

	<p>आयुक्त, सीमा शुल्क का कार्यालय, OFFICE OF THE COMMISSIONER OF CUSTOMS न्यू कस्टम हाउस, बालाजी मंदिर के पास, न्यू कांडला 370210 NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE, NEW KANDLA-370210 दूरभाष Phone No. 02836-270222 फ़ैक्स Fax No 02836-271467 E-mail: commr-cuskandla@nic.in</p>	 सत्यमेव जयते
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DIN- 20260571ML000000E51D		
A	File No.	GEN/ADJ/ADC/478/2026-Adjn-O/o Commr-Cus-Kandla
B	Order-in-Original No.	KDL/ACD/VS/ 11/2026-27
C	Passed by	Vishwajeet Singh, Commissioner (In-situ), Custom House, Kandla
D	Date of Order	05-05-2026
E	Date of Issue	05-05-2026
F	SCN No. & Date	GEN/ADJ/COMM/478/2026-Adjn-O/o Commr-Cus-Kandla dated 13.03.2026
G	Noticee / Party / Importer / Exporter	M/s Ganga Impex Enterprise, (IEC-3705000683), Shed No. 331, A-1 Type, Phase-1, Marshilling Zone, Gandhidham, Kutch-370230

1. यह मूल आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस मूल आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

“सीमाशुल्क आयुक्त (अपील),

वीं 7 मंजिल, मृदुल टावर, टाइम्स ऑफ इंडिया के पीछे, आश्रम रोड, अहमदाबाद-380 009”

“THE COMMISSIONER OF CUSTOMS (APPEALS),

Having his office at 7th Floor, Mridul Tower, Behind Times of India,

Ashram Road, Ahmedabad-380009.”

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

- i. उक्त अपील की एक प्रति और

A copy of the appeal, and

- ii. इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/-

(Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमा शुल्क) अपील (नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्कया शुल्क और जुर्माना विवाद में द्वैअथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, **Commissioner (A)** 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.

1. Brief facts and genesis of proceedings

1.1 M/s. Ganga Impex Enterprise, (IEC-3705000683), Shed No. 331, A-1 Type, Phase-1, Marshilling Zone, Gandhidham, Kutch-370230, is engaged in import of various kind of Fabric from China.

1.2 The Directorate of Revenue Intelligence gathered intelligence that M/s. Ganga Impex Enterprise was indulged in evasion of Customs duty by way of mis-declaration of description, quantity and value of the imported goods and by way of mis-classification. The intelligence further indicated that M/s. Ganga Impex Enterprise has imported 02 consignments from China through Container No. TXGU5789862 and container no. MSBU7301101. The details of the said import consignments of M/s. Ganga Impex Enterprise are as under;

Table-1

Sr. No.	Container No.	Name of the importer	Bill of Lading No. and date	IGM No. and Date	Description & HS code Mentioned in Bill of Lading/IGM
1	TXGU5789862	M/s Ganga Impex Enterprise	149503406864 dated 18.06.2025	1143460 dated 25.06.2025	Fabric (HS Code-5903 9090),
2	MSBU7301101		MEDUJL913996 dated 16.07.2025	1146666 dated 18.07.2025	Buckrum Fabrics (HS Code-5901 9090),

1.3 Acting upon the intelligence, above import consignments were put on hold for container no. TXGU5789862 and container no. MSBU7301101. Further, the examination of container no. TXGU5789862 was conducted

by the officers of DRI under panchnama dated 21.07.2025 drawn at the CFS of M/s Ameya Logistics Pvt. Ltd., IOCL Link Road, Adani Port Road, Mundra, Kutch-370421. Further, the examination of container no. MSBU7301101 was carried out under panchnama dated 20.08.2025 at the CFS of M/s Arvind V Joshi &CO., SS No. 316/5, Mithi Rohar village, near Tata Showroom, NH-8A, Gandhidham-370201.

1.4 During examination, it was noticed that imported goods pertaining to above 02 import consignments prima facie appeared to be fabric rolls packed in transparent Plastic bags. Brief details of the goods found during examination are as under;

Table-2

Container no.	Description of goods appears	Total No. of Rolls	Total length of the Fabric Rolls (in Mtrs)	Avg. Width of each rolls (in Mtrs.)	Total weight of Fabric Rolls in kgs.
TXGU5789862	Fabric Rolls having description as RRR	252	38320	1.5	7534.80
	Fabric Rolls having description as FD & JD	123	13667	1.5	4474.74
	Fabric Rolls having description as KML	07	1130.3	1.5	145.32
	Fabric Rolls having description as RP001	128	19701	1.5	3605.76
	Fabric Rolls having description as BS	321	34391	1.5	7007.30
	Fabric Rolls having description as SB	27	2987.4	1.5	838.89
	Container no.	Description of goods appears	No. of Rolls	Width of each rolls (in mtrs)	Avg. weight of one roll (approx.) in kgs.
MSBU7301101	Fabric Rolls	399	1.45	25.5	10,174.5
	Fabric Rolls	265	1.40	35.5	9,407.5

1.5 Representative samples from the import goods were further drawn during examination under Panchnama dated 21.07.2025 and 20.08.2025. The said representative samples were sent to the Customs House Laboratory vide letter dated 01.08.2025 and 07.11.2025 for necessary testing thereof under Test Memo No. 119/2025, 120/2025, 121/2025, 122/2025, 123/2025, 124/2025, 819/2025 and 820/2025 (total-08). In response, the Customs House Laboratory provided the Test Reports of the representative samples of the subject import goods to the DRI. Brief details of Test Reports of the representative samples (container wise) are as under;

Table-3

Sr. No.	Container No.	Sample and Test Report No.	Actual description of goods
1	TXGU5789862	A1/4084	<i>The sample is in the form of a cut piece of printed woven fabric. It is composed of polyester filament yarn(textured) GSM (as such) =123.16 Width (Selvedge to selvedge) =149 cm</i>
		B1/4085	<i>The sample is in the form of a cut piece of dyed(black coloured) woven fabric. It is composed of viscose spun yarn on one side and Nylon filament yarn along with small amount of lycra on other side. GSM (as such) =262.6 Width (Selvedge to selvedge) =147 cm % composition Viscose-62.47% by wt. Nylon(Polyamide)-29.73% by wt. Lycra= balance</i>
		C1/4086	<i>The sample is in the form of a cut piece of dyed(green coloured) woven fabric. It is composed of polyster mono-filament yarn on one side and blended spun yarn of polysterand viscose. GSM (as such) =80.17 Width (Selvedge to selvedge) =150 cm % composition</i>

			<p><i>Viscose-51.87% by wt.</i> <i>Polyester-balance</i></p>
		D1/4087	<p><i>The sample is in the form of a cut piece of printed woven fabric. It is composed of polyester filament yarn(textured)</i> <i>GSM (as such) =124</i> <i>Width (Selvedge to selvedge) =152 cm</i></p>
		E1/4088	<p><i>The sample is in the form of a cut piece of self-designed dyed(maroon coloured). It is composed of polyester filament yarn(textured)</i> <i>GSM (as such) =166.54</i> <i>Width (Selvedge to selvedge) =156 cm</i></p>
		F1/4089	<p><i>The sample is in the form of a cut piece of dyed(cream coloured) woven fabric. It is composed of cotton yarns.</i> <i>GSM (as such) =184.2</i> <i>Width (Selvedge to selvedge) =151 cm;</i> <i>Moisture Content=10.29% by wt</i></p>
2	MSBU7301101	A1/7314	<p><i>The sample is in the form of a cut piece of bonded fabric having dyed (brown coloured) surface on upper side & grey coloured fibrous surface on lower side, adhered to each other with adhesive material (without selvedge).</i> <i>Upper knitted fabric having cut pile on one side, base is composed of polyester filament yarn and pile is made of polyester fiber. Lower knitted fabric having raised fiber on one side is composed of polyester filament yarn.</i> <i>GSM (As such) =343.50</i> <i>% Composition</i> <i>Polyester 98.65%by wt.</i> <i>Adhesive material = Balance</i> <i>It is other than laminated fabric.</i></p>
		B1/7315	<p><i>The sample as received is in the form of a cut piece of dyed (bluish coloured) knitted fabric having cut pile on one side.</i> <i>The base knitted fabric is composed of polyester filament yarns and pile is made of polyester fibers.</i> <i>GSM (As such) = 241.50</i> <i>WIDTH (selvedge to selvedge) = 144cm</i> <i>It is other than laminated fabric.</i></p>

1.6 From the above, it is evident that M/s. Ganga Impex Enterprise has

mis-declared the material facts pertaining to the imported goods, including description, classification etc. in both the consignments.

