	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,** **CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: group3-mundra@gov.in

A	फा /.सं .FILE NO.	CUS/APR/5059/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/416/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	19-10-2026
E	जारी करने की तिथि DATE OF ISSUE	19-10-2026
F	कारण बताओ नोटिस संएवं तिथि . SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. Sunrise Impex Delhi (IEC: 0514026928) A-10/2, Jhilmil Industrial Area, G.T. Road, Shahdara East, Delhi – 110095

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
   This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128A के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
   Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:
   "सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"
   "The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
   Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -
   Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
   The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।
An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

On the basis of Specific information received to this office, the goods imported by M/s. Sunrise Impex Delhi, A-10/2, Jhilmil Industrial Area, GT Road, Shahdara East Delhi - 110095 (IEC: 0514026928), (herein after referred as "the importer" for brevity) under Bill of Entry No. Z- 2965930 dated 06.08.2026, filed at APSEZ (INAJM6), identified as high risk for mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods. The goods were destined to M/s. Fasttrack CFS Pvt. Ltd., APSEZ, Mundra (Kutch) Port- INAJM6. The details of the goods declared in the Bill of Entry no. Z-2965930 dated 06.08.2026 are detailed below:

Table-I

Sr. No	CTH	Description	Quantity	UQC
1	59039090	PA Coated Fabrics	85632	Sqm.

Examination of the Goods:

2. Whereas, the examination of the Bill of Entry No. Z- 2965930 dated 06.08.2026 was conducted on 18.08.2026 under Panchnama in the presence of Authorized Representative of the importer and SEZ unit M/s Fasttrack CFS Pvt. Ltd.. The goods, received in container no. CAIU7367896, were examined as per the commercial invoice No. B-2665 dated 10.07.2026, issued by M/s Chang Xing Letian Textile Co. Ltd. The details of weighment verified from weighment slip is as below:

Table-II

Sr. No	Container no.	Description	Declared weight in BE	Weighment as per weighment slip
1	CAIU7367896	PA Coated Fabrics	27800 Kgs	31550 Kgs

During the inspection, the container's seal was found intact and matched the details present in the Bill of Lading. The seal was then cut, and upon opening the container doors, it was observed that the container was fully loaded with fabric rolls. After complete destuffing of the container, the packages were cut, open and weighed on random basis. During examination a total of 3568 fabric rolls were found. The details are as below:

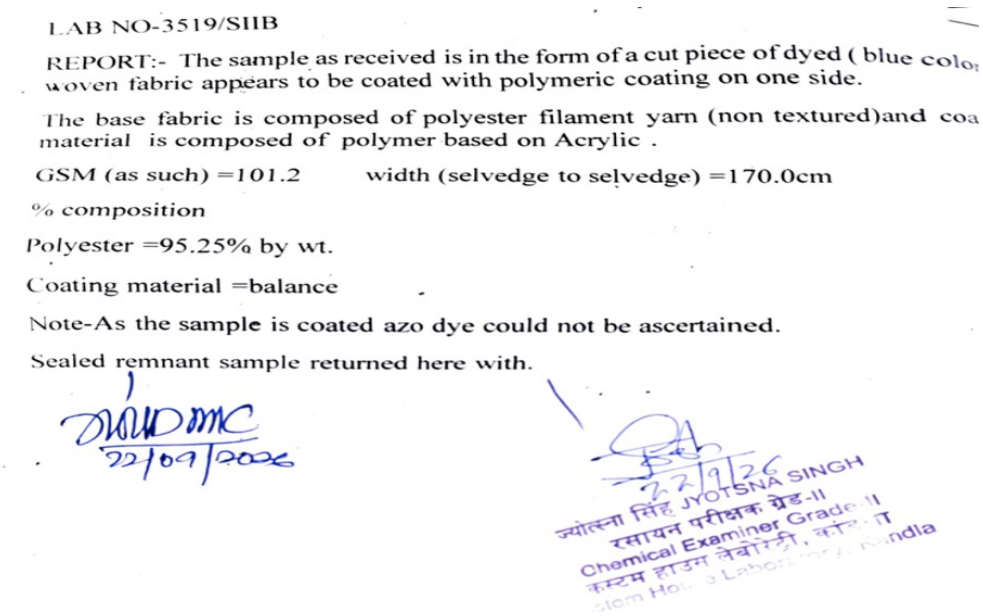
Table-III

S. No.	Type	No. of Rolls	Average Weight/Roll (in Kgs)	Total Weight (in Kgs)
1	Fabric Type-1	2234	8.39	18743.26
2	Fabric Type-2	1334	9.69	12926.46
	Total	**3568**		**31669.72**

Thus, against the declared gross weight of 27,800 Kgs, on physical examination, the gross weight found to be 31669.72 Kgs and the number of rolls were found as declared i.e 3568 rolls. The rolls were opened and examined. The fabric appeared to be of two types i.e. Fabric rolls Type-I and Type-II. However, to ascertain exact nature and composition of the fabrics, samples were drawn and sent to the lab CRCL, Kandla vide Test Memo No. 193 & 194/2026-27 both dated 03.09.2026 for testing.

