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
Phone No. 02838-271029/423 FAX No. 02838-271425
Email:- group5-mundra@gov.in

सत्यमेव जयते

A	फा. सं./ FILE NO.	CUS/ICFS/MISC/633/2026-Docks Examn-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/163/2026-27
C	द्वारा पारित किया गया PASSED BY	Dipak Zala Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	30-05-2026
E	जारी करने की तिथि DATE OF ISSUE	30-05-2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NUMBER & DATE	PH waiver vide letter dated 28.05.2026
G	नोटिसी/पार्टी / आयातक NOTICEE/ PARTY/ IMPORTER	M/s Arvind Advanced Materials Limited AAML Protective Wear, near Khatraj Chokdi, Santej, Gujarat – 382721
H	डिन/ DIN	20260571MO0000222CC9

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 वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 के अंतर्गत प्रपत्र सीए3-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 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 तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months 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

M/s. Arvind Advanced Materials Limited (IEC : 0816904243) having address as AAML Protective Wear, near Khatraj Chokdi, Santej, Gujarat – 382721' (hereinafter referred to as "Importer"), filed Bill of Entry No. 9065413 dated 04.05.2026 for home consumption through their Customs Broker M/s. Transmarine Corporation (hereinafter referred to as "CB") for import of goods declared as "multiple Machines under Chapter 84" having assessable value as declared in the Bill of Entry. The said Bill of Entry shall hereinafter be referred to as "BE".

2. The details of the items being imported vide BE No. 9065413 dated 04.05.2026 are as follows:

Sr. No.	Description of Goods	CTH	Quantity (NOS)	Assessable Value (INR)
1	SP-C9513K-M/J/XF/HS TEMPLATE MACHINE WORKING AREA 1300X950MM	84522900	1	859104
2	SP-E608-M/XF TEMPLATE MACHINE WORKING AREA 1000 X 600MM	84522900	1	636698
3	SP-C408BK-M/ZD/XF TEMPLATE MACHINE WORKING AREA 800 X 400MM	84522900	3	1327655
4	**SP-F810-01 AUTOMATIC POCKET WELTING MACHINE LASER CUTTING**	**84522900**	**1**	**1294967**
5	SP-C303K-M/XF TEMPLATE MACHINE WORKING AREA 300X300MM	84522900	2	561055
6	SP-2210AS-MC/VD PATTERN SEWING	84522900	3	1359871

	MACHINE WITH VELCRO FEEDING/CUTTING/SEWING			
7	SP-3020AS-MF-PATTERN SEWING MACHINE WORKING AREA 300 X	84522900	1	486920
8	SP-2210AS-MC/CH PATTERN SEWING MACHINE WITH SLIDNG DEVICE WORKING AREA 220 X 100MM	84522900	1	317454
9	P510B INDEPENDENT TEMPLATE LOADING PLATFORM WITH AIR SUCTION AREA 600 X 400MM	84522900	1	51056
10	**SP-GX6060 SMALL FORMAT ULTRAFAST PRECISION LASER CUTTING MACHINE**	**84522900**	**1**	**1912919**
	TOTAL			**8807700**

3. The importer filed the BE under EPCG Licence bearing No. 0831018294 dated 23.04.2026, issued by the O/o Directorate General of Foreign Trade, Ahmedabad, Gujarat and saved Customs Duty as per Para 5.01(a) of the Foreign Trade Policy (FTP), 2023, the relevant portion of which is reproduced below:

> *"EPCG Scheme allows import of capital goods (except those specified in negative list in Appendix 5 F) for preproduction, production and post-production at zero customs duty. Capital goods imported under EPCG Authorisation for physical exports are also exempt from IGST and Compensation Cess, leviable thereon under the subsection (7) and subsection (9) respectively, of section 3 of the Customs Tariff Act, 1975 (51 of 1975), as provided in the notification issued by Department of Revenue."*

4. Whereas, on scrutiny of the said BE and accompanying documents, it is observed that the goods declared at Sr. No. 4 and 10 of the BE are described as "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting" and "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine" respectively classifiable under CTH 84561100 (hereinafter referred to as 'impugned goods'). Further, as per the commercial invoice, the said goods were imported in quantity of 1 unit each with declared total assessable value of Rs. 32,07,886/-.