In respect of Container No. TXGU5789862, the Bill of Entry No. 4053814 dated 22.08.2025 filed for this consignment was filed only after the DRI had already examined the container on 21.07.2025. The Bill of Lading No. 149503406864 dated 18.06.2025 described the goods as '*Fabric*' under HS Code 5903 9090, a broad and vague description that has no correspondence to the actual goods loaded into the container. Upon physical examination and laboratory testing, the goods were found to be varied woven and knitted fabrics of entirely different fibre compositions, entirely different physical characteristics, and entirely different applicable Customs Tariff Headings. No goods after testing was found to be classifiable under HS Code 5903 9090. Therefore, it appeared that the declaration in the Bill of Lading is accordingly false and constitutes a deliberate mis-declaration of the description and classification of the imported goods.

In respect of Container No. MSBU7301101 covered under the Bill of Entry No. 3783163 dated 08.08.2025, gross mis-declaration was found w.r.t. the description, classification of the goods declared in the Bill of Entry. The importer declared the goods as '*Laminated Fabric*' (HS Code-5903 1090). However, the Customs House Laboratory Test Reports revealed that the goods found in the container are other than laminated fabric. The actual goods recovered were bonded knitted polyester fabrics and cut-pile knitted fabrics, bearing no resemblance in nature, composition or classification to declared goods.

The discrepancy between the goods described in the import documents and the goods actually found in the containers cannot be attributed to inadvertent error or oversight. The nature, scale and pattern of the mis-declarations appeared to be a deliberate and wilful attempt on the part of M/s. Ganga Impex Enterprise to mislead the Customs authorities, conceal the true nature and classification of the imported goods, misclassify them under lower-duty CTHs, suppress the actual value of the consignments, and thereby evade the Customs duty. The said conduct demonstrates mens rea and constitutes a conscious design to defraud the Revenue. Accordingly, the goods covered under Bill of Lading no- EGLV149503406864 dated 18.06.2025 and Bill of Entry No- 3783163

dated 08.08.2025, were placed under Seizure vide Seizure Memo dated 17.12.2025. Further, the most appropriate CTHs, as determined on the basis of the Test Reports, are tabulated as under:

Table-4

Test Report No.	Customs Tariff Heading (CTH) as per the Test results
A1/4084	CTH-5407 5490
B1/4085	CTH-5516 2200
C1/4086	CTH-5516 2200
D1/4087	CTH-5407 5490
E1/4088	CTH-5407 5290
F1/4089	CTH-5208 3290
A1/7314	CTH-60019200
B1/7315	CTH-6001 9200

Consolidated Table (Both Consignments)

Table No-4-A

Sr. No.	Declared Description with CTH as per BL	Examination Date	BE No. and Date	Test Results with CTH
Container No. TXGU5789862 — BL: Fabric (HS Code 5903 9090) BL No. 149503406864 dated 18.06.2025				
1	Fabric (HS Code: 5903 9090)	21.07.2025 (Panchnama dated 21.07.2025)	BE No. 4053814 dated 22.08.2025 (Declared as: (i) Polyester Woven Fabrics (CTH 5407 5290) (ii) Cotton Woven Mix Fabrics (CTH 5208 1190) (iii) Knitted Fabrics (CTH 6006 4200))	(i) Printed woven fabric, polyester filament yarn (textured) CTH 5407 5490 (ii) Dyed (black) woven fabric, viscose & nylon filament yarn with lycra - CTH 5516 2200 (iii) Dyed (green) woven fabric, polyester mono-filament & blended polyester-viscose yarn - CTH 5516 2200 (iv) Printed woven fabric, polyester filament yarn (textured) - CTH 5407 5490 (v) Self-designed dyed (maroon) fabric, polyester filament yarn (textured) - CTH 5407 5290 (vi) Dyed (cream) woven fabric, cotton yarns — CTH 5208 3290
Container No. MSBU7301101 — BL: Buckrum Fabrics (HS Code 5901 9090) BL No.				

MEDUJL913996 dated 16.07.2025				
2	Buckrum Fabrics (HS Code: 5901 9090) (HS Code: 5903 1090)	20.08.2025 (Panchnama dated 20.08.2025)	BE No. 3783163 dated 08.08.2025 Declared as: (i) Laminated Fabric (CTH 5903 1090)	(i) Bonded knitted fabric brown dyed upper surface, grey fibrous lower surface, cut pile, polyester filament yarn (98.65%) — CTH 6001 9200 . (ii) Dyed (bluish) knitted fabric with cut pile, polyester filament yarns — CTH 6001 9200

1.7. During the course of investigation, it was established that the mis-declaration of the imported goods was not an error that arose at the stage of filing of the Bills of Entry, but was a wilful act at the stage of the Bills of Lading themselves.

Container No. TXGU5789862:

The Bill of Lading for Container No. TXGU5789862 described the goods as 'Fabric' under HS Code 5903 9090. This declaration made at the point of shipment from China was false and deliberately misleading, as the actual goods loaded into the container were varied woven and knitted fabrics of entirely different compositions, entirely different physical characteristics, and entirely different applicable Customs Tariff Headings. The broad and vague description of 'Fabric' under a single HS Code was plainly designed to obscure the true nature and variety of the goods being imported and to facilitate evasion of applicable Customs duty.

Upon receipt of specific intelligence, DRI placed the said container on hold and conducted a physical examination on 21.07.2025. It was only after this examination by DRI and not before that the importer filed Bill of Entry No. 4053814 dated 22.08.2025, declaring the goods as Polyester Woven Fabrics (HS Code-5407 5290), Cotton Woven Mix Fabrics (HS Code-5208 1190), and Knitted Fabrics (HS Code-6006 4200). The filing of the Bill of Entry with a description closer to the actual goods but only after DRI had already examined the container revealed that the importer was fully aware of the actual nature of the goods at all times and that the original mis-declaration in the Bill of Lading was a calculated and deliberate act. Even so, the description and classification declared in this Bill of Entry did not fully and correctly reflect the actual goods, as confirmed by the Customs House Laboratory Test Reports.

Container No. MSBU7301101:

In respect of Container No. MSBU7301101, the Bill of Lading described the goods as 'Buckrum Fabrics' under HS Code 5901 9090. Upon examination of the container by DRI, no Buckrum Fabric whatsoever was found. The goods actually found after testing were bonded knitted polyester fabrics and cut-pile knitted fabrics, which bear no resemblance in description, composition or classification to Buckrum Fabrics. In the corresponding Bill of Entry No. 3783163 dated 08.08.2025, the importer declared the goods as 'Laminated Fabric' (HS Code-5903 1090), however, the test reports have confirmed that the goods are other than laminated fabric.

