	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/4837/2026-Gr 3-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/409/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	17-10-2026
E	जारी करने की तिथि DATE OF ISSUE	17-10-2026
F	कारण बताओ नोटिस संएवं तिथि . SCN NO. & DATE	Importer requested for SCN & PH Waiver
G	नोटिसीपार्टी / आयातक/ NOTICEE/PARTY/ IMPORTER	M/s. DS Collection (IEC: HDGPS9323N) 2, Wing C/202, Aadeshwar Tower, Old Ashirwad Hospital, Kamat Ghar, Bhiwandi, Maharashtra – 421 302

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

M/s DS Collection (IEC-HDGPS9323N), having its office at 2, Wing C/202, Aadeshwar Tower, Old Ashirwad Hospital, Kamat Ghar, Bhiwandi- 421302 (hereinafter referred to as "the Importer" for sake of brevity) has imported a consignment as tabulated below in *Table-I* (hereinafter referred to as "the impugned Goods") at Mundra Port vide Z-type Bill of Entry No. 2911238 dated 03.08.2026, read with the related T-type Bill of Entry No. 2922880 dated 04.08.2026 filed for DTA Clearance, for the SEZ Unit M/s. Shoolin Tradelink LLP. The Goods were put on hold by this office for examination, with prior intimation to the Development Commissioner, APSEZ, Mundra. The examination of the above said consignment was carried out on 21.08.2026 in the presence of the pancha witnesses, SEZ authorized representative and the importer's authorized representative under Panchnama dated 21.08.2026 drawn at the premises of M/s Shoolin Tradelink LLP (SEZ Unit), APSEZ, Mundra, Gujarat- 370421. The details of the goods as declared in the said Bill of Entry are as follows:

Table-I

Sr. No.	CTH	Description	Quantity	UQC
1	59039090	Laminated Textile Fabrics	88,057	SQM

The importer has filed the said Bill of Entry by himself on the basis of Invoice No. DS04/26-27 dated 02.07.2026 issued by M/s. Shaoxing Shengpu Textiles Co. Ltd., Room 304, 3rd Floor, Office Building No. 39-1, Qisheng Road, Mashan Street, Yuecheng District, Shaoxing, China. The country of origin has been declared as China. The importer has declared the total invoice value as USD 10,566.84/-, on which the total assessable value has been arrived at Rs. 10,27,096.85/- (at the exchange rate of 1 USD = Rs. 97.2) and the total duty of Rs. 2,88,614/- has been shown as payable. The number of packages (rolls) and the gross weight declared are 816 and 24,100 Kgs respectively.

2. Examination of the goods:

The examination of the impugned goods stuffed into the container no. EGHU9134507, covered under the Z-type Bill of Entry No. 2911238 dated 03.08.2026 read with the related T-type Bill of Entry No. 2922880 dated 04.08.2026, was conducted under Panchnama dated 21.08.2026.

2.1 The Panchnama proceedings were conducted in the presence of independent Panch witnesses and Shri Pranjal Singh, Sr. Import Executive, M/s Shoolin Tradelink LLP, as the authorised representative of the SEZ Unit and of the Importer as well (vide authorisation letter of the Importer dated 19.08.2026). The relevant import documents, viz. Bill of Entry, Bill of Lading, Commercial Invoice, Packing List and weighment slip, were produced by him during the course of the examination proceedings.

2.2 Further, it was informed that seal cutting of the container had already been done on 04.08.2026, and the cargo had been de-stuffed and was lying on the floor of Warehouse No.-1 of the SEZ premises. The weighment slip generated at the SEZ Unit weighbridge indicated a Gross Weight of 27,970 Kgs (total weighed weight), less the tare weight of the container of 3,700 Kgs, i.e. 24,270 Kgs, as against 24,100 Kgs declared in the Bill of Entry.

2.3 The goods lying in the warehouse were thereafter examined systematically. Upon examination, the goods were found in the form of fabric rolls of different colours. A physical count was carried out by the Officer and the representative of the SEZ Unit, and a total of 1,220 rolls were found, as against 816 rolls declared in the Bill of Entry, i.e. 404 rolls in excess of the declared quantity. Random weighment of different rolls was carried out, and the weight of each roll was found to be approximately 19.50 Kgs, working out to an approximate total weight of 23,790 Kgs. On visual examination, the fabric in the rolls of different colours appeared to be similar in general nature and appearance. The details of the goods found during examination are as under:-