3. Classification of the Goods:

3.1 The CRCL, Kandla Lab vide their Lab report no. 3519/SIIB dated 22.09.2026 in r/o TM no. 193/2026-27 dated 03.09.2026 has submitted the following observations.



LAB NO-3519/SIIB

REPORT:- The sample as received is in the form of a cut piece of dyed (blue color woven fabric appears to be coated with polymeric coating on one side.

The base fabric is composed of polyester filament yarn (non textured)and coating material is composed of polymer based on Acrylic .

GSM (as such) =101.2 width (selvedge to selvedge) =170.0cm

% composition

Polyester =95.25% by wt.

Coating material =balance

Note-As the sample is coated azo dye could not be ascertained.

Sealed remnant sample returned here with.

22/09/2026

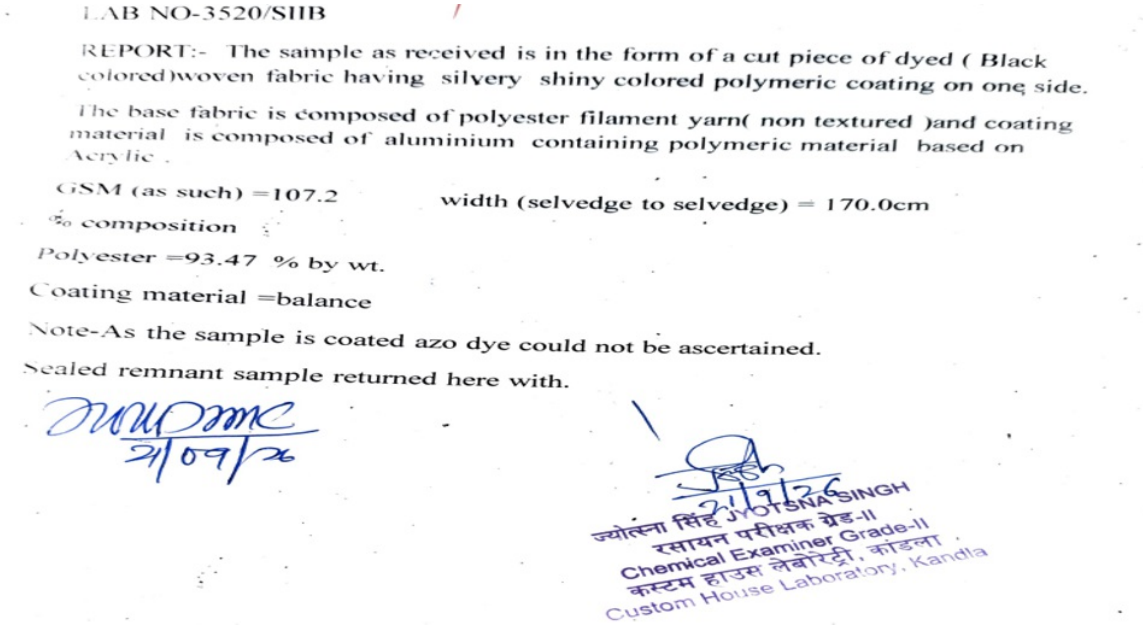
22/9/26
ज्योत्स्ना सिंह JYOTSNA SINGH
रसायन परीक्षक ग्रेड-II
Chemical Examiner Grade II
कस्टम हाउस लेबोरेटरी, कांडला
Custom House Laboratory, Kandla

In view of the above test reports, it appears that the declared description and the declared classification appears correct as per test reports. The relevant extract of CTH is as below:

5903 Textile Fabric impregnated, coated, covered or laminated with plastics, other than those of heading 59.02

590310	- With Polyvinyl chloride:
59031010	--- Imitation leather fabrics of Cotton
59031090	--- Other
590320	- With Polyurethane:
59032010	--- Imitation leather fabrics, of cotton
59032090	--- Other
590390	- Other:
59039010	--- Of Cotton
59039020	--- Polyethylene laminated jute fabrics
59039090	**--- Other.**

3.2. The CRCL, Kandla Lab vide their Lab report no. 3520/SIIB dated 21.09.2026 in r/o TM no. 194/2026-27 dated 03.09.2026 has submitted the following observations.:



LAB NO-3520/SIIB

REPORT:- The sample as received is in the form of a cut piece of dyed (Black colored)woven fabric having silvery shiny colored polymeric coating on one side.

The base fabric is composed of polyester filament yarn(non textured)and coating material is composed of aluminium containing polymeric material based on Acrylic .