1.8. As per the test reports, 08 different type of fabrics having 08 different GSMs of fabric were found in 02 containers (TXGU5789862 and MSBU7301101) imported by M/s Ganga Impex Enterprise. There were 252, 123, 7, 128, 321, 27, 399 and 265 rolls of different type of fabric in above mentioned containers having GSMs as 123.16, 262.6, 80.17, 124, 166.54, 184.2, 343.5 and 241.5 and accordingly, the quantity of goods ascertained is as under:

Container No. TXGU5789862

Declared in BE: (i) Polyester Woven Fabrics (CTH-5407 5290)98,733 SQM & 18,761.20 SQM; (ii) Cotton Woven Mix Fabrics (CTH-5208 1190) 26,560.76 SQM; (iii) Knitted Fabrics (CTH-6006 4200) — 4,275 SQM

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Table-5

Sr. No.	Fabric Type (as per Test Report)	No. of Rolls	Total Length (Mtrs)	Avg. Width (Mtrs)	Qty in SQM (Length × Width)	Weight (Kgs)	Correct CTH
1	Printed woven fabric — polyester filament yarn (textured)	252	38,320	1.5	57,480.00	7,534.80	5407 5490
2	Dyed (black) woven fabric — viscose & nylon filament yarn with	123	13,667	1.5	20,500.50	4,474.74	5516 2200

	lycra						
3	Dyed (green) woven fabric — polyester mono- filament & blended polyester- viscose yarn	07	1,130.3	1.5	1,695.45	145.32	5516 2200
4	Printed woven fabric — polyester filament yarn (textured)	128	19,701	1.5	29,551.50	3,605.76	5407 5490
5	Self- designed dyed (maroon) fabric — polyester filament yarn (textured)	321	34,391	1.5	51,586.50	7,007.30	5407 5290
6	Dyed (cream) woven fabric — cotton yarns	27	2,987.4	1.5	4,481.10	838.89	5208 3290
Total		858	1,10,196.7	—	1,65,295.05	23,606.81	

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Container No. MSBU7301101 -Bill of Entry No. 3783163 dated 08.08.2025

Declared in BE: Laminated Fabric (CTH -5903 1090)

Table-6

Sr. No.	Fabric Type as per Test Report	GSM	No. of Rolls	Weight (Kgs)	Qty (SQM)	Correct CTH
1	Bonded knitted fabric — brown dyed upper surface, grey fibrous lower surface; cut pile; polyester filament yarn (98.65%). Other than	343.50	399	10,174.50	29,620	6001 9200

	laminated fabric.					
2	Dyed (bluish) knitted fabric with cut pile — polyester filament yarns. Other than laminated fabric.	241.50	265	9,407.50	38,954	6001 9200
Total			664	19,582.00	68,574	

1.8.1 DGFT vide Notification No. 05/2025-26 dated 23rd April, 2025, issued by the Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India, amended the import policy condition applicable to Synthetic Knitted Fabrics falling under Chapter 60 of the ITC (HS), 2022. The Notification, issued in exercise of powers conferred under Sections 3 and 5 of the Foreign Trade (Development & Regulation) Act, 1992, read with paragraphs 1.02 and 2.01 of the Foreign Trade Policy (FTP), 2023, imposes the condition of Minimum Import Price (MIP) on four ITC (HS) codes i.e. CTH- 60019200, 60053600, 60053790 and 60053900 till 31.03.2026. Under the said Notification, the import of goods falling under these four ITC (HS) codes is classified as "Restricted". However, the import of such goods shall be treated as "Free" if the CIF value is USD 3.50 (3.5 US Dollars) and above per Kilogram. Therefore, any import of these goods at a CIF value below USD 3.50 per Kg stands restricted under the Foreign Trade Policy. Accordingly, reliance is placed on the import policy, which the Central Government has amended, in respect of policy condition for specific HS codes covered under Chapter 60 of the ITC (HS) 2022, Schedule-1 (Import policy). However, the import price in the Bill of Entry No-3783163 dated 08.08.2025 is 0.712 USD per Kg and accordingly the said goods stand rendered as restricted goods as per the above Notification.

1.9 Rejection of declared value & Redetermination of Assessable Value:

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

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

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

On proceeding sequentially to Rule 5 ibid, as per contemporaneous import data available on NIDB, the rate of similar goods for CTH 5407 5490, is checked and one eligible B/E, containing similar goods was found be assessed at Rs.33.82 per sqm. Further, as per contemporaneous import data available on NIDB, the rate of similar goods for CTH 5516 2200, is checked and one eligible B/E containing similar goods was found be assessed at Rs.884.68 per Kg. Further, as per contemporaneous import data available on NIDB, the rate of similar goods for CTH 54075290, is checked and one eligible B/E containing similar goods was found be assessed at Rs.25.41 per sqm. Further, as per contemporaneous import data available on NIDB, the rate of similar goods for CTH 52083290, is checked and one eligible, B/E containing similar goods was found be assessed at Rs.138.45 per sqm. Accordingly, value is determined as under:

Container No. TXGU5789862

Table-7

Sr. No.	CTH	Fabric Description (as per Test Report)	Quantity & Unit	Unit Price as per NIDB (Rs.)	Re-determined Assessable Value (Rs.)
1	5407 5490	Printed woven fabric — polyester filament	57,480.00 SQM	Rs.33.82	Rs.19,43,973.60

		yarn (textured)		per SQM	
2	5516 2200	Dyed (black) woven fabric — viscose and nylon filament yarn with lycra	4,474.74 Kg	Rs.884.68 per Kg	Rs.39,58,712.98
3	5516 2200	Dyed (green) woven fabric — polyester mono-filament and blended polyester-viscose yarn	145.32 Kg	Rs.884.68 per Kg	Rs.1,28,561.70
4	5407 5490	Printed woven fabric — polyester filament yarn (textured)	29,551.50 SQM	Rs.33.82 per SQM	Rs.9,99,431.73
5	5407 5290	Self-designed dyed (maroon) fabric — polyester filament yarn (textured)	51,586.50 SQM	Rs.25.41 per SQM	Rs.13,10,812.97
6	5208 3290	Dyed (cream) woven fabric — cotton yarns	4,481.10 SQM	Rs.138.45 per SQM	Rs.6,20,408.30
Total					Rs.89,61,901.27

1.10 Statement of Shri Rajvardhan Jha, Partner of M/s Ganga Impex Enterprise was recorded on 22.12.2025 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that

- M/s Ganga Impex Enterprise is a partnership firm engaged in trading/export of fabrics and hardware items, operating from KASEZ, with Shri Rajvardhan Jha handling all operational, financial, and decision-making responsibilities, including procurement, invoicing, and classification of imported goods.
- He admitted that import orders and documents were received from Chinese suppliers through WhatsApp, though the related messages were deleted after printing.
- He accepted the facts recorded in the Panchnamas for two consignments and agreed with the Customs Laboratory test reports, which established that the goods imported under two Bills of Entry were different from the declared descriptions, resulting in misclassification.
- He also agrees to pay the differential liability of Customs duty/taxes if any due to mis-declaration of goods.
- That they had ordered M/s Zhejiang Okly Industrial Company Ltd.

China asking to supply Stock Lot which is various types of fabrics supplied in a single consignment. However, they have supplied cut-pile fabrics as reported in the test report. That they have not lodged any complaint to the supplier in this regard.

- He denied any explanation regarding allegedly forged or fabricated documents while filing of Bills of Entry.
- On being asked about M/s AK Impex, he stated that he knows M/s AK Impex very well. M/s A K Impex is using their ware housing services in the firm M/s Shriji Overseas located at KASEZ and Shri Manoj Sharma and Shri Loduram Jangir are the operators of the firm.