Table-II

Sr. No.	Description	No. of Rolls declared in BE	No. of Rolls found on examination	Weight per Roll (approx.) (Kgs)	Total Weight found (approx.) (Kgs)	Excess Rolls
1	Fabric Rolls	816	1,220	19.50	23,790	404

2.4 Since the exact nature and composition of the fabric could not be

determined merely by visual examination, and the goods, though of different colours, appeared similar in general nature, representative samples were drawn on a random basis from four different rolls of different colours, i.e. Red, Pink, Blue and Green, so as to represent the goods found in the consignment. The four samples were drawn in triplicate, properly packed and sealed in the presence of the authorised representative of the Importer/SEZ Unit and the Panchas, and were forwarded to the Customs House Laboratory, Kandla for testing, vide Test Memo No. 174/2026-27 (Red), 175/2026-27 (Blue), 176/2026-27 (Green) and 177/2026-27 (Pink), all dated 24.08.2026, the samples having been drawn on 21.08.2026.

2.5 Further, on examination of the goods, prima facie the following were noticed:

(i) The number of rolls found during examination, i.e. 1,220, was found to be in excess of the number of rolls declared in the Bill of Entry, i.e. 816, resulting in an excess of 404 rolls.

(ii) The weighment slip indicated a Gross Weight of 24,270 Kgs, as against 24,100 Kgs declared in the Bill of Entry.

(iii) The goods found during examination were fabric rolls of different colours, broadly matching the general description declared in the Bill of Entry as "Laminated Textile Fabrics"; however, since the exact nature, composition and classification of the goods could not be ascertained by visual examination alone, representative samples were drawn for testing, as detailed above.

Thus, the number of packages (rolls) found during examination, i.e. 1,220, exceeded the declared quantity of 816 rolls by 404 rolls, and the gross weight as per the weighment slip, i.e. 24,270 Kgs, was also marginally in excess of the declared gross weight of 24,100 Kgs.

3. Examination of Test Reports and Classification of Goods:

3.1 The four samples drawn during examination were tested at the Customs House Laboratory, Kandla, and the Test Reports were received as under:-

Table-III

Sample Colour	Lab Report No.	Test Memo No. & Date	GSM (as such)	Width (Selvedge to Selvedge)	Composition
Red	3268-SIIB/27-	174/24-08-2026	129.5	151 cm	Polyester = 95.42% by wt.; Lamination material (PU) =

	08-2026				Balance
Pink	SIIB-3271	177/24-08-2026	131.1	150 cm	Polyester = 95.2% by wt.; Laminating material = Balance
Blue	SIIB-3269	175/24-08-2026	132.2	150 cm	Polyester = 94.6% by wt.; Laminating material = Balance
Green	3270-SIIB/27-08-2026	176/24-08-2026	127.03	150 cm	Polyester = 92.89% by wt.; Lamination material (PU) = Balance

3.2 In respect of all four samples, the Test Reports indicate that the sample was received in the form of a cut-piece of dyed woven fabric having lamination on one side, the base fabric being composed of polyester filament yarn (texturised) and the lamination being composed of a polymeric material based on Polyurethane (PU). The Test Reports further note that, since the fabric is laminated, the presence of Azo dyes in the samples could not be ascertained.

3.3 The importer has classified the impugned goods under CTH 59039090, the relevant tariff entries under Heading 5903 being reproduced below:

"5903 - Textile fabrics, impregnated, coated, covered or laminated with plastics, other than those of Heading 5902

5903 10 - With polyvinyl chloride:

5903 10 10 ---- Imitation leather fabrics of cotton

5903 10 90 ---- Other

5903 20 - With polyurethane:

5903 20 10 ---- Imitation leather fabrics, of cotton

5903 20 90 ---- Other

5903 90 - Other:

5903 90 10 ---- Of cotton

5903 90 20 ---- Polyethylene laminated jute fabrics

5903 90 90 ---- Other"

3.4 From the above tariff entries, it is observed that CTH 59039090 falls under the residual sub-heading "5903 90 - Other", which covers goods impregnated, coated, covered or laminated with plastics other than with Polyvinyl Chloride (covered under 5903 10) or Polyurethane (covered under 5903 20). However, as per the Test Reports discussed above, the lamination material in respect of all four samples has been specifically identified as a polymeric material based on Polyurethane (PU). Heading 5903 20 specifically covers goods "With

polyurethane", and within this sub-heading, CTH 59032010 covers imitation leather fabrics of cotton, while CTH 59032090 covers "Other" goods laminated with polyurethane.