5. Whereas, the consignment covered under the said Bill of Entry was subjected to examination, and upon visual inspection, the goods appeared to be as declared. However, it was observed that the item at Sr. No. 4, namely "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting," and the item at Sr. No. 10, also described as "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine," have been incorrectly classified under CTH 84522900 instead of the appropriate CTH 84561100. The said goods fall within the scope of Anti-Dumping Duty, which is not exempted under EPCG Licence No. 0831018294 dated 23.04.2026, in terms of Notification No. 15/2023-Customs (ADD) dated 22.12.2023 issued under Section 9A of the Customs Tariff Act, 1975. As per the said notification, the subject goods, when originating in or exported from China, attract Anti-Dumping Duty at the prescribed rate.

6. Whereas, it is further observed from the Bill of Entry that the importer has neither declared nor discharged the applicable Anti-Dumping Duty on the impugned goods at the time of import. It appears that the goods have been mis-declared under CTH 84522900 instead of the correct CTH 84561100 resulting in non-payment of applicable Anti-Dumping Duty. The Bill of Entry was self-assessed without due consideration of the applicability of the aforesaid notification, resulting in non-payment of the Anti-Dumping Duty leviable on the imported goods.

7.1 It is observed, in the first instance, that Heading 84.56 of the First Schedule to the Customs Tariff Act, 1975 covers "machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam or plasma arc processes; water-jet cutting machines," and that sub-heading 8456.11 specifically covers "machine-tools operated by laser processes." In terms of the General Rules for the Interpretation of the Import Tariff (GIR 1), classification is to be determined according to the terms of the headings and any relevant Section or Chapter Notes, and in this context, Heading 84.56, read with sub-heading 8456.11, provides a specific legal description for machine-tools which work by removal of material using a laser beam. Further, as per the Explanatory Notes to Heading 84.56, the machine-tools of this heading (i) work by removal of material, (ii) perform operations of the kind carried out by conventional machine-tools (such as cutting, drilling, engraving, etc.), and (iii) use one of the specified processes (including laser-beam machining, in which material is removed by melting, burning or vaporisation caused by a focused laser beam) for working various materials.

7.2 It is observed, on examination of the product descriptions and technical features declared in the import documents, that the goods at Sr. No. 4, described as "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting," and at Sr. No. 10, described as "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine," are both equipped with integrated laser cutting modules. The functional description "laser cutting" and "ultrafast precision laser cutting" indicates that these modules perform cutting operations by removal of material using a laser beam, which is precisely the laser-beam machining process contemplated in Heading 84.56 and sub-heading 8456.11. In view of the said Explanatory Notes and the emphasis on the laser cutting function in the commercial description, these machines clearly exhibit the essential characteristics of machine-tools of Heading 84.56, namely, working by removal of material through a laser process.

7.3 It is further observed that Heading 84.52 covers "sewing machines, other than book-sewing machines of heading 84.40; furniture, bases and covers specially designed for sewing machines; sewing machine needles," which are intended for sewing or stitching operations and are not designed to work any material by removal of material through laser or other beam-based processes. Even if the machine at Sr. No. 4 incorporates a sewing or pocket-welting function, the presence of an integrated laser cutting module, which removes material by means of a laser beam, introduces a distinct function that is specifically and more precisely covered by Heading 84.56. In terms of the GIRs, where goods are, prima facie, classifiable under more than one heading, GIR 3(a) requires that the heading which provides the most specific description is to be preferred to a more general description, and GIR 3(b) provides that, for composite machines or multifunctional machines, classification is to be based on the component or function which gives the goods their essential character. Applying these principles, the laser cutting function, being expressly and specifically covered by Heading 84.56 and sub-heading 8456.11, and being the technologically determinative feature of the impugned machines, must be regarded as conferring the essential character for classification purposes, rather than the ancillary sewing/welting

function envisaged under Heading 84.52.

7.4 In view of the foregoing legal framework and technical characteristics, it is observed that the goods at Sr. No. 4 and Sr. No. 10 of the impugned Bill of Entry are appropriately classifiable, by application of GIR 1 and GIR 3(b), under CTH 8456 11 00 as "machine-tools operated by laser," and not under CTH 8452 29 00 as declared by the importer. The declaration under Heading 84.52 is, therefore, not in conformity with the tariff description, the Explanatory Notes, or the GIRs governing classification of multifunctional/composite machines. It is further observed that, consequent to the correct classification under CTH 8456 11 00, the said goods, being industrial laser machines of Chinese origin, fall within the scope of Notification No. 15/2023-Customs (ADD) dated 22.12.2023 issued under Section 9A of the Customs Tariff Act, 1975, and accordingly attract Anti-Dumping Duty at the applicable rate specified therein, which was not discharged at the time of import.