1.12. Applicable Customs Duty on the subject goods imported by M/s. Ganga Impex Enterprise covered under Container Nos. TXGU5789862:

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1.12.1. Bill of Entry No. 4053814 dated 22.08.2025

The Importer has declared the four items in the Bill of Entry No- 4053814 dated 22.08.2025:- Polyester Woven Fabrics (98733.860 sqm), Cotton Woven Mix Fabrics (26560.760 sqm), Polyester Woven Fabrics (18761.20 sqm) and Knitted Fabrics (4275 Kgs). The total assessable value of the goods declared in the said Bill of Entry is Rs.42,11,344.41 and the Customs duty payable shown is Rs.39,53,582. The details are as under:

Table-8

Sr. No.	B/E details	Item Name	Quantity	Assessable Value (Rs.)	Total Duty (Rs.)
1	B.E No- 4053814 dated 22.08.2025	Polyester Woven Fabrics (CTH 54075290)	98,733.86 SQM	20,82,889.51	27,27,009.50
2		Cotton Woven Mix Fabrics (CTH 52081190)	26,560.76 SQM	4,66,938.16	77,278.30
3		Polyester Woven Fabrics (CTH 54075290)	18,761.20 SQM	3,46,312.99	5,15,707.00
4		Knitted Fabrics (CTH 60064200)	4,275 KGS	13,15,203.75	6,33,587.10
TOTAL				42,11,344.41	39,53,582.00

Based on examination report and Test report of the goods covered under Container No-TXGU5789862, the total applicable duty as per the CTH, quantity and valuation of the goods is calculated as above.

Table-9

Sr No	Item Description	CTH	Quantity	A.V (Rs)	BCD	SWS	IGST	Total duty Payable
1	Printed Woven Fabric	5407 5490	57480.00 SQM	19,43,973.60	1149600 (Rs 20 per sqm)	-	154678.7 (@5%)	1304278.7
2	Woven Fabric-Viscose and Nylon filament yarn	5516 2200	4474.74 Kg	39,58,712.98	791743 (@20%)	-	237523 (@5%)	1029266
3	Dyed Woven Fabric-Blended Polyester-viscose yarn	5516 2200	145.32 Kg	1,28,561.70	25712 (@20%)	-	7714 (@5%)	33426
4	Printed Woven Fabric	5407 5490	29551.50 SQM	9,99,431.73	591030 (Rs 20 per sqm)	-	79523.1 (@5%)	670553.1
5	Woven Fabric dyed-Polyester	5407 5290	51586.50 SQM	13,10,812.97	1186489.5 (Rs 23 per sqm)	-	124865.15 (@5%)	1311354.65
6	Dyed (cream) woven fabric — cotton yarns	5208 3290	4481.10 SQM	6,20,408.30	62040.83 (@10%)	6204.083	34432.66065 (@5%)	102677.5737
			Total	89,61,901.28	38,06,615.33	6,204.08	6,38,736.61	44,51,556.02

It is pertinent to note that Bill of Entry No. 4053814 dated 22.08.2025 was filed by M/s. Ganga Impex Enterprise only after the physical examination of Container No. TXGU5789862 had already been conducted by the officers of DRI on 21.07.2025, i.e., more than a month after the examination. The deliberate delay in filing the Bill of Entry, and its filing only after the DRI had already established the actual nature of the goods, is itself a clear indicator of the intentional design on the part of the importer to evade the applicable Customs duties. Furthermore, scrutiny of the Bill of Entry vis-à-vis the Bill of Lading reveals a complete absence of correspondence

between the two. The Bill of Lading described the goods merely as 'Fabric' under HS Code 5903 9090 whereas the Bill of Entry declared the goods as Polyester Woven Fabrics (CTH 5407 5290), Cotton Woven Mix Fabrics (CTH 5208 1190), and Knitted Fabrics (CTH 6006 4200). The change in the description of goods in the Bill of Lading and the description in the Bill of Entry indicates that the importer was fully aware of the actual nature of the goods at the time of shipment, yet chose to make a false and misleading declaration in the shipping documents with the deliberate intent to suppress the true classification of the goods and thereby evade the higher rate of Customs duty applicable thereon.

Further, even the goods declared in the Bill of Entry No. 4053814 do not correspond to the goods actually found in the container during physical examination and confirmed by the Customs House Laboratory Test Reports. The Bill of Entry declared the goods as Polyester Woven Fabrics under CTH 5407 5290, Cotton Woven Mix Fabrics under CTH 5208 1190, and Knitted Fabrics under CTH 6006 4200. However, the actual goods found upon examination and testing were determined to be six distinct categories of fabric, namely: (i) Printed woven fabric composed of polyester filament yarn (textured) correctly classifiable under CTH 5407 5490; (ii) Dyed woven fabric composed of viscose and nylon filament yarn with lycra correctly classifiable under CTH 5516 2200; (iii) Dyed woven fabric composed of blended polyester-viscose yarn correctly classifiable under CTH 5516 2200; (iv) Printed woven fabric of polyester filament yarn (textured) correctly classifiable under CTH 5407 5490; (v) Self-designed dyed fabric composed of polyester filament yarn (textured) correctly classifiable under CTH 5407 5290; and (vi) Dyed woven fabric composed of cotton yarns correctly classifiable under CTH 5208 3290. This double layer of mis-declaration first at the stage of the Bill of Lading, and again at the stage of the Bill of Entry leaves no doubt that the mis-declaration was not inadvertent but was a calculated and wilful attempt on the part of M/s. Ganga Impex Enterprise to conceal the true nature, classification and value of the imported goods and to evade the Customs duty.

1.13. Mis-declaration and liability to confiscation of imported goods imported by M/s. Ganga Impex Enterprise covered under SEZ Warehouse Bills of Entry No. 4053814 dated 22.08.2025 and 3783163 dated 08.08.2025 imported through Container Nos. TXGU5789862 and MSBU7301101:

1.13.1. Container No. TXGU5789862 , Bill of Entry No. 4053814 dated 22.08.2025:

M/s. Ganga Impex Enterprise declared the goods pertaining to the Bill of Entry No. 4053814 dated 22.08.2025 as 'Polyester Woven Fabrics (CTH 5407 5290)' 98,733.86 SQM and 18,761.20 SQM; 'Cotton Woven Mix Fabrics (CTH 5208 1190)' 26,560.76 SQM; and 'Knitted Fabrics (CTH 6006 4200)' 4,275 KGS. However, upon physical examination of Container No. TXGU5789862 conducted by DRI under Panchnama dated 21.07.2025 and subsequent testing of representative samples by the Customs House Laboratory, it was established that the actual goods contained in the said container were six distinct categories of fabric of varied fibre compositions, GSMs and applicable Customs Tariff Headings, namely: (i) *Printed woven fabric — polyester filament yarn (textured) of GSM 123.16, correctly classifiable under CTH 5407 5490 — 57,480.00 SQM;* (ii) *Dyed (black) woven fabric — viscose and nylon filament yarn with lycra of GSM 262.6, correctly classifiable under CTH 5516 2200 — 4,474.74 Kg;* (iii) *Dyed (green) woven fabric — blended polyester-viscose yarn of GSM 80.17, correctly classifiable under CTH 5516 2200 — 145.32 Kg;* (iv) *Printed woven fabric — polyester filament yarn (textured) of GSM 124, correctly classifiable under CTH 5407 5490 — 29,551.50 SQM;* (v) *Self-designed dyed (maroon) fabric — polyester filament yarn (textured) of GSM 166.54, correctly classifiable under CTH 5407 5290 — 51,586.50 SQM;* and (vi) *Dyed (cream) woven fabric — cotton yarns of GSM 184.2, correctly classifiable under CTH 5208 3290 — 4,481.10 SQM.* The goods found in the container were different from the goods declared, both in terms of their description as well as their applicable Customs Tariff Headings. The goods found after testing also doesn't correspond with the description/classification of the goods mentioned in the Bill of Lading. It therefore appeared that the import consignment covered under Bill of Entry No. 4053814 dated 22.08.2025 was mis-declared in respect of description, classification and quantity thereof, and the same appeared to be liable to confiscation under the provisions of Section 111(f) and Section 111(m) of the Customs Act, 1962.

