be rejected and goods be re-assessed at **Rs. 65,96,604/-** (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only), in terms of the Customs Valuation Rules 2007 as detailed in Para 8 and 9, Supra, under section 17 of Customs Act, 1962.

(iii) The seized goods, as detailed in Seizure Memo dated 23.06.2026 with re-determined value of ₹ 65,96,604/- (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only), should not be confiscated under **Section 111 (m)** of the Customs Act, 1962.

(iv) The differential duty amounting to **Rs. 13,93,315/-** (Rupees Thirteen Lakhs Ninety three Thousand Three Hundred and Fifteen Only), as discussed above, and arrived at after re-determination of value and reclassification of goods based on test reports, should not be re-assessed in respect of the T types BE.

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

13.2 Also, **Shri Santosh Prasad Jaiswal**, Proprietor of M/s. Aanya Exim, was called upon to show cause notice no. 130/2026-27/ADC/ZDC/MCH dated 25.08.2026 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.;

WRITTEN SUBMISSIONS AND PERSONAL HEARING

14. The importer M/s. Aanya Exim vide their letter dated 15.09.2026 submitted the following:

> *With due respect, I submit this representation in connection with the Show Cause Notice (SCN) and the subsequent proceedings in the above matter. It is submitted that the issue has arisen primarily on account of the higher valuation adopted by the Directorate of Revenue Intelligence (DRI). The said higher valuation has resulted in substantial enhancement of the liability and has also led to the imposition of fine and penalty.*
>
> *In view of the facts and circumstances of the case, and considering that the matter is substantially dependent upon the valuation adopted by the DRI, it is humbly requested that the competent authority may kindly consider waiving the fine and penalty or, alternatively, reducing the same to the minimum permissible extent in accordance with law and the facts of the case. It is further requested that the we want to waiver of **SCN/PH** decide the matter at the earliest, also request kidly minimise the fine and penalty as value take by DRI is very high.*

DISCUSSION AND FINDINGS

15. I have carefully gone through the Show Cause Notice No. 130/2026-27/ADC/ZDC/MCH dated 25.08.2026, the written submission dated 15.09.2026 submitted by M/s Aanya Exim, and all the documentary evidence available on record. The noticee, vide their written submission dated 15.09.2026, has waived the right to Personal Hearing to expedite recovery of government revenue. Thus, I find that the principles of natural justice as provided in Section 122A of the Customs Act, 1962 have been complied with and I proceed to decide the case on the basis of documentary evidence available on record.

The issues to be decided by me are:

(i) Whether the goods imported as detailed in Table-A, which were found to have been mis-declared in terms of description, quantity & value and were seized vide Seizure Memo dated 23.06.2026, are liable to be re-assessed under Section 17 of the Customs Act, 1962 by re-classifying the same under the correct CTI as detailed in Table-F, in place of the declared Customs Tariff Heading;

(ii) Whether the declared assessable value of Rs. **16,38,187/- (Rupees Sixteen Lakhs Thirty Eight Thousand One Hundred and Eighty Seven Only)** is liable to be rejected under Rule 12 of CVR, 2007 and the goods are liable to be re-assessed at Rs. **65,96,604/- (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only)** in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007;

(iii) Whether the seized goods, as detailed in Seizure Memo dated 23.06.2026, with re-determined value of **65,96,604/-** (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only), are liable for confiscation under Section 111(m) of the Customs Act, 1962;

(iv) Whether the differential duty amounting to **13,93,315/- (Rupees Thirteen Lakhs Ninety three Thousand Three Hundred and Fifteen Only)**, as detailed in Table-J and arrived at after re-determination of value and re-classification of goods based on test reports, is liable to be re-assessed in respect of the T-type Bills of Entry filed by the noticee;

(v) Whether penalty is imposable on M/s Aanya Exim under Section 112(a)/112 (b) of the Customs Act, 1962;

(vi) Whether penalty is imposable on Shri Santosh Prasad Jaiswal, Proprietor, M/s Aanya Exim, under Section 114AA of the Customs Act, 1962.

16.1 Regarding the first issue, I find that the goods imported by M/s Aanya Exim under 02 SEZ Bills of Entry (T-type) were declared as " Polyester Laminated Fabrics " under CTI 59039090 as detailed in Table-A, supra. Representative samples drawn from both containers under Panchnamas proceeding dated 08.03.2026 and 19.03.2026 were forwarded to Textile Committee, Mumbai for laboratory testing and analysis.

