



सीमा शुल्क आयुक्त का कार्यालय, एनएस-III  
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-III  
केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमा शुल्क भवन  
CENTRALIZED ADJUDICATION CELL, JAWAHARLAL NEHRU CUSTOM HOUSE,  
न्हावा शेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -400 707  
NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA-400707

Adj.File No: S/10-1177/2025-26/ADJ./CC/GR.III/NS-3/CAC/JNCH

Date: 29.01.2026

SCN File No: CUS/APR/ASS/2308/2025-Group 3-O/o-Commissioner-Customs/NS-III

SCN No: 1381/2025-26/CC/Gr.III/NS-3/CAC/JNCH dated 17.04.2025

SCN is issued by Appraising Group-III, NS-III, JNCH

DIN:20260178NX0000668E87

आदेश की तिथि Date of Order	:	29.01.2026
जारी किए जाने की तिथि Date of Issue	:	29.01.2026
आदेश सं. Order No.	:	371/2025-26/आयुक्त/एनएस-III/ सीएसी/जेएनसीएच 371/2025-26 /Commr./NS-III /CAC/JNCH
पारितकर्ता Passed by	:	श्री विजय रिशी SH. VIJAY RISI प्रधान आयुक्त, सीमाशुल्क (एनएस-3), जेएनसीएच, न्हावा शेवा Pr. Commissioner of Customs (NS-III), JNCH, Nhava Sheva
पक्षकार (पार्टी)/ नोटिसी का नाम Name of Party/ Noticee	:	मेसर्स जय हनुमान ओवरसीज। M/s. JAI HANUMAN OVERSEAS.

मूलआदेश

**ORDER-IN-ORIGINAL**

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्तिको जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।

The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम १९६२ की धारा १२९(ए) के तहत इस आदेश के विरुद्ध सी ई एस टी ए टी, पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीज़नल बेंच, ३४, पी .डी .मेलोरोड, मस्जिद (पूर्व), मुंबई- ४०० ००९ को अपील कर सकता है, जो उक्तअधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

3. अपील दाखिल करने संबंधी मुख्य मुद्दे:-

Main points in relation to filing an appeal:-

**फार्म** : फार्म न .सीए ३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके

<b>Form</b>	खिलाफ अपील की गयी है (इन चार प्रतियों में से कमसे कम एक प्रति प्रमाणित होनी चाहिए)  Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy)
<b>समय सीमा</b>	: इस आदेश की सूचना की तारीख से ३ महीने के भीतर
<b>Time Limit</b>	Within 3 months from the date of communication of this order.
<b>फीस</b>	: (क) एक हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५ लाख रुपये या उस से कम है।
<b>Fee</b>	(a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.  (ख) पाँच हजार रुपये- जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५ लाख रुपये से अधिक परंतु ५० लाख रुपये से कम है।  (b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakh  (ग) दस हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५० लाख रुपये से अधिक है।  (c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.
<b>भुगतान की रीति</b>	: क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सी ई एस टी ए टी, मुंबई के पक्षमें जारी किया गया हो तथा मुंबई में देय हो।
<b>Mode of Payment</b>	A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.
<b>सामान्य</b>	: विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, १९९२, सीमाशुल्क (अपील) नियम, १९८२ सीमाशुल्क, उत्पादन शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, १९८२ का संदर्भ लिया जाए।
<b>General</b>	For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उस में माँगे गये शुल्क अथवा उद्गृहीत शास्ति का ७.५ % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमाशुल्क अधिनियम, १९६२ की धारा १२८ के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी।

Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129 of the Customs Act 1962.

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

The proceedings of the present case emanate out of **Show Cause Notice No.: 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025** (hereinafter called in short as “SCN”), issued by the Commissioner of Customs, NS-III, JNCH, Mumbai Customs Zone-II vide **File No. CUS/APR/ASS/2308/2025-Group 3-O/o-Commissioner-Customs-Nehva Sheva-III** to **M/s. Jai Hanuman Overseas (IEC: 3315000719)**, having their registered address at Plot No. 35, Sector-29, Part-II, Huda, Panipat, Haryana, 132103 (hereinafter referred to as the “Importer” or “Noticee”).

**BRIEF FACTS OF THE CASE**

**M/s JAI HANUMAN OVERSEAS (IEC: 3315000719)** having their registered office address at Plot No. 35, Sector-29, Part-II, Huda, Panipat, Haryana, had imported multiple consignments of Synthetic Knitted Fabrics, classifiable under various Customs Tariff Headings (CTHs) falling within Chapter 60 of the First Schedule to the Customs Tariff Act, 1975. The said consignments were cleared through different Bills of Entry at the port of Nhava Sheva, details of which are enumerated in Table-I below. The importer had declared the goods for home consumption under the system of self-assessment in terms of Section 17 of the Customs Act, 1962, and the said consignments were accordingly cleared for home consumption upon payment of the duty as declared and assessed by the importer at the time of import.

**Table-I**

Sr. No.	BE Number	BE date	BL Date	Full Item Description	Declared CTH	Declared Assessable Value (Rs.)	Declared quantity (kgs)	Declared Unit Price (USD)	Exchange rate (Rs.)	Total Duty Amount paid (Rs.)
1	6004336	7/10/2024	18-09-24	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,698,930	16,500	1.2	84.85	477,400
2	6369027	27-10-24	5/10/2024	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,814,328	17,600	1.2	84.95	509,826
3	6369030	27-10-24	5/10/2024	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,556,611	15,100	1.2	84.95	437,408

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4	62553 48	21-10- 24	26-09- 24	100% POLYETS ER KNITTED CUT PILE FAB	600192 00	1,6 70,007	16, 200	1.2	84.95	4 69,272
5	62553 57	21-10- 24	26-09- 24	100% POLYETS ER KNITTED CUT PILE FAB	600192 00	1,3 71,055	13, 300	1.2	84.95	3 85,266
6	62553 70	21-10- 24	26-09- 24	100% POLYEST SER KNITTED CUT PILE FAB	600192 00	1,6 80,315	16, 300	1.2	84.95	4 72,169
				<b>Total</b>		<b>9,791,2 46</b>				<b>2,751, 340</b>

2. Whereas, it appeared that vide Notification No. 77/2023 dated 16.03.2024, issued by the Directorate General of Foreign Trade (DGFT), the import policy and policy conditions governing goods falling under Customs Tariff Headings (CTHs) 60063100, 60063200, 60063300, 60063400, and 60069000 of Chapter 60 of the First Schedule to the Customs Tariff Act, 1975, were revised. Through the said notification, the import policy for the aforementioned goods was amended from "Free" to "Prohibited", subject to a prescribed Minimum Import Price (MIP) condition, and made applicable up to 15.09.2024. As per the revised policy, import of Synthetic Knitted or Crocheted Fabrics under the above CTHs was permitted only at or above an MIP of USD 3.50 per kilogram (CIF basis). The copy of the notification is reproduced below for kind perusal and reference.

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH**  
**SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (II)

Government of India  
 Ministry of Commerce & Industry  
 Department of Commerce  
 Directorate General of Foreign Trade

**Notification No. 77/2023**  
**New Delhi, Dated: 16<sup>th</sup> March 2024**

**Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 15<sup>th</sup> September 2024 -reg**

**S.O.:** In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, the Central Government hereby revises the Import Policy and Import Policy Condition of the following ITC(HS) Codes under Chapter 60 of ITC (HS) 2022, Schedule-I(Import Policy), for the period up to 15<sup>th</sup> September 2024 as under:

ITC(HS) Code	Item Description	Import Policy	Revised Import Policy	Existing Policy condition	Revised Policy condition
60063100	-Of synthetic fibres : -- Unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063200	-Of synthetic fibres : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063300	-Of synthetic fibres : -- Of yarns of different colours	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063400	-Of synthetic fibres : -- Printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60069000	-- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is

*Am*

					3.5 US Dollar and above per Kilogram
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2. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16<sup>th</sup> September 2024, unless expressly amended by subsequent notification.

**Effect of the Notification:** Minimum Import Price of US Dollar 3.50 per Kilogram is imposed on (5) specific Synthetic Knitted Fabric ITC(HS) Codes for the period up to 15<sup>th</sup> September 2024. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16<sup>th</sup> September 2024, unless expressly amended by subsequent notification.

This is issued with the approval of Minister of Commerce & Industry.

*Am*  
 16.3.2024  
 (Santosh Kumar Sarangi)  
 Director General of Foreign Trade &  
 Ex- officio Addl. Secretary to the Government of India  
 E-mail: [dgft@nic.in](mailto:dgft@nic.in)

(F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**2.1** Whereas, the aforesaid import restrictions and the requirement of adherence to the prescribed Minimum Import Price (MIP) were subsequently extended and broadened vide DGFT Notification No. 33/2024-25 dated 01.10.2024. Through the said notification, the validity of the MIP condition was extended up to 31.12.2024, and its scope was expanded

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

to cover additional tariff items, namely CTHs 60019200, 60041000, 60049000, 60053600, 60053790, 60053900, 60062200, and 60064200, in addition to the tariff headings already covered under DGFT Notification No. 77/2023 dated 16.03.2024. Consequently, the restriction on imports valued below the prescribed MIP of USD 3.50 per kilogram (CIF basis) continued to remain applicable to all the aforesaid tariff items up to 31.12.2024. The copy of the notification is reproduced below for kind perusal and reference.

[To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (ii)]

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Vanijya Bhawan

**Notification No. 33 /2024-25**  
New Delhi, Dated: 1<sup>st</sup> October, 2024

**Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 31<sup>st</sup> December 2024 –reg.**

**S.O.:** In exercise of powers conferred by Section 3 and Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, and in partial modification to Notification No. 77/2023 dated 16.03.2024, the Central Government hereby **extends** the condition of Minimum Import Price (MIP) on the following 5 ITC (HS) Codes of Synthetic Knitted Fabrics from **15<sup>th</sup> September, 2024 to 31<sup>st</sup> December 2024** as under :

ITC(HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Existing Policy Condition	Revised Policy Condition
60063100	-Of synthetic fibres : -- Unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063200	-Of synthetic fibres : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063300	-Of synthetic fibres : -- Of yarns of different colours	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063400	-Of synthetic fibres : -- Printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60069000	-- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

2. All other terms and conditions in the Notification No. 77/2023 dated 16.03.2024 shall remain unchanged.

3. In addition to the above, the Central Government hereby revises the Import Policy Condition of the following ITC (HS) Codes under Chapter 60 of ITC(HS) 2022, Schedule-I (Import Policy), for the period upto 31<sup>st</sup> December, 2024, with immediate effect:



**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH**  
**SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

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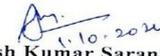
ITC(HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Existing Policy Condition	Revised Policy Condition
60019200	- Other : -- Of man-made fibres	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60041000	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 percent or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60049000	- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053600	- Of synthetic fibres : -- Other, unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053790	--- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053900	- Of synthetic fibres : -- Other, printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60062200	- Of cotton : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60064200	- Of artificial fibres: -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

: 3 :

**Effect of the Notification:**

Minimum Import Price (MIP) on Synthetic Knitted Fabrics is extended from 15<sup>th</sup> September 2024 to 31<sup>st</sup> December 2024. Further, MIP of US Dollar 3.50 per Kilogram on CIF Value has also been imposed on 08 new ITC (HS) Codes of various kinds of Knitted fabrics for the period up to 31<sup>st</sup> December, 2024.

This is issued with the approval of Minister of Commerce & Industry.

  
 (Santosh Kumar Sarangi)  
 Director General of Foreign Trade &  
 Ex- officio Addl. Secretary to the Government of India  
 E-mail: dgft@nic.in

(Issued from F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

**2.2** Thereafter, vide DGFT Notification No. 49/2024-25 dated 04.01.2025, the validity of the MIP condition was further extended for the period from 01.01.2025 to 31.03.2025, thereby continuing the prohibition on imports of the subject goods declared below the MIP threshold during the said extended period. It appeared that imports declared at a CIF value below the prescribed MIP were to be treated as "Restricted", unless specifically covered under valid authorization schemes such as Advance Authorization, Export Oriented Unit (EOU), or Special Economic Zone (SEZ), and subject to strict compliance with the conditions stipulated therein. The copy of the notification is reproduced below for kind perusal and reference.