It further appeared that M/s. Ganga Impex Enterprise imported the aforesaid goods under Bill of Entry No. 4053814 dated 22.08.2025 and declared the total assessable value of the goods as Rs.42,11,344.41 with Customs duty payable of Rs.39,53,582/-. However, as the goods were

found mis-declared in respect of description, classification and quantity, there exists reasonable doubt regarding the truth and accuracy of the declared value, and the same is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. On proceeding sequentially under Rule 5 of the said Valuation Rules, the assessable value of the goods has been re-determined at Rs.89,61,901.28/- on the basis of contemporaneous import data available on the NIDB, and the total Customs duty correctly leviable on the re-determined value and re-classified CTHs amounts to Rs.44,51,556.02/-. The deliberate mis-declaration of description, classification, quantity and value of the imported goods thus resulted in short-levy of Customs duty to the tune of Rs.4,97,974.02/- (Rs.44,51,556.02/- less Rs.39,53,582/-). It further appeared that the said mis-declaration was not inadvertent but was deliberate and with the clear intention to evade payment of the leviable Customs duty. The aforesaid imported goods, being goods which do not correspond in respect of description, classification, quantity and value with the entries made in the Bill of Entry, appeared to be liable to confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962.

1.13.2 Container No. MSBU7301101, Bill of Entry No. 3783163 dated 08.08.2025, Mis-declaration and Import of Restricted Goods:

M/s. Ganga Impex Enterprise declared the goods pertaining to Bill of Entry No. 3783163 dated 08.08.2025 as 'Laminated Fabric' under HS Code 5903 1090. However, upon physical examination of Container No. MSBU7301101 conducted by DRI under Panchnama dated 20.08.2025 and upon testing of representative samples by the Customs House Laboratory, it was conclusively established that no Laminated Fabric was found in the said container. The actual goods recovered were: (i) *Bonded knitted polyester fabric — brown dyed upper surface with grey fibrous lower surface, cut pile, composed of polyester filament yarn (98.65%), GSM 343.50, other than laminated fabric, correctly classifiable under CTH 6001 9200 — 399 rolls weighing 10,174.50 Kgs;* and (ii) *Dyed (bluish) knitted fabric with cut pile — composed of polyester filament yarns, GSM 241.50, other than laminated fabric, correctly classifiable under CTH 6001 9200 — 265 rolls weighing 9,407.50 Kgs.* The goods actually found bear no resemblance in nature, composition, description or classification to the goods declared in the said Bill of Entry. The import consignment covered

under Bill of Entry No. 3783163 dated 08.08.2025 therefore appeared to be mis-declared in respect of description, classification and value thereof, and the same appeared to be liable to confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

The Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry, Government of India, vide Notification No. 05/2025-26 dated 23.04.2025, amended the import policy conditions applicable to Synthetic Knitted Fabrics falling under Chapter 60 of the ITC (HS), 2022, and imposed a Minimum Import Price (MIP) condition on four ITC (HS) codes, viz. CTH 60019200, 60053600, 60053790 and 60053900, effective till 31.03.2026. Under the said Notification, the import of goods falling under these CTHs is classified as 'Restricted'. However, such imports shall be treated as 'Free' only if the CIF value is USD 3.50 per Kilogram or above. Any import at a CIF value below USD 3.50 per Kg is therefore 'Restricted' under the Foreign Trade Policy (FTP), 2023. As established from the examination and test reports, the goods actually found in Container No. MSBU7301101 are Bonded Knitted Polyester Fabrics and Cut-Pile Knitted Fabrics correctly classifiable under CTH 6001 9200, which is one of the four CTHs covered under the said MIP Notification. The CIF import price as declared in Bill of Entry No. 3783163 dated 08.08.2025 is USD 0.712 per Kg, which is below the prescribed Minimum Import Price of USD 3.50 per Kg. Accordingly, the goods imported under the said Bill of Entry stand rendered as 'Restricted Goods' under the Foreign Trade Policy, and their import at a value below the prescribed MIP constitutes a violation of the Foreign Trade (Development and Regulation) Act, 1992 read with the FTP, 2023. Such goods, being goods imported in contravention of the provisions of any law for the time being in force, appeared to be liable to confiscation under Section 111(d) of the Customs Act, 1962. Furthermore, being goods which do not correspond in respect of description, classification and value with the entries made in the Bill of Entry, the said goods are also liable to confiscation under Section 111(m) of the Customs Act, 1962.

1.14. Role and Culpability of the Importer/Person/Firm Involved:

1.14.1. Role and Culpability of M/s. Ganga Impex Enterprise, Shed No. 331, A-1 Type, Phase-1, Marshalling Zone, Gandhidham, Kutch-370230:

M/s. Ganga Impex Enterprise, (IEC-3705000683), Shed No. 331, A-1 Type, Phase-1, Marshalling Zone, Gandhidham, Kutch-370230, being the importer of the subject goods imported vide SEZ Warehouse Bills of Entry No. 4053814 dated 22.08.2025 and 3783163 dated 08.08.2025, had the primary responsibility and statutory obligation under Section 46(4) and Section 46(4A) of the Customs Act, 1962 to ensure the accuracy and completeness of information declared in the Bills of Entry, the authenticity and validity of documents supporting the same, and compliance with all restrictions and prohibitions applicable to the goods under the Customs Act, 1962 and under any other law for the time being in force, including the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy, 2023. However, the said importer has deliberately and knowingly mis-declared the description of the imported goods as 'Polyester Woven Fabrics (CTH 5407 5290)', 'Cotton Woven Mix Fabrics (CTH 5208 1190)' and 'Knitted Fabrics (CTH 6006 4200)' in Bill of Entry No. 4053814 dated 22.08.2025, when in fact the goods contained in Container No. TXGU5789862 were six distinct categories of woven and knitted fabric of varied fibre compositions correctly classifiable under CTHs 5407 5490, 5516 2200, 5407 5290 and 5208 3290; and the said importer has further mis-declared the goods in Bill of Entry No. 3783163 dated 08.08.2025 as 'Laminated Fabric (HS Code 5903 1090)', when in fact the goods contained in Container No. MSBU7301101 were Bonded Knitted Polyester Fabric and Cut-Pile Knitted Polyester Fabric, both being goods other than laminated fabric and correctly classifiable under CTH 6001 9200; and the goods imported under CTH 6001 9200 are subject to the Minimum Import Price condition imposed vide DGFT Notification No. 05/2025-26 dated 23.04.2025, and the CIF import price of USD 0.712 per Kg declared in Bill of Entry No. 3783163 is below the prescribed MIP of USD 3.50 per Kg, thereby rendering the said goods as Restricted Goods under the Foreign Trade Policy; and the said importer has also grossly undervalued the imported goods by declaring a combined total assessable value of Rs.54,16,215/- against the appropriate assessable value as re-determined on the basis of contemporaneous NIDB data. The above-mentioned deliberate mis-declaration of description, classification, quantity and value of the imported goods was done with the clear intent and motive to evade payment of Customs duty and to gain undue advantage by importing goods attracting higher rates of Customs duty while declaring them under lower-duty Customs Tariff Headings.