GSM (as such) =107.2 width (selvedge to selvedge) = 170.0cm

% composition

Polyester =93.47 % by wt.

Coating material =balance

Note-As the sample is coated azo dye could not be ascertained.

Sealed remnant sample returned here with.

21/09/26

21/9/26

ज्योत्स्ना सिंह JYOTSNA SINGH
रसायन परीक्षक ग्रेड-II
Chemical Examiner Grade-II
कस्टम हाउस लेबोरेटरी, कांडला
Custom House Laboratory, Kandla

In view of the above test reports, it appears that the declared description and the declared classification appears correct as per test reports. The relevant extract of CTH is as below:

5903 Textile Fabric impregnated, coated, covered or laminated with plastics, other than those of heading 59.02

590310	- With Polyvinyl chloride:
59031010	--- Imitation leather fabrics of Cotton
59031090	--- Other
590320	- With Polyurethane:
59032010	--- Imitation leather fabrics, of cotton
59032090	--- Other
590390	- Other:
59039010	--- Of Cotton
59039020	--- Polyethylene laminated jute fabrics
59039090	**--- Other.**

4. <u>Re-determination of Quantity of the Goods:</u>

The importer has declared the total no. of packages as 3568 with total quantity of 85632 SQM in the said Bill of Entry. Further, the Representaive samples of the goods forwarded to CRCL Kandla vide TM no. 193-194/2026-27 dated 03.09.2026. As per CRCL, Kandla Lab vide their Lab report no. 3519 dated 22.09.2026 and report no. 3520 dated 21.09.2026, the GSM of the goods found as

mentioned in para 3. Accordingly, the calculation of quantity is as below:

Table-IV

Sr. No.	Description of Goods as per Test report	Weight as per examination (in Kgs)	GSM as per Test Report	Re-determined quantity (in SQM)
1	PA Coated fabric (Type-I)	18743.26	101.2	1,85,210.08
2	PA Coated fabric (Type-II) (Silver appearance)	12926.46	107.2	1,20,582.65
	Total	**31669.72**		**3,05,792.73**

5. Rejection and Re-determination of Assessable Value:

5.1 The Rule 3 of the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. The 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. The Rule 3(4) ibid states that "if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of CVR, 2007". Whereas, it appears that, transaction value in terms of Rule 3 of 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. Whereas, it further appears that, there is a reasonable doubt regarding the truth and accuracy of the value declared by the importer, and hence it appears liable to be rejected in terms of Rule 12 of the CVR, 2007.

5.2 Whereas, it appears that, if actual transaction value which means price paid or payable cannot be ascertained on the basis of Rule 3 of the CVR, 2007, the value shall be decided proceeding to subsequent rules. Thus, recourse is to be taken to the Rule 9 of the CVR, 2007 which provides for determination of value where the value of the imported goods cannot be determined under the provisions of the any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

5.3 Whereas, it appears that, the value of the impugned goods could not be determined under Rule 4 and 5 ibid since the value of contemporaneous imports of identical and similar goods of same quality and composition was not found.

Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value' i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, the values also cannot be determined as per the said Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

5.4 Whereas, it appears that, the provisions of Rule 4 to 8 ibid, are not applicable in the instant case, the value of the impugned goods is required to be determined under the provisions of Rule 9 of the CVR 2007, which reads as under: -

> *"Rule 9: Residual method (1) Subject to the provisions of Rule 3, where the value of the imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India:"*

5.5 Whereas, the value could not be determined under the preceding rules on the basis of contemporaneous identical/similar goods or other requisite data, recourse is required to be taken to Rule 9 of the CVR, 2007, i.e. the residual method. The impugned goods were inspected by Shri Ajayrajsinh B. Jhala, Chartered Engineer and Government Approved Valuer, who submitted his Chartered Engineer's Certificate No. ABJ:INSP:CE:MUN:SIIB:AM:26-27:02 dated 05.10.2026. The inspection was conducted at M/s Fast Track CFS, Mundra Kutch on 28.09.2026. The Chartered Engineer has stated that the valuation was based, inter alia, upon the inventory list provided by the importer/CHA, market analysis, market survey, supply-demand analysis and documents furnished by the importer/CHA. As per the Chartered Engineer's report, the valuation is as follows