[To be published in the Gazette of India Extraordinary Part-II, Section- 3, Sub-Section (ii)]

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Vanijya Bhawan

**Notification No. 49/2024-25**  
**New Delhi, Dated: 4 January, 2025**

**Subject: Amendment in Import Policy and Import Policy Condition of Synthetic Knitted Fabrics Covered under Chapter 60 of the ITC (HS), 2022- reg.**

**S.O.:** In exercise of powers conferred by Section 3 and Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, and in partial modification to Notification No. 77/2023 dated 16.03.2024 and Notification No. 33/2024-25 dated 01.10.2024 the Central Government hereby extends the condition of Minimum Import Price (MIP) on the following 13 ITC (HS) codes of Synthetic Knitted Fabrics from 01.01.2025 to 31.03.2025 as under:

ITC(HS) Code	Item Description	Revised Import Policy	Policy condition
60063100	-Of synthetic fibres : -- Unbleached or bleached	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063200	-Of synthetic fibres : -- Dyed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063300	-Of synthetic fibres : -- Of yarns of different colours	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063400	-Of synthetic fibres : -- Printed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60069000	-- Other	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60019200	- Other : -- Of man-made fibres	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram



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60041000	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 percent or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60049000	- Other	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053600	- Of synthetic fibres : -- Other, unbleached or bleached	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053790	--- Other	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053900	- Of synthetic fibres : -- Other, printed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60062200	- Of cotton : -- Dyed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60064200	- Of artificial fibres: - Dyed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

2. Minimum Import Price (MIP) condition on above items shall not be applicable for imports by Advance Authorisation holders, Export Oriented Units (EOUs) and units in the SEZ subject to the condition that the imported inputs are not sold into Domestic Tariff Area (DTA).

**Effect of the Notification :**

Import of Synthetic Knitted Fabrics under ITC(HS) 60063100, 60063200, 60063300, 60063400, 60069000, 60019200, 60041000, 60049000, 60053600, 60053790, 60062200 and 60064200 is "Restricted". However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram. Further, inputs imported by Advance Authorisation holders, EOUs and SEZ shall be exempted from MIP condition.

This is issued with the approval of Minister of Commerce & Industry.

*AM*  
4.1.2025  
**(Santosh Kumar Sarangi)**

**Director General of Foreign Trade &**

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(F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**2.3** Whereas, vide DGFT Notification No. 05/2025-26 dated 23.04.2025, the Directorate General of Foreign Trade (DGFT) undertook a revision of the applicability of the Minimum Import Price (MIP) condition imposed on imports of Synthetic Knitted or Crocheted

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Fabrics. Through the said notification, the DGFT restricted the scope of the MIP requirement to four specific tariff items, namely CTHs 60019200, 60053600, 60053790, and 60053900. Accordingly, imports falling under the above-mentioned CTHs continued to remain subject to the prescribed MIP of USD 3.50 per kilogram (CIF basis). The MIP condition, however, was withdrawn for all other tariff items that had earlier been brought under its ambit through the preceding DGFT Notifications Nos. 77/2023, 33/2024-25, and 49/2024-25, thereby limiting the restriction to the said four CTHs with effect from 23.04.2025. The copy of the notification is reproduced below for kind perusal and reference.

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[To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (ii)]

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Vanijya Bhawan

**Notification No. 05 /2025-26  
New Delhi, Dated: 23 April, 2025**

**Subject: Amendment in Import Policy Condition of Synthetic Knitted Fabrics Covered under Chapter 60 of the ITC (HS), 2022-reg.**

**S.O.:** In exercise of powers conferred by Section 3 and Section 5 of Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy (FTP), 2023, as amended from time to time, had imposed MIP vide Notification No. 77/2023 dated 16.03.2024, No. 33/2024-25 dated 01.10.2024 and No. 49/2024-25 dated 04.01.2025. It has been decided by the Central Government to impose the condition of Minimum Import Price (MIP) on the following 04 ITC (HS) codes of Synthetic Knitted Fabrics till 31.03.2026 as under:

ITC(HS) Code	Item Description	Import Policy	Policy condition
60019200	- Other : -- Of man-made fibres	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053600	- Of synthetic fibres : -- Other, unbleached or bleached	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053790	--- Other	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053900	- Of synthetic fibres : -- Other, printed	Restricted	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

2. MIP condition on above items shall not be applicable for imports by Advance Authorisation holders, Export Oriented Units (EOUs) and units in the SEZ subject to the condition that the imported inputs are not sold into Domestic Tariff Area (DTA).

**Effect of the Notification:** Import of Synthetic Knitted Fabrics under ITC (HS) Codes 60019200, 60053600, 60053790 and 60053900, is "Restricted". However, import is "Free" if CIF value is 3.5 US Dollar and above per Kilogram. Further inputs imported by Advance Authorisation holders, Export Oriented Units (EOUs) and units in the SEZ shall be exempted from MIP condition.

This is issued with the approval of Minister of Commerce & Industry.

  
(Ajay Bhadoo)

**Director General of Foreign Trade &  
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**2.4** The validity period of each Notification, indicating the duration from the date of its enforcement to the date of cessation, is provided in the table below:

Sr. No.	Notification No.	Notification Date	CTH	Valid for the period	
				From	To
1	77/2023	16.03.2024	60063100	16.03.2024	15.09.2024
			60063200		
			60063300		
			60063400		
			60069000		
2	33/2024-25	01.10.2024	60063100	15.09.2024	31.12.2024
			60063200		
			60063300		
			60063400		
			60069000		
			60019200		
			60041000		
			60019200		
			60041000		
			60049000		
			60053600		
			60053790		
			60053900		
			60062200		
60064200					
3.	49/2024-25	04.01.2025	60063100	01.01.2025	31.03.2025
			60063200		
			60063300		
			60063400		
			60069000		
			60019200		
			60041000		
			60049000		
			60053600		
			60053790		
			60053900		
			60062200		
			60064200		
4	05/2025-26	23.04.2025	60019200	23.04.2025	31.03.2026
			60053600		
			60053790		
			60053900		

**2.5** Whereas, in view of the above and on detailed scrutiny of the importer's

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declarations as well as the examination reports pertaining to the subject consignments as per the bills of entry mentioned in Table-I below, it has been observed that the declared CIF value per kilogram of the imported goods in the 06 bills of entry is below USD 3.50 per kilogram, i.e., lower than the prescribed Minimum Import Price (MIP) stipulated under the relevant policy provisions. The said MIP condition has been specifically made applicable to the concerned tariff items through the aforementioned DGFT Notifications issued under the Foreign Trade (Development and Regulation) Act, 1992, thereby governing the importability and valuation threshold of the goods in question.

**2.6** As per Para 11.11 of the DGFT Handbook of Procedures, the date of shipment or dispatch for imports transported by sea is determined by the date mentioned on the Bill of Lading. In the present case, the Bills of Lading corresponding to the impugned Bills of Entry are all covered by the DGFT notifications *ibid*. Therefore, the said consignments fall within the purview of the DGFT Notifications prescribing the Minimum Import Price (MIP) condition, as the goods were shipped on board prior to clearance and within the validity period of the said notifications. Consequently, these imports are subject to the MIP requirement stipulated therein, and any declaration of CIF value below USD 3.50 per kilogram during this period amounts to a violation of the mandatory import policy condition applicable at the time of import.

**2.7** Whereas, the importer has self-assessed, under section 17(1) of the Customs Act 1962, these 06 bills of entry at a unit price below the prescribed MIP for these items. These bills of entry were primarily facilitated through the risk management system. In the present case, the importer failed to truthfully declare that the subject goods attract MIP, in clear violation of truthful declaration entrusted upon them under section 46(4) of the Customs Act which constitutes suppression of substantial facts resulting in to lower assessment of duty. These violations of section 17 and section 46 led to short payment of duty which appeared to be recoverable under section 28(4) of the Customs Act along with interest under section 28AA of the Customs Act (differential duty quantified in Table I).

**2.8** As the goods imported above mentioned Bills of Entry were found to be misdeclared in respect of valuation, they were consequently liable for re-assessment under Section 17(4) of the Customs Act, 1962. For the purposes of the Customs Tariff Act, 1975, the valuation of imported goods is required to be determined in accordance with the provisions of Section 14 of the Customs Act, 1962, read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as the "*Customs Valuation Rules, 2007*"). As per these provisions, the transaction value declared by the importer is to be accepted provided it satisfies the conditions laid down under the said Rules and is not disqualified under Rule 12 thereof. However, in the present case, there existed reasonable grounds to doubt the truth and accuracy of the declared transaction value, warranting rejection under Rule 12 of the Customs Valuation Rules, 2007, for the following reasons:

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*The importer mis declared the value of the goods, having cleared the same at an MIP rate of USD 3.5 per kg, in contravention of the prescribed valuation norms.*

In view of the above discrepancies, the declared transaction value could not be accepted under Rule 3(1) of the Customs Valuation Rules, 2007, and was therefore liable for rejection under Rule 12. Accordingly, the declared value not being acceptable as the transaction value under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value was determined on the basis of the prevailing MIP rate of USD 3.5 per kg.

**2.9** In the instant matter, the importer imported the goods under following CTH which are covered under Notification Nos. 33/2024-25 dated 01.10.2024, 49/2024-25 dated 04.01.2025 and 05/2025-26 dated 23.04.2025. The details of the subject Bills of Entry, along with the corresponding assessable values, declared CIF prices, declared duty rates, and the CTH, are furnished hereunder for ready reference:

**TABLE-I**

Sr. No.	BE number	BE date	BL Date	Full Item Description	Declared CTH	Declared Assessable Value (Rs.)	Declared quantity (in kgs)	Declared Unit Price in USD	Exchange rate in (In Rs.)	Total Duty Amount paid (in Rs.)
1	6004336	07-10-24	18-09-24	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1698930	16500	1.2	84.85	477399.5
2	6369027	27-10-24	05-10-24	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1814328	17600	1.2	84.95	509826.2
3	6369030	27-10-24	05-10-24	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1556611	15100	1.2	84.95	437407.7
4	6255348	21-10-24	26-09-24	100% POLYESTER KNITTED CUT PILE FAB	60019200	1670007	16200	1.2	<b>84.95</b>	469271.8
5	6255357	21-10-24	26-09-24	100% POLYESTER KNITTED CUT PILE FAB	60019200	1371055	13300	1.2	84.95	385266.4

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6	62553 70	21- 10- 24	26- 09- 24	100% POLYESTS ER KNITTED CUT PILE FAB	600192 00	1680315	16300	1.2	84.95	472168 .6
				<b>Total</b>		<b>9791246</b>				<b>275134 0</b>

**2.10** The details of the subject Bills of Entry, along with the corresponding re-determine assessable values, Redetermine duty rates, and the CTH, are furnished hereunder for ready reference:

**TABLE-II**

Sr. No.	BE number	BE date	BL Date	CTH	Difference in MIP (3.5-declared unit price)	Differential rate as per MIP	Differential value	Exchange Rate	BCD @20	SW S @10%	IGST @5	Total Differential duty payable
1	60043 36	07- 10- 24	18- 09- 24	600192 00	2.3	195. 155	32200 58	84.8 5	6440 11.5	644 01.1 5	1964 23.5	904836. 2
2	63690 27	27- 10- 24	05- 10- 24	600192 00	2.3	195. 385	34387 76	84.9 5	6877 55.2	687 75.5 2	2097 65.3	966296. 1
3	63690 30	27- 10- 24	05- 10- 24	600192 00	2.3	195. 385	29503 14	84.9 5	5900 62.7	590 06.2 7	1799 69.1	829038. 1
4	62553 48	21- 10- 24	26- 09- 24	600192 00	2.3	195. 385	31652 37	<b>84.9 5</b>	6330 47.4	633 04.7 4	1930 79.5	889431. 6
5	62553 57	21- 10- 24	26- 09- 24	600192 00	2.3	195. 385	25986 21	84.9 5	5197 24.1	519 72.4 1	1585 15.9	730212. 4
6	62553 70	21- 10- 24	26- 09- 24	600192 00	2.3	195. 385	31847 76	84.9 5	6369 55.1	636 95.5 1	1942 71.3	894921. 9
				<b>Total</b>			<b>18557 780</b>					<b>521473 6</b>

**2.11** During scrutiny, it was observed that verification of the Bills of Entry revealed the availability of earlier test reports in the E-Sanchit system for the Bill of Entry No. 6255370 dated 21.10.2024, Bill of Entry No. 6255357 dated 21.10.2024 and Bill of Entry No.

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6255348 dated 21.10.2024. The consignments were imported from the same overseas suppliers, *M/s SHAOXING CHENYANG IMPORT AND EXPORT CO LTD, China* thereby establishing the identity and consistency of the imported goods' description.