3.5 Since the goods found on examination are woven fabric of texturised polyester filament yarn, laminated with a Polyurethane (PU) film, the goods appear to be more appropriately classifiable under the specific sub-heading CTH 59032090 ("With polyurethane - Other"), rather than under the residual entry CTH 59039090 ("Other - Other") as declared by the importer.

3.6 However, it is observed that both CTH 59032090 and the declared CTH 59039090 attract the same BCD of 20%, SWS of 10% and IGST of 5%. Therefore, although the classification needs to be corrected from CTH 59039090 to CTH 59032090 based on the Test Reports, there will be no change in the applicable duty rate or duty amount due to this re-classification.

3.7 Applicability of Anti-Dumping Duty:

It is further observed that Notification No. 14/2022-Cus (ADD) dated 20.05.2022 provides for levy of Anti-Dumping Duty on the specified **Polyurethane (PU) coated textile fabrics**.

In the present case, the Test Reports in respect of all four samples clearly state that the goods are **woven polyester fabrics laminated on one side with Polyurethane (PU)**. The Test Reports describe the process as **lamination** and not as coating. Although the goods are correctly classifiable under CTH 59032090 on account of the use of Polyurethane, classification under this CTH does not, by itself, make the goods liable to Anti-Dumping Duty.

Since the Notification covers **PU-coated fabrics**, whereas the goods in the present case are specifically found to be **PU-laminated fabrics**, the goods does not fall within the scope of the Anti-Dumping Duty Notification. Accordingly, Notification No. 14/2022-Cus (ADD) dated 20.05.2022 is not applicable to the abovesaid goods and no Anti-Dumping Duty is leviable thereon, notwithstanding their classification under CTH 59032090.

Table-IV

Sr. No.	Goods declared in the BE	Goods actually found during examination	CTH declared in the BE	Re-determined CTH	Re-determined Quantity
1	Laminated Textile	Laminated Textile Fabrics (PU laminated, polyester	59039090	59032090	1,220 Rolls (approx.

	Fabrics	woven base)			23,790 Kgs)

4. Valuation of the Goods:

Further, as the goods found during examination were in excess of the number of packages declared in the abovesaid Bill of Entry, the declared value of the goods is liable for rejection and the fair value of the goods needs to be re-determined on the basis of the quantity actually found on examination.

4.1 Rejection of declared value & Re-determination of Assessable Value:

The Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as "the CVR, 2007") provides the method of valuation. 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." 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, in view of the excess quantity of packages found during examination as against the declared quantity, 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.

4.2 Whereas, it appears that, if the actual transaction value, which means the 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 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 any of the preceding rules; the value shall then be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.

4.3 Whereas, it appears that the value of the impugned goods could not be determined under Rules 4 and 5 ibid, since contemporaneous imports of identical or similar goods, matching the quantity actually found on examination, were not available. Proceeding sequentially, it is stipulated under Rule 6 ibid that where the value is not determinable under Rules 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. Rule 7 provides for 'Deductive Value', i.e., the value is to be determined on the basis of valuation of identical or similar imported goods sold in India, in the condition as imported, subject to deductions stipulated under the said Rule. For the reasons detailed above, the value also cannot be determined as per Rule 7 ibid. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods is not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either.

4.4 Whereas, it appears that the provisions of Rules 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:"

4.5 Whereas, in terms of Rule 9 of the CVR, 2007, where the value of imported goods cannot be determined under the preceding rules, the same is required to be determined using reasonable means consistent with the principles and general provisions of the said Rules. In the instant case, the goods actually found during examination were inspected and valued by a government empanelled Chartered Engineer, who furnished his valuation report vide Certificate No. ABJ:INSP:CE:MUN:SIIB:26-27:75 dated 30.09.26. The Chartered Engineer has assessed the CIF value of the goods found during examination, as detailed below:

Table-V

Sr. No.	Description of Goods	Quantity found	Total CIF Value (USD) as assessed by C.E.	Total CIF Value (INR) as assessed by C.E. (1 USD = ₹97.2)
1	Laminated Textile Fabrics- PU laminated, polyester woven base	1,220 Rolls (approx. 23,790 Kgs); 1,83,706.57 SQM	33,067.18	₹32,14,129.89/- (approx.)

4.6 Whereas, it appears that the declared assessable value of ₹10,27,096.85/- in respect of the goods covered under the said Bill of Entry does not correspond to the quantity of the goods actually found during examination, and is therefore liable to

be rejected in terms of Rule 12 of the CVR, 2007.

