

	<p>कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा, सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS: CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421. PHONE : 02838-271426/271163 FAX :02838-271425 E-mail id- adj-mundra@gov.in</p>	
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A. File No.	:	GEN.ADJ/ADC/530/2026-Adjn-O/o Pr. Commr-Cus-Mundra
B. SCN No.	:	228/2025-26/ADC/ZDC/MCH dated 23.03.2026
C. Passed by	:	Dipak Zala, Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.
D. Noticess(s)/Importer	:	M/s. Supreme International (IEC – 3015014838)
E. DIN	:	20260371MO00001101A9

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

Whereas it appears that:

1.1. M/s. Supreme International (IEC – 3015014838), situated at Ground, 197/213/70, Near Gurudwara Sahib, New Kundan Puri, Lisa Market, Ludhiana, Punjab – 141008, [hereinafter referred to as M/s Supreme International or importer for the sake of brevity] is engaged in the import of fabrics through Mundra SEZ.

1.2. Intelligence was received that M/s. Supreme International is evading MIP applicable on import of Cut Pile Fabric under CTI- 60019200 by resorting to under- declaration of quantity of fabric on which the MIP is applicable. According to the intelligence, the under- declaration of MIP applicable fabric quantity was combined with excess declaration of other fabric imported in the same consignments but on which MIP was not applicable.

1.3. Based on the above intelligence, the following import consignments of M/s. Supreme International (IEC: 3015014838) were intercepted:

Table "1"

Sr No .	SEZ Bill of Entry No. & date	Type of BE	Description of goods as declared in B/E	Declared CTI	Declared Quantity
1	5614052 dated 10-11-2025	Z	POLYESTER KNITTED CUT PILE FABRIC	60019200	1260 KG
			POLYESTER LAMINATED FABRICS	59039090	49012 SQM
2	5743133 dated 17-11-2025	Z	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79939 SQM
3	5743135 dated 17-11-2025	Z	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79935 SQM
4	5814473 dated 20-11-2025	Z	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79936 SQM
5	5917065 dated 25-11-2025	Z	POLYESTER WARP KNITTED FABRIC	60053790	19570 KGS
			FLOCK FABRICS	59070012	14922 SQM
6	5917409 dated 25-11-2025	Z	POLYESTER WARP KNITTED FABRIC	60053790	19529 KGS
			FLOCK FABRICS	59070012	14928 SQM
7	5917853 dated 25-11-2025	Z	POLYESTER WARP KNITTED FABRIC	60053790	19285 KGS
			FLOCK FABRICS	59070012	14715 SQM
8	5916909 dated 25-11-2025	Z	POLYESTER WARP KNITTED FABRIC	60053790	19506 KGS
			FLOCK FABRICS	59070012	14918 SQM
9	5916910 dated 25-11-2025	Z	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	172336 SQM
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	30252 SQM
10	5916913 dated 25-11-2025	Z	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	172231 SQM
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	30252 SQM
11	5916914 dated 25-11-2025	Z	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	168531 SQM
			POLYESTER LAMINATED	59039090	30248 SQM

			FABRICS (WIDTH 56 INCH +/- 10%)	0	
12	5916911 dated 25-11- 2025	Z	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	5903909 0	186074 SQM

1.4. The above consignments were imported from China with declared description tabulated above at Table-1. Further, as per the declaration, the duty rate applicable on import of these goods from SEZ to DTA was as per normal tariff rate.

2. Examination of Goods

2.1. The consignments imported by M/s. Supreme International through Mundra port under the above-mentioned Bills of entries were examined under panchnama dated 22.11.2025 & 04-05.12.2025 at warehouse of M/s Fast Track CFS Private Limited, Block -C, Plot No -3, Sector-11, APSEZ, Mundra, Kachchh, Gujarat, 370421 and under panchnama dated 16.12.2025 at M/s Hind Terminals Pvt Ltd situated at Survey No. 76/1/1, and 77/1/1, Opp Dhrub GID, Mundra Port Road, Dhrub, Mundra, Kachchh, Gujarat – 370421. During the examination, it was observed that goods stuffed in the said containers were fabric rolls wrapped in plastic sheets. All the imported goods under the said container were de-stuffed, and a systematic examination of the goods was conducted.

2.2 The fabric de-stuffed from the Container No. OCGU8035659 imported under Bill of Entry No. 5614052 dated 10.11.2025 which was lying in the Shed No. 1 of the CFS was examined under Panchnama dated 22.11.2025 and was found as below **(RUD-1)**: -

Table- “2”

Description of goods as per B/E	Declared CTI	No. of Rolls (pieces)	Quantity Ascertained
Polyster Knitted Cut Pile Fabrics (CP)	60019200	37	880Kgs.
*Polyster Knitted fabrics (PK)	Not declared	156	3740 Kgs.
*Polyster synthetic fabric (PS)	Not declared	56	1480 Kgs.
Polyester Laminated Fabrics (PL)	59039090	601	60100 Mtr.

* These fabrics were not declared in the BE.

2.3 The goods Imported by M/s Supreme International and examined under Panchnama dated 04-05.12.2025 (**RUD-2**) were as under:

Table- "3"

S. No.	BE No.	BE DATE	CONTAINER NUMBER	Net weight of the goods
1	5743133	17-11-2025	MSDU7789879	27430
2	5743135	17-11-2025	MSMU8106952	27800
3	5814473	20-11-2025	EITU1352740	28260
4	5917065	25-11-2025	TGBU6616724	25840
5	5917409	25-11-2025	MSCU5259351	25470
6	5917853	25-11-2025	EGSU9364524	24760
7	5916909	25-11-2025	CAIU4751697	24710
8	5916910	25-11-2025	MSMU6724294	27400
9	5916913	25-11-2025	MSDU6326910	28030
10	5916914	25-11-2025	CXDU2148338	27750

2.4 Examination of goods imported under the above mentioned BEs/Containers revealed the goods to be stuffed in the respective containers as detailed below:

Table- "3A"

BE No. with Container No.	Net weight of the container (in KGs)	Total No. of Rolls found	Type of Goods	No. of Rolls found	Weight of the goods (in KGs) ascertained.
5743133 dated 17.11.25 MSDU7789879	27430	1414	POLYESTER LAMINATED FABRICS EACH**	87	1697.5
			OTHER TYPE OF POLYESTER FABRIC*	1327	25733.5
5743135 dated 17.11.25 MSMU8106952	27800	1438	POLYESTER LAMINATED FABRICS**	110	2145
			OTHER TYPE OF POLYESTER FABRIC*	1328	25655)
5814473 dated 20.11.25 EITU1352740	28260	974	POLYESTER LAMINATED FABRICS**	156	3042
			OTHER TYPE OF POLYESTER FABRIC*	818	25218
5917065 dated 25.11.25 TGBU6616724	25840	985	POLYESTER WARP KNITTED FABRIC**	976	25606
			FLOCK FABRICS**	9	234
5917409 dated 25.11.25 MSCU5259351	25470	994	POLYESTER WARP KNITTED FABRIC**	985	25236
			FLOCK FABRICS**	9	234