8.1 Acting on the basis of the available records and examination findings, it appears that the importer has imported the impugned goods from the supplier, M/s Supreme Global (Hongkong) Co. ltd., Suite A 6/F, Ritz plaza, 122 Austin R Tism Sha Tsui, Kowloon, Hong Kong. The impugned goods are of Chinese origin and have been exported from China. Therefore, the impugned goods are squarely covered under the scope of Sr. No. 9 of Notification No. 15/2023-Customs (ADD) dated 22.12.2023, and accordingly, anti-dumping duty at the rate of 147.2% of CIF (assessable) value is leviable on the import of item no. 4 and 10 of the impugned Bill of Entry. However, despite the clear applicability of anti-dumping duty, the importer has failed to declare the same in the Bill of Entry and has not discharged the applicable duty liability.

8.2 It is observed that, under Section 17 of the Customs Act, 1962, the importer is required to self-assess the duty correctly, including the correct classification and all duties leviable under any law for the time being in force. It is further observed that Sections 46(4) and 46(4A) mandate that the importer shall ensure the accuracy and completeness of the information furnished in the Bill of Entry and compliance with all applicable provisions of law. In the instant case, it is observed that the importer has failed to correctly classify the goods and to correctly assess and pay the applicable Anti-Dumping Duty, thereby contravening the provisions of the Customs Act, 1962.

9. <u>Relevant Legal Provisions:</u>

A. Under Customs Act, 1962:-

I. Section 2(15) —'duty' means a duty of customs leviable under this Act;

II. Section 12. Dutiable goods.—(1) Except as otherwise provided in this Act, or any other law for the time being in force, duties of customs shall be levied at such rates as may be specified under the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, on goods imported into, or exported from, India.

(2) The provisions of sub-section (1) shall apply in respect of all goods belonging to Government as they apply in respect of goods not belonging to Government.

III. 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.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

Provided …

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(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.

IV. Section 46. Entry of goods on importation. - (1) The importer of any goods, other than goods intended for transit or transhipment, shall make entry thereof by presenting electronically to the proper officer a bill of entry for home consumption or warehousing in the prescribed form:

Provided that the Principal Commissioner of Customs or Commissioner of Customs may, in cases where it is not feasible to make entry by presenting electronically, allow an entry to be presented in any other manner:

Provided further that if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.

(2) Save as otherwise permitted by the proper officer, a bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignor.

(3) The importer shall present the bill of entry under sub-section (1) before the end of the next day following the day (excluding holidays) on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:

Provided that a bill of entry may be presented within thirty days of the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:

Provided further that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.

(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 as may be prescribed

(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.

(5) If the proper officer is satisfied that the interests of revenue are not prejudicially affected and that there was no fraudulent intention, he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.

V. Section 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 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;

VI. 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,—

……..
(ii) in the case of dutiable goods, other than prohibited goods, to a penalty [not exceeding the duty sought to be evaded on such goods or five thousand rupees], whichever is the greater;
……

VII. 119. Confiscation of goods used for concealing smuggled goods. —Any goods used for concealing smuggled goods shall also be liable to confiscation.
Explanation.—In this section, ―goods does not include a conveyance used as a means of transport.

B. Under Customs Tariff Act, 1975:-

I. Section 9A. Anti-dumping duty on dumped articles.—(1) Where any article is exported by an exporter or producer from any country or territory (hereinafter in this section referred to as the exporting country or territory) to India at less than its normal value, then, upon the importation of such article into India, the Central Government may, by notification in the Official Gazette, impose an anti-dumping duty not exceeding the margin of dumping in relation to such article.

C. Notification No. 15/2023-Customs (ADD) dated 22.12.2023:-

G.S.R. ---(E).- Whereas in the matter of 'Industrial Laser Machines, used for cutting,

marking, or welding' (hereinafter referred to as the subject goods) falling under tariff items 84561100, 84569090, 84798199, 85152190, 85158090 and 90132000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from China PR (hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings, issued vide notification 06/07/2022-DGTR, dated the 27th September, 2023 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 27th September, 2023, read with corrigendum issued vide notification 06/07/2022-DGTR dated 6th December, 2023 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 7th December, 2023, has inter alia come to the conclusion that—

the subject goods have been exported to India from the subject country at dumped prices;

the domestic industry has suffered material injury on account of subject imports from subject country;

the material injury has been caused by the dumped imports of subject goods from the subject country,

and has recommended imposition of an anti-dumping duty on the imports of subject goods, originating in, or exported from the subject country and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty calculated at the rate as specified in the corresponding entry in column (7) of the said Table, namely:-