VALUATION TABLE **(1 USD = 97.20 INR)**

Details of the goods – as found after examination – as per customs examination report and test reports								
Sr. No.	Type	Description of the goods – as per test report	No. of Rolls	Approx Average weight of One Roll (in KGS)	Total Weight (in KGS)	SQM (Approx.)	Per Unit Suggestive Average C.I.F. Value in Bulk Quantity in USD (Approx.)	Total Suggestive Average C.I.F. Value in Bulk Quantity in USD (Approx.)
1	Fabric Type-1	The base fabric is composed of polyester filament yarn (non textured) and coating material is composed of polymer based on acrylic. GSM (as such): 101.2 %Polyester: 95.25% by wt. %Coating material: Balance	2234 Rolls	8.39 KGS.	18,743.26 KGS	1,85,210.08 SQM	0.12 USD / SQM	22,225.21 USD
2	Fabric Type-2	The base fabric is composed of polyester filament yarn (non textured) and coating material is composed of aluminium containing polymeric material based on acrylic. GSM (as such): 107.2 %Polyester: 93.47% by wt. %Coating material: Balance	1334 Rolls	9.690 KGS.	12926.46 KGS	1,20,582.65 SQM	0.12 USD / SQM	14,469.92 USD
Total Suggestive Average C.I.F. Value in Bulk Quantity in USD (Approx.):			**3568 Rolls**		**31669.72 KGS**	**3,05,792.73 SQM**		**36,695.13 USD**

The chartered engineer, empanelled by the government, determined the fair value of the goods to be **Rs. 35,66,767/-** (USD 36695.13* Rs. 97.2) (Rupees Thirty Five Lakh Sixty Six Thousand Seven Hundred and Sixty Seven Only) in contrast to the declared assessable value as **Rs. 9,98,812/-.**

5.6. With the introduction of self-assessment under Section 17(1) of the Customs Act, 1962, the responsibility lies squarely on the importer to accurately self-assess the Bill of Entry and declare the correct amount of leviable duty. By failing to declare dutiable goods correctly in the Bill of Entry, the importer's actions indicate an intent to evade payment of the correct duties on the imported goods. This deliberate omission raises reasonable grounds to believe that the importer wilfully and intentionally concealed dutiable goods, thereby causing a loss to government revenue.

6. Re-determination of Duty:

6.1. Based on the foregoing paragraphs, it is evident that the importer has undervalued/mis-declared the imported goods to evade payment of duties and taxes. The duty liability for the imported goods as per re-determined value is ascertained as under:

Table-V

Sr No	*Description*	*Total Quantity*	*Measure Unit*	*Total Suggestive Average C.I.F. Value by C.E. (in INR)*	*BCD @ 20% (in Rs.)*	*SWS @ 10% of BCD(in Rs.)*	*IGST @ 5% (In rs.)*	*Total Duty (in Rs.)*
1	PA Coated fabric (Type-I)	1,85,210.08	SQM	21,60,290	432058	43206	131778	607042
2	PA Coated fabric (Type-II) (Silver appearance)	1,20,582.65	SQM	14,06,477	281295	28130	85795	395220
Total				35,66,767	713353	71336	217573	1002262

From the **Table V above**, it appears that the total duty liability of the importer is Rs. 10,02,262/-.

6.2. The importer in the BE no. Z- 2965930 dated 06.08.2026, has declared the value of the goods as Rs. 9,98,812/- and calculated the applicable duties and taxes on the good declared, based on the declared value and classification in the Bill of Entry as **Rs. 2,80,666/-.**

6.3. Based on the calculations from Table-V above, the importer is need to pay/levy a differential liability of Rs. 7,21,596/- on the mis-declared/undervalued goods after adjustment. This amount represents the additional duty and tax liability that the importer must pay due to the misdeclaration/undervaluation of goods.

7. LEGAL PROVISIONS:

7.1. **Section 2 (14)** of the Customs Act, 1962, ***"dutiable goods"*** *means any goods which are chargeable to duty and on which duty has not been paid;*

7.2. **SECTION 46**(4) of the Customs Act, 1962, *prescribes that the importer while presenting a bill of entry stall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.*

7.3. Section 111 of the of the Customs Act, 1962- **Confiscation of improperly imported goods, etc. as under**

The following goods brought from a place outside India shall be liable for confiscation:

…

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

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

…

7.4. Section 112 of the Customs Act, 1962, penal provisions for improper importation of goods, etc. which read as under**:**

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 section111,

shall be liable, -

(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 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 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 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.

7.5. ***114AA. Penalty for use of false and incorrect material.—***

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

7.6. **SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under**:**

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 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.*

Provided *further that notwithstanding 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.

7.7. SECTION 125 provides the Option to pay fine in lieu of confiscation as under:

(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 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, 3 [no such fine shall be imposed]:*

***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.

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

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

……..

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

goods.

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

Provided that ……..