**2.12** The re-determined assessable value and corresponding duty liability are summarized below:

**TABLE-III**

Declared Assessable Value	Declared Duty	Re-determined Differential Value	<b>Total redetermined assessable Value</b>	Total Duty As per MIP	<b>Payable total Differential Duty</b>
<b>9791246</b>	<b>2751340</b>	<b>18557780</b>	<b>28349026</b>	<b>7966076</b>	<b>5214736</b>

Thus, the differential duty of **Rs. 52,14,736/-** appeared to be recoverable under section 28(4) of the Customs Act along with interest under section 28AA of the Customs Act.

**3.** Whereas, the aforesaid DGFT Notifications categorically stipulate that the import of Synthetic Knitted or Crocheted Fabrics at a unit value below USD 3.50 per kilogram on a CIF basis shall be treated as "Prohibited" under the prevailing import policy. The prohibition has been imposed with the objective of safeguarding domestic industry and ensuring fair trade practices in accordance with the provisions of the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy in force. However, the said restriction is not applicable in cases where imports are specifically covered under valid authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), subject to strict adherence to the terms and conditions of such authorizations. In such cases, the exemption is limited to imports that are not cleared for home consumption into the Domestic Tariff Area (DTA) and are utilized exclusively for the purposes specified under the respective authorization. However, in the imports under subject 06 bills of entry mentioned in Table-I above, the goods were not covered under the Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs). It appeared that same were cleared for home consumption. The import effected by the said bills of entry is subject to MIP @3.5\$ per Kg as stated in the DGFT notifications mentioned above.

**4.** It appeared from the examination of the import documents, valuation particulars, and the Bills of Entry pertaining to the subject consignments that the importer has declared a CIF value per kilogram lower than the prescribed Minimum Import Price (MIP) as notified by the Directorate General of Foreign Trade (DGFT) under the relevant DGFT Notifications cited hereinabove. Such declaration of value, being below the DGFT-mandated MIP, constitutes a clear violation of the import policy conditions prevailing at the

material time of import. In view thereof, the import of the said goods at a value below the prescribed MIP is to be treated as “Prohibited” under the applicable provisions of the Foreign Trade Policy. Accordingly, the goods so imported are liable for action under the provisions of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992, and the Foreign Trade Policy framed thereunder, for having been imported in contravention of the restrictions in force at the time of import.

**5.** Whereas, the import of the aforesaid goods, being governed by the provisions of the Foreign Trade (Development & Regulation) Act, 1992 and the Notifications issued by the Directorate General of Foreign Trade (DGFT) thereunder, is found to be in contravention of the prescribed import policy conditions. This contravention arises from the fact that the importer has declared a CIF value per kilogram lower than the stipulated Minimum Import Price (MIP) of USD 3.50, as mandated by the DGFT under the relevant policy notifications. Accordingly, such importation at a value below the prescribed MIP constitutes a violation of the import policy restrictions in force at the material time of import. Consequently, the said goods are to be treated as “Prohibited” for import in terms of Sections 2(33) and 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992. In view thereof, the goods in question are liable to action under the provisions of the Customs Act, 1962, including confiscation under Section 111(d) and imposition of penalties under the relevant provisions, for having been imported in contravention of the applicable legal and policy framework.

## **6. Import at Values Below Minimum Import Price (MIP)**

**6.1.** Whereas, as elaborated in the foregoing paragraphs, the Directorate General of Foreign Trade (DGFT), through the various notifications cited hereinabove, has prescribed a Minimum Import Price (MIP) of USD 3.50 per kilogram on a CIF basis as a mandatory policy condition governing the import of Synthetic Knitted or Crocheted Fabrics, falling under the relevant Customs Tariff Headings (CTHs) of Chapter 60 of the First Schedule to the Customs Tariff Act, 1975. The said MIP condition was imposed as part of the import policy framework formulated under the Foreign Trade (Development & Regulation) Act, 1992, with the objective of regulating import values, ensuring fair trade practices, and safeguarding domestic industry from unfair price undercutting.

**6.2** It appeared from the scrutiny of the Bills of Entry filed by the importer, as detailed in Table-I, that several consignments of Synthetic Knitted Fabrics were imported and declared at CIF values below the prescribed Minimum Import Price (MIP) of USD 3.50 per kilogram, as notified by the Directorate General of Foreign Trade (DGFT). Such imports, having been affected at values below the threshold stipulated under the DGFT Notifications, are consequently restricted/prohibited under the prevailing Import Policy framed under the Foreign Trade (Development & Regulation) Act, 1992. The clearance of these goods at undervalued prices has not only resulted in a short payment of the applicable customs duty but also constitutes a violation of the provisions of the Foreign Trade Policy, amounting to an import made in contravention of the restrictions imposed thereunder.

Accordingly, the goods so imported appeared to be liable to confiscation under the provisions of Section 111(d) & 111(m) of the Customs Act, 1962, for having been imported contrary to the import policy in force, and the importer is liable to penal action under the relevant provisions of the said Act, including Section 112(a) and Section 114A, for having knowingly imported and cleared prohibited goods in violation of the statutory policy conditions.

**6.3** It appeared that the subject Bills of Entry, as enumerated in Table-I, are covered under the scope of the aforesaid DGFT Notifications prescribing the Minimum Import Price (MIP) condition, as the respective consignments were shipped on board prior to their clearance and the Bill of Lading dates clearly fall within the validity period of the said notifications. Accordingly, the imports in question are squarely governed by the MIP requirement stipulated therein, and any declaration of CIF value below USD 3.50 per kilogram during this period constitutes a violation of the mandatory import policy condition applicable at the time of import.

#### **7. RELEVANT PROVISIONS OF THE LAW IN SO FAR AS THEY APPLY TO THIS CASE ARE AS BELOW:**

- **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.*

- **Section 28 (4) of the Customs Act, 1962**, *where any duty has not been levied or has been short-levied or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, -*

*(a) collusion; or*

*(b) any willful mis-statement; or*

*(c) suppression of facts,*

*by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;*

- **Section 28AA of the Customs Act, 1962**, *the person who is liable to pay duty in accordance with the provisions of Section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under Sub-Section (2), whether such payment is made voluntarily or after determination of the duty under that section.*
- **SECTION 111: Confiscation of improperly imported goods etc.:** *The relevant clauses of Section 111 are reproduced below:*

*The following goods brought from a place outside India shall be liable to*

*confiscation: -*

*(d) any goods which are imported or attempted to be imported or are brought within the Indian Customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

*(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];*

● **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, harboring, 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.*

● **Section 114A of the Customs Act, 1962 deals with the penalty by reason of collusion or any willful mis-statement or suppression of facts. The relevant provision is reproduced below: -**

*114A - Penalty for short-levy or non-levy of duty in certain cases - Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-Section (8) of Section 28 shall also be liable to pay a penalty equal to the duty or interest so determined: Provided that where such duty or interest, as the case may be, as determined under sub-Section (8) of Section 28, and the interest payable*

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*thereon under Section 28AA, is paid within thirty days from the date of the 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 duty or interest, as the case may be, so determined:*

*Provided further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:*

- **Section 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.*
- **Section 46(4) of the Customs Act, 1962,** *the importer while presenting a bill of entry shall at the foot thereof make and subscribe to a declaration as to the truth of the contents of such bill of entry*
- **Section-46(4A):** *The importer who presents a bill of entry shall ensure the following, namely:*
  - *the accuracy and completeness of the information given therein;*
  - *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.”*

**8.** Whereas, in this case, the Bills of Lading corresponding to the impugned Bills of Entry fall within the scope of the applicable DGFT Notifications prescribing the Minimum Import Price (MIP) condition, as the goods were shipped prior to clearance and within the validity period of the said notifications. The importer, however, self-assessed 06 Bills of Entry under Section 17(1) of the Customs Act, 1962, at unit prices below the prescribed MIP, without disclosing that the goods were subject to MIP, thereby contravening Sections 17 and 46(4) of the Customs Act. Such suppression of material facts resulted in short payment of duty, which appeared to be recoverable under Section 28(4) of the Customs Act, along with applicable interest under Section 28AA, as quantified in Table I.

**9.** Whereas, in view of the foregoing facts, evidences, and legal provisions discussed hereinabove, it appeared that the importer has contravened the provisions of the Customs Act, 1962, the Foreign Trade (Development & Regulation) Act, 1992, as well as the relevant Notifications issued by the Directorate General of Foreign Trade (DGFT) governing the import of Synthetic Knitted Fabrics. The importer’s act of declaring and importing goods at a CIF value below the prescribed Minimum Import Price (MIP)

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amounts to a clear violation of the import policy conditions in force at the material time, thereby rendering the goods prohibited for import and liable to confiscation under the applicable provisions of the Customs Act, 1962.

**10.** The importer has declared CIF values for the subject consignments below the prescribed Minimum Import Price (MIP) of USD 3.50 per kilogram, as mandated by the Directorate General of Foreign Trade (DGFT) under the relevant policy notifications. By doing so, the importer has contravened the import policy conditions and violated the restrictions that were expressly applicable at the material time of import, thereby rendering the import non-compliant with the provisions of the Foreign Trade Policy in force.

**11.** It appeared that the import of the subject goods, namely *Synthetic Knitted Fabrics*, has been effected at a declared CIF value below the prescribed Minimum Import Price (MIP) of USD 3.50 per kilogram, as mandated by the Directorate General of Foreign Trade (DGFT) through the relevant notifications issued under the Foreign Trade (Development & Regulation) Act, 1992. The said DGFT notifications, having been issued in exercise of powers conferred under Sections 3 and 5 of the FT(D&R) Act, have the force of law, and any import made in violation thereof amounts to contravention of a prohibition imposed under another law for the time being in force. Accordingly, the import of Synthetic Knitted Fabrics below the prescribed MIP constitutes an import contrary to such prohibition, and therefore, the goods are to be treated as “prohibited goods” within the meaning of Section 2(33) of the Customs Act, 1962. In terms of Section 111(d) of the said Act, any goods imported or attempted to be imported contrary to any prohibition imposed by or under the Customs Act, 1962 or any other law for the time being in force are liable to confiscation. In the present case, since the importer has imported goods in contravention of the import policy conditions prescribed under the aforesaid DGFT notifications, the goods are rendered liable to confiscation under Section 111(d) of the Customs Act, 1962, for having been imported contrary to the prohibition imposed under the Foreign Trade (Development & Regulation) Act, 1992 and the Foreign Trade Policy framed thereunder.

**12.** It further appeared that the importer has declared the value of the imported Synthetic Knitted Fabrics at CIF prices lower than the prescribed Minimum Import Price (MIP) notified by the Directorate General of Foreign Trade (DGFT) under the Foreign Trade (Development & Regulation) Act, 1992. By declaring a value below the mandatory threshold of USD 3.50 per kilogram, the importer has mis declared the value of the goods with the intent of securing their clearance as freely importable goods and evading the operation of the import policy restrictions in force at the time of import. Such misdeclaration of value amounts to a material misstatement in the declaration made under Section 46 of the Customs Act, 1962, which directly affects the assessment of duty, the applicability of import restrictions, and the determination of the true nature of the goods under the Customs Tariff. Consequently, the importation and clearance of goods based on such incorrect or misleading declaration attracts the provisions of Section 111(m) of the Customs Act, 1962, which provides for confiscation of any goods wherein the value,

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quantity, or any material particular has been mis declared in the Bill of Entry or other documents. In the present case, the importer's deliberate undervaluation of the imported goods, resulting in importation below the DGFT-prescribed MIP, constitutes a misdeclaration of material particulars and renders the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, in addition to the confiscation already warranted under Section 111(d) of the said Act.