1.14.2 Further, Shri Rajvardhan Jha, Partner of M/s. Ganga Impex Enterprise, in his statement recorded under Section 108 of the Customs Act, 1962 on 22.12.2025, admitted that all operational, financial and decision-making responsibilities of the firm, including procurement, classification of imported goods and filing of Bills of Entry, were handled by him alone, and that the goods imported under both Bills of Entry were different from the declared descriptions, and that he is agree to pay the differential duty and taxes. It further appeared that M/s. Ganga Impex Enterprise has committed acts and omissions which have rendered the imported goods liable to confiscation under Section 111(d), Section 111(l) and Section 111(m) of the Customs Act, 1962, being goods which were imported in violation of the Foreign Trade Policy and which do not correspond in respect of description, classification, quantity and value with the entries made in the Bills of Entry; and whereas, by virtue of Section 112(a) of the Customs Act, 1962, any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 111, or abets the doing or omission of such an act, shall be liable to penalty; and by virtue of Section 112(b) of the Customs Act, 1962, any person who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under Section 111, shall be liable to penalty; and M/s. Ganga Impex Enterprise, being the importer and having acquired possession of the subject goods with full knowledge of the mis-declaration of description, classification, quantity and value thereof, and having imported goods in violation of the applicable Minimum Import Price conditions under the Foreign Trade Policy, has rendered itself liable to penalty under Section 112(a) and Section 112(b) of the Customs Act, 1962.

1.15.1. The investigation proceedings was culminating in the issuance of Show Cause Notice bearing SCN No. GEN/ADJ/COMM/478/2026-Adjn-O/o Commr-Cus-Kandla dated 13.03.2026 answerable to the Additional Commissioner of Customs, Customs House, Kandla, having his office situated at Office of the Commissioner of Customs, Custom House, Near Balaji Temple, Kandla-370210, within 30 days from the receipt of this Show Cause Notice, as to why:

(i) The declared quantity, description and classification of the goods covered under Bill of Entry No. 4053814 dated 22.08.2025 and Bill of Entry No. 3783163 dated 08.08.2025 should not be rejected and re-quantified and re-classified as per Table No. 5 and Table No 6 above;

(ii) The declared assessable value of Rs.42,11,344.41/- in Bill of Entry No. 4053814 dated 22.08.2025 should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the same be re-determined as Rs.89,61,901.27/- under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, as mentioned in the foregoing paras;

(iii) The goods covered under SEZ Warehouse Bill of Entry No. 4053814 dated 22.08.2025 imported through Container No. TXGU5789862, having re-determined assessable value of Rs.89,61,901.27/-, should not be held liable for confiscation under Section 111(f), Section 111(l) and Section 111(m) of the Customs Act, 1962;

(iv) The goods covered under Bill of Entry No. 3783163 dated 08.08.2025 imported through Container No. MSBU7301101, being goods imported below the prescribed Minimum Import Price of USD 3.50 per Kg as per the DGFT Notification No. 05/2025-26 dated 23.04.2025 should not be held liable for confiscation under Section 111(d) and Section 111(m) of the Customs Act, 1962;

(v) The Bill of Entry No. 4053814 dated 22.08.2025 should not be re-assessed with the applicable rates of Customs duty as per Table 9 above;

(vii) Penalty should not be imposed on M/s. Ganga Impex Enterprise under Section 112(a) and Section 112(b) of the Customs Act, 1962.

SUBMISSIONS OF THE NOTICEE

2.1 The noticee, vide their written submission dated 20.03.2026, inter alia submitted that they had initially contested the classification; however, after examining the CRCL test report, they have accepted the classification and are willing to pay the differential duty arising out of reclassification and re-determination of value in respect of Bill of Entry No. 4053814 dated 22.08.2025.

2.2 It has been contended that classification disputes are matters of interpretation and do not ipso facto amount to misdeclaration, particularly

when the declaration is based on supplier's documents and without any mala fide intent, relying upon the judgment of the Hon'ble Supreme Court in Northern Plastics Ltd. v. Collector of Customs. The noticee further submitted that the goods were subjected to 100% examination, there was no attempt to conceal, and they have cooperated with the investigation, thereby demonstrating bona fide conduct.

2.3 In respect of Bill of Entry No. 3783163 dated 08.08.2025, it was submitted that the issue pertains to Minimum Import Price (MIP) prescribed under DGFT Notification No. 05/2025-26 dated 23.04.2025, and the noticee has agreed to enhancement of value to USD 3.5 per Kg. It was further contended that the goods are not prohibited but restricted and therefore confiscation should not be absolute, relying upon judicial pronouncements including:

- **CC Amritsar v. Shreeji Enterprises**
2009 (234) ELT 349 (Tri.-Del.)
- **Shri Lakshmi Steel Syndicate v. CC**
2000 (122) ELT 560 (Tri.-Del.)
- **Sree Sudharsan Trucking Pvt Ltd**
- **Navayuga Engineering Co. Ltd. v. Union of India**
2022 (381) ELT 161 (SC)
- **CC v. Phoenix Global DMCC**
2020 (374) ELT 206 (Tri.-Del.)

2.4 It has also been contended that in absence of fraud or suppression, penal provisions should not be invoked, relying upon Akbar Badruddin Jiwani v. Collector of Customs.

2.5 Accordingly, it has been prayed that confiscation be dropped or alternatively redemption be allowed with lenient penalty.

RECORDS OF PERSONAL HEARING

3. Personal hearing in the matter was held on 29.04.2026, which was attended by Shri Dipesh Rajani, Authorised Representative of the noticee. During the course of hearing, the authorised representative submitted a written submission of even date and stated that the noticee withdraws their earlier submission dated 20.03.2026.

He further requested that the goods may be released on payment of applicable customs duty, redemption fine and penalty, and prayed that a lenient view may be taken in the matter.

DISCUSSION AND FINDINGS

4 . I have gone through the Show Cause Notice alongwith RUDs and submission made by the Noticee in writing alongwith the case laws and records of personal hearing in detail. After going through the same, I am proceeding to decide this case.

5. On going through the records of the case, the issues arising in the instant case for determination are as follows:

(A) In respect of goods imported under Bill of Entry No. 4053814 dated 22.08.2025:-

- i. Whether the imported goods were mis-declared in respect of description and classification and what is the correct classification of such goods;
- ii. Whether the declared value is liable to be rejected and re-determined in accordance with the Customs Valuation Rules, 2007;
- iii. Whether the goods covered under Bill of Entry No. 4053814 dated 22.08.2025 are liable to confiscation under Sections 111(f), 111(l) and 111(m) of the Customs Act, 1962;
- iv. Whether the duty liability arising on re-determination of value and classification is liable to be confirmed;
- v. Whether redemption fine and penalties under Sections 112(a) and 112(b) are imposable.

(B) In respect of goods imported under Bill of Entry No. 3783163 dated 08.08.2025:-

- i. Whether the imported goods were misdeclared in respect of description and classification and what is the correct classification of such goods;
- ii. Whether the goods covered under Bill of Entry No. 3783163 dated 08.08.2025 are liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962 on account of violation of Minimum Import Price (MIP) condition;
- iii. Whether, the goods, correctly classifiable under CTH 6001 9200 and restricted as per DGFT Notification, be allowed in respect of Bill of Entry No. 3783163 dated 08.08.2025, if the Noticee is ready to assess

- the Bill of Entry @ of Rs.3.5 USD;
- iv. Whether the duty liability arising on re-determination of value and classification is liable to be confirmed;
 - v. Whether redemption fine and penalties under Sections 112(a) and 112(b) are imposable

6. Discussion and Findings in respect of Goods imported under Bill of Entry No. 4053814 dated 22.08.2025:-

6.1.1 The record shows that the consignments were examined on 100% basis and representative samples were drawn and tested by the Customs House Laboratory. The laboratory reports clearly establish that the goods were not of the description declared in the Bills of Entry. Further, goods were declared as "fabric" in Bill of Lading, however in the Bill of Entry, filed by the Noticee, the same were declared under various CTH as shown in Table-4A supra. Further, the representative samples drawn and the test reports of the goods confirmed the goods as multiple varieties of woven fabrics of different compositions including polyester, viscose blends and cotton-based fabrics, classifiable under different tariff headings such as Chapters 52, 54 and 55, as per their composition and construction, in terms of the Harmonised System of Nomenclature (HSN) and the General Rules for Interpretation (GIR). Further, the Noticee themselves have admitted the classification of the goods as shown in Table-7 Supra. Further, they have also admitted the new re-determined value of the imported goods and their tax liability. Therefore, I find that there is no dispute on this issue.