Table

SN	Tariff Item	Description of Goods	Country of origin	Country of Export	Producer	Duty as % of CIF
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	84561100, 84569090, 84798199, 85152190, 85158090 and 90132000	Industrial Laser Machines, in fully assembled, SKD or CKD form, used for cutting, marking, or welding operations*	China PR	Any country including China PR	GD Han's Yueming Laser Group Co., Ltd.	24.66%
					Han's Laser Smart Equipment Group Co., Ltd.	
					Han's Laser Technology Industry Group Co., Ltd.	
					Han's MP Laser Technology Co., Ltd.	
					Suzhou Songu	

					Intelligent Equipment Co., Ltd.	
2	-do-	-do-	China PR	Any country including China PR	Jiangsu Yawei Machine-Tool Co., Ltd.	43.35%
					Jiangsu Yawei Chuangkeyuan Laser Equipment Co., Ltd.	
3	-do-	-do-	China PR	Any country including China PR	TRUMPF (China) Co., Ltd.	Nil
					Jiangsu Jinfangyuan CNC Machine Co., Ltd.	
4	-do-	-do-	China PR	Any country including China PR	HSG Laser Co., Ltd	22.54%
					Jinan Hongshi Laser Technology Co., Ltd	
5	-do-	-do-	China PR	Any country including China PR	Bystronic (Tianjin) Laser Ltd	30.16%
					Bystronic Laser AG	
					Bystronic (Shenzhen) Laser Technology Co., Ltd	
6	-do-	-do-	China PR	Any country including China PR	Jinan Bodor CNC Machine Co., Ltd	84.22%
7	-do-	-do-	China PR	Any country including China PR	Jinan Oree Laser Technology Co. Ltd	87.30%
					Shandong Oree Laser Technology Co. Ltd	
8	-do-	-do-	China PR	Any country including China PR	Gweike Tech Co., Ltd	90.49%
9	**-do-**	**-do-**	**China PR**	**Any country including China PR**	**Any, other than SN 1 to 8**	**147.20%**

10	-do-	-do-	Any other than China PR	China PR	Any	147.20%

*the scope of the product includes Laser Cutting Machines , Laser Marking Machines, and Laser Welding machines .

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette, and shall be payable in Indian currency.

10. In view of the above, it appears that:

10.1 The goods declared at Sr. No. 4 and 10 of the Bill of Entry No. 9065413 dated 04.05.2026, namely as "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting" and "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine" respectively, are covered under the scope of Notification No. 15/2023-Customs (ADD) dated 22.12.2023, issued under Section 9A of the Customs Tariff Act, 1975, and are liable to Anti-Dumping Duty at the rate of 147.20% of the CIF value, as per Sr. No. 9 of the said notification, which amounts to Rs. 47,22,008/-. The said goods have been imported from China, which is a subject country under the aforesaid notification, and therefore the levy of Anti-Dumping Duty is squarely applicable on the impugned goods;

10.2. The importer has filed the Bill of Entry under the self-assessment scheme as provided under Section 17(1) of the Customs Act, 1962. However, while undertaking such self-assessment, the importer has failed to consider and declare the applicability of Anti-Dumping Duty on the impugned goods. This has resulted in incorrect self-assessment of duty and consequential non-payment of the applicable Anti-Dumping Duty. Accordingly, the said Bill of Entry is liable for re-assessment under Section 17(4) of the Customs Act, 1962.

10.3 The importer, by failing to declare the correct classification and correct duty liability, has rendered the impugned goods having total assessable value of Rs. 32,07,886/- (Rupees Thirty-Two Lakh Seven Thousand Eight Hundred and Eighty Six only) liable for confiscation under Section 111(m) of the Customs Act, 1962, as the goods do not correspond in respect of correct classification and applicable duty with the declaration made in the Bill of Entry.

10.4 It is observed from the available facts that the importer has declared the impugned goods strictly in accordance with the import documents, namely the bill of lading, commercial invoice and EPCG Authorisation, and there is no allegation or evidence of any attempt to conceal or misdescribe the other items covered under Bill of Entry No. 9065413 dated 04.05.2026. Accordingly, it appears that the goods covered under the said Bill of Entry, other than the impugned items at Sr. No. 4 and 10, are not liable to confiscation under Section 119 of the Customs Act, 1962 and may be dealt with in the ordinary course in accordance with law.

10.5 Since the impugned goods are liable for confiscation under section 111(m) of the Customs Act, 1962, the importer has rendered themselves liable to penalty under Section 112(a)(ii) of the Customs Act, 1962 for acts and omissions which have rendered the goods

liable for confiscation.