Whereas, the Chartered Engineer, on the basis of physical inspection and valuation of the goods actually found during examination, has assessed the total CIF value of the impugned goods at USD 33,067.18, equivalent to ₹32,14,129.89/-, at the applicable exchange rate of 1 USD = ₹97.2.

Whereas, accordingly, the assessable value of the goods covered under the said Bill of Entry appears liable to be re-determined at ₹32,14,129.89/-, on the basis of the valuation report of the Chartered Engineer, under Rule 9 of the CVR, 2007, read with Note 2 of the Interpretative Notes to Rule 9, in accordance with the provisions of the Customs Act, 1962 and the CVR, 2007.

5. Importability and Policy Compliance:

The impugned goods, i.e. Laminated Textile Fabrics falling under Heading 5903 of the Customs Tariff, are freely importable. No specific import policy condition, restriction or registration requirement (such as BIS/QCO registration or similar statutory compliance) applicable to the impugned goods was found to have been contravened, and no such issue was noticed at the time of examination.

6. Re-determination of Applicable Duty:

On the basis of the re-determined value of the goods in Table-V above, the duty leviable on the goods imported vide the said Bill of Entry is being re-calculated. The re-calculated leviable duty is as under:

Table-VI

Particulars	Declared	Re-determined
Assessable Value (₹)	10,27,097	32,14,130 *(round off)*
BCD @ 20% (₹)	2,05,419	6,42,826
SWS @ 10% of BCD (₹)	20,542	64,283
IGST @ 5% (₹)	62,653	1,96,062
Total Duty (₹)	2,88,614	9,03,171

(*Notification No. 14/2022-Cus (ADD) dated 20.05.2022 covers* ***PU-coated textile fabrics****. However, the Test Reports describe the abovementioned goods as* ***PU-laminated fabrics****. Therefore, although the goods are classifiable under CTH 59032090, they are not covered by the said Notification and* ***no Anti-Dumping Duty is leviable****.*)

The total re-determined assessable value of the goods comes to ₹32,14,130 /- and the total re-determined duty for the said goods comes to ₹9,03,171/-, instead of the declared duty of ₹2,88,614/-. The differential duty of the said goods comes

to ₹6,14,557/-.

7. Outcome of the Investigation:

7.1 The examination of the consignment covered under Z-Bill of Entry No. 2911238 dated 03.08.2026 (and the related T-Bill of Entry No. 2922880 dated 04.08.2026) and Container No. EGHU9134507 revealed that the number of rolls found, i.e. 1,220, exceeded the 816 rolls declared in the Bill of Entry, resulting in an excess of 404 rolls. The weight recorded on the weighment slip (27,970 Kgs, less container tare of 3,700 Kgs, i.e. 24,270 Kgs) also marginally exceeded the declared gross weight of 24,100 Kgs.

7.2 Further, on the basis of the Test Reports of the Customs House Laboratory, Kandla, as detailed in ***Table-III***, the lamination material of the goods was found to be Polyurethane (PU) based. The declared CTH 59039090 falls under the residual entry "5903 90 - Other", whereas the goods, being laminated with Polyurethane, are more appropriately classifiable under the specific entry CTH 59032090 ("5903 20 - With polyurethane - Other"). Accordingly, the classification requires correction from CTH 59039090 to CTH 59032090, as detailed in ***Table-IV***. The rates of BCD (20%), SWS (10%) and IGST (5%) remain unchanged as between the two entries.

7.3 The Chartered Engineer, on the basis of the Lab Test Reports ***(Table-III)***, physical examination and valuation of the goods actually found (***Table-II***), vide Certificate No. ABJ:INSP:CE:MUN:SIIB:26-27:75 dated 30.09.2026, assessed the total CIF value of the goods at USD 33,067.18, equivalent to ₹32,14,130/- (approx.), at the exchange rate of 1 USD = ₹97.2, as detailed in ***Table-V***. Accordingly, the assessable value is liable to be re-determined at ₹32,14,130/- under Rule 9 of the CVR, 2007.

7.4 On the basis of the re-determined classification ***(Table-IV)***, quantity ***(Table-II)*** and assessable value ***(Table-V)***, the total duty payable works out to ₹9,03,171/-, as against the declared duty of ₹2,88,614/-. The differential duty is therefore ₹6,14,557/-, as detailed in ***Table-VI***.

7.5 Importability and Policy Compliance: No import policy restriction or registration requirement applicable to the impugned goods was found to have been contravened.

7.6 ***Confiscation and Penal Action***:

The number of rolls found, i.e. 1,220, was in excess of the 816 rolls declared ***(Table-II).*** The goods therefore appear liable for confiscation under **Section 111(l)** of the Customs Act, 1962.