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

Rule 7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8. Computed value.-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9. Residual method:-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation; (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

***Rule 12. Rejection of declared value**. - (1) When the proper officer has reason to*

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

8. Outcome of Investigation:

On the basis of specific information for risk of mis-declaration/ mis-classification and/or concealment of prohibited/restricted goods in the import consignment of M/s. Sunrise Impex Delhi, A-10/2, Jhilmil Industrial Area, GT Road, Shahdara East Delhi - 110095 (IEC: 0514026928), under Bill of Entry No. Z- 2965930 dated 06.08.2026, filed at APSEZ (INAJM6), an investigation was initiated by the Special Intelligence and Investigation Branch (SIIB), Customs House, Mundra. The investigation revealed significant irregularities in the import consignment of M/s. Sunrise Impex Delhi under Bill of Entry No. Z- 2965930 dated 06.08.2026. The examination uncovered deliberate mis-declaration in quantity and resulted undervaluation of goods, indicating intent to evade Customs duties. The outcomes of the investigation are as follows:

8.1. Examination and Findings:

- The examination of container no. CAIU7367896, conducted on 18.08.2026 under Panchnama in the presence of Authorized representative, revealed discrepancies in the goods imported by M/s. Sunrise Impex Delhi under Bill of Entry No. Z-2965930 dated 06.08.2026:
- Samples were drawn and sent to CRCL, Kandla, for testing, which confirmed the goods found as declared in terms of description but mis-declared in terms of quantity and resulting into mis-declaration of Total Assessable Value.
- **Declared goods**: PA Coated Fabric with total quantity of 85,632 SQM.
- **Found goods**: PA Coated Fabric with total quantity of 3,05,792.73 SQM.
- The goods were found to be grossly mis-declared in quantity and resulting under-valuation in the declared CIF value.

8.2. Valuation of the Goods:

- **Declared Value**: The importer declared an assessable value of Rs. 9,98,812/-.
- **Redetermined Value**: The Chartered Engineer's report (ref no. ABJ:INSP:CE:MUN:SIIB:AM:26-27:02 dated 05.10.2026) determined the fair CIF value at USD 36,695.13/-, equivalent to Rs. 35,66,767/- (at INR 97.20/USD).
- **Valuation Method**: The declared value was rejected under Rule 12 of CVR Rules, 2007, due to mis-declaration of quantity and resultant undervaluation. Valuation was determined under Rule 9 of the Customs Valuation Rules (CVR), 2007 (residual method), as values under Rules 4–8 could not be established due to lack of comparable data, non-standard nature of goods, and absence of domestic market sale prices.

8.3. Duty Evasion:

- The importer's deliberate undervaluation resulted in a differential duty liability of Rs. 7,21,596/- (total duty liability of Rs. 10,02,262/- as per Table V minus declared duty of Rs. 2,80,666/-).

8.4. Conclusion:

The importer has, by their acts of omission and commission, rendered the goods found mis-declared in quantity/undervalued, with a re-determined assessable value of Rs. 35,66,767/- under Bill of Entry No. Z- 2965930 dated 06.08.2026, liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962, and is therefore also liable for penalty under Section 112(a) (ii) of the Customs Act, 1962. As the importer has mis-declared the quantity of the goods is also liable for penalty under Section 114AA of the Customs Act, 1962.

Waiver of Notice and Personal Hearing: -

9. The importer M/s. Sunrise Impex Delhi, A-10/2, Jhilmil Industrial Area, GT Road, Shahdara East Delhi - 110095 (IEC: 0514026928) vide their email dated 07.10.2026, have requested for waiver of the Show Cause Notice and personal hearing in the matter. The importer agreed with the valuation and requested the release of the consignment.

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

a. The declared quantity and assessable value of the goods in the Bill of Entry No. 2965930 dated 06.08.2026 are liable to be rejected and need to be re-determined as per above discussion.

b. The declared total assessable value of the goods, i.e. Rs. 9,98,812/-, is liable to be rejected and the same needs to be re-determined as Rs. 35,66,767/- under Rule 9 of the Customs Valuation Rules, 2007.

c. The self-assessment done by the importer is liable to be rejected and the BE needs to be re-assessed with differential duty of Rs. 7,21,596/- under Section 17(4) of the Customs Act, 1962.

d. The goods imported vide Bill of Entry No. 2965930 dated 06.08.2026 having re-determined value of Rs. 35,66,767/-, are liable for confiscation under Section 111(l) & 111(m) of the Customs Act, 1962.

e. The importer is liable for penalty under Section 112(a)(ii) and 114AA of the Customs Act, 1962.