WAIVER OF SHOW CAUSE NOTICE AND PERSONAL HEARING

11. The importer submitted, vide their letter dated 28.05.2026, that:

"We have filed Bill of Entry No. 9065413 dated 04/05/2026 against EPCG Authorization No.0831018294 dated 23/04/2026 for the import of Textile Machines.

We would like to submit that we were not aware that Anti-Dumping Duty (ADD) is not covered under the EPCG Authorization scheme. The Bill of Entry was filed for a total of 10 items, out of which the following 2 items have been observed by Customs to attract ADD:

1.Sr. No.4-AUTOMATIC POCKET WELTING MACHINE LASER CUTTING (Automatic Pocket Making Machine)

2. Sr. No. 10 - SMALL FORMAT ULTRAFAST PRECISION LASER CUTTING MACHINE

The above Bill of Entry was filed as a Home Consumption Bill of Entry under EPCG. However, based on the Customs observation regarding the applicability of ADD on the above mentioned products, we request that the Bill of Entry may kindly be adjudicated and permission be granted to re-export the above two machines back to the supplier.

In this regard, we request your good office to kindly consider our case sympathetically and allow the above request by imposing only a minimal penalty and redemption fine, or by waiving the penalty and redemption fine altogether, considering our reputation and status as an honest and compliant taxpayer industry.

We further state that we do not require issuance of a Show Cause Notice (SCN) or a personal hearing in this matter. We request your office to kindly decide the matter at the earliest so that clearance of the remaining machines may be processed without delay."

DISCUSSION AND FINDINGS

12. I have carefully gone through the records of the case. The importer, vide letter dated 28.05.2026, has requested for waiver of Show Cause Notice and personal hearing. Thus, I find that the principles of natural justice as provided in Section 122A of the Customs Act 1962 have been complied with, and therefore, I proceed to decide the case on the basis of the documentary evidence available on records. The main issues to be decided are:

(i) Whether the impugned goods covered under Bill of Entry No. 9065413 dated 04.05.2026 are classifiable under CTH 84561100 instead of 84522900;

(ii) whether the self-assessment of Bill of Entry No. 9065413 dated 04.05.2026, carried out under Section 17(1) of the Customs Act, 1962, is liable to be rejected and the impugned goods declared at item no. 4 and 10 are required to be re-assessed under Section 17(4) of the Customs Act, 1962 by imposing applicable Anti-Dumping Duty in terms of Notification No. 15/2023-Customs (ADD) dated 22.12.2023;

(iii) whether the impugned goods are liable to be confiscated under Section 111(m) of the Customs Act, 1962;

(iv) whether penalty is imposable under Section 112(a)(ii) of the Customs Act, 1962;

13.1 As regards the first issue, I find that Heading 84.56 of the First Schedule to the Customs Tariff Act, 1975 covers "machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam or plasma arc processes; water-jet cutting machines," and that sub-heading 8456.11 specifically covers machine-tools operated by laser processes. In terms of Rule 1 of the General Rules for the Interpretation of the Import Tariff (GIR), classification is to be determined according to the terms of the headings and any relevant Section or Chapter Notes, and therefore the presence of a laser-based material-removal process is the primary legal criterion for classification under sub-heading 8456.11. As discussed in para 7.1 above, the Explanatory Notes to Heading 84.56 further clarify that machine-tools of this heading (i) work by removal of material, (ii) carry out operations of the kind performed by conventional machine-tools, and (iii) use one of the specified processes such as laser-beam machining, in which material is removed through melting, burning or vaporisation (ablation) caused by a focused laser beam.

13.2 I find from the product descriptions and technical features declared in the import documents that the goods at Sr. No. 4, described as "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting," as well as the goods at Sr. No. 10, described as "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine," are both equipped with integrated laser cutting functionality which operates by removal of material using a laser beam. The repeated and prominent references to "laser cutting" and "ultrafast precision laser cutting" in the commercial description and supporting literature clearly indicate that these machines are designed to perform cutting operations by laser-beam machining, which squarely corresponds to the processes contemplated under Heading 84.56 and, more specifically, under sub-heading 8456.11 for machine-tools operated by laser.

13.3 I further find that Heading 84.52 covers "sewing machines, other than book-sewing machines of heading 84.40; furniture, bases and covers specially designed for sewing machines; sewing machine needles," i.e. machinery principally intended for sewing or stitching operations and their accessories, and not machines designed to work material by removal of material through laser or other beam-based processes. In the present case, the machine imported at Sr. No. 4 is not a conventional sewing machine simpliciter but an Automatic Pocket Welting Machine with integrated laser cutting functionality, and the technical literature and product description clearly show that the laser cutting unit is an integral and indispensable component designed to perform precision cutting of fabric components before or during the pocket-welting operation. Such cutting is achieved by removal of material using a focused laser beam, which is precisely the process envisaged under Heading 84.56 and not under Heading 84.52.