Further, the classification declared in the Bill of Entry (CTH 59039090) does not correspond with the goods actually found, which are appropriately classifiable under CTH 59032090 on the basis of the Test Reports ***(Tables-III and IV***). The assessable value has also been re-determined at ₹32,14,130/- (approx.) ***(Table-V),*** as against the declared ₹10,27,097/- ***(Table-VI)***. The goods therefore also appear liable for confiscation under **Section 111(m)**.

The importer, M/s D.S. Collection, appears liable for penal action under **Section 112(a)(ii) read with Section 111(l) and 111(m)** , and **under Section 114AA**, for making an incorrect declaration regarding the quantity, description/classification and value of the goods..

8. <u>RELEVANT LEGAL PROVISIONS</u>:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

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

……..

(o) "import" means –

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

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

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

The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.

The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.

Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.

Section 22: Investigation, inspection, search or seizure –

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the

investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

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

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

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

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

The Central Government, by the Notification 2665(E) dated 05.08.2016, has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.

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

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

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

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

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

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

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

Section 17. Assessment of duty. –

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

..

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

Section 46. Entry of goods on importation:

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

(4A) the importer who presents a Bill of Entry shall ensure the following, namely:

(a) The accuracy and completeness of the information given therein;

(b) The authenticity and validity of any document supporting it; and

(c) Compliance with the restriction or prohibition, if any, relating to the

goods under this Act or under any other law for the time being in force.

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

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

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

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

Any person,-

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

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

shall be liable,-

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

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

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

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

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

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

.....

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

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

Provided that .....

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

Rule 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.

9. In view of the above facts and discussion, it appears that:

(i) The number of rolls found, i.e. 1,220, was in excess of the declared 816 rolls (an excess of 404 rolls), and the weight on the weighment slip (24,270 Kgs after container tare) was marginally in excess of the declared gross weight of 24,100 Kgs.

(ii) On the basis of the Test Reports of the Customs House Laboratory, Kandla, the lamination material of the goods was found to be Polyurethane (PU) based. Accordingly, the declared classification and description require correction from CTH 59039090 to CTH 59032090, as detailed in ***Table-IV*** above. The rate of duty remains unchanged as between the two entries.

(iii) The declared assessable value of ₹10,27,096.85/- appears liable to be rejected under Rule 12 of the CVR, 2007. On the basis of the Chartered Engineer's valuation report, the assessable value is liable to be re-determined at ₹32,14,130/- (approx.) under Rule 9 of the said Rules, read with Section 14 of the Customs Act, 1962, as detailed in ***Table-V*** above.

(iv) The Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined classification, quantity, assessable value and duty, as detailed in ***Tables-IV, V and VI*** above.

(v) On the basis of the re-determined value, classification and quantity, the total duty payable works out to ₹9,03,171/-, as against the declared duty of ₹2,88,614/-, resulting in **differential duty of ₹6,14,557/-,** as detailed in ***Table-VI*** above.

(vi) The goods found in excess of the declared quantity of packages appear liable for confiscation under **Section 111(l)** of the Customs Act, 1962, subject to adjudication.

(vii) The declared assessable value of ₹10,27,096.85/- does not correspond with the value of the goods actually found, re-determined at ₹32,14,130/- (approx.) on the basis of the Chartered Engineer's valuation ***(Table-V)***. The goods therefore appear liable for confiscation under **Section 111(m)**, subject to adjudication.

(viii) In view of the incorrect declaration regarding the quantity (***Table-II***), description/classification (***Table-IV***) and value (***Tables-V and VI***) of the imported goods, the importer, M/s DS Collection, appears liable for penal action under the relevant provisions of the Customs Act, 1962, including **Section 112(a)(ii) read with Section 111(l) and 111(m), and Section 114AA.**

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PERSONAL HEARING AND SUBMISSIONS

10. The importer, M/s. DS Collection, vide email dated 24.09.2026 and 30.09.2026, has accepted the Lab Test Reports and value of the imported goods as determined by the Chartered Engineer. The importer has further requested that no Show Cause Notice, Personal Hearing or Summons be issued in the instant case and has requested that the matter may be decided on merits. They have also stated that they are willing to pay the applicable duty, interest, fine and penalty, if any, arising in the matter, and have undertaken not to file any refund claim or appeal against the decision taken by the department. Thereafter, the importer vide letter dated 06.10.2026 submitted the following:

> *"…we respectfully request your good office to kindly waive the issuance of a Show Cause Notice and Personal Hearing and decide the matter on merits. We hereby undertake to abide by the decision taken by your good office in this matter.*
>
> *Your kind and lenient consideration in this regard will be highly appreciated."*

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DISCUSSION AND FINDINGS

11. I have carefully gone through the records of the case, Investigation Report No. 183/2026-27 dated 01.10.2026, and the applicable provisions of law. The importer vide emails dated 24.09.2026 and 30.09.2026 and letter dated 06.10.2026 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 number of rolls found, i.e. 1,220, was in excess of the declared 816 rolls (an excess of 404 rolls), and the weight on the weighment slip (24,270 Kgs after

container tare) was marginally in excess of the declared gross weight of 24,100 Kgs;

(ii) Whether, on the basis of the Test Reports of the Customs House Laboratory, Kandla, the lamination material of the goods is Polyurethane (PU) based and, accordingly, the declared classification and description require correction from CTH 59039090 to CTH 59032090;

(iii) Whether the declared assessable value of **Rs. 10,27,096.85/-** is liable to be rejected under Rule 12 of the CVR, 2007 and, on the basis of the Chartered Engineer's valuation report, the assessable value is liable to be re-determined at **Rs. 32,14,130/-** under Rule 9 of the said Rules, read with Section 14 of the Customs Act, 1962;

(iv) Whether the Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962, on the basis of the re-determined classification, quantity, assessable value and duty, and whether, on such re-assessment, the total duty payable works out to **Rs. 9,03,171/-**, as against the declared duty of **Rs. 2,88,614/-**, resulting in differential duty of **Rs. 6,14,557/-**, as detailed in Tables-IV, V and VI above;

(v) Whether the goods imported vide the said Bill of Entry, are liable for confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962;

(vi) Whether penalty under **Section 112(a)(ii)** and **Section 114AA** of the Customs Act, 1962 is imposable upon the importer, M/s. DS Collection.

12. RE-DETERMINATION OF QUANTITY

12.1 Regarding the first issue, I find that the importer declared the goods in the Bill of Entry as 816 rolls, with a quantity of 88,057 SQM and a gross weight of 24,100 Kgs. The goods were examined on 21.08.2026 under Panchnama, in the presence of independent panch witnesses and the authorised representative of the SEZ Unit and the importer. At the time of examination, the cargo had already been de-stuffed and was lying in the warehouse of the SEZ Unit. A physical count of the goods was carried out, and a total of 1,220 rolls were found, as against 816 rolls declared in the Bill of Entry. Thus, 404 rolls were found in excess of the declared quantity.

12.2 I find that the loaded container weight was recorded as 27,970 Kgs. After deducting the weight of the empty container (tare weight) of 3,700 Kgs, the weight of the goods comes to 24,270 Kgs, as against the declared gross weight of 24,100 Kgs. Further, random weighment of different rolls was carried out during examination, and each roll was found to weigh about 19.50 Kgs. On this basis, the

total net weight of the 1,220 rolls works out to about 23,790 Kgs.

12.3 I further find that the Chartered Engineer, vide Certificate dated 30.09.2026, worked out the quantity of the goods in SQM on the basis of the net weight of 23,790 Kgs and the GSM of the fabric reported by the Customs House Laboratory, Kandla. The quantity so worked out is 1,83,706.57 SQM, as against the declared 88,057 SQM, i.e. more than double the declared quantity. I find that the weight of the goods found on examination is almost the same as the weight declared in the Bill of Entry. However, the number of rolls and the quantity in SQM were declared much lower than the goods actually imported. Thus, the declaration made by the importer regarding the number of rolls and the quantity in SQM was not correct.

12.4 In view of the above, I hold that the number of rolls found, i.e. 1,220, was in excess of the declared 816 rolls by 404 rolls, and that the weight as per the weighment slip, i.e. 24,270 Kgs, was marginally in excess of the declared gross weight of 24,100 Kgs. Accordingly, I hold the quantity of the goods to be 1,220 rolls / 1,83,706.57 SQM.