5917853 dated 25.11.25 EGSU9364524	24760	956	POLYESTER WARP KNITTED FABRIC**	947	24526
			FLOCK FABRICS**	9	234
5916909 dated 25.11.25 CAIU4751697	24710	981	POLYESTER WARP KNITTED FABRIC**	972	24476
			FLOCK FABRICS**	9	234
5916910 dated 25.11.25 MSMU672429 4	27400	1439	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)**	1351	25684
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)**	88	1716
5916913 dated 25.11.25 MSDU632691 0	28030	1438	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)**	1343	26177
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)**	95	1853
5916914 dated 25.11.25 CXDU2148338	27750	1432	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)**	1340	25956
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)**	92	1794

* = Description of goods not declared in BE

** = Description of goods declared in BE

2.5 Further, below mentioned are the details of import consignment imported by M/s Supreme International and examined under Panchnama dated 16.12.2025 (**RUD-3**):

Table- "4"

B/E No. & Date	Container No.	Net weight of the cargo
5916911 dated 25.11.2025	MSMU5383845	27220 KGs

2.6 Examination of goods being imported under the above mentioned BE/Container revealed the goods to be stuffed in the container as detailed below:-

Table- "4A"

Container No.	Net weight of the container declared (in KGs)	Total No. of Rolls declared	Type of Goods	No. of Rolls found	Weight of the goods (in KGs)
MSMU5383845	26539	1368	Polyester Laminated Fabrics (Width 56 Inch +/- 10%) **	1368	27220

** = Description of goods declared in BE

2.7. Further, representative samples of imported fabrics were drawn under the respective Panchnama for laboratory testing and analysis to ascertain their exact identity. One set of samples was drawn from each type of Fabric, based on the visual characteristics of the imported Fabric. The samples were duly sealed and forwarded to the CRCL Vadodara vide Test Memo's as below:-

Table- "5"

Sr. No.	Bill of Entry No.	Container No.	Test Memo No.
1	5614052 dated 10.11.2025	OCGU8035659	27, 28, 29 & 30
2	5743133 dated 17-11-2025	MSDU7789879	3 & 4
3	5743135 dated 17-11-2025	MSMU8106952	1 & 2
4	5814473 dated 20-11-2025	EITU1352740	5 & 6
5	5917065 dated 25-11-2025	TGBU6616724	19 & 20
6	5917409 dated 25-11-2025	MSCU5259351	17 & 18
7	5917853 dated 25-11-2025	EGSU9364524	15 & 16
8	5916909 dated 25-11-2025	CAIU4751697	13 & 14
9	5916910 dated 25-11-2025	MSMU6724294	11 & 12
10	5916913 dated 25-11-2025	MSDU6326910	9 & 10
11	5916914 dated 25-11-2025	CXDU2148338	7 & 8
12	5916911 dated 25.11.2025	MSMU5383845	35

3. Sample Test Reports

3.1 CRCL Vadodara submitted Test Reports vide their various letters and emails wherein the goods imported under the respective Bill of Entries are Tested/reported as detailed below:

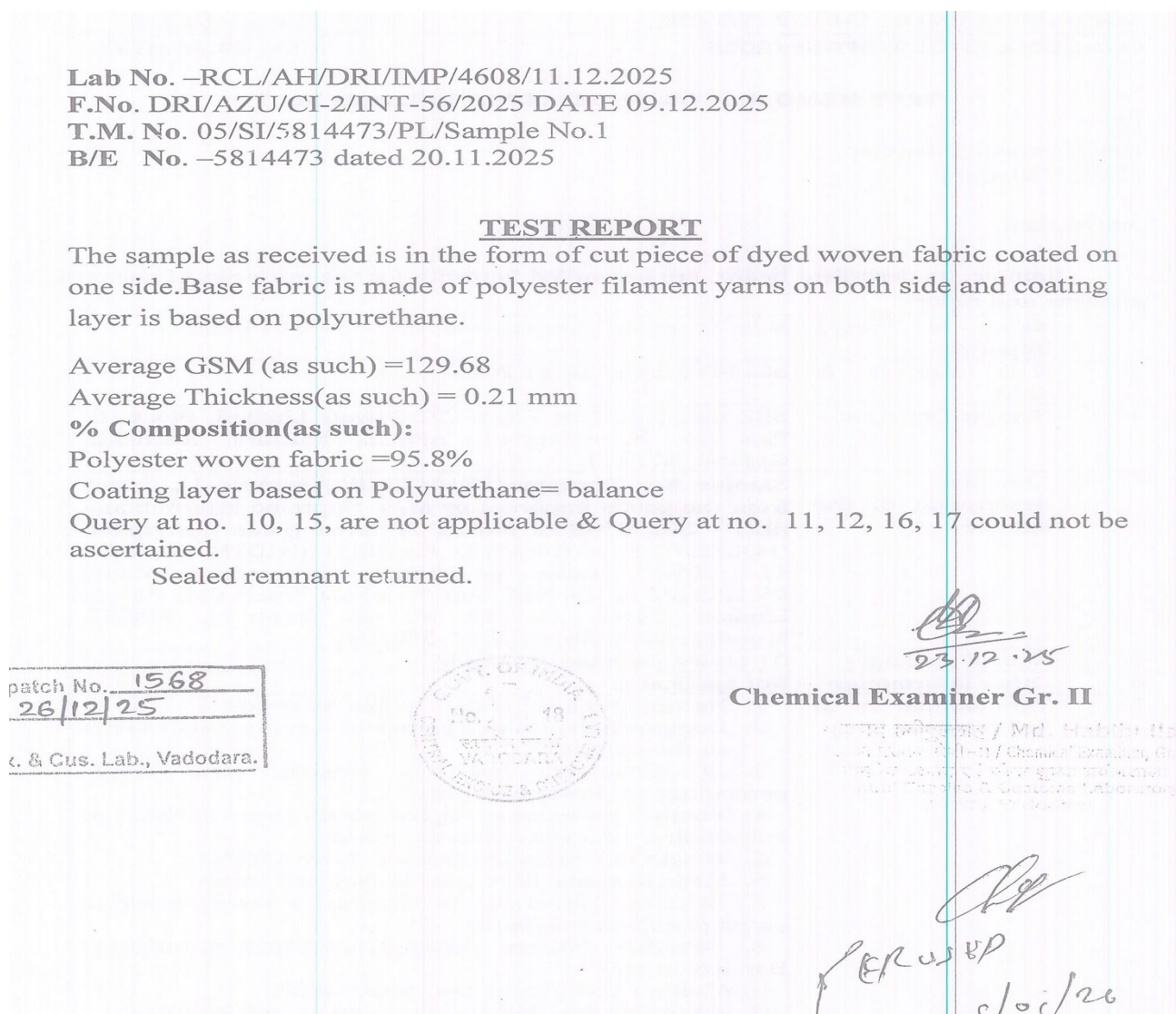
Table- "6"