13.4 In terms of Note 3 to Section XVI, where machines consist of individual components intended to contribute together to a clearly defined function, the whole is to be classified as if consisting only of that machine which performs the principal function. The impugned machine at Sr. No. 4 is a composite machine combining a laser-cutting module and a sewing/pocket-welting module, and, on the basis of the commercial description and technical features, it is evident that the integrated laser cutting system performs the critical operation of material removal and precision shaping of fabric components, which determines the performance and value of the machine. The sewing/welting operation is consequential to, and dependent upon, the laser cutting process and cannot be performed in the intended automated manner without the laser module; therefore, the principal and essential function of the machine is that of a laser-operated machine-tool for cutting, rather than that of a conventional sewing machine.

13.5 Applying the General Rules for Interpretation, I also find that, to the extent the goods might appear prima facie classifiable under both Heading 84.52 and Heading 84.56, Rule 3(a) requires that the heading which provides the most specific description is to be preferred over a heading providing a more general description. Heading 84.56, read with sub-heading 8456.11, specifically covers machine-tools for working any material by removal of material using laser processes, whereas Heading 84.52 only generally covers sewing machines and their accessories and does not refer to any laser-based material-removal function. Since the impugned machine performs laser cutting by removal of material and this laser-tool function confers its essential and principal character, the specific heading 84.56 must prevail over the more general sewing-machine heading 84.52. Accordingly, I hold that the machine at Sr. No. 4 is correctly classifiable under CTH 8456 11 00 and not under CTH 8452 29 00 as declared by the importer.

13.6 As regards the goods declared at Sr. No. 10 as "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine," I find that, by their very description, these are industrial laser machines designed exclusively for laser cutting operations and not for sewing or stitching functions. The commercial invoice, product literature and declaration filed by the importer consistently identify the machine as a laser cutting machine. Such machines operate by removal of material through a focused laser beam and, therefore, fall directly and exclusively within Heading 84.56 and more particularly under CTH 8456 11 00 as "machine-tools operated by laser," rendering the classification adopted by the importer under CTH 8452 29 00 clearly incorrect.

13.7 In view of the foregoing legal provisions, Explanatory Notes and technical characteristics, I hold that the essential and predominant character of the impugned goods at Sr. No. 4 and Sr. No. 10 of Bill of Entry No. 9065413 dated 04.05.2026 is that of laser-operated machine-tools for cutting by removal of material, and, by application of GIR 1, Note 3 to Section XVI and GIR 3(a)/(b), the said goods are correctly classifiable under CTH 8456 11 00 as "machine-tools operated by laser" and not under CTH 8452 29 00 as declared by the importer. Consequently, I find that the classification declared under Heading 84.52 is not in conformity with the tariff description, the Explanatory Notes and the interpretative rules, and is required to be rejected to that extent.

14.1 Regarding the second issue, I find that the impugned goods declared at Sr. No. 4 and 10 of the said Bill of Entry are described as "SP-F810-01 Automatic Pocket Welting Machine with Laser Cutting," and "SP-GX6060 Small Format Ultrafast Precision Laser Cutting Machine" respectively and are classifiable under CTH 84561100. As per the import documents on record, the said goods have been supplied by M/s Supreme Global (Hongkong) Co. ltd., China and are of Chinese origin. I further find that Notification No. 15/2023-Customs (ADD) dated 22.12.2023 covers "Industrial Laser Machines used for cutting, marking or welding" falling under tariff item 84561100, when originating in or exported from China PR. On perusal of the Table annexed to the said notification, the impugned goods are squarely covered under the relevant entry (Sr. No. 9 of the Table), attracting Anti-Dumping Duty at the rate of 147.20% of the CIF value, which amounts to Rs. 47,22,008/-. Therefore, by virtue of the description, classification, country of origin and supplier details, the impugned goods clearly fall within the ambit of the aforesaid notification and are liable to Anti-Dumping Duty at the prescribed rate.