13. CLASSIFICATION

13.1 Regarding the second issue, I find that the goods were declared as "Laminated Textile Fabrics" under CTH 59039090. Representative samples were drawn from four rolls of different colours and forwarded to the Customs House Laboratory, Kandla vide Test Memo Nos. 174, 175, 176 and 177, all dated 24.08.2026. The results reported by the laboratory are as under:

Sample	Test Memo No.	Lab Report No. & Date	GSM	Width	Composition
Red	174	3268-SIIB dt. 22.09.2026	129.5	151 cm	Polyester 95.42%; PU lamination – balance
Blue	175	SIIB-3269 dt. 08.09.2026	132.2	150 cm	Polyester 94.6%; laminating material – balance
Green	176	3270-SIIB dt. 11.09.2026	127.03	150 cm	Polyester 92.89%; PU lamination – balance
Pink	177	SIIB-3271 dt. 22.09.2026	131.1	150 cm	Polyester 95.2%; laminating material – balance

In respect of all four samples, the laboratory reported the sample to be a cut-piece of dyed woven fabric, the base fabric being composed of texturised polyester filament yarn, having lamination on one side with a polymeric material based on Polyurethane (PU).

13.2 I find that heading 5903 covers textile fabrics impregnated, coated, covered or laminated with plastics. Sub-heading 5903 10 covers such fabrics with polyvinyl chloride, and sub-heading 5903 20 covers such fabrics "With polyurethane", within which tariff item 5903 20 10 covers imitation leather fabrics of cotton and 5903 20 90 is "Other". Sub-heading 5903 90 ("Other") covers fabrics with plastics other than PVC and PU. Since the lamination material is established to be Polyurethane and the base fabric is of polyester, I hold that the declared classification and description require correction from CTH 59039090 to CTH 59032090. I find that the importer has accepted the test reports. I further find that the rates of duty applicable under CTH 59032090 and CTH 59039090 are identical, so the change in classification has no duty implication. It is, however, a mis-declaration of a particular in the Bill of Entry.

13.3 In view of the above, I hold that the goods imported vide Z-Bill of Entry No. 2911238 dated 03.08.2026 read with T-Bill of Entry No. 2922880 dated 04.08.2026 are woven fabric of texturised polyester filament yarn, laminated on one side with Polyurethane (PU). Accordingly, the declared classification of the goods under CTH 59039090 is rejected, and I hold that the goods are correctly classifiable under CTH 59032090 of the First Schedule to the Customs Tariff Act, 1975.

14. <u>VALUATION</u>

14.1 Regarding the third issue, I find that the goods were inspected on 28.09.2026 by Er. Ajayrajsinh B. Jhala, Chartered Engineer empanelled with Mundra Customs, who vide Certificate No. ABJ:INSP:CE:MUN:SIIB:26-27:75 dated 30.09.2026 assessed the CIF value of the goods actually found at USD 0.18 per SQM. As against this, the importer declared 88,057 SQM at USD 10,566.84, i.e. USD 0.12 per SQM. The declared assessable value of **Rs. 10,27,096.85/-** is thus about 68% below the value of the goods actually found, and the declared unit value is about 33% below the unit value assessed by the Chartered Engineer, which gives reason to doubt the truth and accuracy of the declared value. I also find that the importer has accepted the value determined 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. 10,27,096.85/-** 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**	**Unit CIF Value (USD/SQM)**	**Total CIF Value (USD)**	**CIF Value in INR (@ Rs. 97.20/USD)**
1	Laminated Textile Fabrics – PU laminated, polyester woven base	1,220 Rolls (23,790 Kgs); 1,83,706.57 SQM	0.18	33,067.18	32,14,130

14.4 In view of the above, I hold that the declared assessable value of **Rs. 10,27,096.85/-** is rejected under Rule 12 of the CVR, 2007 and is re-determined at **Rs. 32,14,130/-** under Rule 9 of the CVR, 2007 read with Section 14 of the Customs Act, 1962.

15. <u>RE-ASSESSMENT UNDER SECTION 17(4)</u>

15.1 Regarding the fourth 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, classification and valuation above, I find that the self-assessment was not done correctly, and the Bill of Entry is liable to be re-assessed under Section 17(4) of the Customs Act, 1962 on the basis of the re-determined classification, quantity, assessable value and duty.

15.3 Further, I find that on the basis of the re-determined value, classification and quantity, the duty is re-determined as under:

Particulars	Self-assessed	Re-determined
CTH	59039090	59032090
Quantity	816 Rolls / 88,057 SQM	1,220 Rolls / 1,83,706.57 SQM
Assessable Value (Rs.)	10,27,097	32,14,130
BCD @ 20% (Rs.)	2,05,419	6,42,826
SWS @ 10% of BCD (Rs.)	20,542	64,283
IGST @ 5% (Rs.)	62,653	1,96,062
Total Duty (Rs.)	2,88,614	9,03,171
Differential Duty (Rs.)		**6,14,557**

15.4 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. 2911238 dated 03.08.2026 read with T-Bill of Entry No. 2922880 dated 04.08.2026 is re-assessed under Section 17(4) of the Customs Act, 1962 under CTH 59032090, with a re-determined assessable value of **Rs. 32,14,130/-** and re-determined duty of **Rs. 9,03,171/-**, as against the declared duty of **Rs. 2,88,614/-**. The differential duty is **Rs. 6,14,557/-** (Rupees Six Lakh Fourteen Thousand Five Hundred Fifty-Seven Only).