Sr No.	SEZ Bill of Entry No. & date	Test Memo No./Test Report	Description of Goods as per Test Reports	CTI determined as per Test reports	Quantity ascertained during the examination under panchnama
1	5614052 dated 10.11.2025	27	Knitted Cut Pile Fabric	60019200	880 KG
		28	Dyed Knitted Fabric	60063200	22152 SQM
		29	Dyed Knitted Fabric	60063200	7952 SQM
		30	Dyed Woven Fabric	54075290	85342 SQM
2	5743133 dated 17-11-2025	3	Dyed Woven Fabric with PU coating	59032090	12354 SQM
		4	Dyed woven Fabric with	54075290	188434 SQM

			elastomeric yarns (Spandex)		
3	5743135 dated 17- 11-2025	1	Dyed Woven Fabric with PU coating	59032090	15620 SQM
		2	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	188576 SQM
4	5814473 dated 20- 11-2025	5	Dyed Woven Fabric with PU coating	59032090	22152 SQM
		6	Dyed Knitted Fabric	60064200	25218 SQM
5	5917065 dated 25- 11-2025	19	Dyed Warp Knitted Fabric having napped surface	60053790	25606 SQM
		20	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278 SQM
6	5917409 dated 25- 11-2025	17	Dyed Warp Knitted Fabric having napped surface	60053790	25236 SQM
		18	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278 SQM
7	5917853 dated 25- 11-2025	15	Dyed Knitted Fabric having napped surface	60053790	24526 SQM
		16	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278 SQM
8	5916909 dated 25- 11-2025	13	Dyed Knitted Fabric having napped surface	60053790	24476 SQM
		14	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278 SQM
9	5916910 dated 25- 11-2025	12	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	191842 SQM
		11	Dyed Woven Fabric with PU coating	59032090	12496 SQM
10	5916913 dated 25- 11-2025	10	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	190706 SQM
		9	Dyed Woven Fabric with PU coating	59032090	13490 SQM
11	5916914 dated 25- 11-2025	8	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	190280 SQM
		7	Dyed Woven Fabric with PU coating	59032090	13064 SQM
12	5916911 dated 25.11.202	35	Dyed Woven Fabric with PU coating	59032090	194256 SQM

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3.2 Further, goods imported with declared description Polyester Laminated Fabrics and classified under CTI: 59039090 in Bill of Entries at Sr. Nos. 2, 3, 4, 9, 10, 11 and 12 in the table above were tested and reported by CRCL Vadodara to be “fabric of polyester filament yarns on both side and coating layer is based on polyurethane”. These fabrics fall under CTI: 59032090 attracting Anti-Dumping Duty under CBIC notification no. 14/2022-Customs (ADD) dated 20.05.2022 **(RUD-4)**. An image of a sample test report is extracted herein below:-



3.3 Based on the foregoing facts, it is evident that the goods declared as “Polyester Laminated Fabric” under CTI 59039090 vide respective Bill of Entries were mis-declared, with the intent to conceal the import of PU coated fabric under the guise of Polyester Laminated Fabric.

3.4 From the above, it is apparent that the goods declared as “Polyester Laminated Fabric” have been mis-declared both in terms of their nature and quantity. The actual quantity of goods imported exceeds the quantity declared in the Bill of Entry. Furthermore, as per the test reports, it is evident that PU coated fabric was imported under the guise of “Polyester Laminated Fabric”. This mis-declaration with respect to both the nature and quantity of the imported goods constitutes a contravention of Customs Act, 1962 and consequently the goods in question are rendered liable for confiscation under sub-section (l) & (m) of Section 111 of the Customs Act, 1962.

3.5 The past import records and the profile of the importer when seen along with the profile of the SEZ unit where the goods were imported, it is evident that post assessment and out of charge of Z-type Bill of Entry, the importer intended to clear in DTA by filing T-type Bill of Entry.

3.6 In view of the above, by mis-declaring the nature of the imported goods, the importer has attempted to evade customs duty amounting to ₹ 3,38,84,737/- (Rupees Three Crore Thirty Eight Lakh Eighty four Thousand Seven Hundred and Thirty Seven Only), comprising Basic Customs Duty of ₹ 1,87,84,608/- (Rupees One Crore Eighty Seven Lakh Eighty Four Thousand Six Hundred and Eight Only), Social Welfare Surcharge (SWS) of ₹ (-)5,02,453/- (Rupees Five Lakh Two Thousand Four Hundred and Fifty Three only in Negative), Anti-Dumping Duty of ₹82,17,532/- (Rupees Eighty Two Lakh Seventeen Thousand Five Hundred and Thirty Two Only), and Integrated Goods and Services Tax (IGST) of ₹ 73,85,050/- (Rupees Seventy Three Lakh Eighty Five Thousand and Fifty only). The detailed calculation indicating the above quantum of evasion is brought out in the subsequent part of this Notice. Furthermore, the importer has imported goods falling under CTI 59032090, attracting Anti-Dumping Duty of 0.46 USD/Meter when imported from China, thereby violating the prescribed import conditions and attracting penal consequences under the relevant provisions of the Customs Act, 1962.

(Valuation, Classification and assessment sheet in detail is attached to the SCN as Annexure-A).

4. Seizure of Goods

4.1. The above ascertained mis-declaration and misclassification appeared to be a deliberate attempt to evade applicable duties. Accordingly, the imported goods covered under Bill of Entries as detailed in Table below were placed under Seizure vide Seizure Memo F. No. DRI/AZU/CI-02/(ENQ-01(INT-56/25)/2026 dated 09.02.2026 **(RUD-5)**, as they were found to be liable for confiscation under sub-section (l) & (m) of Section 111 of the Customs Act, 1962. The details of the seized goods are as follows:

Table- "7"

Sr No .	SEZ Bill of Entry No. & date	Test Memo No./Test Report	Description of Goods as per Test Reports	Ascertained CTI (as per Test Report)	Quantity ascertained	Unit
1	5614052 dated 10.11.2025	27	Knitted Cut Pile Fabric	60019200	880	KG
		28	Dyed Knitted Fabric	60063200	22152	SQM
		29	Dyed Knitted Fabric	60063200	7952	SQM
		30	Dyed Woven Fabric	54075290	85342	SQM
2	5743133 dated 17-11-2025	3	Dyed Woven Fabric with PU coating	59032090	8700	Meter
		4	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	188434	SQM
3	5743135 dated 17-11-2025	1	Dyed Woven Fabric with PU coating	59032090	11000	Meter
		2	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	188576	SQM
4	5814473 dated 20-11-2025	5	Dyed Woven Fabric with PU coating	59032090	15600	Meter
		6	Dyed Knitted Fabric	60064200	25218	SQM
5	5917065 dated 25-11-2025	19	Dyed Warp Knitted Fabric having napped surface	60053790	25606	SQM
		20	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using	59070012	1278	SQM

			adhesive material.			
6	5917409 dated 25- 11-2025	17	Dyed Warp Knitted Fabric having napped surface	60053790	25236	SQM
		18	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278	SQM
7	5917853 dated 25- 11-2025	15	Dyed Knitted Fabric having napped surface	60053790	24526	SQM
		16	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278	SQM
8	5916909 dated 25- 11-2025	13	Dyed Knitted Fabric having napped surface	60053790	24476	SQM
		14	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012	1278	SQM
9	5916910 dated 25- 11-2025	12	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	191842	SQM
		11	Dyed Woven Fabric with PU coating	59032090	8800	Meter
10	5916913 dated 25- 11-2025	10	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	190706	SQM
		9	Dyed Woven Fabric with PU coating	59032090	9500	Meter
11	5916914 dated 25- 11-2025	8	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290	190280	SQM
		7	Dyed Woven Fabric with PU coating	59032090	9200	Meter
12	5916911 dated 25.11.2025	35	Dyed Woven Fabric with PU coating	59032090	136800	Meter