14.2 I find that Section 17(1) of the Customs Act, 1962 mandates that the importer shall self-assess the classification of and duty leviable on the imported goods, which includes not only the basic customs duty but also any other duty leviable under any law for the time being in force, including duties imposed under the Customs Tariff Act, 1975 such as Anti-

Dumping Duty. Further, Section 46(4) and Section 46(4A) of the Customs Act, 1962 cast a statutory obligation upon the importer to make a true, correct and complete declaration in the Bill of Entry and to ensure accuracy and completeness of all particulars furnished therein. In the present case, although the importer has correctly declared the description, quantity, and value of the impugned goods, it is evident that the goods have been incorrectly classified under CTH 84522900 instead of the appropriate CTH 84561100, resulting in non-payment of the applicable Anti-Dumping Duty. Consequently, the Anti-Dumping Duty leviable under Notification No. 15/2023-Customs (ADD) dated 22.12.2023 has not been discharged at the time of self-assessment. Therefore, the self-assessment carried out by the importer is not in conformity with the statutory provisions and is liable to be held incorrect to the extent of non-payment of the applicable Anti-Dumping Duty.

14.3 I further find that Section 17(4) of the Customs Act, 1962 empowers the proper officer to re-assess the duty where it is found upon verification, examination or otherwise that the self-assessment has not been done correctly. In the present case, the applicability of Anti-Dumping Duty on the impugned goods has been established beyond doubt based on the description, classification and country of origin of the goods as discussed in the foregoing paragraphs. The non-payment of such duty at the time of import clearly renders the self-assessment incorrect. Therefore, the proper officer is well within the legal framework to reject the self-assessment and proceed with re-assessment of the Bill of Entry under Section 17(4) of the Customs Act, 1962 for the purpose of levying the applicable Anti-Dumping Duty.

14.4 In view of the foregoing discussion and findings, I hold that the self-assessment made by the importer under Section 17(1) of the Customs Act, 1962 is not legally sustainable to the extent that the goods have not been correctly classified under CTH 84561100 and the applicable Anti-Dumping Duty has not been discharged. The impugned goods are squarely covered under Notification No. 15/2023-Customs (ADD) dated 22.12.2023 and are, therefore, liable to Anti-Dumping Duty at the prescribed rate. Accordingly, the self-assessment is liable to be rejected, and the Bill of Entry is required to be re-assessed under Section 17(4) of the Customs Act, 1962, by correctly classifying the goods under CTH 84561100 and levying the applicable Anti-Dumping Duty.

15.1 Regarding the third issue, I find that Section 111(m) covers “any goods which do not correspond in respect of value or in any other particular with the entry made under this Act.” It is a settled position that the expression “in any other particular” is of wide amplitude and is not confined to description or value alone, but extends to any material aspect of the declaration which has a bearing on assessment and duty liability, including correct classification and declaration of applicable duties.

15.2 In the present case, the importer has declared the impugned goods at Sr. No. 4 and 10 under CTH 8452 29 00 and has not declared the applicability of anti-dumping duty under Notification No. 15/2023-Customs (ADD) dated 22.12.2023, although the goods, being industrial laser machines of Chinese origin used for cutting operations, are squarely covered under Sr. No. 9 of the said notification and attract anti-dumping duty at the rate of 147.20% of CIF value. The misclassification under Heading 84.52 and the omission to disclose and discharge the applicable anti-dumping duty have a direct bearing on the duty liability and result in short-levy of duty; therefore, the declaration in the Bill of Entry does not correspond with the goods “in other particulars” relevant for assessment, within the meaning of Section 111(m).

15.3 In view of the above, I hold that, on a strict interpretation of Section 111(m) of the

Customs Act, 1962, the impugned goods are liable for confiscation on account of incorrect classification and non-declaration.

15.4 I further note that the importer, vide letter dated 28.05.2026, has specifically requested that the impugned goods may be permitted to be re-exported to the foreign supplier instead of being cleared for home consumption. In this regard, I find that Section 125 of the Customs Act, 1962 empowers the adjudicating authority, in the case of goods liable to confiscation, to give an option to pay fine in lieu of confiscation, and such redemption can appropriately be considered even where the importer seeks re-export of the goods, subject to compliance with the conditions imposed under law. Having regard to the facts of the present case, particularly that the importer has themselves requested re-export of the impugned goods and that the goods are capital goods still under Customs control, I am of the view that while the goods are liable to confiscation under Section 111(m), the option of redemption under Section 125 deserves to be extended and the request for re-export is fit to be considered on payment of appropriate redemption fine and subject to compliance with the prescribed Customs formalities.

15.5 It is also relevant to take note of the submissions made by the importer in their letter dated 28.05.2026, wherein they have explained that, while filing Bill of Entry No. 9065413 dated 04.05.2026, they adopted the tariff classification for the impugned goods on the basis of the CTH indicated in the EPCG Authorisation and the import documents, namely the commercial invoice and packing list, and that there was no independent attempt on their part to alter or suppress any material particulars of the goods. They have further stated that they were under a bona fide belief that, similar to Basic Customs Duty and other duties specifically exempted under the EPCG scheme, the Anti-Dumping Duty, if any, would also stand covered by the EPCG Authorisation, and that they were not aware that Anti-Dumping Duty is not exempted under the relevant EPCG exemption notification and continues to be payable wherever attracted in terms of the Customs Tariff Act, 1975 and the applicable anti-dumping notification.