16.2 I find that Textile Committee, Mumbai, vide their test reports, has determined that the goods declared as "Polyester Laminated Fabric" under CTI 59039090 in both Bills of Entry of Table-A, supra, are " TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)", correctly classifiable under CTI 59032090. The test reports clearly revealed that the imported goods were not merely laminated polyester fabric as declared in the Bills of Entry, but were laminated with Polyurethane. The complete re-classification of all imported goods, as per Textile Committee, Mumbai test reports, is detailed in para 7 and Table-F above.

16.3 I further find that Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim, in his voluntary statement under Section 108 of the Customs Act, 1962 on 16.06.2026 has admitted and confirmed the correctness of the test reports in their entirety and agreed to the re-classification of the goods based thereon, and expressed his readiness to pay the differential duty arising out of the required re-classification.

16.4 I find that Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim, in his voluntary statement under Section 108 of the Customs Act, 1962 on 16.06.2026, specifically accepting the findings of the Laboratory, Textile Committee, Mumbai

test reports and agreeing with the reclassification of the goods based thereon, carries significant evidentiary weight. The Hon'ble Supreme Court in Romesh Chandra Mehta v. State of West Bengal, 1999 (110) ELT 324 (SC), has held that statements recorded under Section 108 by a gazetted officer of Customs are admissible as valid evidence. This position has been reiterated by the Hon'ble Supreme Court in Percy Rustomji Basta v. State of Maharashtra, 1983 (13) ELT 1443 (SC), wherein it was held that a person giving statement under Section 108 does not stand in the character of an accused person and such statement is not hit by Section 24 of the Evidence Act. The voluntary and unretracted statement of the Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim, thus corroborates the technical findings of the Laboratory, Textile Committee, Mumbai.

16.5 In view of the above, I hold that the goods imported under the Bills of Entry detailed in Table-A are liable to be re-assessed under Section 17(4) of the Customs Act, 1962 by re-classifying them under the correct CTI as determined by Textile Committee, Mumbai test reports, as detailed in para 7 and Table-F above.

17.1 Regarding the second issue of rejection of the declared assessable value, I find that the valuation of imported goods is governed by the provisions of Section 14 of the Customs Act, 1962 read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007). The declared transaction value in the Bills of Entry was for "Polyester Laminated Fabric" under CTI 59039090; however, the actual goods found upon examination are “TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)”. The actual quantities of fabric found during examination also exceed the quantities declared in the respective Bills of Entry in all consignments.

17.2 I find that the declared transaction value, being the value of a different commodity altogether namely Polyester Laminated Fabric, cannot be held to represent the true transaction value of the goods actually found, i.e., “TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)”. The misclassification of goods, combined with quantity mis-declaration and non-declaration, creates reasonable doubt on the truth and accuracy of the declared value within the meaning of Rule 12 read with Rule 3(2) of CVR, 2007. Accordingly, the declared transaction value is liable to be rejected.

17.3 In terms of Rule 3(4) of CVR, 2007, the value is to be determined by proceeding sequentially through Rules 4 to 9. I find from the SCN that in the absence of brand details of the impugned goods, identical goods for comparison could not be found for application of Rule 4 of CVR, 2007. However, contemporaneous imports of similar goods of Chinese origin during Janurary-June 2026 were available in the NIDB data, and the value has accordingly been re-determined under Rule 5 of CVR, 2007 by adopting the contemporaneous imports of similar goods, details of which are as per Table-G, Table-H & Table-I supra.

17.4 I further find that Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim, in his voluntary statement under Section 108 of the Customs Act, 1962 on

16.06.2026, has agreed to the proposed re-valuation as per contemporaneous imports of similar goods and has accepted the consequential differential duty liability.

17.5 In view of the foregoing, I hold that the declared assessable value of Rs. 16,38,187/- (Rupees Sixteen Lakhs Thirty Eight Thousand One Hundred and Eighty Seven Only) is liable to be rejected under Rule 12 read with Rule 3(2) of CVR, 2007, and the goods are liable to be re-assessed at Rs. 65,96,604/- (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only) in terms of Rule 5 of CVR, 2007.

18.1 Regarding the third issue, I find that Section 111(m) of the Customs Act, 1962 provides for confiscation of "any goods which do not correspond in respect of value or in any other particular with the entry made under this Act.". In the present case, I find that the goods imported under Bill of Entry Nos. 7751283-Z/7782495-T and 7751240-Z/7782505-T, both dated 27.02.2026 do not correspond with the entry made in the said Bills of Entry in respect of description, quantity, classification and value, as established through laboratory testing and admitted by the importer. I find that the importer has violated Section 46 of the Customs Act, 1962 by failing to make a true and correct declaration in the Bills of Entry.