6.1.2 Accordingly, I held that the imported goods is rightly classifiable under CTH mentioned in table-7 supra. Also I held that the assessable value **Rs.42,11,344.41/-**, declared by the Noticee while filing their B/E, is liable to be rejected and the same is re-determined as **Rs.89,61,901.27/-**. On this basis, the total duty liability works out to **Rs.44,51,556.02/-**, as against the duty originally declared of **Rs.39,53,582/-**. The differential duty of **Rs.4,97,974.02/-** has thus arisen due to misdeclaration of description, classification and value as tabulated in Table-9 supra.

6 . 2 This consignment involves misdeclaration of description, classification and value, as discussed in the preceding paragraphs. The goods declared in the Bill of Entry have been found, upon examination and

laboratory testing, to be different in nature and composition, resulting in incorrect classification and assessment. Such misdeclaration directly attracts the provisions of Section 111(m) of the Customs Act, 1962, which provides for confiscation where goods do not correspond in respect of value or any other particular with the declaration made.

6.2.2 Further, the discrepancies in the particulars declared in the import documents, including incorrect description and classification, also attract Section 111(l), as the goods have not been correctly declared in the Bill of Entry as required under law. In addition, the nature of import through SEZ/warehouse route and non-compliance with the applicable statutory requirements governing such import render the goods liable under Section 111(f), which covers goods imported or attempted to be imported contrary to conditions subject to which such import is permitted.

6.2.3 Thus, the confiscability of the goods under this Bill of Entry arises from substantive misdeclaration and non-compliance with statutory requirements relating to declaration and import conditions. The contention of absence of mala fide intent, relying upon *Akbar Badruddin Jiwani v. Collector of Customs*, is not relevant for determining confiscability under Section 111(m), which is attracted on account of objective misdeclaration.

6.2.4 Accordingly, I hold that the goods covered under Bill of Entry No. 4053814 dated 22.08.2025 are liable to confiscation under Sections 111(f), 111(l) and 111(m) of the Customs Act, 1962.

6.3 It is evident that incorrect declarations were made in the Bills of Entry, resulting in misclassification, incorrect valuation and short payment of duty. While the noticee has contended absence of mala fide intent, the fact remains that the incorrect declaration has resulted in revenue implications i.e. short levy of Customs Duty of Rs.4,97,974.02 and attracts penal provisions under the Customs Act.

6.3.2 The importer, being the declarant, is statutorily responsible for the accuracy and correctness of the declaration made under Section 46 of the Customs Act, 1962. The facts on record clearly establish that the importer was directly concerned with the goods which have been held liable to confiscation. Accordingly, I hold that the Noticee is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962, while holding that imposition

of separate penalty under Section 112(b) for the same set of facts is not warranted, and the same is accordingly dropped.

7. Discussion and Findings in respect of Goods imported under Bill of Entry No. 3783163 dated 08.08.2025:-

7.1 The record shows that the consignments were examined on 100% basis and representative samples were drawn and tested by the Customs House Laboratory. The laboratory reports clearly establish that the goods were not of the description declared in the Bills of Entry. Further, goods were declared as "Bukrum fabric (HS Code 5901 9090 & 5903 1090)" in Bill of Entry, filed by the Noticee, as shown in Table-4A supra. Further, the representative samples drawn and the test reports of the goods confirmed the goods other than the Bukrum fabrics as shown in Table-6 supra and classifiable under CTH 6001 9200, as per their composition and construction, in terms of the Harmonised System of Nomenclature (HSN) and the General Rules for Interpretation (GIR).

7.2 Further, I find that the vide Notification No. 05/2025-26, dated 23.04.2025, DGFT has put the imported goods classifiable under CTH 6001 9200 alongwith other 3 goods under restricted category till 31.03.2026. However vide the referred Notification the import of such goods is "Free" if the CIF Value is USD 3.50 and above per Kilogram.

7.3 Further, I find that the Noticee have admitted the new classification of the goods under CTH 6001 9200 and have also accepted that they are ready to assess their imported goods @ 3.50 USD, as per the requirement of the Notification. Further, they relied on various case laws as mentioned supra.

7.3.2 In this regard, I find that the issue for consideration is whether the goods are liable for absolute confiscation or whether an option for redemption should be granted. The goods in question are not absolutely prohibited but are restricted goods, the restriction arising from non-compliance with the prescribed Minimum Import Price (MIP) condition and misdeclaration. It is well settled that in such cases, redemption under Section 125 of the Customs Act, 1962 can be allowed. At the same time, the misdeclaration and violation of policy condition are clearly established

and cannot be ignored.

7.3.3 The noticee has relied upon judicial pronouncements including *CC Amritsar v. Shreeji Enterprises*, *Shri Lakshmi Steel Syndicate v. CC and Navayuga Engineering Co. Ltd. v. Union of India* to contend that in cases of restricted goods, redemption should be allowed.

7.3.4 I find that in the case of ***CC Amritsar v. Shreeji Enterprises [2009(234) ELT 349 (Tri.-Del)]***, the Hon'ble CESTAT held that there is a distinction between absolute prohibition and conditional prohibition. Redemption under Section 125 can be considered in cases of conditional prohibition, subject to the importer making goods the requirements or conditions. Similarly in ***Shri Lakshmi Steel Syndicate v. CC [2000 9122) ELT 560 (Tri.-Del)]***, the Hon'ble Tribunal observed that Goods which are not prohibited absolutely but only restricted under DGFT provisions may be allowed for clearance on payment of redemption fine and penalty, subject to fulfilment of policy conditions or compliance with MIP.

7.3.5 Further, I find that in the matter of ***Sree Sudharsan Trucking Pvt. Ltd. (Customs/40001/2015) (Chennai CESTAT, Nov 2024)***, the Chennai Bench addressed an importer who voluntarily accepted a higher valuation to align with DGFT's MIP for marbles and mosaics and held that "Once the importer voluntarily accepted the enhanced valuation to align with the MIP, the goods were no longer a violation of import policy. The tribunal observed that treating the goods as restricted and imposing penalties was inconsistent after compliance with the MIP requirement." Similarly, the case of ***Classic Interiors vs. Commissioner of Customs (New Delhi CESTAT, 2023)***, highlighted the principle that goods held liable for confiscation can be released upon payment of a redemption fine, reinforcing that payment redemption fine and complying with valuation removes the ground for keeping them detained.

7.3.6 In view of foregoing paras, I find it legally tenable to exercise discretion in favour of releasing the goods. Further, the goods, while restricted at the time of import due to MIP violation, are no longer restricted after the policy conditions have been complied with. The importer has expressed his willingness to assess the Bill of Entry as per the MIP Value of USD 3.50 per Kg.