****Test Reports are attached for ready reference as RUD-6.**

Table- "7A"

Sr No.	SEZ BE No. and Date	Total No. of Rolls found during panchnama	Gross weight found during panchnama (In KGs)
1	5614052 dated 10.11.2025	850	17950
2	5743133 dated 17-11-2025	1414	27430
3	5743135 dated 17-11-2025	1438	27800
4	5814473 dated 20-11-2025	974	28260
5	5917065 dated 25-11-2025	985	25840
6	5917409 dated 25-11-2025	994	25470
7	5917853 dated 25-11-2025	956	24760
8	5916909 dated 25-11-2025	981	24710
9	5916910 dated 25-11-2025	1439	27400
10	5916913 dated 25-11-2025	1438	28030
11	5916914 dated 25-11-2025	1432	27750
12	5916911 dated 25.11.2025	1368	27220

4.2. Vide the above Seizure Memo dated 09.02.2026, M/s Supreme International was also given an option to approach the Jurisdictional Customs Authority for provisional release of the seized goods under the provisions of Section 110A of the Customs Act, 1962.

5. Statements Recorded

5.1. Consequent to the Summons (CBIC-DIN-202601DDZ1000072247E) dated 08.01.2026, a statement of Shri Chetan Chauhan, Proprietor of M/s Supreme International, (GSTIN:- 03AXEPC8606K2ZM) Ground, 197/213/70, Near Gurudwara Sahib, New Kundan Puri, Lisa Market, Ludhiana, Punjab, 141008 (**RUD-7**) was recorded under Section 108 of the Customs Act, 1962, wherein, he inter-alia stated that he looks after sales, purchase and overall operation of the firm; that he is business man and does not know much about the classification of fabrics as per Customs Act but has knowledge of fabrics as per market requirement; that imported goods were classified as per the Customs Tariff under the guidance of CHA and their staff; that M/s Supreme International is a trading firm engaged in import and trading of Cut Pile fabric, dyed knitted fabric, dyed woven fabric, Polyester laminated fabric etc.; that he

agrees with the Test Reports of CRCL Vadodara and acknowledges the receipt of copies of Test Report as below:-

Table- "8"

SEZ Bill of Entry No. & date	Container No.	Description of goods as per B/E	Declared CTI	Declared Quantity	Ascertained Quantity of goods	Test memo Number	Goods as per Test report
5614052 dated 10.11.2025	OCGU 8035659	POLYESTER KNITTED CUT PILE FABRIC	60019200	1260 KG	880 KG.	27	Knitted Cut Pile Fabric
		POLYESTER LAMINATED FABRICS	59039090	49012 SQM	3740 KG	28	Dyed Knitted Fabric
					1480 KG	29	Dyed Knitted Fabric
					60100 SQM	30	Dyed Woven Fabric
5743133 dated 17-11-2025	MSDU 7789879	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79939 SQM	1697.5 KGs 12354 SQM	3	Dyed Woven Fabric with PU coating
					25733.5 KGs 188434 SQM	4	Dyed woven Fabric with elastomeric yarns (Spandex)
5743135 dated 17-11-2025	MSM U8106952	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79935 SQM	2145 KGs 15620 SQM	1	Dyed Woven Fabric with PU coating
					25655 KGs 188576 SQM	2	Dyed woven Fabric with elastomeric yarns (Spandex)
5814473 dated 20-11-2025	EITU1 352740	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	79936 SQM	3042 KGs 22152 SQM	5	Dyed Woven Fabric with PU coating
					25218 KGs	6	Dyed Knitted Fabric
5917065 dated 25-11-2025	TGBU 6616724	POLYESTER WARP KNITTED FABRIC	60053790	19570 KGS	25606 KGs	19	Dyed Warp Knitted Fabric having napped surface
		FLOCK FABRICS	59070012	14922 SQM	234 KGs	20	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.
5917409 dated 25-11-2025	MSCU 5259351	POLYESTER WARP KNITTED FABRIC	60053790	19529 KGS	25236 KGs	17	Dyed Warp Knitted Fabric having napped surface
		FLOCK FABRICS	59070012	14928 SQM	234 KGs	18	Dyed, Knitted base fabric composed of filament yarns of polyester with

							nylon flocks pasted on base fabric on one side using adhesive material.
591785 3 dated 25-11- 2025	EGSU 93645 24	POLYESTER WARP KNITTED FABRIC	600537 90	19285 KGS	24526 KGs	15	Dyed Knitted Fabric having napped surface
		FLOCK FABRICS	590700 12	14715 SQM	234 KGs	16	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.
591690 9 dated 25-11- 2025	CAIU4 75169 7	POLYESTER WARP KNITTED FABRIC	600537 90	19506 KGS	24476 KGs	13	Dyed Knitted Fabric having napped surface
		FLOCK FABRICS	590700 12	14918 SQM	234 KGs	14	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.
591691 0 dated 25-11- 2025	MSM U6724 294	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	540752 90	17233 6 SQM	25684 KGs 191842 SQM	12	Dyed woven Fabric with elastomeric yarns (Spandex)
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	590390 90	30252 SQM	1716 KGs 12496 SQM	11	Dyed Woven Fabric with PU coating
591691 3 dated 25-11- 2025	MSDU 63269 10	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	540752 90	17223 1 SQM	26177 KGs 190706 SQM	10	Dyed woven Fabric with elastomeric yarns (Spandex)
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	590390 90	30252 SQM	1853 KGs 13490 SQM	9	Dyed Woven Fabric with PU coating
591691 4 dated 25-11- 2025	CXDU 21483 38	DYED POLYESTER FABRICS (GSM - 120 +/-10%)	540752 90	16853 1 SQM	25956 KGs 190280 SQM	8	Dyed woven Fabric with elastomeric yarns (Spandex)
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	590390 90	30248 SQM	1794 KGs 13,064 SQM	7	Dyed Woven Fabric with PU coating
591691 1 dated 25.11.2 025	MSM U5383 845	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	590390 90	18607 4 SQM	27220 KGs 194256 SQM	35	Dyed Woven Fabric with PU coating

5.2 Consequent to the Summons (CBIC-DIN-202602DDZ1000000F935) dated 12.02.2026, another statement of Shri Chetan Chauhan, Proprietor of

M/s Supreme International, (GSTIN:- 03AXEPC8606K2ZM) Ground, 197/213/70, Near Gurudwara Sahib, New Kundan Puri, Lisa Market, Ludhiana, Punjab, 141008 (**RUD-8**) was recorded under Section 108 of the Customs Act, 1962, wherein, he inter-alia stated that he agrees with the facts narrated in his earlier statement dated 08.01.2026; that he accepts the proposed re-classification and re-valuation of imported fabric; that he agrees to pay anti-dumping duty under Notification 14/2022-Customs (ADD) dated 20.05.2022; that he agrees for the re-valuation of imported fabric; that he agrees with the test reports of CRCL Vadodara in the case of import of fabric under BE No. 5916911 dated 25.11.2025 and acknowledges the receipt of copies of Test Report as below:-

Table- "8A"