**13.** Further, consequent upon amendment to the section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effect from 08.04.2011, provides for self-assessment of duty on imported goods by the importer himself by filling a bill of entry in the electronic form. Section 46 of the Customs Act, 1962 makes it mandatory for the importer to make entry for the imported goods by presenting a bill of entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011(issued under Section 157 read with Section 46 of the Customs Act, 1962) the bill of entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is define as particulars relating to the imported goods that are entered in the Indian Customs Electronic data interchange system) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a bill of entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self -assessment, it is the importer who has to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the bill of entry. Thus, with the introduction of self-assessment by amendment to Section 17, since 8<sup>th</sup> April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

**14.** In the instant case, M/s. Jai Hanuman Overseas (IEC: **3315000719**) have knowingly submitted incorrect and false declarations before the Customs authorities at the time of import, despite being fully aware that the goods under import were not entitled to clearance at values below the prescribed Minimum Import Price (MIP). Such conduct amounts to willful misstatement and suppression of material facts, with the evident intent to circumvent the import policy restrictions and evade payment of appropriate customs duty. Further, the importer has resorted to deliberate misdeclaration in respect of the value and import conditions applicable to the goods, as discussed in detail in the foregoing paragraphs of this Show Cause Notice. Since the duty payable on the imported goods has not been correctly assessed and paid due to such willful misstatement and suppression of facts, the importer is liable to recovery of differential duty under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA thereof. In addition, the importer also appeared liable to penal action under Sections 112(a) and 114A of the Customs Act, 1962, for having knowingly mis declared and suppressed material facts, thereby facilitating the importation

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and clearance of prohibited/restricted goods in violation of the applicable import policy and statutory provisions. Further, it appeared that the importer had knowingly filed import documents containing false and misleading declarations with respect to the declared value of the imported goods. The facts and records of the case indicate that such misdeclaration was not an inadvertent error but a **deliberate and conscious act** intended to suppress the true transaction value of the goods with the objective of evading legitimate customs duty. By knowingly making false declarations and submitting documents containing incorrect and fabricated particulars in connection with the import transaction, the importer has engaged in conduct that undermines the integrity of the customs clearance process and obstructs the proper assessment of duty. Such actions constitute a clear and direct contravention of the provisions of Section 114AA of the Customs Act, 1962, which provides that any person who knowingly or intentionally makes, signs, or uses, or causes to be made, signed, or used, any declaration, statement, or document that is false or incorrect in any material particular shall be liable to penalty. Accordingly, the importer's actions attract penal liability under the said section for use of false and incorrect material in a customs-related transaction.

**15.** In view of the foregoing, it appeared that the goods imported at a value below the prescribed Minimum Import Price (MIP) are to be treated as "prohibited goods" in terms of Sections 2(33) and 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992. Accordingly, the said goods are liable to confiscation under the provisions of Sections 111(d) and 111(m) of the Customs Act, 1962, for having been imported in contravention of the import policy restrictions and by way of misdeclaration of value and violation of conditions prescribed under the Foreign Trade Policy. Further, by virtue of the aforesaid acts and omissions, the importer has rendered themselves liable to recovery of differential customs duty under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA of the said Act. The importer is also liable to penal action under Sections 112(a) and 114A of the Customs Act, 1962, for willful misstatement and suppression of facts, and for the importation of prohibited/restricted goods in violation of the import policy conditions and the statutory provisions governing import and assessment. The importer is also **liable to penal action under Section 114AA of the Customs Act, 1962**, as the investigation has established that false and incorrect declarations were knowingly made in the import documents

**16.** Now, therefore, the importer, **M/s JAI HANUMAN OVERSEAS (IEC: 3315000719)** is hereby called upon to show cause to the Commissioner of Customs, JNCH, Nhava Sheva-III, within 30 (thirty) days from the date of receipt of this notice, as to why:

- i. The importer cleared the goods covered under various Bills of Entry, having a total declared assessable value of **Rs. 97,91,246/-** as detailed in Table-I. The goods were misdeclared in terms of valuation/MIP; hence, the declared value should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods)

- Rules, 2007. Accordingly, the assessable value should not be re-determined at Rs. **2,83,49,026/-**, based on the applicable Minimum Import Price (MIP).
- ii. The goods imported having total Re-assessable value of **Rs. 2,83,49,026/-, (Rupees Two Crores Eighty-Three Lakhs Forty-Nine Thousand and Forty-Nine)** as per Table-III under the aforementioned Bills of Entry should not be confiscated under Sections 111(d) and 111(m) of the Customs Act, 1962, on the grounds that they are "prohibited goods" and/or have been improperly imported in contravention of the restrictions in force.
  - iii. Differential duty amounting to **Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only)** not paid/short paid by them on the aforesaid imported goods should not be demanded and recovered under Section 28(4) of the Customs Act, 1962.
  - iv. The applicable interest on the amount as at Sr. No. (c) above should not be demanded and recovered under Section 28AA of the Customs Act, 1962.
  - v. Penalty should not be imposed on the importer under Section 112(a) of the Customs Act, 1962, for the act of commission and omission that has rendered the goods liable for confiscation under Section 111(d) and 111(m).
  - vi. Penalty should not be imposed on the importer under Section 114A of the Customs Act, 1962, for the act of commission and omission by way of willful suppression of substantial facts regarding applicability of MIP.
  - vii. Penalty should not be imposed on the importer under Section 114AA of the Customs Act, 1962, for the act of false declaration.

### **DEFENCE REPLY**

17. The Noticee vide e-mail dated 02.01.2026 has submitted a written reply to the SCN, as follows:

*I. Improper Invocation of Extended Period under Section 28(4) of the Customs Act, 1962*

*At the outset, it is submitted that the issuance of the present Show Cause Notice invoking the extended period of limitation under Section 28(4) of the Customs Act, 1962 is wholly illegal, unsustainable, and liable to be quashed. The essential statutory ingredients for invoking Section 28(4), namely fraud, collusion, willful misstatement, suppression of facts, or intent to evade payment of duty, are conspicuously absent in the present case. The Show Cause Notice itself does not allege, much less establish, any positive act on the part of the Noticee showing deliberate suppression of facts or willful misstatement. On the contrary, the entire import was made on the basis of Bills of Entry filed by the Noticee declaring the description,*

*classification, quantity, and transaction value of the goods, supported by commercial invoices and import documents, all of which were available to and examined by the Customs authorities at the time of clearance. There is no allegation in the Show Cause Notice that any information was concealed, withheld, or falsely declared by the noticee. Mere re-determination of value or a difference of opinion on valuation or policy interpretation, even if assumed, does not constitute suppression or wilful misstatement so as to justify invocation of Section 28(4). In the absence of any specific averment explaining what information was suppressed, how it was suppressed, and in what manner such alleged suppression led to evasion of duty, the invocation of the extended period is patently mechanical and contrary to law. On this ground alone, the Show Cause Notice issued under Section 28(4) is liable to be set aside and quashed in limine.*

*It has been established by several judgments including Supreme Court that Section 28(4) cannot be invoked when no suppression fraud or malafide proved against the noticee:*

*One such latest judgment reproduced below had the same facts:*

*(2024) 16 Centax 351 (Tri.-Del) Whirlpool India vs CCE*

*“HELD: Extended limitation period could be invoked only in case of nonpayment or short payment of duty due to aggravating factors of "collusion, wilful misstatement or suppression of facts" none of which were alleged or established against importer- Hence, extended limitation period could not be invoked and demand was hit by limitation - Appeal allowed - Section 28(1) of Customs Act, 1962.”*

*Regarding the onus of proof Hon'ble Supreme court held:*

*2013 (288) E.L.T. 161 (S.C.) Uniworth Textiles vs CCE*

*Demand - Limitation - Mala fide of noticee - Burden to prove it is on Department, who makes the allegation - Onus to prove bona fide conduct is not on noticee - Section 28 of Customs Act, 1962. [paras 24, 26]*

*Demand - Limitation - Fides of conduct of noticee - Specific and explicit averments challenging them are mandatory to invoke extended period under proviso to Section 28 of Customs Act, 1962. [paras 25, 26]*

*Therefore the Show Cause Notice is liable to be quashed on basis of this ground only.*

## *II. Incorrect Recording of Bill of Lading Dates in the Show Cause Notice*

*It is submitted that the Show Cause Notice suffers from factual inaccuracies with respect to the dates of the Bills of Lading corresponding to certain Bills of Entry, which goes to the root of the matter. The notice proceeds on an erroneous premise that, in respect of Bill of Entry No. 6369027 and Bill of Entry No. 6369030, the Bills of Lading are dated 05.10.2024. This assertion is factually incorrect. In reality, the Bills of Lading pertaining to both the said Bills of Entry are dated 28.09.2024, and not 05.10.2024 as stated in the Show Cause Notice. Further, it is submitted that all the Bills of Lading for the impugned consignments are dated between 16.09.2024 and 30.09.2024, which clearly establishes the actual timeline of shipment.*

*The incorrect mention of the Bill of Lading date as 05.10.2024 in the Show Cause Notice, despite the existence of authentic shipping documents on record, demonstrates a clear non-application of mind and renders the factual foundation of the notice defective. In support of this submission, copies of the relevant Bills of Lading for Bill of Entry No. 6369027 and Bill of Entry No. 6369030, evidencing the correct date of 28.09.2024, are enclosed herewith.*

*III. Wrongful Application of Notification No. 33/2024-25 dated 01.10.2024 – Imports During a Period of Free Import Policy*

*It is submitted that the Show Cause Notice has erroneously applied Notification No. 33/2024-25 dated 01.10.2024, which introduced a prohibition on import of the subject goods where the CIF value is less than USD 3.5 per kg, to the impugned imports which were effected prior to the coming into force of the said notification. As already demonstrated, all the Bills of Lading pertaining to the impugned Bills of Entry are dated between 16.09.2024 and 30.09.2024, i.e., before 01.10.2024. Therefore, Notification No. 33/2024-25 could not have been applied retrospectively to the present imports.*

*On the relevant dates of shipment, the governing notification was Notification No. 77/2023 dated 16.03.2024, which expressly preserved the existing free import policy. Paragraph 2 of Notification No. 77/2023 categorically provides as under:*

*“The existing import policy of the items covered under this notification, as it stood prior to the issuance of this notification, shall continue to remain in effect from 16th September, unless expressly amended by a subsequent notification.”*

*A plain reading of the above makes it abundantly clear that, in the absence of any subsequent notification expressly amending the import policy, the free import policy continued to operate. Admittedly, no notification restricting or prohibiting imports on the basis of Minimum Import Price existed during the period 16.09.2024 to 30.09.2024. The subsequent Notification No. 33/2024-25 introducing the MIP condition came into force only on 01.10.2024 and has no retrospective operation.*

*Accordingly, during the entire impugned period, the imports were governed by a free import policy, and there was no statutory restriction or prohibition applicable to the goods. In the absence of any operative notification during the relevant period imposing a Minimum Import Price condition, the very foundation of the allegations in the Show Cause Notice based on Notification No. 33/2024-25 is legally untenable and unsustainable.*

*IV. Subsequent Notification No. 33/2024-25 dated 01.10.2024 – Retrospective Operation Bad in Law and Unenforceable*

*Without prejudice to the submissions made hereinabove, it is submitted that even Notification No. 33/2024-25 dated 01.10.2024, which seeks to impose a Minimum Import Price (MIP) of*

*USD 3.5 per kg and purports to give effect to such restriction retrospectively from 15.09.2024, is ex facie illegal, ultra vires the Foreign Trade (Development and Regulation) Act, 1992, and unenforceable in law. The Foreign Trade (Development and Regulation) Act, 1992 does not confer any power upon the Central Government or DGFT to impose retrospective restrictions or prohibitions on imports, particularly where vested rights have already accrued by way of concluded imports backed by Bills of Lading and shipping documents.*

*It is a settled position of law that foreign trade policy notifications are prospective in operation unless the parent statute expressly authorises retrospective application, which is admittedly absent under the FTDR Act. Any attempt to impose retrospective import restrictions through executive notifications is therefore beyond jurisdiction and liable to be struck down. The Hon'ble Supreme Court, in Director General of Foreign Trade v. Kanak Exports, reported in (2016) 2 SCC 226, has categorically held that trade policy measures and notifications issued under the FTDR Act cannot operate retrospectively so as to adversely affect vested rights of importers, and that retrospective curtailment of benefits or imposition of restrictions is impermissible unless expressly authorised by statute.*

*The same principle was earlier laid down by the Hon'ble Supreme Court in Union of India v. Asian Food Industries, reported in (2006) 13 SCC 542, wherein the Court held that export-import policy notifications cannot be given retrospective effect to the prejudice of traders once the right to import or export has crystallized, and that subordinate legislation under the FTDR Act must operate prospectively. The Court further observed that executive instructions or policy circulars cannot override statutory protections or unsettle completed transactions.*

*Further, the Hon'ble High Court of Madras, in Chillies Exporters Association v. Director General of Foreign Trade, reported in 2008 (229) E.L.T. 52 (Mad.), struck down a DGFT notification which sought to impose retrospective restrictions, holding that such retrospective application was arbitrary, unreasonable, and beyond the powers conferred under the FTDR Act. The Court unequivocally held that importers and exporters are entitled to act on the policy as it exists on the date of shipment, and retrospective interference violates the principles of legal certainty and fairness.*