18.2 I find that the importer's acts of mis-declaration of description, quantity, classification and value, undertaken with the intent to evade applicable Customs duty have rendered the goods liable to confiscation. Therefore, I hold that the goods imported vide Bills of Entry No. 7751283-Z/7782495-T and 7751240-Z/7782505-T, both dated 27.02.2026, having re-determined assessable value of Rs. **65,96,604/-**, are liable for confiscation under Section 111(m) of the Customs Act, 1962.

18.3 Once the goods are held liable for confiscation, the next question before me is whether to allow the release of the impugned goods on Redemption Fine. I find that sub-section (1) of Section 125 of the Customs Act, 1962 prescribes that:

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

18.4 In the present case, since the imported goods are not prohibited goods, I find it appropriate to give M/s Aanya Exim an option to redeem the confiscated goods on payment of Redemption Fine under Section 125 of the Customs Act, 1962 for clearance for home consumption.

19.1 Regarding the fourth issue of differential duty arising upon re-classification and re-valuation of the imported goods, I find that consequent upon the re-classification and re-valuation as held above, the applicable customs duties on the goods have been re-determined. The total differential duty on the imported goods comes out to 13,93,315/- (Rupees Thirteen Lakhs Ninety three Thousand Three Hundred and Fifteen Only) as detailed in Table-J supra.

19.2 The noticee has admitted the discrepancy in classification and valuation for both consignments and has agreed to the re-assessment and payment of differential duty. The differential duty figure of Rs. 13,93,315/- as detailed in Table-J supra.

20.1 Regarding the fifth issue of penalty liability on M/s Aanya Exim, I find that Section 112(a) of the Customs Act, 1962 provides for penalty on any person who does or omits to do any act which renders the goods liable to confiscation under Section 111, or abets the same. Section 112(b) provides for penalty on any person 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 goods which he knows or has reason to believe are liable to confiscation.

20.2 I find that M/s Aanya Exim has imported goods by mis-declaring their description as "Polyester Laminated Fabrics" when the actual goods were “TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)”. The importer has also mis-declared the quantities of goods in all consignments. The misdeclaration is not confined to classification alone and extends to quantity misdeclaration. The sheer scale and uniformity of such misdeclaration across 02 consignments establishes that it was not a result of any inadvertent error, and the deliberate choice of a lower value goods heading to avoid higher duty establishes conscious intent to evade duty. These acts have rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Since the impugned goods are dutiable goods and not prohibited goods, I hold that penalty under Section 112(a)(ii) of the Customs Act, 1962 is imposable on the noticee, as quantified in the Order below. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) in respect of the same act would amount to double penalty for the same offence, and accordingly I refrain from imposing penalty under Section 112(b) of the Customs Act, 1962.

21.1 Regarding the sixth issue of penalty imposable on Shri Santosh Prasad Jaiswal, Proprietor, M/s Aanya Exim, under Section 114AA of the Customs Act, 1962, I find that this provision requires that a person 'knowingly or intentionally' makes, signs or uses any declaration, statement or document which is false or incorrect in any material particular. In the present case, I find that Shri Santosh Prasad Jaiswal is the Proprietor of M/s Aanya Exim and is the key person responsible for all purchase and import operations of the firm. The Bills of Entry for all 02 consignments were filed declaring the goods as "Polyester Laminated Fabrics" under CTI 59039090, when the actual goods were “TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)” of higher value. The Textile Committee, Mumbai, the panchnama findings, and the statements of Shri Rajeev Kumar, Authorized

representative of M/s. Aanya Exim, duly authorised by Shri Santosh Prasad Jaiswal, Proprietor of M/s. Aanya Exim conclusively establish that the declarations made in the Bills of Entry were false and incorrect in material particulars – both as regards description/nature of goods and quantity.