SEZ Bill of Entry No. & date	Container No.	Description of goods as per B/E	Declared CTI	Declared Quantity	Ascertained Quantity of goods	Test memo Number	Goods as per Test report
5916911 dated 25.11.2025	MSMU5 383845	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039 090	186074 SQM	27220 KGs 194256 SQM	35	Dyed Woven Fabric with PU coating

6. Re-classification of Goods:

6.1. Based on the CRCL's Test Report, and corresponding entries in the Customs Tariff Act, 1975, it is evident that the declared description and CTI of imported goods in the respective BEs are incorrect. Hence, the imported goods merit classification as mentioned below:

Table - "9"

Sr No	SEZ Bill of Entry No. & date	Container No.	Description of goods as per B/E	Declared CTI	Goods as per Test report	Ascertained CTI
1	5614052 dated 10.11.2025	OCGU8 035659	POLYESTER KNITTED CUT PILE FABRIC	60019200	Knitted Cut Pile Fabric	60019200
			POLYESTER	59039090	Dyed Knitted	60063200

			LAMINATED FABRICS		Fabric	
					Dyed Knitted Fabric	60063200
					Dyed Woven Fabric	54075290
2	5743133 dated 17-11-2025	MSDU7 789879	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
					Dyed woven Fabric with elastomeric yarns (Spandex)	54075290
3	5743135 dated 17-11-2025	MSMU 810695 2	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
					Dyed woven Fabric with elastomeric yarns (Spandex)	54075290
4	5814473 dated 20-11-2025	EITU13 52740	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
					Dyed Knitted Fabric	60064200
5	5917065 dated 25-11-2025	TGBU6 616724	POLYESTER WARP KNITTED FABRIC	60053790	Dyed Warp Knitted Fabric having napped surface	60053790
			FLOCK FABRICS	59070012	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012
6	5917409 dated 25-11-2025	MSCU5 259351	POLYESTER WARP KNITTED FABRIC	60053790	Dyed Warp Knitted Fabric having napped surface	60053790
			FLOCK FABRICS	59070012	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012
7	5917853 dated 25-11-2025	EGSU9 364524	POLYESTER WARP KNITTED FABRIC	60053790	Dyed Knitted Fabric having napped surface	60053790
			FLOCK FABRICS	59070012	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012
8	5916909	CAIU47	POLYESTER WARP	60053790	Dyed Knitted	60053790

			KNITTED FABRIC		Fabric having napped surface	
	dated 25-11-2025	51697	FLOCK FABRICS	59070012	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	59070012
9	5916910 dated 25-11-2025	MSMU 6724294	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
10	5916913 dated 25-11-2025	MSDU6 326910	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
11	5916914 dated 25-11-2025	CXDU2 148338	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	54075290	Dyed woven Fabric with elastomeric yarns (Spandex)	54075290
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090
12	5916911 dated 25.11.2025	MSMU 5383845	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	59039090	Dyed Woven Fabric with PU coating	59032090

Classification of Dyed Woven Fabric with PU coating

6.2.1 CRCL, Vadodara, vide their test report has stated that the imported fabrics shown as Polyester Laminated Fabrics in the above table were "Polyurethane (PU) Coated Fabrics". The report specified that coating material is based on Polyurethane (PU). The correct classification for "Polyurethane Coated Fabrics" is Customs Tariff Item 59032090, which specifically covers "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.". As per Chapter Note 2 to Chapter 59 and Explanatory Notes to the HSN, the correct classification of polyurethane-coated fabric is under CTI 59032090.

6.2.2 Furthermore, "Polyurethane (PU) Coated Fabric" originating from China PR is subject to Anti-Dumping Duty (ADD) as per Notification No. 14/2022-Customs (ADD) dated 20.05.2022, which imposes ADD at the rate of 0.46 USD per meter. From the said facts, it is evident that the Importer deliberately misclassified the goods under CTI 59039090, without declaring the PU coating, to evade the applicable Anti-Dumping duty.

7. Undervaluation and revised valuation as per Customs Valuation Rules:

7.1. Investigation has brought out that quantities of goods declared in the above Bills of Entries were lesser than actual quantities ascertained during examination under respective panchnama (**Refer RUD-1, 2 & 3**). The comparison of the quantities of goods declared and the actual quantity of goods found is attached as Annexure -A (**RUD-9**).

7.2 Further, the importer had not only mis-declared the import of actual quantity of goods but also they have not declared the import of goods in some the cases. Details in this regard is as below:-

Table-"8"

Sr No.	SEZ Bill of Entry No. & date	Container No.	Description of goods as per B/E	CTI	Quantity as per BE	Actual Quantity of goods	Goods as per Test report	Qty in SQM/ Kgs.
1	5614052 dated 10.11.2025	OCGU8035659	Polyester Knitted Cut Pile Fabric	60019200	1260 Kgs	880 Kgs.	Knitted Cut Pile Fabric	880
			Polyester Laminated Fabrics	59039090	49012 SQM	3740 Kgs.	Dyed Knitted Fabric	22152
						1480 Kgs.	Dyed Knitted Fabric	7952
						60100 SQM	Dyed Woven Fabric	85342
2	574313	MSDU7	POLYESTER	5903	7993	1697.5	Dyed Woven	12354

	3 dated 17-11- 2025	789879	LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	9090	9 SQM	KGs 12354 SQM	Fabric with PU coating	18843 4
						25733. 5 KGs 18843 4 SQM	Dyed woven Fabric with elastomeric yarns (Spandex)	
3	574313 5 dated 17-11- 2025	MSMU8 106952	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	5903 9090	7993 5 SQM	2145 KGs 15620 SQM	Dyed Woven Fabric with PU coating	15620
						25655 KGs 18857 6 SQM	Dyed woven Fabric with elastomeric yarns (Spandex)	18857 6
4	581447 3 dated 20-11- 2025	EITU13 52740	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	5903 9090	7993 6 SQM	3042 KGs 22152 SQM	Dyed Woven Fabric with PU coating	22152
						25218 KGs	Dyed Knitted Fabric	25218
5	591706 5 dated 25-11- 2025	TGBU6 616724	POLYESTER WARP KNITTED FABRIC	6005 3790	1957 0 KGS	25606 KGs	Dyed Warp Knitted Fabric having napped surface	25606
			FLOCK FABRICS	5907 0012	1492 2 SQM	234 KGs	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	234
6	591740 9 dated 25-11- 2025	MSCU5 259351	POLYESTER WARP KNITTED FABRIC	6005 3790	1952 9 KGS	25236 KGs	Dyed Warp Knitted Fabric having napped surface	25236
			FLOCK FABRICS	5907 0012	1492 8 SQM	234 KGs	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	234