*In view of the above authoritative pronouncements, that Notification No. 33/2024-25 seeks to operate retrospectively from 15.09.2024, such retrospective operation is void ab initio, unenforceable, and incapable of being applied to the noticee's imports, which were shipped during a period when the import policy was undisputedly free. Consequently, the reliance placed in the Show Cause Notice on Notification No. 33/2024-25 for imports effected prior to 01.10.2024 is wholly misplaced, illegal, and liable to be rejected outright.*

*V. Confiscation and Penalty Provisions Invoked Without Any Infraction – Liable to Be Dropped*

*It is submitted that the proposals in the Show Cause Notice for confiscation of goods under Sections 111(d) and 111(m) of the Customs Act, 1962 are wholly untenable and unsustainable*

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*in law, as there is no infraction whatsoever on the part of the noticee. Section 111(d) is attracted only when goods are imported in contravention of a prohibition imposed under any law for the time being in force. As already demonstrated hereinabove, during the relevant period of import, the goods were governed by a free import policy, and no valid or operative notification imposing any restriction or prohibition existed. In the absence of any statutory prohibition applicable to the impugned imports, the question of confiscation under Section 111(d) does not arise.*

*Similarly, confiscation under Section 111(m) presupposes a finding of misdeclaration of value, description, quantity, or any material particular. In the present case, the Show Cause Notice does not allege any misdeclaration of description, classification, or quantity. The transaction value declared by the noticee was based on commercial invoices and shipping documents and was duly disclosed in the Bills of Entry filed before the Customs authorities. A mere re-determination of value or adoption of a different benchmark by the department does not ipso facto render the original declaration as misdeclaration. In the absence of any finding that the declared value was false or fabricated, invocation of Section 111(m) is legally impermissible.*

*It is further submitted that penalty under Section 114A of the Customs Act, 1962 can be imposed only where duty becomes recoverable by reason of fraud, collusion, wilful misstatement, or suppression of facts with intent to evade payment of duty. As already pointed out, the Show Cause Notice is completely silent as to what fact was suppressed, how it was suppressed, and in what manner such alleged suppression led to evasion of duty. There is no allegation of fraud or collusion, nor any evidence of intent to evade duty. In the absence of the mandatory statutory ingredients, penalty under Section 114A is wholly without authority of law.*

*The Show Cause Notice also proposes penalty under Section 114AA, which applies only in cases of knowingly or intentionally making, signing, or using false or incorrect declarations or documents. However, the Show Cause Notice itself does not identify any document or declaration filed by the noticee as false or fabricated, nor does it specify the alleged false statement attributable to the noticee. In the absence of any such specific allegation or finding, invocation of Section 114AA is entirely mechanical and unsustainable.*

*In view of the foregoing, it is submitted that no confiscation, penalty, or interest is legally leviable in the present case. Since the very foundation of the demand is vitiated by absence of any violation of import policy, absence of misdeclaration, and absence of suppression or intent to evade duty, the entire proceedings initiated vide the present Show Cause Notice are liable to be dropped in toto, along with all consequential demands of duty, interest, redemption fine, and penalties.*

## RECORD OF PERSONAL HEARINGS

18. In order to follow principle of natural justice, an opportunity of personal hearing was granted to Noticee on 05.01.2026 vide this office letter dated 12.12.2025. Advocate Sh. Manish Saharan appeared before this adjudicating authority (virtually) on behalf of the Noticee on 05.01.2026. He re-iterated his written submission dated 02.01.2026 and had nothing further to add.

## DISCUSSION AND FINDINGS

19. I have carefully gone through the Show Cause Notice (SCN), the applicable legal provisions, material on record and facts of the case. Before going into the merits of the case, I would like to discuss whether the case has reached finality for adjudication.

## PRINCIPLE OF NATURAL JUSTICE

20. Before going into the merits of the case, I observe that in the instant case, in compliance of the provisions of Section 28(8) read with Section 122A of the Customs Act, 1962 and in terms of the principle of natural justice, an opportunity of personal hearing was granted to Noticee on 05.01.2026 vide this office letter dated 12.12.2025. **Advocate Sh. Manish Saharan appeared before this adjudicating authority (virtually) on behalf of the Noticee on 05.01.2026. He re-iterated his written submission dated 02.01.2026 and had nothing further to add.** Moreover, as per the provisions of Section 28(9) of the Customs Act, 1962, this adjudicating authority is under strict legal obligation to complete the adjudication proceedings within a time bound manner. I thus find that the principle of natural justice has been followed and I can proceed ahead with the adjudication process. I also refer to the following case laws on this aspect-

- Sumit Wool Processors Vs. CC, Nhava Sheva [2014 (312) E.L.T. 401 (Tri. - Mumbai)]
- Modipon Ltd. vs. CCE, Meerut [reported in 2002 (144) ELT 267 (All.)]

## FRAMING OF ISSUES

21. Pursuant to a meticulous examination of the Show Cause Notice and a thorough review of the case records, the following pivotal issues have been identified as requisite for determination and adjudication:

- A. As to whether the impugned goods covered under various Bills of Entry (as detailed in Table-I), having a total declared assessable value of Rs. 97,91,246/-, are imported below the Prescribed Minimum Import Price (MIP) in Contravention of DGFT Notifications/ Import Policy or otherwise.**
- B. As to whether the declared value of the imported goods is mis-declared and liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and should be re-determined at Rs. 2,83,49,026/-, based on the applicable Minimum Import Price (MIP) or otherwise. And as to whether the differential duty amounting to Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only) for the import of aforesaid imported goods (Table-I) should be demanded and recovered from the importer under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA, *ibid*, or otherwise.**
- C. As to whether the impugned imported goods (Table-I, Para 1 supra) having total Re-assessable value of Rs. 2,83,49,026/-, (Rupees Two Crores Eighty-Three Lakhs Forty-Nine Thousand and Forty-Nine) as per Table-III under the aforementioned Bills of Entry should be confiscated under Sections 111(d) and 111(m) of the Customs Act, 1962, on the grounds that they are "prohibited goods" and/or have been improperly imported in contravention of the restrictions in force or otherwise.**
- D. As to whether penalty should be imposed on the importer under Section 112(a) of the Customs Act, 1962, for the act of commission and omission by rendering the imported goods liable for confiscation under Section 111(d) and 111(m), or otherwise. And as to whether penalty should be imposed on the importer under Section 114A of the Customs Act, 1962, for the act of commission and omission by way of willful suppression of substantial facts regarding applicability of MIP or otherwise and as to whether penalty should be imposed on the importer under Section 114AA of the Customs Act, 1962, for the act of false declaration or otherwise.**
- A. Now I take up the first question/issue before me, as to whether the impugned goods covered under various Bills of Entry (as detailed in Table-I), having a total declared assessable value of Rs. 97,91,246/-, are imported below the Prescribed Minimum Import Price (MIP) in Contravention of DGFT Notifications/ Import Policy or otherwise.**

**22.** I observe that the Noticee M/s. Jai Hanuman Overseas (IEC: 3315000719) had imported multiple consignments of Synthetic Knitted Fabrics, classifiable under various Customs Tariff Headings (CTHs) falling within Chapter 60 of the First Schedule to the Customs Tariff Act, 1975. The said consignments were cleared through different Bills of Entry at the port of Nhava Sheva, details of which are enumerated in Table I below. The importer had declared the goods for home consumption under the system of self-assessment in terms of Section 17 of the Customs Act, 1962, and the said consignments

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were accordingly cleared for home consumption upon payment of the duty as declared and assessed by the importer at the time of import.

**Table-I**

Sr. No.	BE Number	BE date	BL Date	Full Item Description	Declared CTH	Declared Assessable Value (Rs.)	Declared quantity (kgs)	Declared Unit Price (USD)	Exchange rate (Rs.)	Total Duty Amount paid (Rs.)
1	6004336	7/10/2024	18-09-24	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,698,930	16,500	1.2	84.85	477,400
2	6369027	27-10-24	5/10/2024	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,814,328	17,600	1.2	84.95	509,826
3	6369030	27-10-24	5/10/2024	100% POLYESTER KNITTED CUT PILE FABRIC	60019200	1,556,611	15,100	1.2	84.95	437,408
4	6255348	21-10-24	26-09-24	100% POLYESTER KNITTED CUT PILE FAB	60019200	1,670,007	16,200	1.2	84.95	469,272
5	6255357	21-10-24	26-09-24	100% POLYESTER KNITTED CUT PILE FAB	60019200	1,371,055	13,300	1.2	84.95	385,266
6	6255370	21-10-24	26-09-24	100% POLYESTER KNITTED CUT PILE FAB	60019200	1,680,315	16,300	1.2	84.95	472,169
				<b>Total</b>		<b>9,791,246</b>				<b>2,751,340</b>

**22.1** I further observe that Show Cause Notice has clearly brought forward the fact that DGFT Notifications has issued Notifications viz. Notification No. 77/2023 dated 16.03.2024, Notification No. 33/2024-25 dated 01.10.2024, Notification No. 49/2024-25 dated 04.01.2025 & Notification No. 05/2025-26 Dated 23.04.2025 whereby it is categorically stipulate that the import of Synthetic Knitted or Crocheted Fabrics at a unit value below USD 3.50 per kilogram on a CIF basis shall be treated as “Prohibited” under the prevailing import policy. The prohibition has been imposed with the objective of safeguarding domestic industry and ensuring fair trade practices in accordance with the provisions of the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy in force. However, the said restriction is not applicable in cases where imports are specifically covered under valid authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), subject to strict adherence to the terms and conditions of such authorizations. In such cases, the exemption is limited to imports that are not cleared for home consumption into the Domestic Tariff Area (DTA) and are utilized exclusively for the purposes specified under the respective authorization. However, in the instance case imports under subject 06 Bills of Entry (as mentioned in Table-I above), the goods were not covered under the Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs) and instead were cleared for home consumption. The import effected by the said Bills of Entry is subject to MIP @3.5\$ per Kg as stated in the DGFT notifications mentioned above.

**22.1.1** I further observe that SCN has also brought forward the fact that the imports effected vide subject Bills of Entry, as enumerated in Table-I, are covered under the scope

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of the aforesaid DGFT Notifications prescribing the Minimum Import Price (MIP) condition, as the respective consignments were shipped on board prior to their clearance and the Bill of Lading dates clearly fall within the validity period of the said notifications. Accordingly, the imports in question are squarely governed by the MIP requirement stipulated therein. However, scrutiny of import documents, valuation particulars, and the Bills of Entry pertaining to the subject consignments, it is clear that the importer has declared a CIF value per kilogram lower than the prescribed Minimum Import Price (MIP) as notified by the Directorate General of Foreign Trade (DGFT) under the relevant DGFT Notifications cited hereinabove. Such declaration of value, being below the DGFT-mandated MIP, constitutes a clear violation of the import policy conditions prevailing at the material time of import. In view thereof, the import of the said goods at a value below the prescribed MIP is "Prohibited" under the applicable provisions of the Foreign Trade Policy. Accordingly, the goods so imported are liable for action under the provisions of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992, and the Foreign Trade Policy framed thereunder, for having been imported in contravention of the restrictions in force at the time of import.

**22.1.2** Accordingly, the Show Cause Notice proposes confiscation of the imported goods under the provisions of Sections 111(d) and 111(m) of the Customs Act, 1962, and imposition of penal action under Sections 112(a), 114A, and 114AA, along with recovery of the differential duty under Section 28(4) of the Customs Act, 1962, together with applicable interest under Section 28AA thereof.