15.6 It is also observed from the records that, once the Department pointed out that the correct classification of the impugned goods is under CTH 8456 11 00 and that Anti-Dumping Duty under Notification No. 15/2023-Customs (ADD) dated 22.12.2023 is attracted on such imports from China, the importer has not disputed the factual applicability of the notification and, instead, has expressly accepted that Anti-Dumping Duty is leviable on the impugned goods and has requested that the Bill of Entry may be adjudicated with permission for re-export of the two laser machines to the foreign supplier. They have also requested that, having regard to their status as a compliant exporter and the fact that all material particulars relating to description, origin, quantity and value were correctly declared, a sympathetic view may be taken by imposing only minimal redemption fine and penalties or by waiving the same, and have sought early disposal of the case so that the remaining goods under the EPCG Authorisation can be cleared without delay. Therefore, it is not the case of gross misdeclaration.

15.7 It is also pertinent, while deciding the quantum of fine and penalty, to take into account that the importer, M/s Arvind Advanced Materials Limited, is a Tier-1 AEO client and a subsidiary of M/s Arvind Limited, a reputed company listed on the National Stock Exchange, and that the importer has not been found involved in any grave offence relating to smuggling or deliberate evasion of duty.

15.8 Considering the totality of facts, including the manner of declaration, the explanation regarding reliance on the EPCG Authorisation, the prompt acceptance of the

anti-dumping liability once pointed out, the willingness to re-export the impugned goods, and importer's past record, the case is one of inadvertent non-compliance in the context of a specialised trade-remedy levy rather than a case involving clear mens rea or deliberate intent to evade duty, and I am inclined to take a lenient view while determining the quantum of redemption fine and penalties in the later part of this order.

16. Regarding the fourth issue, I find that Section 112(a)(ii) of the Customs Act, 1962 provides for imposition of penalty on any person who, in relation to any goods, does or omits to do any act which renders such goods liable to confiscation under Section 111 of the Act. The said provision is attracted not only in cases of deliberate misdeclaration but also in cases where an act or omission, whether intentional or otherwise, results in contravention of statutory provisions leading to confiscability of goods. In the present case, it has already been established in the foregoing discussion that the impugned goods are liable to confiscation under Section 111(m) of the Customs Act, 1962 on account of incorrect self-assessment resulting in non-payment of applicable Anti-Dumping Duty. Therefore, the provisions of Section 112(a)(ii) are attracted in the instant case.

17. In view of the foregoing discussion and findings, I pass the following order:

ORDER

(i) I order to reject the self-assessment made under Section 17(1) of the Customs Act, 1962 in respect of Bill of Entry No. 9065413 dated 04.05.2026 filed by M/s Arvind Advanced Materials Limited and order re-assessment of the said Bill of Entry under Section 17(4) of the Customs Act, 1962 by classifying the goods at Sr. No. 4 and Sr. No. 10 under CTH 8456 11 00 and by levying Anti-Dumping Duty in terms of Notification No. 15/2023-Customs (ADD) dated 22.12.2023, at the applicable rate.

(ii) I order to confiscate the impugned goods having assessable value of Rs. 32,07,886/, under Section 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the said goods for limited purpose of re-export under Section 125 of the Customs Act, 1962 on payment of Redemption Fine of **Rs. 2,00,000/-** (Rupees Two Lakh Only).

(iii) I impose a penalty of **Rs. 1,00,000/-** (Rupees One Lakh only) on M/s Arvind Advanced Materials Limited under Section 112(a)(ii) of the Customs Act, 1962.

18. This order is issued without prejudice to any other action that may be taken against the importer or any other person under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Republic of India.

Digitally signed by Dipakbhai Zala
Date: 30-05-2026 18:16:01

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

To,
M/s. Arvind Advanced Materials Limited (IEC : 0816904243)
AAML Protective Wear, near Khatraj Chokdi,
Santej, Gujarat – 382721

Copy to :

1. The Deputy Commissioner of Customs , Review Section, Custom House, Mundra.
2. The Deputy Commissioner of Customs , Dock Examination, Custom House, Mundra.
3. The Deputy Commissioner of Customs, TRC, Custom House, Mundra.
4. The Deputy Commissioner of Customs, EDI, Custom House, Mundra
5. Office copy.