16. <u>CONFISCATION</u>

16.1 Regarding the fifth 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…*". In the present case, 1,220 rolls were found as against 816 rolls declared, i.e. 404 rolls in excess of the declared quantity of packages. I therefore hold that the goods found in excess of the declared quantity of packages are liable for confiscation under **Section 111(l)** of the Customs Act, 1962.

16.2 I further find that Section 111(m) of the Customs Act, 1962 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, the declared assessable value of **Rs. 10,27,096.85/-** does not correspond with the value of the goods actually found, re-determined at **Rs. 32,14,130/-** on the basis of the Chartered Engineer's valuation. The goods also do not correspond with the entry in respect of quantity and classification, 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. 32,14,130/-,** are liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

16.3 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."*

16.4 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. PENALTIES

17.1 Regarding the sixth issue of penalties, 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. 32,14,130/-**, are dutiable goods, other than prohibited goods, and have a differential duty liability of **Rs. 6,14,557/-**. I find that the importer, by incorrectly declaring the quantity, description/classification and value of the goods, has done acts which have rendered the goods liable to confiscation under Section 111(l) and Section 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) read with Section 111(l) and 111(m) 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 goods in the Bill of Entry as "Laminated Textile Fabrics", 816 rolls / 88,057 SQM, under CTH 59039090, at USD 0.12 per SQM. However, 1,220 rolls, 1,83,706.57 SQM, were found on examination; the test reports show that the fabric is a polyester woven fabric laminated with Polyurethane, correctly classifiable under CTH 59032090; and the value re-determined on the basis of the Chartered Engineer's report is USD 0.18 per SQM. The declared assessable value was thus about 68% lower than the re-determined value. I find that the declared gross weight of 24,100 Kgs broadly corresponds to the weight of the goods actually found, which shows that the importer was aware of the actual size of the consignment, while the number of rolls and the quantity in SQM were declared substantially lower. The importer has accepted the test reports and the re-determined value, and has not offered any explanation for the declared quantity and value. I find that the quantity, description, classification and value are material particulars for the assessment of Customs duty. Had the true quantity and value been declared, a higher duty 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 Section 112(a)(ii) and Section 114AA of the Customs Act, 1962 is imposable upon the importer, M/s. DS Collection.

ORDER

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

(i) I reject the declared classification of the goods imported vide Z-Bill of Entry No. 2911238 dated 03.08.2026 read with T-Bill of Entry No. 2922880 dated 04.08.2026 under CTH 59039090 and order that the goods be classified under CTH 59032090 of the First Schedule to the Customs Tariff Act, 1975;

(ii) I order that the quantity of the goods be re-determined as 1,220 rolls / 1,83,706.57 SQM as against the declared 816 rolls / 88,057 SQM. I reject the declared assessable value of **Rs. 10,27,096.85/-** under Rule 12 of the CVR, 2007 and order that the value be re-determined at **Rs. 32,14,130/-** (Rupees Thirty-Two Lakh Fourteen Thousand One Hundred Thirty Only) under Rule 9 of the CVR, 2007 read

with Section 14 of the Customs Act, 1962;

(iii) I order to re-assess the aforesaid Bill of Entry under Section 17(4) of the Customs Act, 1962 with the re-determined classification, quantity and value as per this order. The differential duty amounting to **Rs. 6,14,557/-** (Rupees Six Lakh Fourteen Thousand Five Hundred Fifty-Seven 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. 32,14,130/-**, under Section 111(l) and Section 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. 3,20,000/-** (Rupees Three Lakh Twenty Thousand Only);

(v) I impose a penalty of **Rs. 60,000/-** (Rupees Sixty Thousand Only) under Section 112(a)(ii) of the Customs Act, 1962 upon the importer, M/s. DS Collection;

(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. DS Collection.

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: 17-10-2026 15:07:32

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

To,
M/s. DS Collection (IEC: HDGPS9323N)
2, Wing C/202, Aadeshwar Tower, Old Ashirwad Hospital,
Kamat Ghar, Bhiwandi, Maharashtra – 421 302

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