7	591785 3 dated 25-11- 2025	EGSU9 364524	POLYESTER WARP KNITTED FABRIC	6005 3790	1928 5 KGS	24526 KGs	Dyed Knitted Fabric having napped surface	24526
			FLOCK FABRICS	5907 0012	1471 5 SQM	234 KGs	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	234
8	591690 9 dated 25-11- 2025	CAIU47 51697	POLYESTER WARP KNITTED FABRIC	6005 3790	1950 6 KGS	24476 KGs	Dyed Knitted Fabric having napped surface	24476
			FLOCK FABRICS	5907 0012	1491 8 SQM	234 KGs	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	234
9	591691 0 dated 25-11- 2025	MSMU6 724294	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	5407 5290	1723 36 SQM	25684 KGs 19184 2 SQM	Dyed woven Fabric with elastomeric yarns (Spandex)	19184 2
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	5903 9090	3025 2 SQM	1716 KGs 12496 SQM	Dyed Woven Fabric with PU coating	12496
10	591691 3 dated 25-11- 2025	MSDU6 326910	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	5407 5290	1722 31 SQM	26177 KGs 19070 6 SQM	Dyed woven Fabric with elastomeric yarns (Spandex)	19070 6
			POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	5903 9090	3025 2 SQM	1853 KGs 13490 SQM	Dyed Woven Fabric with PU coating	13490
11	591691 4 dated 25-11- 2025	CXDU2 148338	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	5407 5290	1685 31 SQM	25956 KGs 19028 0 SQM	Dyed woven Fabric with elastomeric yarns (Spandex)	19028 0

			POLYESTER LAMINATED FABRICS(WIDT H 56 INCH +/- 10%)	5903 9090	3024 8 SQM	1794 KGs 13,064 SQM	Dyed Woven Fabric with PU coating	13064
12	591691 1 dated 25.11.2025	MSMU5 383845	Polyester Laminated Fabrics (Width 56 Inch +/- 10%)	5903 9090	1860 74 SQM	27220 KGs 19425 6 SQM	Dyed Woven Fabric with PU coating	19425 6

7.3 Valuation of goods for assessment to Customs duties is governed by the provisions of Section 14 of the Customs Act, 1962, which provides that the value of imported goods shall be the transaction value of such goods, when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale, subject to such other conditions as may be specified in the rules made in this behalf. Further, the Customs Valuation Rules (Determination of value of imported goods) 2007 (hereinafter referred to as the 'CVR, 2007'), having been framed under the provisions of Section 14, provide for the determination of value in a variety of situations. More specifically, Rule 3 of the CVR, 2007 provides that, subject to Rule 12, the value of the goods shall be the Transaction Value adjusted in accordance with Rule 10.

7.4. From the foregoing, it is apparent that, in the present case, the fabrics actually found upon examination have not been mentioned in the respective Bill of Entries. However, the importer has declared description of goods in the Bill of Entry, in line with the descriptions mentioned in the supplier's invoice. Furthermore, the quantity Fabric discovered during the examination does not correspond with the quantity declared in the Bill of Entry. Accordingly, the value declared to the Customs in the respective Bill of Entry appeared not to represent the true Transaction Value of the goods imported. Moreover, the importer has not only grossly misclassified the types of fabric, but also misdeclared the quantities of fabrics, creating reasonable doubt on the truth or accuracy of the declared value of imported fabrics. It is further observed that the CIF value of the declared goods is significantly lower than the prevailing international price for similar goods (fabrics found in actual) as per the contemporaneous imports of similar goods. The declared transaction value in

the BE is made for Polyester Laminated Fabric (CTI 59039090); however, actual goods were found to be PU Coated Fabrics etc. as detailed in the table *ibid*. Hence, the said transactional value declared in the Bill of Entry appears to have failed the test of acceptability under Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, which mandates that the declared price must reflect the actual price paid or payable. Accordingly, the declared value is liable to be rejected under Rule 12 read with Rule 3(2) due to the absence of genuine, valid commercial documentation.

7.5. Rule 3 (4) of the CVR 2007 prescribes that, “If the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rules 4 to 9 of CVR 2007.

7.6. As per Rule 4 of the CVR, 2007, 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, subject to certain conditions and parameters. To arrive at the value of the goods under Rule 4, the import data of similar/identical goods imported at or about the same time as the impugned goods, obtained from the ISS/NIDB, was examined. However, in the absence of the Brand or other details of the impugned goods, identical goods for comparison could not be obtained.

7.7. It was, however, found that there have been several contemporaneous imports of impugned goods of Chinese origin and in comparable quantities during the relevant period. Further, Rule 5 of the CVR, 2007 stipulates that, 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. It, therefore, appeared that in terms of Rule 5 of the CVR 2007, the value of the impugned goods was liable to be re-determined at the lowest value at which such contemporaneous imports of similar goods were noticed. However, in the subject case, the details of contemporary imports (October, November, and December, 2025 in this case) of seaports and ICDs were taken into consideration, wherein similar goods as per description, imported from China were found. However, since a similar quantity

of the goods was not found, hence weighted average of the bills was taken into consideration. Details of such imports of similar goods are enclosed as **Annexure-B, C & D** to this Notice **(RUD-10)**.

7.8. Therefore, in terms of the provisions of Rule 5 of the CVR, 2007, value of goods imported under above said Bill of Entries was, was re-determined by considering the contemporaneous imports of similar goods.

7.9. In his statement dated 12.02.2026, Proprietor of M/s Supreme International stated that he had perused import data regarding the valuation of fabrics imported via the said container. He agreed to the proposed re-valuation as per the contemporaneous import of similar goods. He also agreed to consequential payment of the proposed differential duty & taxes.

8. Revised Quantification of Assessable Value and duties/taxes thereon

8.1. Revised Quantification under Rule 4 & Rule 5

Considering the above, liabilities in respect of the imported goods have been quantified, as below:

Table - "9"

Sr. No.	SEZ Bill of Entry No., date & Container No.	Description of goods as per B/E	Goods as per Test report	CTI	Total Duty Assessed in BE	Total Applicable Duty	Differential Duty
1	5614052 dated 10.11.2025/ OCGU803 5659	POLYESTER KNITTED CUT PILE FABRIC	Knitted Cut Pile Fabric	6001 9200	1,12,157	77,460	-34,697
			Dyed Knitted Fabric	6006 3200	-	5,55,343	5,55,343
		POLYESTER LAMINATED FABRICS	Dyed Knitted Fabric	6006 3200	-	2,19,762	2,19,762
			Dyed Woven Fabric	5407 5290	1,49,579	24,81,105	23,31,526
2	5743133 dated 17-11-2025/ MSDU778 9879	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	2,43,965	6,61,929	4,17,964
			Dyed woven Fabric with elastomeric yarns (Spandex)	5407 5290	-	54,78,247	54,78,247
3	5743135 dated 17-11-2025/	POLYESTER LAMINATED FABRICS	Dyed Woven Fabric with PU coating	5903 2090	2,43,953	8,36,922	5,92,969

	MSMU81 06952	(WIDTH 56 INCH +/- 10%)	Dyed woven Fabric with elastomeric yarns (Spandex)	5407 5290	-	54,82,376	54,82,376
4	5814473 dated 20- 11-2025/ EITU1352 740	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	2,43,956	11,86,907	9,42,951
			Dyed Knitted Fabric	6006 4200	-	22,19,770	22,19,770
5	5917065 dated 25- 11-2025/ TGBU661 6724	POLYESTER WARP KNITTED FABRIC	Dyed Warp Knitted Fabric having napped surface	6005 3790	17,41,995	22,53,923	5,11,929
		FLOCK FABRICS	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	5907 0012	67,055	9,649	-57,406
6	5917409 dated 25- 11-2025/ MSCU525 9351	POLYESTER WARP KNITTED FABRIC	Dyed Warp Knitted Fabric having napped surface	6005 3790	17,38,345	22,21,355	4,83,010
		FLOCK FABRICS	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	5907 0012	67,082	9,649	-57,433
7	5917853 dated 25- 11-2025/ EGSU936 4524	POLYESTER WARP KNITTED FABRIC	Dyed Knitted Fabric having napped surface	6005 3790	17,16,626	21,58,858	4,42,233
		FLOCK FABRICS	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	5907 0012	66,124	9,649	-56,475