PERSONAL HEARING AND SUBMISSIONS

11. The importer, M/s. Sunrise Impex Delhi, vide e-mail dated 07.10.2026, requested waiver of the show cause notice and personal hearing. Further, vide letter dated 15.10.2026, the importer submitted the following:

> *"The goods were detained by your department and subsequently examined. As per the examination, the Chartered Engineer (CE) has assessed the value of the goods in his report. We hereby agree to and accept the value assessed by the CE.*
>
> *In view of the above, we humbly request you to kindly accept the assessed value and release the goods at the earliest. We further submit that we do not require any Provisional Assessment (PH) or issuance of Show Cause Notice (SCN) in respect of this shipment."*

DISCUSSION AND FINDINGS

12. I have carefully gone through the records of the case, Investigation Report No. 193/2026-27 dated 12.10.2026, and the applicable provisions of law. The importer vide e-mail dated 07.10.2026 and letter dated 15.10.2026 has requested waiver of show cause notice and personal hearing. Thus, the principles of natural justice as provided in Section 122A of the Customs Act, 1962 have been complied with, and I proceed to decide the case on the basis of documentary evidence available on record. The issues to be decided by me are:

(i) Whether the declared quantity and the declared assessable value of the goods imported vide Z-Bill of Entry No. 2965930 dated 06.08.2026 are liable to be rejected and re-determined;

(ii) Whether the declared assessable value of **Rs. 9,98,812/-** is liable to be rejected and re-determined as **Rs. 35,66,767/-** under Rule 9 of the CVR, 2007 read with

Section 14 of the Customs Act, 1962;

(iii) Whether the self-assessment is liable to be rejected and the said Bill of Entry re-assessed under Section 17(4) of the Customs Act, 1962 with differential duty of **Rs. 7,21,596/-**;

(iv) Whether the goods, having re-determined value of **Rs. 35,66,767/-**, are liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962;

(v) Whether penalty under Section 112(a)(ii) and Section 114AA of the Customs Act, 1962 is imposable upon the importer.

13. RE-DETERMINATION OF QUANTITY

13.1 Regarding the first issue, I find that the goods were declared as "PA Coated Fabrics" under CTH 59039090, with a quantity of 85,632 SQM in 3,568 rolls and gross weight of 27,800 Kgs. During examination on 18.08.2026 under Panchnama, the number of rolls was found as declared; however, the gross weight as per the weighment slip was found to be 31,550 Kgs. The fabric was found to be of two types, i.e. Type-I (2,234 rolls weighing 18,743.26 Kgs) and Type-II (1,334 rolls weighing 12,926.46 Kgs), as detailed in para 2 above.

13.2 Representative samples were forwarded to the Customs House Laboratory, Kandla vide Test Memo Nos. 193/2026-27 and 194/2026-27, both dated 03.09.2026. The laboratory, vide Report No. 3519/SIIB dated 22.09.2026, reported the Type-I sample to be a dyed woven fabric of polyester filament yarn (95.25%), coated on one side with polymer based on acrylic, GSM 101.2 and width 170 cm. Vide Report No. 3520/SIIB dated 21.09.2026, the Type-II sample was reported to be a dyed woven fabric of polyester filament yarn (93.47%), with silvery shiny coating on one side of aluminium containing polymeric material based on acrylic, GSM 107.2 and width 170 cm. Since the base fabric is of polyester and the coating is acrylic based (neither PVC nor PU), I find that the goods are correctly classifiable under CTH 59039090. I therefore find the description and classification as declared.

13.3 I find that the goods are traded and assessed in SQM. The actual quantity, worked out from the weight ascertained during examination and the GSM reported by the laboratory, is as under:

Sr. No.	Description of Goods	Weight as per Examination (Kgs)	GSM as per Test Report	Re-determined Quantity (SQM)
1	PA Coated Fabric (Type-I)	18,743.26	101.20	1,85,210.08

2	PA Coated Fabric (Type-II) (Silver appearance)	12,926.46	107.20	1,20,582.65
	Total	**31,669.72**		**3,05,792.73**

13.4 I find that the quantity has been computed on the roll-wise weight of 31,669.72 Kgs ascertained during examination, which is in close agreement with the weight of 31,550 Kgs as per the weighment slip. I further find that the declared quantity of 85,632 SQM against the declared weight of 27,800 Kgs would correspond to a GSM of about 325, which is about three times the GSM of 101.2 and 107.2 reported by the laboratory. The actual quantity of 3,05,792.73 SQM thus exceeds the declared quantity by 2,20,160.73 SQM, and is more than three times the declared quantity. The importer has accepted the value assessed by the Chartered Engineer, which is based on the said re-determined quantity.

13.5 In view of the above, I hold that the declared quantity of **85,632 SQM** is liable to be rejected and is re-determined as **3,05,792.73 SQM**. As the declared assessable value relates only to the declared quantity, the same is also liable to be rejected and re-determined, as discussed hereunder.