**22.2** I observe that as per Section 5 of the Foreign Trade Development and Regulation Act, 1992, the Central Government may formulate and announce Foreign Trade Policy. Accordingly, The Foreign Trade Policy (FTP) 2023 was notified by the Directorate General of Foreign Trade (DGFT) under Notification No. 1/2023, dated March 31, 2023. The handbook of procedure outlines the specific procedures to comply with the Foreign Trade Policy. In this context, I observe that vide Notification No. 77/2023 dated 16.03.2024, issued by the Directorate General of Foreign Trade (DGFT), the import policy and policy conditions governing goods falling under Customs Tariff Headings (CTHs) 60063100, 60063200, 60063300, 60063400, and 60069000 of Chapter 60 of the First Schedule to the Customs Tariff Act, 1975, were revised. Through the said notification, the import policy for the aforementioned goods was amended from "Free" to "Prohibited", subject to a prescribed Minimum Import Price (MIP) condition, and made applicable up to 15.09.2024. As per the revised policy, import of Synthetic Knitted or Crocheted Fabrics under the above CTHs was permitted only at or above an MIP of USD 3.50 per kilogram (CIF basis). Relevant part of the notification is reproduced for reference, as follows:

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (II)

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade

**Notification No. 77/2023**  
New Delhi, Dated: 16<sup>th</sup> March 2024

**Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 15<sup>th</sup> September 2024 -reg**

**S.O.:** In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, the Central Government hereby revises the Import Policy and Import Policy Condition of the following ITC(HS) Codes under Chapter 60 of ITC (HS) 2022, Schedule-I(Import Policy), for the period up to 15<sup>th</sup> September 2024 as under:

ITC(HS) Code	Item Description	Import Policy	Revised Import Policy	Existing Policy condition	Revised Policy condition
60063100	-Of synthetic fibres : -- Unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063200	-Of synthetic fibres : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063300	-Of synthetic fibres : -- Of yarns of different colours	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063400	-Of synthetic fibres : -- Printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60069000	-- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is

*Am*

					3.5 US Dollar and above per Kilogram
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2. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16<sup>th</sup> September 2024, unless expressly amended by subsequent notification.

**Effect of the Notification:** Minimum Import Price of US Dollar 3.50 per Kilogram is imposed on (5) specific Synthetic Knitted Fabric ITC(HS) Codes for the period up to 15<sup>th</sup> September 2024. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16<sup>th</sup> September 2024, unless expressly amended by subsequent notification.

This is issued with the approval of Minister of Commerce & Industry.

*Am*  
16.3.2024  
(Santosh Kumar Sarangi)  
Director General of Foreign Trade &  
Ex- officio Addl. Secretary to the Government of India  
E-mail: [dqft@nic.in](mailto:dqft@nic.in)

(F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**22.2.1** The aforesaid import restrictions and the requirement of adherence to the prescribed Minimum Import Price (MIP) were subsequently extended and broadened

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vide DGFT Notification No. 33/2024-25 dated 01.10.2024. Through the said notification, the validity of the MIP condition was extended up to 31.12.2024, and its scope was expanded to cover additional tariff items, namely CTHs 60019200, 60041000, 60049000, 60053600, 60053790, 60053900, 60062200, and 60064200, in addition to the tariff headings already covered under DGFT Notification No. 77/2023 dated 16.03.2024. Consequently, the restriction on imports valued below the prescribed MIP of USD 3.50 per kilogram (CIF basis) continued to remain applicable to all the aforesaid tariff items up to 31.12.2024. Relevant part of the notification is reproduced for reference, as follows:

[To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (ii)]

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Vanijya Bhawan

**Notification No. 33/2024-25**  
New Delhi, Dated: 1<sup>st</sup> October, 2024

**Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 31<sup>st</sup> December 2024 –reg.**

**S.O.:** In exercise of powers conferred by Section 3 and Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, and in partial modification to Notification No. 77/2023 dated 16.03.2024, the Central Government hereby **extends** the condition of Minimum Import Price (MIP) on the following 5 ITC (HS) Codes of Synthetic Knitted Fabrics from **15<sup>th</sup> September, 2024 to 31<sup>st</sup> December 2024** as under :

ITC(HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Existing Policy Condition	Revised Policy Condition
60063100	-Of synthetic fibres : -- Unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063200	-Of synthetic fibres : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063300	-Of synthetic fibres : -- Of yarns of different colours	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60063400	-Of synthetic fibres : -- Printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60069000	-- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

2. All other terms and conditions in the Notification No. 77/2023 dated 16.03.2024 shall remain unchanged.

3. In addition to the above, the Central Government hereby revises the Import Policy Condition of the following ITC (HS) Codes under Chapter 60 of ITC(HS) 2022, Schedule-I (Import Policy), for the period upto 31<sup>st</sup> December, 2024, with immediate effect:



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: 2 :

ITC(HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Existing Policy Condition	Revised Policy Condition
60019200	- Other : -- Of man-made fibres	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60041000	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 percent or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60049000	- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053600	- Of synthetic fibres : -- Other, unbleached or bleached	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053790	--- Other	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60053900	- Of synthetic fibres : -- Other, printed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60062200	- Of cotton : -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60064200	- Of artificial fibres: -- Dyed	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram

: 3 :

**Effect of the Notification:**

Minimum Import Price (MIP) on Synthetic Knitted Fabrics is extended from 15<sup>th</sup> September 2024 to 31<sup>st</sup> December 2024. Further, MIP of US Dollar 3.50 per Kilogram on CIF Value has also been imposed on 08 new ITC (HS) Codes of various kinds of Knitted fabrics for the period up to 31<sup>st</sup> December, 2024.

This is issued with the approval of Minister of Commerce & Industry.

  
 (Santosh Kumar Sarangi)  
 Director General of Foreign Trade &  
 Ex- officio Addl. Secretary to the Government of India  
 E-mail: dgft@nic.in

(Issued from F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**22.2.2** I observe that, thereafter, vide DGFT Notification No. 49/2024-25 dated 04.01.2025, the validity of the MIP condition was further extended for the period from 01.01.2025 to 31.03.2025, thereby continuing the prohibition on imports of the subject goods declared below the MIP threshold during the said extended period. Therefore, the

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imports declared at a CIF value below the prescribed MIP were to be treated as “Restricted”, unless specifically covered under valid authorization schemes such as Advance Authorization, Export Oriented Unit (EOU), or Special Economic Zone (SEZ), and subject to strict compliance with the conditions stipulated therein.

**22.2.3** I further observe that vide DGFT Notification No. 05/2025-26 dated 23.04.2025, the Directorate General of Foreign Trade (DGFT) undertook a revision of the applicability of the Minimum Import Price (MIP) condition imposed on imports of Synthetic Knitted or Crocheted Fabrics. Through the said notification, the DGFT restricted the scope of the MIP requirement to four specific tariff items, namely CTHs 60019200, 60053600, 60053790, and 60053900. Accordingly, imports falling under the above-mentioned CTHs continued to remain subject to the prescribed MIP of USD 3.50 per kilogram (CIF basis). The MIP condition, however, was withdrawn for all other tariff items that had earlier been brought under its ambit through the preceding DGFT Notifications Nos. 77/2023, 33/2024-25, and 49/2024-25, thereby limiting the restriction to the said four CTHs with effect from 23.04.2025.

**22.3** I observe that the validity period of each Notification, indicating the duration from the date of its enforcement to the date of cessation, is as follows:

Sr. No.	Notification No.	Notification Date	CTH	Valid for the period	
				From	To
1	77/2023	16.03.2024	60063100	16.03.2024	15.09.2024
			60063200		
			60063300		
			60063400		
			60069000		
2	33/2024-25	01.10.2024	60063100	15.09.2024	31.12.2024
			60063200		
			60063300		
			60063400		
			60069000		
			60019200		
			60041000		
			60019200		
			60041000		
			60049000		
			60053600		
			60053790		
			60053900		
			60062200		
60064200					
3	49/2024-25	04.01.2025	60063100	01.01.2025	31.03.2025
			60063200		
			60063300		

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			60063400		
			60069000		
			60019200		
			60041000		
			60049000		
			60053600		
			60053790		
			60053900		
			60062200		
			60064200		
4	05/2025-26	23.04.2025	60019200	23.04.2025	31.03.2026

**22.3.1** From the foregoing, I find that the aforesaid DGFT Notifications categorically stipulate that the import of Synthetic Knitted or Crocheted Fabrics (under certain CTH) at a unit value below USD 3.50 per kilogram on a CIF basis shall be treated as “Prohibited” under the prevailing import policy. The prohibition has been imposed with the objective of safeguarding domestic industry and ensuring fair trade practices in accordance with the provisions of the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy in force. However, the said restriction is not applicable in cases where imports are specifically covered under valid authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), subject to strict adherence to the terms and conditions of such authorizations. In such cases, the exemption is limited to imports that are not cleared for home consumption into the Domestic Tariff Area (DTA) and are utilized exclusively for the purposes specified under the respective authorization.

**22.3.2** I observe that the suitable provisions have been made in law for regulation of imports of goods in to India. As far as tariff regulations are concerned, duties of customs are mainly levied as per Section 12 of the Customs Act, 1962. In case of non-tariff regulations, the multiple legislations have been enacted by the parliament. As per Section 11 of the Customs Act, 1962, the Central Government may prohibit imports of goods of any specified description by issuance of notification in the Official Gazette. Moreover, as per Section 5 of the Foreign Trade Development and Regulation Act, 1992, the Central Government may formulate and announce Foreign Trade Policy to regulate inter-alia imports of any goods by issuance of notification in the Official Gazette.

**22.3.2.1 I further observe the Para 1.05 (b) of the Foreign Trade policy:**

*"(b) .... The date of import/export is defined in para 2.17 of HBP 2023. Bill of Lading and Shipping Bill are the key documents for deciding the date of import and export respectively. In case of change of policy from 'free' to 'restricted/prohibited/state trading' or 'otherwise regulated', the import/export already made before the date of such regulation/restriction will not be affected. However, the import through High Sea sales will not be covered under this facility. Further, the import/export on or after the date of such regulation/restriction will be*

*allowed for importer/ exporter who has a commitment through Irrevocable Commercial Letter of Credit (ICLC) before the date of imposition of such restriction/regulation and shall be limited to the balance quantity, value and period available in the ICLC. For operational listing of such ICLC, the applicant shall have to register the ICLC with jurisdictional RA against computerized receipt within 15 days of imposition of any such restriction/regulation. Whenever, Government brings out a policy change of a particular item, the change will be applicable prospectively (from the date of Notification) unless otherwise provided for."*

#### **22.3.2.2 Para 2.17(a) of the Handbook of Procedures 2023:**

*"2.17 Date of reckoning of Import / Export.....(a) Date of reckoning of import is decided with reference to date of shipment/dispatch of goods from supplying country as given in Paragraph 11.11 of Handbook of Procedures and not the date of arrival of goods at an Indian port."*

#### **22.3.2.3 Para 11.11 of the Handbook of Procedures 2023:**

"Date of shipment/ dispatch for imports will be reckoned as under: -

S.No.	Mode of Transportation	Date of Shipment / Dispatch
(i)	By Sea	The date affixed on the Bill of Lading

**22.3.2.4** In view of the foregoing, I observe that as per Para 11.11 of the DGFT Handbook of Procedures, the date of shipment or dispatch for imports transported by sea is determined by the date mentioned on the Bill of Lading.

**22.3.3** Therefore, following conditions relevant to the instant case in hand, are required to be fulfilled for the applicability of MIP on import of a goods, as follows:

- i. Goods are Synthetic Knitted fabric
- ii. Goods are classifiable under CTH 6001.9200.
- iii. The date of shipment or dispatch for imports transported by sea i.e. Bill of Lading issue date should be on or after 15.09.2024.
- iv. Good are cleared for Home Consumption and not specifically covered under valid authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs).

**22.4** Further, on detailed scrutiny of the importer's declarations as well as the examination reports pertaining to the subject consignments as per the impugned 06 Bills of Entry, as mentioned in Table-I, it is observed as follows:

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- i. That the declared description of the goods by the importer in the impugned Bills of Entry is '100% Polyester Knitted Cut Pile Fabric'
- ii. Goods are self-classified by the Importer under CTH 6001.9200
- iii. The Bill of Lading date is for the period 18/09/2024 to 05/10/2024.
- iv. Goods are cleared for Home Consumption and are not covered under valid authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs).
- v. The declared CIF value per kilogram of the imported goods is below USD 3.50 per kilogram.