8	5916909 dated 25-11-2025/ CAIU4751 697	POLYESTER WARP KNITTED FABRIC	Dyed Knitted Fabric having napped surface	6005 3790	17,36,298	21,54,457	4,18,159
		FLOCK FABRICS	Dyed, Knitted base fabric composed of filament yarns of polyester with nylon flocks pasted on base fabric on one side using adhesive material.	5907 0012	67,036	9,649	-57,387
9	5916910 dated 25-11-2025/ MSMU67 24294	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	Dyed woven Fabric with elastomeric yarns (Spandex)	5407 5290	47,88,673	55,77,327	7,88,653
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	92,326	6,69,537	5,77,212
10	5916913 dated 25-11-2025/ MSDU632 6910	DYED POLYESTER FABRICS (GSM - 120 +/- 10%)	Dyed woven Fabric with elastomeric yarns (Spandex)	5407 5290	47,85,756	55,44,300	7,58,544
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	92,326	7,22,796	6,30,470
11	5916914 dated 25-11-2025/ CXDU214 8338	DYED POLYESTER FABRICS (GSM - 120 +/-10%)	Dyed woven Fabric with elastomeric yarns (Spandex)	5407 5290	46,82,944	55,31,915	8,48,971
		POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	92,314	6,99,971	6,07,657
12	5916911 dated 25.11.202 5/ MSMU53 83845	POLYESTER LAMINATED FABRICS (WIDTH 56 INCH +/- 10%)	Dyed Woven Fabric with PU coating	5903 2090	5,67,878	1,04,08,265	98,40,387
Total					2,32,96,386	5,71,81,123	3,38,84,737

The detailed duty calculation is enclosed as Annexure-A (**RUD-9**)

8.2. This undervaluation, in tandem with misclassification and concealment of PU coating, clearly points to the fraudulent intent of the importer to evade Basic Customs Duties, including Anti-Dumping Duty, thereby intending to cause loss to the Government Revenue.

9. Legal Provisions

9.1. Section 17 of the Customs Act, 1962

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

.....

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

9.2. Section 46 of the Customs Act, 1962:

46. Entry of goods on importation. — (1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

9.3. Section 110 of the Customs Act, 1962

110. Seizure of goods, documents and things.—(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.

9.4. Section 111 of the Customs Act, 1962

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

.....

(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 3[in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

9.5. Section 112 of the Customs Act, 1962

112. Penalty for improper importation of goods, etc. — Any person, —

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty 3[not

exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty 4[not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty 5[not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest.

9.6. Section 114AA of the Customs Act, 1962

114AA. Penalty for use of false and incorrect material. —If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.]

9.7. Section 124 of the Customs Act, 1962

124. Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person —

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned, be oral. 3 [Provided further that notwithstanding the issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]

9.8. **Section 125 of the Customs Act, 1962**

125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 4[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that], without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

9.9 **Section 30 of SEZ Act, 2005**

Subject to the conditions specified in the rules made by the Central Government in this behalf:-

(a) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including antidumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and

(b) the rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

9.10 Rule 28 of SEZ Rules, 2006

28. (1) A Unit or Developer may import goods directly into the Special Economic Zone or through any other:

(a) ports or airports;

(b) land customs stations;

(c) inland container depots;

(d) foreign post offices;

(e) authorized couriers; or

(f) through personal baggage of passengers authorized by the Special Economic Zone Unit; or

(g) Via Satellite data communication such as internet or any other telecommunication link.

(2) Goods imported through ports or airports, land customs stations, or inland container depots shall be allowed to be transferred in full cargo load or less than container load cargo by direct transfer from such port or airport or Inland container Depot or land customs station to the Special Economic Zone.

(3) The import of Information Technology enabled services, including software, shall also be allowed through data communication link, internet, e-mail or any other electronic mode.

(4) The Unit or Developer may also procure goods required for the authorized operations, without payment of duty, from International Exhibitions held in India or from bonded warehouses set up under the Foreign Trade Policy and under the Customs Act in the Domestic Tariff Area;

(5) The goods imported by the Unit or Developer shall be allowed to be transferred from the port or airport to the Special Economic Zone without examination by the Customs Authorities at the port or airport, as the case may be:

Provided that the goods may be examined with the prior permission of the Assistant or Deputy Commissioner of Customs in writing in case there is specific adverse information or intelligence:

(6) The goods imported by a Developer or Unit shall be transhipped by the carrier or its agent directly to the Special Economic Zone.

(7) Where import cargo destination is other than the Special Economic Zone, delivery shall be allowed at the destination port or airport on the strength of Bill of Entry assessed by Special Economic Zone Customs without any Transshipment Bond:

Provided that in case of high value goods imported through the airport, the goods may be transferred to the Custodian who shall transfer the same to a designated Customs Area located inside the Processing Area designated by the Specified Officer for further delivery to the Unit or Developer:

Provided further that the high value cargo imported through the airport may also be transferred under the Customs escort at the option of the Unit or the Developer

9.11 Rule 29 of SEZ Rules, 2006

29. (1) Direct delivery shall be permitted at the place of import for clearance of goods imported by Units and Developer from ports or airports or land customs stations or inland container depots as is being done in the case of import of perishable or lifesaving drugs.

(2) The Unit or Developer, hereinafter referred to as the Special Economic Zone Importer, shall follow the following procedure for imports, namely:-

(a) the Special Economic Zone Importer shall file Bill of Entry for home consumption in quintuplicate giving therein, description with specially stamped endorsement as "Special Economic Zone Cargo" along with Bill of Lading or Airway Bill and invoice and packing list with the Authorized Officer who shall register and assign a running annual serial number and assess the Bill of Entry, on the basis of transaction value, which shall not require any counter signature of the Specified Officer:

9.12 S.O. 2666(E) dated 05.08.2016.—

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

10. From the foregoing investigation, it emerges that

10.1. Consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 8.4.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who must ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of

Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

10.2. The Importer, by mis-declaring the goods and mis-classifying them as detailed in the Table *ibid.* knowingly and deliberately misrepresented the true nature and classification of the imported Fabrics. This mis-declaration of goods in the Bill of Entry is a contravention of Section 46 of the Customs Act, 1962. The willful misclassification of fabrics under respective CTI was not merely an error but a conscious act to avoid the higher rate of Basic Customs Duty applicable to the actual imported fabrics and, crucially, to also evade the Anti-Dumping Duty imposed vide Notification No. 14/2022-Customs (ADD) dated 20.05.2022 on PU Coated Fabrics originating from China. This demonstrates an intent to evade legally applicable duties. The pattern of mis-declaration and misclassification across the said consignment, coupled with the substantial duty difference, including ADD, indicates a clear *mens rea* and an active intention on the part of the Importer to defraud the revenue. The importer, as an experienced entity in the import trade, is expected to exercise due diligence in ascertaining the correct description and classification of their imports. The willful act of the importer has resulted in short/non-levy of applicable customs duties/ADD/other taxes.