21.2 Further, I find that Shri Rajeev Kumar, Authorized representative of M/s. Aanya Exim, duly authorised by Shri Santosh Prasad Jaiswal, Proprietor of M/s. Aanya Exim, in his statement dated 16.06.2026, has stated that the subject Bills of Entry were filed by their firm for clearances of imported fabrics from China; that the entries/declaration made in the said Bills of Entry were done after careful application of mind; that the CTH, Assessable Value, Rate of Duty, Exemption benefit availed and other details mentioned therein were as per his knowledge of their firm and they aware that they are responsible for filing of true and correct details while filing Bills of Entry, under the Customs law. However, the Bills of Entry were filed with false and incorrect declarations as regards the description, nature and quantity of the imported goods. The deliberate suppression of the true nature of the goods – specifically, the mis-declaration of the import of "TPU Laminated 100% Polyester Dyed Woven Fabric (100% Texturised Filament Yarn)" under the guise of "Polyester Laminated Fabrics" – and the consistent pattern of such false declaration across all 02 consignments, establishes that the declarations were made knowingly and intentionally with a view to evade the applicable customs duties including Anti-Dumping Duty. The element of knowledge and intent, as required under Section 114AA of the Customs Act, 1962, is thus clearly established from the facts and circumstances of this case. Accordingly, Shri Santosh Prasad Jaiswal has rendered himself liable to penalty under Section 114AA of the Customs Act, 1962.

22. In view of the foregoing Discussion and Findings, I pass the following Order:

ORDER

(i) I hold that the goods imported vide Bills of Entry detailed in Table-J are liable to be re-assessed under Section 17(4) of the Customs Act, 1962. Accordingly, the said goods are re-classified under the correct CTI, as detailed in Table-D & Table-E, supra, in place of the CTI declared in the respective Bills of Entry;

(ii) I hold that the declared assessable value of **Rs. 16,38,187/- (Rupees Sixteen Lakhs Thirty Eight Thousand One Hundred and Eighty Seven Only)** is rejected under Rule 12 read with Rule 3(2) of CVR, 2007 and the goods are re-assessed at Rs. **65,96,604/- (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four Only),** in terms of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007;

(iii) I hold that the seized goods covered under the Bills of Entry No. 7751283-Z/7782495-T and 7751240-Z/7782505-T, both dated 27.02.2026, with re-determined assessable value of **Rs. 65,96,604/-** (Rupees Sixty Five Lakhs Ninety Six Thousand Six Hundred and Four only), are liable for confiscation under Section 111(m) of the Customs Act, 1962. I give an option to M/s Aanya Exim to redeem the

said goods for home consumption on payment of Redemption Fine of **Rs. 6,50,000/-** (Rupees Six Lakh Fifty Thousand Only) under Section 125 of the Customs Act, 1962;

(iv) I confirm the differential duty amounting to Rs. **13,93,315/-** (Rupees Thirteen Lakhs Ninety three Thousand Three Hundred and Fifteen Only) in respect of the T-Type Bills of Entry No. 7782495-T and 7782505-T, both dated 27.02.2026, recoverable from M/s Aanya Exim;

(v) I impose a penalty of **Rs. 1,39,000/-** (Rupees One Lakh Thirty Nine Thousand Only) on M/s Aanya Exim under Section 112(a)(ii) of the Customs Act, 1962;

(vi) I impose a penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on Shri Santosh Prasad Jaiswal, Proprietor, M/s Aanya Exim under Section 114AA of the Customs Act, 1962.

(vii) I refrain from imposing penalty under Section 112(b) of the Customs Act, 1962 on M/s Aanya Exim as discussed in para 19.2, supra;

23. This order is issued without prejudice to any other action that may be contemplated against M/s Aanya Exim, Shri Santosh Prasad Jaiswal, or any other person under the provisions of the Customs Act, 1962 and the rules/regulations framed thereunder or under any other law for the time being in force.

24. Show Cause Notice No. 130/2026-27/ADC/ZDC/MCH dated 25.08.2026 stands disposed of in the above terms.

Digitally signed by Dipakbhai Zala
Date: 27-10-2026 17:26:52

(DIPAK ZALA)
ADDITIONAL COMMISSIONER OF CUSTOMS,
MUNDRA CUSTOMS HOUSE

To,

(i) M/s. Aanya Exim (IEC No. 0210025697),
M 1, Essel Mansion, 2286-87, Aarya Samaj Road,
Karol Bagh, New Delhi – 110 005

(ii) Shri Santosh Prasad Jaiswal, Proprietor of M/s Aanya Exim (IEC No. 0210025697),
M 1, Essel Mansion, 2286-87, Aarya Samaj Road,
Karol Bagh, New Delhi – 110 005

Copy to:

1. The Additional Director, Directorate of Revenue Intelligence, Ahmedabad Zonal Unit
2. The Deputy Commissioner, EDI, Customs Mundra (For uploading on official website immediately).
3. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra