



F.No. GEN/ADJ/COMM/142/2026-Adjn-O/o Commr-Cus-Kandla

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

M/s. AK Impex, (IEC-CANPJ5817P) Behind Jangir Furniture House, Sriganganagar road, Bhatta Colony, Hanumangarh Jn, Rajasthan-335512 (referred to as "Importer" for the sake of brevity) has imported goods declared as "Polyester Knitted Long Pile Fabric" and other fabrics from China under Bills of Entry No 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025.

2. The Directorate of Revenue Intelligence gathered intelligence that M/s. AK Impex was indulged in evasion of Customs duty by way of mis-declaration of description and value of the imported goods and by way of mis-classification thereof vide SEZ Bills of Entry no. 2975267 dated 30.06.2025, 2979829 dated 01.07.2025 and 2983195 dated 01.07.2025. The intelligence further indicated that M/s. AK Impex has imported 03 consignments from China and mis-declared the same as '*Polyester Knitted Long Pile Fabric (CTH-6001 1020)*' through Container Nos., WHSU5245888 & WHLU5729887 and '*Cotton woven fabrics (CTH-5208 1190)*' through EGSU9285467. As per the details available on the Bills of Lading, the said import consignments were to be cleared through M/s. Shriji Overseas, Shed No. 302 and 332, A-1 Type, Phase-1, Kandla Special Economic Zone. The details of the above Consignments are mentioned in below Table:

Table-1

Sr. No.	BE No.	Container No.	Name of the importer	Bill of Lading No. and date	Description & CTH code Mentioned in Bill of Lading/IGM	Declared CTH in BE	Declared net weight (Kgs)

1	29831 95 dated 01.07. 2025 (RUD No. 1) (DTA B/E- 32706 73 dtd 15.07. 2025)	WHSU 52458 88	M/s AK Impex	028F50 4242 dated 24.05.2 025 (RUD No. 2)	Polyester Knitted Long Pile Fabric (CTH-6001 1020),	6001 1020	19800
2	29798 29 dated 01.07. 2025 (RUD No. 3) (DTA B/E- 32773 91 dtd 15.07. 2025)	WHLU 57298 87		028F50 4296 dated 24.05.2 025 (RUD No. 4)	<i>Polyester Knitted Long Pile Fabric (CTH-6001 1020),</i>	6001 1020	14160
3	29752 67 dated 30.06. 2025 (RUD No. 5)	EGSU9 28546 7		143500 220329 dated 09.06.2 025(RU D No. 6)	Left Over Canopy Fabrics/cot ton woven fabrics (CTH-5208 1190)	5208 1190	26819

3. Acting upon the intelligence, above import consignments were put on hold vide e-mail dated 17.07.2025 and examination of the said import consignments was conducted by the officers of DRI under panchnama dated 25.07.2025 **(RUD No.7)** drawn at the warehouse of M/s Shriji Overseas, Shed No. 332, A-1 type, Phase-1, Kandla SEZ, Kutch, Gujarat-370230.

4. During examination, it was noticed that imported goods pertaining to all the above 03 import consignments prima facie appeared to be fabric rolls packed

in transparent Plastic bags. Brief details of the goods found during examination are as under;

Table-2

Sr. No.	Container no.	Description of goods appears	Total No. of Rolls	Average weight of one roll(approx.) in kgs.	Net weight of goods as per weighment slip
1	WHSU5245888	White colour net fabric packed in transparent plastic bag which in turn packed in Green PP bag	404	47.90	19590 Kgs
2	WHLU5729887	Fabric rolls packed in transparent plastic bag	473	30.90	14480 Kgs
3	EGSU9285467	Multicolor Fabric rolls packed in transparent plastic bag which in turn packed in white color PP bag	1628	15.30	27400 Kgs
			5	17.50	
			169	22.80	

5. Representative samples from the import goods were further drawn during examination under Panchnama dated 25.07.2025. The said representative samples were sent to the Customs House Laboratory vide letter dated 01.08.2025 (**RUD No.8**) for necessary testing thereof under Test Memo No. 127/2025, 128/2025, 130/2025 and 131/2025 (total-04). In response, the CRCL provided the Test Reports as under (**RUD No.9**);

Table-3

Sr. No.	Container No.	Sample and Test Report No.	Actual description of goods	Notes/ Comments
1	WHSU5245888	C1/4093	The sample is in the form of cut piece of white (undyed) net type fabric. It is composed of polyester filament yarns together with Lycra <i>Average GSM (as such)</i> <i>=104.9</i>	It is other than cotton and pile fabric

			<p><i>Width (Selvedge to selvedge) =121 cm</i> <i>%composition:</i> <i>Polyester (%by weight)</i> <i>=95.84</i> <i>Lycra (%by weight)</i> <i>=Balance</i></p>	
2	WHLU572988 7	B1/4092	<p>The sample is in the form of cut piece of yarn dyed knitted fabric without selvedge. It is composed of polyester filament yarns and GSM is 173.40;</p>	It is other than cotton woven fabric
3	EGSU928546 7	1.E1/409 5 2. F1/4096	<p>1. The sample is in the form of cut piece of dyed (light blue coloured) woven fabric. It is mainly composed of polyester filament yarns together with lycra on one side <i>GSM (As such) =142.2</i> <i>Width (selvedge to selvedge) = 155 cm</i> <i>% composition</i> <i>Polyester=95.78%</i> <i>Lycra=balance</i></p> <p>2. The sample is in the form of a cut piece of yarn dyed woven fabric. It is composed of nylon(polyamide) filament yarn along with lycra.</p> <p><i>GSM-168.69,</i> <i>Width (Selvedge to selvedge)=153 cm; %</i> <i>Composition:-</i> <i>Nylon(polyamide)=91.52%</i> <i>by wt., Lycra=balance.</i> It is other than cotton fabric.</p>	It is other than cotton fabric

5.1 Further, this Office vide email dated 26.12.2025 and 31.12.2025 sought clarification w.r.t the Lab report No-4092 mentioned at Sr no-2 in the above

Table that whether the sample is Cut Pile/Loop Pile/ Long Pile/ Other Pile or otherwise. The Lab vide email dated 06.01.2026 had clarified that “*It is other than pile fabric*”.

6. Classification: The test reports received from the CRCL Kandla have been examined with respect to the declaration made by the importer in the import documents. The container wise test report analysis is as under:

6.1 WHSU5245888 (BE No. 2983195 dated 01.07.2025): The test reports of the import consignment in respect of container no. WHSU5245888 indicated that the goods pertaining to the subject import consignment were in the form of cut piece of white(undyed) net type fabric composed of polyester filament yarns (Polyester (%by weight) =95.84). Further, it is other than cotton and pile fabric. The goods were classified by the importer in the said BE in CTH 6001 1020 (attracting BCD at the rate of 10%). Customs Tariff Heading CTH 6001 pertains to ‘Pile fabrics, including “long Pile” fabrics and terry fabrics, knitted or crocheted’ while the lab has reported the goods as ‘cut piece of white(undyed) net type fabric composed of polyester filament yarns (Polyester (%by weight) =95.84). Further, it is other than cotton and pile fabric. Hence, it appears that, the imported goods do not qualify to be classified under CTH 6001. Since the imported goods do not qualify to be classified under CTH 6001 due to the absence of pile fabric as confirmed by CRCL, Kandla report, the most appropriate classification based on the test results appears to be CTH 5804 1090. This heading covers 'Tulles and other net fabrics' (other than cotton), which appears to corresponds to the laboratory findings describing the goods as 'net type fabric' composed of polyester filament yarns.

6.2 WHLU5729887(BE No. 2979829 dated 01.07.2025): The test reports of the import consignment in respect of container no. WHLU5729887 indicated that the goods pertaining to the subject import consignment were in the form of cut piece of yarn dyed knitted fabric composed of polyester filament yarns other than cotton woven and pile fabric. The goods were classified by the importer in the said BE in CTH 6001 1020 (attracting BCD at the rate of 10%). Customs Tariff Heading CTH 6001 pertains to ‘Pile fabrics, including “long Pile” fabrics and terry fabrics, knitted or crocheted’ while the lab has reported the goods as ‘cut piece of yarn dyed knitted fabric composed of polyester filament yarns other than pile fabric’. Hence, it appears that, the imported goods do not qualify to be classified under CTH 6001 1020. Furthermore, as per the test reports received

from the CRCL, Kandla, the imported goods are other than cotton woven Fabric and pile fabric. Since the imported goods do not qualify to be classified under CTH 6001 1020 due to the absence of pile fabric as confirmed by CRCL, Kandla report, and considering that the goods are yarn dyed knitted fabric composed of polyester filament yarns (other than cotton and woven fabric), the most appropriate classification based on the test results appears to be CTH 6006 3200.

6.3 EGSU9285467 (BE No. 2975267 dated 30.06.2025): During examination of the goods stored in container no. EGSU9285467, two different kinds of fabric were found. Therefore, two representative samples were drawn from the said container and sent to CRCL Lab for testing. The test reports of the import consignment in respect of container no. EGSU9285467 and Sample E1 indicated that the goods pertaining to the subject category in import consignment were in the form of cut piece of dyed (light blue colored) woven fabric composed of polyester filament yarns (Polyester=95.78%). Further, it is other than cotton fabric. The goods were classified by the importer in the said BE in CTH 5208 1190. Customs Tariff Heading CTH 5208 pertains to 'Woven fabric of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m²' while the lab has reported the goods as 'dyed (light blue colored) woven fabric composed of polyester filament yarns'. Hence, it appears that, the imported goods do not qualify to be classified under CTH 5208. The said Test Report has stated that the form of cut piece of dyed (light blue colored) woven fabric composed of polyester filament yarns (Polyester=95.78%).

Heading 5407 of the Import Tariff covers 'Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04'. The impugned goods appropriately fall under this heading.

Heading 5407 includes the following relevant sub-headings at the single dash (-) level:

- (i) Woven fabrics obtained from high tenacity yarn of nylon or other polyamides or of polyesters;
- (ii) Woven fabrics obtained from strip or the like;
- (iii) Fabrics specified in Note 9 to Section XI;
- (iv) Other woven fabrics, containing 85% or more by weight of filaments of nylon or other polyamides;

- (v) Other woven fabrics, containing 85% or more by weight of textured polyester filaments;
- (vi) Other woven fabrics, containing 85% or more by weight of polyester filaments;
- (vii) Other woven fabrics, containing 85% or more by weight of synthetic filaments;
- (viii) Other woven fabrics, containing less than 85% by weight of synthetic filaments, mixed mainly or solely with cotton;
- (ix) Other woven fabrics.

Sub-headings (i) to (iv) and (vii) to (ix) are ruled out, as their composition/specifications do not align with the test results. The laboratory test report received did not specifically mention the textured status of the polyester filaments, thereby making no reference to any texturing characteristics of the fabric which are distinctive features of textured filaments produced through specific manufacturing processes involving twisting, heating, and cooling. Therefore, the absence of any positive finding of an essential characteristic i.e. textured nature of the fabric in the laboratory report leads to the conclusion that the goods are non-textured polyester filaments. Therefore, sub-heading (v) is ruled out, and the goods merit classification under sub-heading (vi).

Under this sub-heading, the relevant Tariff items at the double dash (--) level are:

- (i) Containing 85% or more by weight of non-textured polyester filaments;
- (ii) Other.

The sub-heading (ii) ("Other") is ruled out based on the test results. Therefore, the appropriate sub-heading is (i): "Other woven fabrics, containing 85% or more by weight of polyester filaments - Containing 85% or more by weight of non-textured polyester filaments".

Under this, the relevant Tariff items at the triple dash (---) level are:

- (i) Polyester shirtings;
- (ii) Polyester suitings;
- (iii) Other.

The items (i) and (ii) (Polyester shirtings and Polyester suitings) are ruled out, as the test results do not specify the goods as being for use as shirtings or suitings. Therefore, the appropriate classification falls under (iii): “Other woven fabrics, containing 85% or more by weight of polyester filaments - Containing 85% or more by weight of non-textured polyester filaments - Other”. Hence, the goods in the import consignment appear classifiable under CTH 5407 6190. The applicable rate of duty is 20% or Rs.150 per kg, whichever is higher (BCD) + 0% (SWS) + 5% (IGST).

6.3.1 Further, the test reports of the import consignment in respect of container no. EGSU9285467 and Sample F1 indicated that the goods pertaining to the subject category in import consignment were in the form of a cut piece of yarn dyed woven fabric composed of nylon(polyamide) filament yarn (Nylon(polyamide)=91.52% by wt.) Further, it is other than cotton fabric. The goods were classified by the importer in the said BE in CTH 5208 1190 (attracting BCD at the rate of 10%). Customs Tariff Heading CTH 5208 pertains to ‘Woven fabric of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m²’ while the lab has reported the goods as ‘dyed woven fabric composed of nylon(polyamide) filament yarn’. The essential characteristic of cotton content, which is mandatory for classification under Chapter 52, is completely absent in the tested goods, thereby rendering the declared classification untenable. Hence, it appears that, the imported goods do not qualify to be classified under CTH 5208. Furthermore, as per the test report received from the CRCL, Kandla, the imported goods of category F1 are other than cotton Fabric. As per test results, most appropriate CTH for the goods appears to be 5407 4290.

6.4 All the above test results are summarized in the below Table:

Table-4

Sr. no.	Bill of Entry	Declared Description in the Bill of Entry	Declared CTH	CTH as per Test Report
1	2983195 dated 01.07.2025	Polyester Knitted Long Pile Fabric	6001 1020	5804 1090
2	2979829 dated	Polyester Knitted Long Pile Fabric	6001 1020	6006 3200

	01.07.2025			
3	2975267 dated	Cotton Woven Fabrics (Cotton more than 85 %)	5208 1190	5407 6190
4	30.06.2025		5208 1190	5407 4290

7. During investigation, it was noticed that M/s. A K Impex arranged mis-declaration of the description and classification of the subject goods pertaining to all the 03 Containers as '*Polyester Knitted Long Pile Fabric (CTH-6001 1020)* and *Cotton Woven Fabrics (Cotton more than 85 %) (CTH-5208 1190)*. However, after the hold by DRI, the examination of the above said containers was carried out and samples were drawn. The sample reports as mentioned in Table-3 and 4 suggested that the importer mis declared the description, classification, quantity, value etc. of imported goods. Therefore, the goods pertain to above said containers were placed under seizure vide Seizure Memo dated 17.12.2025. **(RUD No. 10)**

8.1 Statement of Shri Loduram Jangir, Proprietor of M/s AK Impex was recorded on 11.12.2025 under Section 108 of the Customs Act, 1962(RUD No. 11).

- The importer obtained Import Export Code (IEC) in March 2023 and started importing goods from April 2023 under the proprietorship firm M/s AK Impex. Initially, the firm was involved in importing hosiery items and later shifted to importing various kinds of fabrics. The importer stated that he looks after purchase and sales of the firm but claims that the firm does not engage in domestic trading.
- He is the proprietor of M/s AK Impex, a partner in M/s AMG Infotech Solution LLP, Jaipur, and a director in M/s Mahro Marudhar Tech Pvt. Ltd., Jaipur.
- Approximately 25 containers of hosiery items and 10 containers of fabrics have been imported in the name of M/s AK Impex. Relevant import documents such as Bills of Entry, Bills of Lading, Commercial Invoices, and Packing Lists for recent consignments were submitted in response to the summons.
- The importer states that he has no direct contact with any foreign suppliers in China and has never visited China. All import-related work, including contact with Chinese suppliers, is handled by Shri Manoj Sharma of M/s G K Shipping. The importer earlier worked with Shri

- Manoj Sharma for 5–6 months in loading and unloading activities. Shri Manoj Sharma suggested that he should start importing fabrics in his own firm, and due to their village connection, the importer allowed him to use his IEC.
- The importer admits that his IEC was allowed to be used by Shri Manoj Sharma, who may have further shared it with unknown persons. In return, the importer occasionally received small amounts of money (₹5,000–₹10,000), but otherwise did not receive regular financial benefits.
 - Shri Manoj Sharma manages all operational and financial aspects of M/s AK Impex, including bank account operations, GST login, and E-way bill portal. The ICICI Bank account OTPs are received on Shri Manoj Sharma's mobile number, while GST and E-way bill OTPs are received on the Loduram's phone.
 - The importer claims no knowledge of Customs Tariff Headings (CTH) of fabrics, stating that this is also handled by Shri Manoj Sharma. He is unaware of the end buyers of the imported fabrics in India.
 - He does not personally know anyone from M/s Shriji Overseas, though he visited their premises 1–2 times along with Shri Manoj Sharma.
 - At present, he stated that he is engaged in building construction or furniture contract work. He also expresses doubt that all the consignments imported in the name of M/s AK Impex could have been financially funded solely by Shri Manoj Sharma

8.2 Statement of Shri Manoj Sharma, Proprietor of M/s G K Shipping and Logistics and concerned person of M/s A K Impex was recorded on 24.12.2025 under Section 108 of the Customs Act, 1962. (RUD No.12)

- M/s G K Shipping and Logistics (GSTIN: 24DYVPS9719E1ZM) is a proprietorship firm engaged in forwarding and logistics services, located at Mundra, and was registered in 2020. He is the key person managing all activities of the firm, including documentation, accounting, and business development.
- He stated that M/s AK Impex was operated jointly by himself and Shri Loduram Jangir, the proprietor of M/s AK Impex. He admitted that he managed all major operational aspects of firm, including placing orders with overseas suppliers, handling imports, domestic sale of fabrics, GSTN and E-way bill operations, and banking transactions.

- He explained that Shri Loduram Jangir, being from his native village and having limited education and no overseas or domestic market contacts, started the import business on his suggestion. That he used his contacts in China to procure fabrics and sold them in the domestic market. The business was run on a 50:50 profit-sharing arrangement, though no written agreement existed.
- He perused and agreed with the Panchnama dated 25.07.2025, drawn during the examination of goods imported under Bills of Entry Nos. 2975267, 2979829, and 2983195, confirming that the goods found during examination matched the facts recorded in the Panchnama.
- Orders to overseas suppliers in China and Hong Kong were placed only through WhatsApp, and documents such as Bills of Lading and Commercial Invoices were received through the same medium from M/s Yiwu Shunhang Trading Co. Ltd., China and M/s Grand Bright Asia HK Limited, Hong Kong. No written purchase orders, contracts, proforma invoices, or email correspondence were maintained, as the business was conducted on a trust basis. The WhatsApp messages were stated to have been deleted after taking printouts.
- He admitted that the Bills of Entry filed for warehousing at KASEZ were based on the BLs and invoices received via WhatsApp.
- He accepted the Customs House Laboratory Test Reports (Lab Nos. 4092, 4093, 4095, and 4096 dated 26.08.2025), which revealed that the goods were polyester/nylon fabrics with Lycra, including cut-piece and net-type fabrics, differing from the descriptions declared in the import documents. He expressed full faith in the department and agreed to pay any differential customs duty and taxes arising due to mis-declaration.
- Regarding alleged forged or fabricated documents, he stated that he had nothing further to say. He admitted that although stock lots of cotton woven fabrics and polyester knitted long pile fabrics were ordered, the suppliers supplied different cut-piece fabrics made of polyester and nylon, and no complaint was lodged with the overseas suppliers.
- He further admitted that he alone decided the classification (CTH) of the imported goods at the time of filing the Bills of Entry and acknowledged that the goods were wrongly classified under HSN 5208 1190 / 6001 1020. He agreed to re-classify the goods and pay differential duty, and

expressed willingness to comply with the provisions of the Customs Act, 1962.

- All business transactions, including payments to overseas suppliers and warehousing charges to M/s Shriji Overseas, were made through ICICI Bank Account No. 671005602007, the statement of which (from 02.03.2025 to 11.12.2025) was submitted. However, he was unable to provide remittance proof specifically linked to the concerned live Bills of Entry and stated that the issue of misclassification was due to mistakes on the supplier's side.

9. As per the test reports, 04 different type of fabrics having 04 different GSMs of fabric were found in 03 containers imported by container nos. WHSU5245888, WHLU5729887 and EGSU9285467. These Examination and Test reports revealed that these containers contained 404, 473, 1633 and 169 rolls respectively of different types of fabric, with corresponding GSM values of 104.9, 173.40, 142.2 and 168.69 grams per square meter. Based on the GSM values determined through laboratory testing and the net weight of the goods found during the examination, the quantity of fabric is computed as per below Table:

Table-5

Container no No.	Number of Fabric Rolls	Weight found during the examination	GSM	SQM
WHSU5245888	404	19590 kgs	104.9	1,86,749
WHLU5729887	473	14480 kgs	173.4	83,506
EGSU9285467	1633 (1628 + 5)	24996 kgs	142.2	1,75,780
	169	3853 Kgs	168.69	22,841

10. Rejection of declared value & Redetermination of Assessable Value:

It appears that transaction value in terms of Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") is to be accepted only where there are direct evidences with regard to the price actually paid or payable in respect of the imported goods by the importer. In respect of goods, mentioned at Para 6.4 above, it appeared that there is reasonable doubt regarding the truth and accuracy of the declared value which is liable to be rejected in terms of Rule 12

of the CVR, 2007. Further, Rule 3 of the CVR, 2007 provides the method of valuation and Rule 3(1) of the CVR, 2007 provides that "Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10". Further, Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007".

Whereas, the assessable value of the cargo is required to be re-determined as per the contemporary import data available on NIDB, in respect of the identical/ similar goods sold for export to India (from China) and imported at or about the same time in view of rule 4 and 5 of the CVR, 2007. Whereas, it further appears that, the value of the imported goods could not be determined under Rule 4 ibid since the value of contemporaneous imports of identical goods of same nature, composition and description could not be found on NIDB.

On proceeding sequentially to Rule 5 ibid, as per contemporaneous import data available on NIDB, the rate of similar goods mentioned at Sr. no. 1 of the Table No -4 above, is checked and one eligible B/E No. 5365647 dated 28.10.2025 filed at INPNK6 port, containing similar goods was found be assessed at Rs 259.47 per Kg. Further, as per contemporaneous import data available on NIDB, the rate of similar goods mentioned at Sr. no. 2 of the Table No -4 above, is checked and one eligible B/E No. 8621388 dated 28.02.2025 filed at INNP6 port, containing similar goods was found be assessed at Rs 307.13 per Kg. Whereas, as per contemporaneous import data available on NIDB, the rate of similar goods mentioned at Sr. no. 3 of the Table No -4 above, is checked and one eligible B/E No. 2496638 dated 06.06.2025 filed at INMUN1 port, containing similar goods was found be assessed at Rs 238.56 per Kg. Whereas, as per contemporaneous import data available on NIDB, the rate of similar goods mentioned at Sr. no. 4 of the Table No -4 above, is checked and one eligible B/E No. 3104098 dated 07.07.2025 filed at INNSA1 port, containing similar goods was found be assessed at Rs 15.69 per sqm.

Accordingly, the assessable value of the goods imported vide Bill of Entry No- No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 of the imported goods is re-determined as per below Table:

Table-6

Sr	Bill of Entry	Quantity	Declared	Appropriate	Unit Price	Redetermined
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No. & Date	found during examination	Assessable Value	CTH as per Test Report	as per the NIDB data (Rs)	Assessable value (in Rs)
1 2983195 dated 01.07.2025	19590 Kgs	19,09,017	5804 1090	Rs 259.47 per Kg	50,83,017
2 2979829 dated 01.07.2025	14480 Kgs	13,65,236	6006 3200	Rs 307.13 per Kg	44,47,242
3 2975267 dated 30.06.2025	24996 Kgs	14,95,644	5407 6190	Rs 238.56 per Kg	59,63,046
4	3853 Kgs (22841 sqms)		5407 4290	Rs 15.69 per sqm	3,58,375
				Total	1,58,51,680

From the above, it appears that M/s. AK Impex also indulged in the evasion of Customs Duty by way of undervaluation of import goods. It is noticed that M/s. AK Impex while filing Bills of Entry for the subject import consignments declared total assessable value for all the import consignments as Rs. 47,69,896/-, whereas considering the GSM and prime quality nature of the goods the appropriate total assessable value of all these import consignments comes to Rs. 1,58,51,680/-.

11. Applicable Duties on the subject goods imported by M/s. AK Impex covered under Bills of Entry No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 imported through Container Nos. WHSU5245888, WHLU5729887 and EGSU9285467, respectively: -

11.1. From the foregoing paras, it is revealed that the importer intentionally mis-declared the net type fabric of polyester filament yarns and dyed knitted fabric composed of polyester filament yarns other than pile fabric, as "Polyester Knitted Long Pile Fabric (CTH-6001 1020) in Bill of Entry No. 2983195 dated 01.07.2025 and 2979829 dated 01.07.2025 and cut piece of dyed woven fabric composed of polyester filament yarns and cut piece of dyed woven fabric composed of nylon(polyamide) filament yarn as "Cotton Woven Fabrics (Cotton more than 85 %) (CTH-5208 1190)" in the Bill of Entry No. 2975267 dated 30.06.2025 of varying GSM with deliberate intention of evasion of Customs duty. Further, it was noticed that the importer was also found indulged in gross undervaluation of the other goods. M/s. AK Impex had declared total assessable value of all Fabrics as Rs. 47,69,897/- at the time of filing of Warehouse Bills of Entry. Total declared Customs duty self-assessed was Rs. 7,89,417/-. However,

the goods have been found misclassified and therefore, the duty on the imported goods is required to be re-determined on the basis of applicable rates and appropriate CTHs. The applicable customs duty on the goods imported under Bills of Entry No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 have been calculated as under:

Table-7

Bill of Entry No. & Date	Declared Assessable value of the goods by the importer (in Rs.)	Total duty shown in the B/E (in Rs.)	Re-determined Assessable Value (in Rs.)	CTH as per Test Report	BCD	IGST (@5%)	Total duty payable (BCD +IGST) (in Rs.)
2983195 dated 01.07.2025	1909017	315942	50,83,017	5804 1090	39,18,000 @Rs 200 per kg	4,50,050	43,68,050
2979829 dated 01.07.2025	1365236	225947	44,47,242	6006 3200	16,65,200 @Rs 115 per kg	3,05,622	19,70,822
2975267 dated 30.06.2025	1495643	247528	59,63,046	5407 6190	37,49,400 @Rs 150 per kg	4,85,622	42,35,022
			3,58,375	5407 4290	8,22,276 @Rs 36 per sqm	59,032	8,81,308
	4769896	789417	15851680		10154876	1930398	1,14,55,202

Accordingly, total Customs duty on the imported goods comes to Rs. 1,14,55,202/- instead of Rs. 7,89,417/- as self-assessed by the importer in the said BE and there appeared non/short levy of Customs duty amounting to Rs. 1,06,65,785/-.

12. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

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

.....

(o) “**import**” means—

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

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

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

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*
3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

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

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

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

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

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

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

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

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

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

Section 17. Assessment of duty. –

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

..

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation:

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.

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

- (a) The accuracy and completeness of the information given therein;*
- (b) The authenticity and validity of any document supporting it; and*
- (c) Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.*

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

--

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

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

Section 112. *Penalty for improper importation of goods, etc. –*

Any person,-

- a. who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or*
- b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,*

shall be liable,-

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

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

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

(C) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

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

.....

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

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

Provided that

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

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

13. Mis-declaration and liability to confiscation of imported goods imported by M/s. AK Impex covered under SEZ Bills of Entry No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 imported through Container Nos. WHSU5245888, WHLU5729887 and EGSU9285467:

13.1. M/s. AK Impex has declared the description of the goods pertaining to the Bill of Entry No. 2983195 dated 01.07.2025 and 2979829 dated 01.07.2025 as “Polyester Knitted Long Pile Fabric (CTH-6001 1020)” and Bill of Entry 2975267 dated 30.06.2025 as “Cotton Woven Fabrics (Cotton more than 85 %) (CTH-5208 1190) ’ whereas the investigation has revealed that the cargo in the import consignment was of cut piece of white(undyed) net type fabric composed of polyester filament yarns in container no. WHSU5245888, dyed knitted fabric composed of polyester filament yarns other than pile fabric in container no. WHLU5729887 and cut piece of dyed woven fabric composed of polyester

filament yarns and cut piece of yarn dyed woven fabric composed of nylon(polyamide) filament yarn in container no. EGSU9285467 of different GSMs. During examination and consequently as Test Reports thereof, it was noticed that 1,86,749 SQM of (undyed) net type fabric composed of polyester filament yarn of GSM-104.9, 83,506 SQM of dyed knitted fabric composed of polyester filament yarns of GSM-173.4, 1,75,780 SQM of dyed woven fabric composed of polyester filament yarns of GSM-142.2 and 22,841 SQM of cut piece of yarn dyed woven fabric composed of nylon(polyamide) filament yarn of GSM-168.69 were found therein. Therefore, it appears that import consignments covered under Bills of Entry no. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 were found mis-declared in respect of description, classification, quantity and valuation thereof, therefore the same appears to be liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

13.2. Whereas it appears that M/s. AK Impex, imported three consignments from China under SEZ Warehouse Bills of Entry No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025 through container nos. WHSU5245888, WHLU5729887 and EGSU9285467 respectively; and whereas the said importer declared the imported goods as "Polyester Knitted Long Pile Fabric" classifiable under CTH 6001 1020 in Bills of Entry No. 2983195 and 2979829, both dated 01.07.2025 and as "Cotton Woven Fabrics (Cotton more than 85%)" classifiable under CTH 5208 1190 in Bill of Entry No. 2975267 dated 30.06.2025; and whereas upon examination conducted under Panchnama dated 25.07.2025 by the officers of the Directorate of Revenue Intelligence, representative samples were drawn and forwarded to the Customs House Laboratory for testing; and the Central Revenues Control Laboratory, Kandla vide Test Report Nos. 4093/DRI dated 21.08.2025, 4092/DRI dated 26.08.2025, 4095/DRI dated 27.08.2025 and 4096/DRI dated 26.08.2025 determined that the imported goods were in fact: (i) cut piece of white (undyed) net type fabric composed of polyester filament yarns (95.84% polyester) with GSM 104.9, being other than pile fabric, properly classifiable under CTH 5804 1090; (ii) cut piece of yarn dyed knitted fabric composed of polyester filament yarns with GSM 173.40, being other than cotton woven fabric and pile fabric, properly classifiable under CTH 6006 3200; (iii) cut piece of dyed woven fabric composed of polyester filament yarns (95.78% polyester) with GSM 142.2, being other than cotton fabric, properly classifiable under CTH 5407 6190; and (iv) cut

piece of yarn dyed woven fabric composed of nylon (polyamide) filament yarn (91.52% nylon) with GSM 168.69, being other than cotton fabric, properly classifiable under CTH 5407 4290; and whereas it further appears that the imported goods do not correspond in respect of description, classification, quantity and value with the entries made in the said Bills of Entry, thereby rendering the same liable to confiscation under Section 111(l) and 111 (m) of the Customs Act, 1962.

13.3 Further, it appears that the importer has grossly undervalued the imported goods by declaring the total assessable value as Rs. 47,69,897/- comprising Rs. 19,09,017/- for Bill of Entry No. 2983195, Rs. 13,65,236/- for Bill of Entry No. 2979829, and Rs. 14,95,643/- for Bill of Entry No. 2975267; and whereas there exists reasonable doubt regarding the truth and accuracy of the declared values in view of the mis-declaration of description, classification and quantity of the imported goods; the declared transaction value is liable to be rejected in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007; and proceeding sequentially under Rules 4 and 5 of the said Valuation Rules, the assessable value has been re-determined on the basis of contemporaneous import data available on the National Import Database (NIDB). The re-determined total assessable value of all three consignments comes to Rs. 1,58,51,680/- as against the declared value of Rs. 47,69,897/-; and whereas the importer had self-assessed total customs duty of Rs. 7,89,417/- whereas the duty correctly leviable on the said goods, after re-classification and re-determination of value, amounts to Rs. 1,14,55,202/-. The same has resulted into non-levy/short-levy of customs duty to the tune of Rs. 1,06,65,785/-. It further appears that the said mis-declaration of description, classification, quantity and value was deliberate and with the intention to evade payment of lawful customs duty.

13.4 Whereas it appears from the statements recorded under Section 108 of the Customs Act, 1962 that Shri Loduram Jangir, Proprietor of M/s. AK Impex, recorded on 11.12.2025, admitted that he allowed his Import Export Code (IEC) to be utilized by Shri Manoj Sharma, Proprietor of M/s. G K Shipping and Logistics, for importing fabrics. Shri Loduram Jangir further admitted that Shri Manoj Sharma managed all operational and financial aspects of M/s. AK Impex including contact with Chinese suppliers, placement of orders, bank account

operations, GST compliance, and classification of goods, while he himself had no knowledge of customs tariff headings or the nature of imported goods. Further, Shri Manoj Sharma in his statement recorded on 24.12.2025 admitted that he alone decided the classification (CTH) of the imported goods at the time of filing the Bills of Entry and acknowledged that the goods were wrongly classified under CTH 5208 1190/6001 1020; and whereas the said Shri Manoj Sharma perused and accepted the Customs House Laboratory Test Reports which revealed that the goods differed materially from the descriptions declared in the import documents; and Shri Manoj Sharma admitted that although stock lots of cotton woven fabrics and polyester knitted long pile fabrics were allegedly ordered, the suppliers supplied different cut-piece fabrics made of polyester and nylon, yet no complaint was lodged with the overseas suppliers. Whereas it appears that M/s. AK Impex, being the importer of record, had the statutory obligation under Sections 46(4) and 46(4A) of the Customs Act, 1962 to ensure the accuracy and completeness of information declared in the Bills of Entry, the authenticity and validity of documents supporting the same, and compliance with all applicable laws and regulations. M/s. AK Impex has committed acts and omissions which have rendered the imported goods liable to confiscation under Section 111(l) & 111 (m) of the Customs Act, 1962.

14. Role and culpability on the importer/person/firm involved: -

14.1. Role and culpability of M/s. AK Impex, Behind Jangir Furniture House, Sriganagar road, Bhatta Colony, Hanumangarh Jn, Rajasthan-335512

14.1.1 Whereas, M/s. AK Impex, (IEC-CANPJ5817P) Behind Jangir Furniture House, Sriganagar road, Bhatta Colony, Hanumangarh Jn, Rajasthan-335512, being the importer of the subject goods imported vide SEZ Bills of Entry No. 2983195 dated 01.07.2025, 2979829 dated 01.07.2025 and 2975267 dated 30.06.2025, had the primary responsibility and statutory obligation under Section 46(4) and 46(4A) of the Customs Act, 1962 to ensure the accuracy and completeness of information declared in the Bills of Entry, the authenticity and validity of documents supporting the same, and compliance with all applicable laws and regulations; and whereas, the said importer has deliberately and knowingly mis-declared the description of the imported goods as "*Polyester Knitted Long Pile Fabric (CTH-6001 1020)*" in Bill of Entry No. 2983195 dated 01.07.2025 and 2979829 dated 01.07.2025 and as "*Cotton Woven Fabrics*

(Cotton more than 85 %) (CTH-5208 1190)” in Bill of Entry No. 2975267 dated 30.06.2025, when in fact the goods were cut piece of white(undyed) net type fabric composed of polyester filament yarns in container no. WHSU5245888, dyed knitted fabric composed of polyester filament yarns other than pile fabric in container no. WHLU5729887 and cut piece of dyed woven fabric composed of polyester filament yarns and cut piece of dyed woven fabric composed of nylon (polyamide) filament yarn in container no. EGSU9285467 of different GSMs, correctly classifiable under CTH 5804 1090, 6006 3200, 5407 6190 and 5407 4290; and whereas, the said importer has also grossly undervalued the imported goods by declaring the total assessable value as Rs 47,69,897/- against the actual assessable value of Rs 1,58,51,680/- as determined based on contemporaneous import data; The above mentioned attempt of deliberate mis-declaration of description, classification, quantity and value was done with the clear intent and motive to evade payment of Customs duty and to gain undue benefit by importing higher value polyester and nylon(polymide) fabric while declaring fabrics attracting lower Customs duty.

14.1.2 Whereas, the said M/s. AK Impex, through its Proprietor Shri Loduram Jangir, has admitted in his statement recorded under Section 108 of the Customs Act, 1962 on 11.12.2025 that the goods were mis-classified and further, he stated that Shri Manoj Sharma handles all the work related to M/s AK Impex including placing the orders to foreign suppliers as he has some contacts in China, domestic sale and other documentation related work related to import of M/s AK Impex.

It further appears that M/s. AK Impex has committed acts and omissions which have rendered the imported goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, being goods which do not correspond in respect of description, classification, quantity and value with the entry made in the Bills of Entry; and whereas, by virtue of Section 112(a) of the Customs Act, 1962, any person 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, shall be liable to penalty; and whereas, by virtue of Section 112(b) of the Customs Act, 1962, 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 any goods which he knows or has reason to

believe are liable to confiscation under Section 111, shall be liable to penalty; and M/s. AK Impex, being the importer and having acquired possession of the subject goods with full knowledge of the mis-declaration of description, classification, quantity and value thereof, has rendered itself liable to penalty under Section 112(a) and 112 (b) of the Customs Act, 1962.

14.1.3 Further, it appears that M/s. AK Impex has knowingly and intentionally made, signed and used false and incorrect declarations and statements in material particulars in the transaction of business for the purposes of the Customs Act, 1962 by filing SEZ Bills of Entry containing false and incorrect information regarding description, classification, quantity and value of the imported goods. M/s. AK Impex has clearly and deliberately made and used false and incorrect declarations in the Bills of Entry and supporting documents regarding critical material particulars such as description (declaring net type fabric CTH-5804 1090, dyed knitted fabric CTH-6006 3200, dyed woven fabric CTH-54076190; all composed of polyester filament yarns and dyed woven fabric composed of nylon(polyamide) filament yarn CTH-5407 4290 as Polyester Knitted Long Pile Fabric and cotton woven fabric), thereby rendering itself liable to penalty under Section 114AA of the Customs Act, 1962.

14.2. Role and culpability of Shri Manoj Sharma, proprietor of M/s. G K Shipping and Logistics.

14.2.1 During investigation, it is revealed that Shri Manoj Sharma, proprietor of M/s. G K Shipping and Logistics in connivance with their overseas suppliers, mis-declared the subject goods in respect of description, classification, value, quantity and other material particulars in order to evade the applicable Customs duty thereon. Shri Manoj Sharma on behalf of M/s AK Impex in connivance with their Chinese suppliers knowingly and deliberately mis-declared the description and classification of all subject 03 import consignments. Shri Manoj Sharma admitted that all the conversations of the firm M/s AK Impex were made by himself for import of the goods from China. Further, in his statement dated 24.12.2025, he himself accepted that he is key operator of this firm and responsible for all the business activities of M/s AK Impex. Further, he stated that stock lots of cotton woven fabrics and polyester knitted long pile fabrics were ordered, but the suppliers supplied different kind of fabrics as reported in the test reports, and no complaint was lodged with the overseas suppliers by him. Whereas, despite such admission, the importer has failed to provide any

credible evidence, documentation or reasonable explanation to substantiate his claim that the wrong goods were mistakenly dispatched by the suppliers in China. Further, the importer has admitted that no written purchase orders, proforma invoices, email correspondence or any documentary evidence exists in support of the alleged orders for Polyester knitted long pile fabric and cotton woven fabric, claiming that transactions were conducted on trust basis through oral telephonic communication; and whereas, the importer during his Statement expressed his inability to produce WhatsApp chats or communication records allegedly exchanged with the supplier's representative. Further, he stated that Whatsapp messages from overseas supplier regarding placing orders, he stated that he don't have those messages from overseas suppliers as same were delated after taking printouts. Such lack of basic commercial documentation, and the identical pattern of mis-declaration in three separate consignments sourced from two different Chinese suppliers, clearly demonstrates the deliberate and systematic nature of the modus operandi adopted by the importer to evade Customs duty.

Further he stated that he himself decided the classification of imported goods imported by M/s AK Impex as per the description of goods imported. Further, he admitted that he had wrongly classified the said imported goods under 6001 1020 and 5208 1190 and he is ready to re-classify the goods as per Test report results and pay the differential duty/tax.

14.2.2 It further appears that Shri Manoj Sharma has committed acts and omissions which have rendered the imported goods liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962, being goods which do not correspond in respect of description, classification, quantity and value with the entry made in the Bills of Entry; and whereas, by virtue of Section 112(a) of the Customs Act, 1962, any person 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, shall be liable to penalty; and whereas, by virtue of Section 112(b) of the Customs Act, 1962, 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 any goods which he knows or has reason to believe are liable to confiscation under Section 111, shall be liable to penalty; and Shri Manoj Sharma, being the key operator the firm M/s AK Impex and having acquired possession of the subject goods with full knowledge of the mis-

declaration of description, classification, quantity and value thereof, has rendered itself liable to penalty under Section 112(a) and 112 (b) of the Customs Act, 1962.

14.2.3 Further, it appears that Manoj Sharma has knowingly and intentionally made, signed and used or caused to be made, signed or used false and incorrect declarations and statements in material particulars in the transaction of business for the purposes of the Customs Act, 1962 by filing SEZ Bills of Entry containing false and incorrect information regarding description, classification, quantity and value of the imported goods. Shri Manoj Sharma has clearly and deliberately arranged to be made and used false and incorrect declarations in the Bills of Entry and supporting documents regarding critical material particulars such as description (declaring net type fabric CTH-5804 1090, dyed knitted fabric CTH-6006 3200, dyed woven fabric CTH-5407 6190; all composed of polyester filament yarns and dyed woven fabric composed of nylon(polyamide) filament yarn CTH- and 5407 4290 as Polyester Knitted Long Pile Fabric and cotton woven fabric), thereby rendering itself liable to penalty under Section 114AA of the Customs Act, 1962.

15.1. Now therefore, M/s. AK Impex, (IEC-CANPJ5817P) Behind Jangir Furniture House, Sriganganagar road, Bhatta Colony, Hanumangarh Jn, Rajasthan-335512, may be called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Kandla, having his office situated at Office of the Commissioner of Customs, Custom House, Near Balaji Temple, Kandla-370210 'within 30 days from the receipt of the Show Cause Notice as to why: -

(i) Since the goods are found to be mis-declared, the classification of the goods in the consignments covered under Bill of Entry No. 2983195 dated 01.07.2025 (DTA B/E- 3270673 dtd 15.07.2025), 2979829 dated 01.07.2025 (DTA B/E- 3277391 dtd 15.07.2025) and 2975267 dated 30.06.2025 should not be rejected and re-classified as per Table No-4 above;

(ii) The declared quantity of the goods description and classification of the goods in the consignments covered under Bill of Entry No. 2983195 dated 01.07.2025 (DTA B/E- 3270673 dtd 15.07.2025), 2979829 dated 01.07.2025 (DTA B/E- 3277391 dtd 15.07.2025) and 2975267 dated 30.06.2025, should not

be rejected and re-quantified as per Table No-5 above;

(iii) The declared assessable value in the Bill of Entry No. 2983195 dated 01.07.2025 (DTA B/E- 3270673 dtd 15.07.2025), 2979829 dated 01.07.2025 (DTA B/E- 3277391 dtd 15.07.2025) and 2975267 dated 30.06.2025 should not be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and the same be re-determined as Rs 1,58,51,680/- under Rule 5 of the Customs Valuation (Determination of value of imported goods) Rules, 2007, as mentioned in foregoing paras;

(iv) The goods covered under SEZ Warehouse Bill of Entry No. 2983195 dated 01.07.2025 (DTA B/E- 3270673 dtd 15.07.2025), 2979829 dated 01.07.2025 (DTA B/E- 3277391 dtd 15.07.2025) and 2975267 dated 30.06.2025 having combined re-determined value of Rs 1,58,51,680/- should not be held liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;

(v) The Bill of Entry No. 2983195 dated 01.07.2025 (DTA B/E- 3270673 dtd 15.07.2025), 2979829 dated 01.07.2025 (DTA B/E- 3277391 dtd 15.07.2025) and 2975267 dated 30.06.2025 should not be re-assessed with applicable rates of duty as per Table-7 above;

(vi) Penalty should not be imposed on the importer M/s. AK Impex under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962.

15.2 Now therefore, the following further person as appearing in Column 2 of the following Table-I, is hereby individually and separately called upon to Show cause in writing to the Additional Commissioner of Customs, Customs House, Kandla, having his office situated at Office of the Commissioner of Customs, Custom House, Near Balaji Temple, Kandla-370210 'within 30 days from the receipt of the Show Cause Notice as to why Penalty should not be imposed on him individually under below mentioned penal provisions, under the Customs Act,1962 (as appearing at Column 3 to 6) for the reasons as discussed above:

Table-I

S. No.	Name (S/Shri/Ms/Smt/ M/s)	Penal provisions under Customs Act, 1962				
		(1)	(2)	(3)	(4)	(5)
1	Manoj Sharma	112(a)	112(b)	114AA	-	

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16. The noticees are hereby required to produce at the time of showing cause all the evidences upon which they intend to rely in support of their defense. They are further required to indicate in their written explanation as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written explanation, it will be presumed that they do not desire a personal hearing. If no cause is shown by them against the action proposed to be taken within 30 days of receipt of this notice or if they do not appear before the adjudicating authority when the case is posted for hearing, the case would be liable to be adjudicated on the basis of evidences on records.

17. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force. This Show Cause Notice has been issued covering only present 03 consignments seized by DRI.

18. The documents as listed at Annexure-R are relied upon and scanned copies of all relied upon documents along with Annexure-R is enclosed with this Show Cause notice.

(Vishwajeet Singh)
Commissioner (in-situ),
Custom House Kandla

List of Noticees:-

- (i) M/s. AK Impex, (IEC No.-CANPJ5817P) Behind Jangir Furniture House, Sriganganagar road, Bhatta Colony, Hanumangarh Jn, Rajasthan-335512 (E-mail- akimpexa@gmail.com and jangirloduram@gmail.com)
- (ii) Shri Manoj Sharma (Proprietor of M/s G K Shipping and Logistics) Baliya bus ward 3, Jocheena, Jochina, Nagaur, Rajasthan-341023, (E-mail- manojmpareek555@gmail.com and gkdocumentinfo@gmail.com.)

Copy to:

- (1)** The Joint Director, DRI, Gandhidham Regional Unit
- (2)** The Deputy Commissioner of Customs (Kandla Special Economic Zone), Gandhidham (Kutch) – 370 230
- (3)** Guard File.

Annexure-R- List of Relied upon Documents

Show Cause Notice in respect of consignment imported by M/s AK Impex, (IEC-CANPJ5817P) issued vide F.No. GEN/ADJ/COMM/142/2026-Adjn-O/o Commr-Cus-Kandla

RUD No.	Details of the RUD	No. of Pages
RUD NO. 1	Bills of Entry No- 2983195 dated 01.07.2025	1-6
RUD NO. 2	Bill of Lading No. 028F504242 dated 24.05.2025	1-5
RUD NO. 3	Bills of Entry No- 2979829 dated 01.07.2025	1-6
RUD NO. 4	Bill of Lading No. 028F504296 dated 24.05.2025	1-5
RUD NO. 5	Bills of Entry No- 2975267 dated 30.06.2025	1-6
RUD NO. 6	Bill of Lading No. 143500220329 dated 09.06.2025	1-3
RUD NO. 7	Panchnama dated 25.07.2025	1-4
RUD NO. 8	Letter dated 01.08.2025 to CRCL, Kandla for testing of representative samples	1-1
RUD NO. 9	Test Reports provided by Custom Laboratory, Kandla	1-8
RUD NO. 10	Seizure Memo dated 17.12.2025	1-1
RUD NO. 11	Statement of Shri Loduram Jangir, Proprietor of M/s AK Impex, was recorded under Section 108 of the Customs Act, 1962, on 11.12.2025	1-3
RUD NO. 12	Statement of Shri Manoj Sharma, Proprietor of M/s G K Shipping and Logistics and concerned person of M/s AK Impex, was recorded under Section 108 of the Customs Act, 1962, on 24.12.2025	1-5