It bears emphasis that the goods in question were under a conditional restriction; that condition having since been lifted, the goods

can be considered for redemption. In *M/s Navayuga Engineering Co. Ltd. v. Union of India [2022 (381) E.L.T. 161 (S.C.)]*, the Hon'ble Apex Court clarified that Section 125 is intended to facilitate a shift "from illegality to compliance"; where goods are not absolutely prohibited, the provision obligates the officer to provide an option to redeem, subject to payment of fine and applicable duty. The liability to pay duty arises upon exercise of such option, and the goods thereafter acquire the status of lawfully imported goods. Similarly in *CC v. Phoenix Global DMCC [2020 (374) ELT 206 (Tri.-Del)]*, the Hon'ble Tribunal held that "when the goods are not intrinsically harmful or dangerous to public interest, and the importer is willing to comply with legal and fiscal obligations, redemption may be permitted in exercise of discretion under Section 125.

7.3.7 Moreover, the Noticees willingness to assess the Bill of Entry as per MIP Condition of @USD 3.50 per Kg ensures that there is no loss to government revenue. Accordingly, the assessable value of the imported goods is re-determined applying the MIP rate is as under:-

TABLE-10

Sr. No.	CTH	Fabric Description (as per Test Report)	Quantity & Unit	Unit Price @ 3.50 USD (MIP Rate)	Exchange Rate (Rs.) as per Bill of Entry	Re-determined Assessable Value (Rs.)
1	6001 9200	Bonded knitted fabric — brown dyed upper surface, grey fibrous lower surface; cut pile; polyester filament yarn (98.65%). Other than laminated fabric.	10,174.50	35610.8	88.6	31,55,112
2	6001 9200	Dyed (bluish) knitted fabric with cut pile — polyester filament yarns. Other than laminated fabric.	9,407.50	32926.3	88.6	29,17,266
			19,582.00	68537.00		60,72,378

7.3.8 Further, I find that the above re-determined value of the imported goods ensures that the no government revenue is lost. On the contrary, the revenue interest is fully safeguarded, and the offence has been adequately penalized under the provisions of the Act. The purpose of deterrence under Customs law is served through imposition of fines and penalties and there remains no compelling reason to withhold the release of the goods. Accordingly, I find that exercising discretion under Section 125(1) of the

Customs Act, 1962, towards permitting redemption of the goods just, equitable and consistent with the legal position and facts of the case. Accordingly, the above referred imported goods is allowed to be redeemed on payment of applicable duty on the re-determined assessable value as per MIP value alongwith applicable redemption fine and penalty as discussed in foregoing paras.

7.4 I find that the Noticee have mis-declared their imported goods under CTH 5903 1090 instead of 6001 9200 and declared an incorrect CIF value of USD 0.712 per kg, which is far below the actual value as determined. This mis-declaration amounts to material falsification and was evidently intended to circumvent the restrictions prescribed under DGFT Notification No. 05/2025-26 dated 23.04.2025, relating to the Minimum Import Price (MIP) of USD 3.5 per kg. As a result, the goods attracted restrictions under the Foreign Trade Policy, were rendered liable to confiscation under Sections 111 (d) and 111 (m) of the Customs Act, 1962 and consequently attracted penal provisions.

7.5 In terms of Section 112(a)(i) of the Customs Act, 1962, any person who, in relation to goods liable to confiscation, does or omits to do any act which renders such goods liable to confiscation, is liable to a penalty. In the present case, the deliberate misdeclaration of classification and undervaluation fall squarely within the scope of Section 112(a)(i). Judicial precedents such as **Shah Brothers v. CC (Import), Mumbai [2018 (360) ELT 933 (Tri. – Mumbai)]** and **CC v. Phoenix Global DMCC [2020 (374) ELT 206 (Tri. Del.)]** support this view, holding that policy violations and misdeclarations rendering goods liable to confiscation also attract penalty under Section 112 (a), irrespective of subsequent regularization.

7.5.2 At the same time, considering that:

- the goods were subjected to 100% examination,
- the noticee has accepted the reclassification and valuation, and
- has cooperated during the proceedings,

a lenient view is warranted in the quantum of penalty.

7.5.3 Accordingly, I impose penalty on the noticee under Section 112(a) of the Customs Act, 1962, while holding that imposition of separate penalty under Section 112(b) for the same set of facts is not warranted, and the same is accordingly dropped.

ORDER

8 . In view of the foregoing findings and discussion, and after due consideration of the facts on record, the applicable statutory provisions and the judicial principles discussed hereinabove, I pass the following order:

I. In respect of Bill of Entry No. 4053814 dated 22.08.2025:-

(i) I hold that the goods covered under Bill of Entry No. 4053814 dated 22.08.2025 were mis-declared in respect of description, classification & value. Accordingly the declared particulars are rejected and the goods are re-classified & re-assessed as discussed in para 5.1.1 & 5.1.2 supra;

(ii) I reject the declared transaction value of **Rs.42,11,344.41** in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and determine the assessable value at **Rs.89,61,901.27/-** under Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, as discussed in the foregoing para 5.1.2 supra;

(iii) I order to assess the above referred Bill of Entry on the re-determined assessable value at the applicable rates of Customs Duty amounting to **Rs.44,51,556.02/-** as per para 5.1.2 supra;

(iv) I hold that the goods are liable to confiscation under the provisions of Sections 111(f), 111(l) & 111(m) of the Customs Act, 1962 on account of mis-declaration and allow the importer an option to redeem the confiscated goods on payment of redemption fine of **Rs.4,00,000/- (Rupees Four Lakh only)**;

(v) I impose a penalty of **Rs.50,000/- (Rupees Fifty Thousand Only)** under Section 112(a)(ii) of the Customs Act, 1962 upon the Noticee. No penalty is imposed under Section 112(b) of the Customs Act, 1962.

II. In respect of Bill of Entry No. 3783163 dated 08.08.2025:-

(i) I hold that the goods covered under Bill of Entry No. 3783163 dated 08.08.2025 were mis-declared in respect of description, classification & value. Accordingly the declared particulars are rejected and the goods are re-classified & re-assessed as discussed in Table-10 of para 6.3.7 supra;

(ii) I reject the declared assessable value of **Rs.12,04,871.40** of the goods in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and determine the same as per the MIP condition of the DGFT Notification to **Rs.60,72,378/-**, as discussed in Table-10 of para 6.3.7 supra;

(iii) I hold that the goods are liable to confiscation under the provisions of Sections 111(d) & 111(m) of the Customs Act, 1962 on account of mis-declaration and allow the importer an option to redeem the confiscated goods on payment of redemption fine of **Rs.6,00,000/- (Rupees Six Lakh Only)**.

(iv) I impose a penalty of **Rs.5,00,000/- (Rupees Five Lakh Only)** under Section 112(a) of the Customs Act, 1962 upon the Noticee. No penalty is imposed under Section 112(b) of the Customs Act, 1962.

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

F.No.:GEN/ADJ/ADC/478/2026-Adjn-O/o Commr-CusKandla

DIN:- 20260571ML000000E51D

To (the noticee):-

1. M/s. Ganga Impex Enterprise, (IEC-3705000683), Shed No. 331, A-1 Type, Phase-1, Marshilling Zone, Gandhidham, Kutch-370230

Copy to:-

1. The Deputy Director, DRI, Gandhidham Regional Unit, Plot No. 5 & 6, Ward-5A, Near Vinayak Hospital, Adipur-370205, Kutch for information.
2. The Additional Director, DRI, Ahmedabad Zonal Unit
3. The Additional Commissioner (CCO), Customs Ahmedabad Zone,

Ahmedabad.

4. The Deputy Commissioner (Customs), KASEZ, Gandhidham
5. The Assistant Commissiner (RRA), Custom House, Kandla.
6. The Superintendent (EDI), Custom House, Kandla for the purpose of uploading the OIO on the website of Kandla customs.
7. Guard file