**22.5** I observe declared description of the goods by the importer in the impugned Bills of Entry is '100% Polyester Knitted Cut Pile Fabric'. In this regard, it is noticed that Polyester is a fibre produced through chemical synthesis by the polymerisation of petrochemical derivatives, resulting in polyethylene terephthalate (PET). The fibre is manufactured industrially by melt-spinning and subsequent drawing processes and does not originate from any natural plant or animal source. Accordingly, polyester is technically classified as a synthetic fibre, and it is neither a natural fibre nor an artificial (regenerated) fibre derived from natural polymers. **Therefore, the impugned goods are 'Synthetic Knitted fabric'.**

**22.5.1** I observe that the CTH 6001 92 00 covers pile fabrics, knitted or crocheted, of man-made fibres. It is an undisputed fact that the impugned goods are knitted fabrics made of man-made/synthetic fibre, namely polyester, and are of cut pile construction. There is also no dispute regarding the declared description of the goods as "100% polyester knitted cut pile fabric", nor with respect to the classification declared by the importer himself under CTH 6001 92 00. **Accordingly, there remains no dispute that the impugned goods are correctly classifiable under CTH 6001 92 00.**

**22.5.2** Further, reliance is placed on the earlier test reports available in the E-Sanchit system pertaining to Bill of Entry No. 6255370 dated 21.10.2024, Bill of Entry No. 6255357 dated 21.10.2024, and Bill of Entry No. 6255348 dated 21.10.2024, relating to imports made from the same overseas supplier, M/s Shaoxing Chenyang Import and Export Co. Ltd., China. The said test reports pertain to goods having the same description as the impugned goods and thereby establish the identity, uniformity, and consistency of the nature and description of the imported goods. Accordingly, the findings drawn from the earlier test reports are considered applicable to the impugned goods covered under the six Bills of Entry, as detailed in Table-I.

**22.5.3** I observe that a **Master Bill of Lading** is the primary transport document issued by the Carrier or vessel operator and evidences the actual lading of goods on board the vessel. The Master Bill of Lading is unique in nature and may cover multiple consignments booked under different House Bills of Lading. A **House Bill of Lading**, on the other hand, is issued by a

freight forwarder or shipping agent for the purpose of booking, consolidation, and commercial documentation of cargo. Accordingly, for the purposes of determining the date of shipment or dispatch under the Import Policy, Para 11.11 of the DGFT Handbook of Procedures and DGFT provisions, reliance is required to be placed on the date mentioned on the Master Bill of Lading, as it reflects the actual date of shipment, whereas the House Bill of Lading has limited relevance for such determination.

**22.5.3.1** I further observe that, as per The Indian Carriage of Goods By Sea Act, 1925 (Act No. 26 of 1925), under ARTICLE III. —Responsibilities and Liabilities, states as follows:

***“Rule 3: After receiving the goods into his charge, the carrier, or the master or agent of the carrier, shall, on demand of the shipper, issue to the shipper a bill of lading showing among other things— (a) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage: (b) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper: (c) The apparent order and condition of the goods:***

*Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.*

***Rule 4. Such a bill of lading shall be prima facie evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3(a), (b) and (c). 1 [However, proof to the contrary shall not be admissible when the bill of lading has been transferred to a third party acting in good faith.]”***

**22.5.3.1.1** From the foregoing, I observe that in terms of Article III Rule 3 of the Schedule to the Carriage of Goods by Sea Act, 1925, after receiving the goods into his charge, **the carrier or the Master of the vessel is statutorily obliged to issue a Bill of Lading recording, inter alia, the quantity, description and apparent condition of the goods.** Further, Article III Rule 4 of the said Act provides that such a Bill of Lading shall constitute *prima facie evidence* of the receipt of the goods by the carrier as therein described.

**22.5.3.2** I further observe that the filing of the Import General Manifest (IGM) is governed by the provisions of Section 30 of the Customs Act, 1962, read with the Import Manifest (Vessels) Regulations, 1971. In terms of Section 30(1) of the Customs Act, the person in charge of the vessel, namely the master or the carrier, is mandatorily required to file the IGM with the proper officer of Customs prior to the arrival of the vessel at the port of import, declaring therein true and correct particulars of all goods carried by the vessel which are intended to be unloaded or discharged at the said port.

**22.5.3.2.1** I further find that the prescribed IGM forms under the Import Manifest (Vessels) Regulations, 1971, particularly Form I, require declaration of detailed cargo particulars, including a specific and mandatory column for the Bill of Lading number and date, apart from the name of the consignor and consignee, description of goods, marks and numbers, and the port of loading and discharge. These particulars necessarily emanate from the Master Bill of Lading (MBL) issued by the master of the vessel or the carrier, which evidences the receipt and shipment of the goods on board the vessel.

**22.5.3.2.2** I find that the statutory responsibility for filing the IGM vests exclusively with the master or the carrier and, therefore, the declaration of cargo in the IGM can only be made on the basis of the MBL issued by them. **I also find that where a freight forwarder or an agent issues a House Bill of Lading (HBL) to the shipper, the master of the vessel or the carrier is correspondingly required to issue a Master Bill of Lading, which may cover one or more such House Bills of Lading, and that such MBL necessarily contains the “shipped on board” date in respect of the goods corresponding to each such HBL. The said “shipped on board” date reflects the date on which the goods covered by the respective HBL were actually laden on board the vessel.**

**22.5.3.2.3** A House Bill of Lading, being a document issued by a freight forwarder, does not discharge the statutory obligation cast upon the master under Section 30 of the Customs Act. **Accordingly, the filing of the IGM is intrinsically linked to the issuance of the MBL, and lawful filing of the IGM without issuance of the MBL is neither contemplated under the statute nor feasible in practice.** I also find that since the IGM is required to be filed prior to the arrival of the vessel and must accurately declare the goods proposed to be unloaded at the port of import, the MBL is necessarily issued contemporaneously with the shipment or lading of the goods on board the vessel. **Consequently, the date of issuance and the “shipped on board” date mentioned in the Master Bill of Lading assume statutory significance and are to be reckoned as the date of shipment or dispatch of the goods.**

**22.5.3.3** Thus, the Master Bill of Lading, being issued by the carrier / Master of the vessel in discharge of a statutory duty and constituting prima facie evidence of receipt and shipment of the goods, carries greater evidentiary value and reliability as compared to the House Bill of Lading issued by an agent or freight forwarder. **Accordingly, in the event of any discrepancy between the House Bill of Lading and the Master Bill of Lading with regard to the ‘shipped on board’ date, the particulars recorded in the Master Bill of Lading, being the principal shipping document issued by the carrier / Master of the vessel, merit greater reliance for determining the actual date of shipment of the goods.**

**22.5.3.4** In this context I observe the following anomalies in the ‘Laden on Board’ / ‘Shipped on board’ date of goods and HBL / MBL issue dates as follows:

			Details as per supporting documents uploaded on e-Sanchit	Details as per IGM

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<b>Sr. No</b>	<b>BE Number</b>	<b>BE date</b>	<b>BL/Date</b>	<b>Goods Laden on Board/ Shipped on Board Date as per BL.</b>	<b>MBL No.</b>	<b>Date</b>
1	6004336	7/10/2024	HBL No. SZBS2406472 dated 03.09.2024	03.09.2024	SZBS2406472	18-09-24
2	6369027	27-10-24	HBL No. JAM2411056A dated 28.09.2024	Not Mentioned in B/L.	244998997	5/10/2024
3	6369030	27-10-24	HBL No. JAM2411056B dated 28.09.2024	Not Mentioned in B/L.	244998997	5/10/2024
4	6255348	21-10-24	HBL No. JAM2410516A dated 26.09.2024	26.09.2024	JAM2410516A	26-09-24
5	6255357	21-10-24	HBL No. JAM2410516B dated 26.09.2024	26.09.2024	JAM2410516B	26-09-24
6	6255370	21-10-24	HBL No. JAM2410516C dated 26.09.2024	26.09.2024	JAM2410516C	26-09-24

**22.5.3.4.1** From the foregoing table, it is observed as follows:

- i. **For Bill of Entry at Sr. No. 01:** Firstly, the House Bill of Lading issued by the freight forwarder/agent has been treated as the Master Bill of Lading in the Import General Manifest (IGM) filed with the Customs authorities. It is not proper and not acceptable as the Master Bill of Lading is required to be issued by the carrier or vessel operator itself and not by its agent or a freight forwarder. Further, there is a substantial discrepancy in the issuing date of the House Bill of Lading (HBL) as reflected in the documents uploaded by the importer in the E-Sanchit system and the date reflected in the Import General Manifest (IGM) filed by the shipping line with the Customs authorities. It is undisputed fact that a single document can't have two issued date, therefore the subject HBL and goods shipped on board date can't be relied upon.
- ii. **For Bills of Entry at Sr. Nos. 02 and 03:** The "Goods Laden on Board / Shipped on Board" date is not mentioned in the House Bills of Lading uploaded in the E-Sanchit system. Further the MBL copy is not uploaded in e-Sanchit.
- iii. **For Bills of Entry at Sr. Nos. 04, 05, and 06:** The House Bill of Lading issued by the freight forwarder/agent has been treated as the Master Bill of Lading in the Import General Manifest (IGM) filed with the Customs authorities. It is not proper and not acceptable as the Master Bill of Lading is required to be issued by the carrier or vessel operator itself and not by its agent or a freight forwarder.

**22.5.3.4.2** In this context I observe that it is an undisputed fact that the 'shipped on board' date of the goods, being the actual date on which the goods were loaded on board the vessel, cannot vary between the House Bill of Lading and the Master Bill of Lading,

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SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

i.e. in other words same goods can't have two different dates of being shipped on board a vessel or ship.

**22.5.3.4.3** However, in the instant case, as discussed above (Para 22.5.3.4.1 supra), “*Shipped on board*” or “*laden on board*” date of the goods is not mentioned on the HBL and there is also a significant time gap between the issue dated of the HBL and the MBL that remains unexplained and requires thorough verification from the Master Bill of Lading itself. **It is further pertinent to mention that neither the MBL has been uploaded by the importer on the E-Sanchit portal for the subject Bills of Entry, nor has a copy of the same been furnished by the Noticee in its defence submissions, and therefore the ‘shipped on board’ date mentioned in the HBL could not be verified from the MBL.**

**22.5.3.4.4** Accordingly, in view of the above anomalies, the House Bills of Lading submitted as supporting documents and uploaded on the E-Sanchit system, cannot be relied upon and the Master Bill of Lading dates as reflected in the Import General Manifest (IGM) and relied upon in the Show Cause Notice are held to be correct and valid. Therefore, the relevant date of shipment or dispatch, as evidenced by the respective Bills of Lading, falls within the period from 26.09.2024 to 05.10.2024, which is subsequent to 15.09.2024.

**22.5.3.5 Bill of Entry wise IGM screenshot from EDI 1.5 ICES system and B/L uploaded in the e-Sanchit as a supporting document, is as follows:**

**Bill of Entry 6004336 dated 07.10.2024:**

Master	Invoice	Items	Dept	comments	Exam	order	Queries	IGM	Cont	eXAm_instr	liceNce	duty	Grp7_dutyfg	Others
* view_be														
15/01/2026 Indian Customs EDI System - Imports V1.5 12:16:37 pm														
VIEW JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707														
IGMS														
Enter BE No : 6004336 Date : 07/10/2024 CC : N Type : H No of IGMs : 1														
Importer : JAI HANUMAN OVERSEAS AG : 3 First Chk : N														
IGM No./Dt. : 2389773 04/10/2024 Inw. Dt. : 07/10/2024 Tot. Pkgs. : 375 RLS Gross Wt. : 17200 KGS														
MAWB No./Dt. : SZBS2406472 18/09/2024 HAWB No./Dt. :														
Marks & Nos : AS PER INVOICE & BL														
Gate Way IGM : Gate Way Port : Dest. Code : INNSA1PSC1 Current CFS :														
IGM No./Dt. : Inw. Dt. : Tot. Pkgs. : Gross Wt. :														
MAWB No./Dt. : HAWB No./Dt. :														
Marks & Nos :														
Gate Way IGM : Gate Way Port : Dest. Code : Current CFS :														
IGM No./Dt. : Inw. Dt. : Tot. Pkgs. : Gross Wt. :														
MAWB No./Dt. : HAWB No./Dt. :														
Marks & Nos :														
Gate Way IGM : Gate Way Port : Dest. Code : Current CFS :														

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SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