14. <u>VALUATION</u>

14.1 Regarding the second issue, I find that the valuation of the goods was carried out on 28.09.2026 by Shri Ajayrajsinh B. Jhala, Chartered Engineer and Government Approved Valuer, who vide Chartered Engineer's Certificate Ref. No. ABJ:INSP:CE:MUN:SIIB:AM:26-27:02 dated 05.10.2026 suggested the CIF value of both types of fabric at USD 0.12 per SQM. I find that the declared assessable value of **Rs. 9,98,812/-** also works out to USD 0.12 per SQM on the declared quantity of 85,632 SQM. Thus, the declared value represents the price of only 85,632 SQM, whereas the quantity actually imported is 3,05,792.73 SQM, as held above. The declared value, therefore, does not represent the value of the goods actually imported, which gives reason to doubt the truth and accuracy of the declared value. I also find that the importer, vide letter dated 15.10.2026, has accepted the value assessed by the Chartered Engineer and has not produced any evidence in support of the declared value. I therefore hold that the declared assessable value of **Rs. 9,98,812/-** is liable to be rejected under Rule 12 of the CVR, 2007.

14.2 I find that, as per Rule 3(4) of the CVR, 2007, where the value cannot be determined under sub-rule (1), it is to be determined by proceeding sequentially through Rules 4 to 9. In the absence of contemporaneous import data of identical or similar goods, the value could not be determined under Rules 4 and 5. Rules 7 and

8 could not be applied, as no data on sale price in India or cost of production was available on record. I therefore hold that application of Rule 9 (residual method) of the CVR, 2007 is appropriate in the facts of the present case.

14.3 The value assessed by the Chartered Engineer is as under:

Sr. No.	Description	Quantity (SQM)	Unit CIF Value (USD)	Total CIF Value (USD)	CIF Value in INR (@ Rs. 97.20/USD)
1	PA Coated Fabric (Type-I)	1,85,210.08	0.12	22,225.21	21,60,290.41
2	PA Coated Fabric (Type-II) (Silver appearance)	1,20,582.65	0.12	14,469.92	14,06,476.22
	Total	**3,05,792.73**		**36,695.13**	**35,66,767**

14.4 I find that the value assessed by the Chartered Engineer has been arrived at by applying the unit value of USD 0.12 per SQM to the quantity re-determined in foregoing paras. I find the same to be reasonable and consistent with the principles and general provisions of the CVR, 2007.

14.5 In view of the above, I hold that the declared assessable value of **Rs. 9,98,812/-** is rejected under Rule 12 of the CVR, 2007 and is re-determined at **Rs. 35,66,767/-** under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

15. RE-ASSESSMENT UNDER SECTION 17(4)

15.1 Regarding the third issue, I find that Section 17 of the Customs Act, 1962 deals with assessment of duty. The relevant provisions are as follows:

> *"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."*

15.2 In view of the findings on quantity and valuation above, I find that the self-assessment was not done correctly. The duty is re-determined as under:

Particulars	Self-assessed (Rs.)	Re-determined (Rs.)
CTH	59039090	59039090

Quantity (SQM)	85,632	3,05,792.73
Assessable Value	9,98,812	35,66,767
BCD @ 20%	1,99,762.30	7,13,353.40
SWS @ 10% of BCD	19,976.20	71,335.34
IGST @ 5%	60,927.50	2,17,572.79
Total Duty (rounded off)	2,80,666	10,02,262
Differential Duty	**7,21,596**	

15.3 Therefore, I hold that the self-assessment done by the importer under Section 17(1) of the Customs Act, 1962 is liable to be rejected. The said Z-Bill of Entry No. 2965930 dated 06.08.2026 is re-assessed under Section 17(4) of the Customs Act, 1962 under CTH 59039090, with a re-determined quantity of 3,05,792.73 SQM, re-determined assessable value of **Rs. 35,66,767/-** and re-determined duty of **Rs. 10,02,262/-.** The differential duty is **Rs. 7,21,596/-** (Rupees Seven Lakh Twenty-One Thousand Five Hundred Ninety-Six Only).

16. CONFISCATION

16.1 Regarding the fourth issue, I find that Section 111(l) of the Customs Act, 1962 provides for confiscation of "*any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act...*", and Section 111(m) provides for confiscation of "*any goods which do not correspond in respect of value or in any other particular with the entry made under this Act...*". In the present case, 2,20,160.73 SQM of fabric was found in excess of the quantity included in the Bill of Entry, and the goods do not correspond with the entry made in the Bill of Entry in respect of quantity and value, as discussed above. I find that the importer has contravened Section 46(4) of the Customs Act, 1962 by not making a true declaration of the contents of the Bill of Entry. The importer has also contravened Section 46(4A) by not ensuring the accuracy and completeness of the information given therein. I therefore hold that the goods, having a re-determined assessable value of **Rs. 35,66,767/-,** are liable for confiscation under **Section 111(l) and 111(m)** of the Customs Act, 1962.

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

> "*Wherever confiscation of any goods is authorized by this Act, the officer adjudicating it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall in the case of any other goods, give to the owner of the goods,*

[or, where such owner is not known, the person from whose possession or custody such goods have been seized] an option to pay in lieu of confiscation such fine as the said officer thinks fit."