10.3. By mis-declaring both the quantity and description of the goods with the intent to conceal the import of actual fabric and misclassifying them, importer intended to evade applicable customs duty. This act of the importer is contrary to the provisions of the Customs Act-1962 and has made the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962,

10.4 M/s Supreme International imported fabrics from China by intentionally mis-declaring the quantity and description of the goods. Such acts of omission and commission to have rendered the goods liable for confiscation under

111(m) of the Customs Act 1962. Hence, this has made importer liable for penalty under Section 112(a) & (b) of the Customs Act, 1962. These actions of the Importer amount to deliberate mis-statement and suppression of facts with intent to evade duty, making them liable for penalty under Section 112(a) & (b) of the Customs Act, 1962, for doing any act which renders the goods liable to confiscation.

10.5. In view of the foregoing facts and evidences on record, it is observed that M/s Supreme International is a proprietary concern in which Shri Chetan Chauhan is the key person who handles purchase (Import) of goods from China. As categorically stated, in his voluntary statements dated 08.01.2026 and 12.02.2026, it is evident that Shri Chetan Chauhan, being the importer and Proprietor of the affairs of M/s Supreme International, has submitted incorrect and false declarations to Customs authorities at the time of import, having full knowledge that the imported goods were other than what was declared in the respective Bill of Entries. Shri Chetan Chauhan Proprietor of M/s Supreme International (IEC: 3015014838) appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the goods. Thus, Shri Chetan Chauhan has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, Shri Chetan Chauhan has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

10.6 Further, the goods imported earlier by M/s Supreme International had been imported through SEZ and subsequently cleared in DTA which clearly indicate the modus of clearance of imported goods in DTA through SEZ route. The same had also been recorded in the statement dated 12.02.2026 of Shri Chetan Chauhan where answering to Q.10 he has stated that the goods imported as detailed in Annexure was imported for further supply for the home consumption on filing of T type Bill of Entry; that all the goods were ought to be supplied in local market on payment of applicable duty and taxes. The statement of importer and modus of clearances of earlier imported

consignments clearly indicate the intention of importer for subsequent clearance of goods in DTA through the SEZ route.

11. Now, therefore, M/s. Supreme International, having its address at (IEC – 3015014838), situated at Ground, 197/213/70, Near Gurudwara Sahib, New Kundan Puri, Lisa Market, Ludhiana, Punjab, are hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of the notice, as to why:-

- (i)** The goods imported (as detailed in Annexure-A – [RUD-9] attached to this SCN) which were found to have been mis-declared in terms of quantity & value and were seized vide Seizure Memo dated 09.02.2026, should not be reassessed under section 17 of the Customs Act, 1962 by re-classifying the same under the correct CTI (as detailed in Annexure-A) instead of the declared Customs Tariff Heading, and the applicable duties as detailed in Annexure A should not be re-assessed accordingly.
- (ii)** The declared assessable value of Rs. 4,53,69,659/-(Four Crore Fifty Three Lakh Sixty Nine Thousand six Hundred and Fifty Nine only) should not be rejected and goods be re-assessed at ₹ 16,65,70,966/- (Rupees Sixteen Crore sixty Five Lakh Seventy Thousand Nine Hundred and Sixty Six only), in terms of the Rule 5 of the Customs Valuation Rules 2007 and as detailed under Para 8 of this notice. The same is also enclosed as Annexures- A to this SCN.
- (iii)** The differential duty amounting to Rs.3,38,84,737 (Three Crore Thirty Eight Lakh Eighty Four Thousand Seven Hundred and Thirty Seven only), as detailed in Annexure A and arrived at after re-determination of value as given in Annexure A and reclassification of goods based on test reports, should not be re-assessed in respect of the Z types BE filed by them.

- (iv) The seized goods, as detailed in Seizure Memo dated 09.02.2026 with re-determined value of ₹ 16,65,70,966/- (Rupees Sixteen Crore Sixty Five Lakh Seventy Thousand Nine Hundred and Sixty Six only), should not be confiscated under Section 111(l) & (m) of the Customs Act, 1962.
- (v) Penalty should not be imposed on them under Section 112 (a) and (b) of the Customs Act, 1962;

11.1 Now therefore, Shri Chetan Chauhan, Proprietor of M/s Supreme International is hereby called upon to show cause in writing to the **Additional Commissioner of Customs, Customs House, Mundra**, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of the notice, as to why penalty under Section 114AA of the Customs Act, 1962 should not be imposed upon him for submission of incorrect/false declarations to the Customs at the time of import, knowing fully that the items under import were “PU Coated Fabrics”, by intentionally mis-declaring the description of the goods as “Polyester Laminated Fabric” and also submitted forged and fabricated import documents to the Customs authority to suppress their description and true value so as to avoid payment of appropriate/leviable Duty.

12. Noticees are required to submit a written reply to the Adjudicating Authority within 30 days from the date of receipt of this notice. In their written reply, the noticees may also indicate as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted and/or if nobody appears for personal hearing when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the noticee.

13. All the relied upon documents as enlisted in ‘**Annexure-R**’ to this notice are enclosed.

14. 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. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department also reserves its right to issue separate Notice/s for other Noticees, offences etc. related to the above case, if warranted.

Encl: Annexure-‘R’

(DIPAK ZALA)

Additional Commissioner of Customs,

Mundra Customs

F.No. GEN-ADJ/ADC/530/2026-Adjn-O/o Pr. Commr-Cus-Mundra

To,

- i) M/s. Supreme International (IEC – 3015014838),
Ground, 197/213/70, Near Gurudwara Sahib,
New Kundan Puri, Lisa Market, Ludhiana,
Punjab – 141008
- ii) Shri Chetan Chauhan, Proprietor of M/s Supreme International,
Ground, 197/213/70, Near Gurudwara Sahib,
New Kundan Puri, Lisa Market, Ludhiana,
Punjab – 141008

Copy to:

1. The Additional Director General, DRI, Ahmedabad

2. The Assistant Commissioner, EDI, Customs Mundra (For uploading on Mundra Customs Website).

List of RUDs:

Sr No.	Document	Nos. of Pages
RUD-1	Copy of Panchnama dated 22.11.2025	01-26
RUD-2	Copy of Panchnama dated 04-05.12.2025	01-81
RUD-3	Copy of Panchnama dated 16.12.2025	01-12
RUD-4	Copy of CBIC notification no. 14/2022-Customs (ADD) dated 20.05.2022	01-02
RUD-5	Copy of Seizure Memo F. No. DRI/AZU/CI-02/(ENQ-01(INT-56/25)/2026 dated 09.02.2026	01-04
RUD-6	Copy of Test Reports	01-50
RUD-7	Copy of the Statement of Shri Chetan Chauhan, Proprietor of M/s Supreme International, dated 08.01.2026	01-15
RUD-8	Copy of the statement of Shri Chetan Chauhan, Proprietor of M/s Supreme International dated 12.02.2026	01-07
RUD-9	The detailed duty calculation is enclosed as Annexure-A	01
RUD-10	Details of imports of similar goods are enclosed as Annexure-B, C & D.	01-03