16.3 In the present case, since the goods declared in the Bill of Entry and found during examination are freely importable in India and are not prohibited goods, I find it appropriate to give the importer an option to redeem the confiscated goods on payment of appropriate redemption fine under Section 125 of the Customs Act, 1962 for clearance for home consumption.

17. <u>PENALTIES</u>

17.1 Regarding the fifth issue, I find that Section 112 of the Customs Act, 1962 provides for penalty for improper importation of goods. Clause (a) of Section 112 applies to 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. Sub-clause (ii) of Section 112 provides that such person shall be liable, "*in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A,....*" I find that the goods in the present case, having re-determined value of **Rs. 35,66,767/-**, are dutiable goods, other than prohibited goods, and have a differential duty liability of **Rs. 7,21,596/-**. I find that the importer, by mis-declaring the quantity and value of the goods, has done acts which have rendered the goods liable to confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, thereby attracting Section 112(a). Accordingly, I hold that the importer is liable for penalty under Section 112(a)(ii) of the Customs Act, 1962.

17.2 I find that Section 114AA of the Customs Act, 1962 provides that "*if a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act .....*" I find that the importer declared the quantity of the goods in the Bill of Entry as 85,632 SQM. However, the quantity re-determined on the basis of examination and the test reports is 3,05,792.73 SQM, i.e. more than three times the declared quantity. Further, the declared quantity against the declared weight would correspond to a GSM of about 325, whereas the laboratory has reported GSM of 101.2 and 107.2. The declared assessable value of **Rs. 9,98,812/-** was lower than the re-determined value of **Rs. 35,66,767/-**. The importer has accepted the re-determined value and has not offered any explanation for the declared quantity. I find that the quantity and value are material particulars for the assessment of Customs duty. Had the true quantity

been declared, a higher duty of **Rs. 7,21,596/-** would have been payable. I find that such a declaration could not have been made without the knowledge of the importer, who is responsible under Section 46(4) and 46(4A) of the Customs Act, 1962 for the truth, accuracy and completeness of the Bill of Entry. This constitutes the knowing use of a false and incorrect declaration in material particulars in the transaction of business under the Customs Act, 1962. Therefore, I hold that penalty under Section 114AA of the Customs Act, 1962 is also imposable upon the importer.

17.3 Therefore, I hold that penalty under Sections 112(a)(ii) and 114AA of the Customs Act, 1962 is imposable upon the importer, M/s. Sunrise Impex Delhi.

ORDER

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

(i) I reject the declared quantity of 85,632 SQM of the goods imported vide Z-Bill of Entry No. 2965930 dated 06.08.2026 and order that the quantity be re-determined as 3,05,792.73 SQM;

(ii) I reject the declared assessable value of **Rs. 9,98,812/-** under Rule 12 of the CVR, 2007 and order that the value be re-determined at **Rs. 35,66,767/-** (Rupees Thirty-Five Lakh Sixty-Six Thousand Seven Hundred Sixty-Seven Only) under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962;

(iii) I order re-assessment of the said Z-Bill of Entry under Section 17(4) of the Customs Act, 1962, with re-determined duty of **Rs. 10,02,262/-.** The differential duty amounting to **Rs. 7,21,596/-** (Rupees Seven Lakh Twenty-One Thousand Five Hundred Ninety-Six Only) is required to be paid in addition to the duty already self-assessed;

(iv) I order confiscation of the said goods, having a re-determined value of **Rs. 35,66,767/-**, under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give the importer an option to redeem the goods under Section 125 of the Customs Act, 1962 on payment of a Redemption Fine of **Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand Only)**;

(v) I impose a penalty of **Rs. 72,000/- (Rupees Seventy-Two Thousand Only)** under Section 112(a)(ii) of the Customs Act, 1962 upon the importer, M/s. Sunrise Impex Delhi;

(vi) I impose a penalty of **Rs. 25,000/- (Rupees Twenty-Five Thousand Only)** under Section 114AA of the Customs Act, 1962 upon the importer, M/s. Sunrise Impex Delhi.

19. This order is issued without prejudice to any other action that may be taken against the importer or any other person(s) under the provisions of the Customs Act, 1962 and the rules/regulations framed thereunder, or any other law for the time being in force in the Republic of India.

Digitally signed by Dipakbhai Zala
Date: 19-10-2026 19:09:08

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

To,
M/s. Sunrise Impex Delhi (IEC: 0514026928)
A-10/2, Jhilmil Industrial Area,
G.T. Road, Shahdara East, Delhi – 110095

Copy to:

1. The Deputy Commissioner, SIIB, Custom House, Mundra
2. The Deputy Commissioner, Review, Custom House, Mundra
3. The Deputy Commissioner, TRC, Custom House, Mundra
4. The Deputy Commissioner, EDI, Custom House, Mundra
5. Guard File