1 of 1 | getDoc | 85%

**SHENZHEN BA-SHI YUEXIN LOGISTICS DEVELOPMENT CO.,LTD.**

as the Carrier

Shipper SHAOXING CHENYANG IMPORT AND EXPORT CO.,LTD THE SOUTH -WEST OF SECOND FLOOR OF BUILDING 3, LOTUS LAKE ROAD PAOJIANG SHAOXING		B/L NO. SZBS2406472	
Consignee (If To Order'so indicate) JAI HANUMAN OVERSEAS PLOT NO. 35,SECTOR. 29, PART 2, HUDA, PANPAT - 132 103HARYANA, INDIA GSTIN : 06AAKF22176Q1ZK IEC : 331 5000719 PAN : AAKFJ2176Q		<b>BILL OF LADING</b>  Received by the Carrier the goods in apparent good order and condition, as far as ascertained by reasonable means of checking, as specified below unless otherwise stated. The Carrier, in accordance with the provisions contained in the front and back pages of this Bill of Lading: a). undertakes to perform or to procure the performance of the entire transport from the place at which the goods are taken in charge to the place designated for delivery in this document, and b). assumes liability as prescribed in this document for such transport. One original of this B/L must be surrendered duly endorsed in exchange for the goods or delivery order. IN WITNESS whereof the number of original Bills of Lading stated below have been signed, one of which being accomplished, the other(s) to be void.	
Notify Party(No claim shall be attached to the carrier or its agents for failure to notify) SAME AS CONSIGNEE		<b>COPY NON-NEGOTIABLE</b>	
Pre-carriage by	Place of Receipt		
Vessel SHIMIN 23W	Voy.No.	Port of Loading QINGDAO, CHINA	
Port of Discharge NHAVA SHEVA,INDIA	Place of Delivery NHAVA SHEVA,INDIA	No. of original Bill of Lading issued THREE	
Container No./Seal No. Marks & Numbers	No. of Pkgs or Shipping Units	Description of Goods	Gross Weight (Kilos) / Measurement (Cu. Metres)
N/M	375 ROLLS	SHIPPER'S LOAD,COUNT & SEAL (1*40HC) CONTAINER 100% POLYESTER KNITTED CUT PILE FABRIC HS CODE:60019-200	17200 KGS / 68 CBM
KKFU7916945/CN12952AR/40HC/0ROLLS/0KGS/0CBM			
The above particulars of the goods are according to the declaration of the Shipper, and are unknown to the Carrier.			
Total Number of Containers or other Packages or Units (In. Words) SAY THREE HUNDRED AND SEVENTY FIVE ROLLS ONLY.			Temperature Control Instructions
Freight Details, Charges etc		Date Laden on Board 2024/9/3	
Prepaid at	Collect at FREIGHT PREPAID	Place and date of issue SHENZHEN 2024-09-03	
F/Agent Name for Delivery SHEELTRANS CONTAINER LINE PVT LTD. PLOT NO. 511, GROUND FLOOR, PATPARGANJ INDUSTRIAL AREA DELHI - 110092, NEW DELHI GST NO:07ABACS352H1ZD PAN NO:ABACS5352H EMAIL:DCS@SHEELTRANS.IN,IN@SHEELTRANS.IN PH:011992760,9990179800		Stamp/Signature of the Carrier or its agent OCEAN NETWORK EXPRESS(CHINA)LTD.	
The contract evidenced by this Bill of Lading is governed by the laws of the People's Republic of China. Any claim or dispute must be determined exclusively by the courts in the People's Republic of China and no other court. (Terms Continued on Back Hereof) (BASHI STANDARD FORM 01)			

**Bill of Entry 6369027 dated 27.10.2024:**

Master Invoice iItems Dept comments Exam order Queries iGM Cont eXAm\_instr liceNce dUty Grp7\_dutyfg Others

view\_be

**Indian Customs EDI System - Imports V1.5** 04:00:07 pm

**JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707**

VIEW				IGMS
Enter BE No :	6369027	Date :	27/10/2024	CC : N
Importer :	JAI HANUMAN OVERSEAS	Type :	H	No of IGMS : 1
		AG :	3	First Chk : N
IGM No./Dt. :	2391654 / 26/10/2024	Inw. DL :	28/10/2024	Tot. Pkgs. : 469 RLS
MAWB No./Dt. :	244998997 / 05/10/2024			Gross Wt. : 18300 KGS
Marks & Nos :	AS PER INVOICE & BL	HAWB No./Dt. :	JAM2411056A / 28/09/2024	
Gate Way IGM :		Gate Way Port :		Dest. Code : Current CFS :
IGM No./Dt. :		Inw. DL :		Tot. Pkgs. : Gross Wt. :
MAWB No./Dt. :				HAWB No./Dt. :
Marks & Nos :				
Gate Way IGM :		Gate Way Port :		Dest. Code : Current CFS :
IGM No./Dt. :		Inw. DL :		Tot. Pkgs. : Gross Wt. :
MAWB No./Dt. :				HAWB No./Dt. :
Marks & Nos :				
Gate Way IGM :		Gate Way Port :		Dest. Code : Current CFS :
IGM No./Dt. :		Inw. DL :		Tot. Pkgs. : Gross Wt. :
MAWB No./Dt. :				HAWB No./Dt. :
Marks & Nos :				
Gate Way IGM :		Gate Way Port :		Dest. Code : Current CFS :

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Shipping: SHAOXING CHENYANG IMPORT AND EXPORT CO. LTD  
THE SOUTH -WEST OF SECOND FLOOR OF BUILDING  
3, LOTUS LAKE ROAD PACUJIANG SHAOXING

Consignee: JAI HANUMAN OVERSEAS  
PLOT NO 35 SECTOR 29 , PART 2 , HUDA, PANPAT  
-13103HARYANA, INDIA.  
GSTIN : 06AAKFJ2176Q1ZR  
IEC : 331 5007719  
PAN : AAKFJ2176Q

Notify party: SAME AS CONSIGNEE

Pre-carriage by: Place of receipt

Ocean vessel: GSL NICOLETTA Voyage No.: 440W Port of loading: QINGDAO, CHINA  
(Terms and Conditions as per back hereof)

Port of discharge: NHAVA SHEVA, INDIA Final destination (for the Merchant's reference): NHAVA SHEVA, INDIA

Container No.	Seal No. / Marks and Nos.	No. of Containers / of Packages	Kind of Packages; description of goods	Gross weight	Measurement
NM	469	ROLLS	SHIPPER'S LOAD COUNT & SEAL (1*40'HQ) CONTAINER S.T.C. 100% POLYESTER KNITTED CUT PILE FABRIC HS:8001 9200	18300.000KGS	68.000CBM

CONTAINERS/SEAL NO.: MRSU422427940'HQ/CN9322127/469ROLLS/18300.000KGS/68.000CBM

SHIPPED ON BOARD  
FREIGHT PREPAID

ORIGINAL

Total number of Containers or other Packages or units received by the Carrier (in words): SAY ONE(1\*40'HQ) CONTAINER ONLY CY-CY

Freight and charges	Revenue tons	Rate	Per	Prepaid	Collect
SHEELTRANS CONTAINER LINE PVT LTD. PLOT NO. 511, GROUND FLOOR, PATPARGANJ INDUSTRIAL AREA DELHI - 110092, NEW DELHI TEL: +91 9890173600 FAX: NA EMAIL: 300CS@SHEELTRANS.IN; JATIN@SHEELTRANS.IN IEC CODE: NA PAN NO.: ABKCS8352H GST NO.: 07ABAC5532H12D					

Exchange rate: Prepaid at: Payable at: Place and date of issue: CHENGDU, CHINA 28/09/2024

Total Prepaid in Local Currency: No. of Original B(s)/L: THREE(3)

For and on behalf of: AS AGENTS FOR THE CARRIER  
Authorized Signature(s)

Bill of Entry 6369030 dated 27.10.2024:

Master Invoice Items Dept comments Exam order Queries iGM Cont eXAm\_instr liceNce dUty Grp7\_dutyfg Qthers

view\_be

13/01/2026 Indian Customs EDI System - Imports V1.5 04:00:07 pm  
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707

VIEW	IGMS
Enter BE No: 6369030 Date: 27/10/2024 CC: N Type: H No of IGMS: 1 Importer: JAI HANUMAN OVERSEAS AG: 3 First Chk: N	
IGM No./Dt.: 2391654 26/10/2024 Inw. Dt.: 28/10/2024 Tot. Pkgs.: 369 RLS Gross Wt.: 15800 KGS MAWB No./Dt.: 244998997 05/10/2024 HAWB No./Dt.: JAM2411056B 28/09/2024 Marks & Nos: AS PER INVOICE & BL Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:	
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.: MAWB No./Dt.: HAWB No./Dt.: Marks & Nos: Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:	
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.: MAWB No./Dt.: HAWB No./Dt.: Marks & Nos: Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:	
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.: MAWB No./Dt.: HAWB No./Dt.: Marks & Nos: Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:	

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Shipper SHAOXING CHENYANG IMPORT AND EXPORT CO. LTD THE SOUTH-WEST OF SECOND FLOOR OF BUILDING 3, LOTUS LAKE ROAD PAOJIANG SHAOXING		Booking No.	B/L No. JAM2411056S
<b>OCEAN BILL OF LADING</b>			
			
JA INTERNATIONAL TRANSPORTATION CO., LTD			
RECEIVED in apparent good order and condition except as otherwise noted the total number of Containers or other packaged or units enumerated below for transportation from the place of receipt to the place of delivery subject to the terms and conditions hereof. One of the Bills of Lading must be surrendered duly endorsed in exchange for the goods or delivery order. On presentation of this document duly endorsed to the Carrier or on behalf of the Holder of the Bill of Lading, the rights and liabilities arising in accordance with the terms and conditions hereof shall, without prejudice to any rule of common law or statute rendering them binding on the Merchant, become binding in all respects between the Carrier and the Holder of the Bill of Lading as though the contract evidenced hereby had been made between them. IN WITNESS whereof the number of original Bills of Lading stated under have been signed, all of this tenor and date, one of which being accomplished, the other(s) to be void.			
Notify party SAME AS CONSIGNEE			
Pre-carriage by		Place of receipt	
Ocean vessel GSL NICOLETTA	Voyage No. 440W	Port of loading QINGDAO, CHINA	
Port of discharge NHAVA SHEVA, INDIA		Final destination (for the Merchant's reference) NHAVA SHEVA, INDIA	
Container No.		Kind of Packages; description of goods	
Seal No. Marks and Nos. 369 ROLLS		SHIPPER'S LOAD, COUNT & SEAL (1*40'HQ)CONTAINER S.T.C. 100% POLYESTER KNITTED CUT PILE FABRIC HS:6001 9200	
No. of Containers of Packages		Gross weight	Measurement
		15800.000KGS	68.000CBM
SHIPPED ON BOARD ----- FREIGHT PREPAID			
<b>ORIGINAL</b>			
Total number of Containers or other Packages or units received by the Carrier (in words) SAY ONE (1*40'HQ) CONTAINER ONLY		CY-CY	
Freight and charges		Revenue tons	Rate Per
SHEELTRANS CONTAINER LINE PVT LTD. AREA DELHI - 110052, NEW DELHI TEL: +91 9990178800 FAX: NA EMAIL: DOC@SHEELTRANS.IN; JATIN@SHEELTRANS.IN IEC CODE: NA PAN NO. JABACS5352H GST NO. 07ABACS5352H1ZD			
Exchange rate		Prepaid at	Payable at
		Total Prepaid in Local Currency	No. of Original B(s)/L THREE(3)
		Place and date of issue CHENGDU, CHINA 28/09/2024	
For and on behalf of JA INTERNATIONAL TRANSPORTATION CO. LTD (AGENT) FOR THE CARRIER 捷宇欣航 (成都) 国际物流有限公司 By _____ Authorized Signature(s)			

Bill of Entry 6255348 dated 21.10.2024:

Master Invoice	Items	Dept comments	Exam order	Queries	IGM Cont	eXAm instr	liceNce dUty	Grp7	dutyGrp	Qthe
view_be										
15/01/2026 Indian Customs EDI System - Imports V1.5 12:16:37										
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707										
VIEW										
Enter BE No :	6255348	Date :	21/10/2024	CC :	N	Type :	H	No of IGMs :	1	
Importer :	JAI HANUMAN OVERSEAS			AG :	3			First Chk :	N	
IGM No./Dt. :	2391099 19/10/2024	Inw. Dt. :	21/10/2024	Tot. Pkgs. :	379	RLS	Gross Wt. :	16900	KGS	
MAWB No./Dt. :	JAM2410516A		26/09/2024	HAWB No./Dt. :						
Marks & Nos :	AS PER INVOICE & BL									
Gate Way IGM :		Gate Way Port :		Dest. Code :	INNSA1PSC1	Current CFS :				
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :			Gross Wt. :			
MAWB No./Dt. :				HAWB No./Dt. :						
Marks & Nos :										
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :				
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :			Gross Wt. :			
MAWB No./Dt. :				HAWB No./Dt. :						
Marks & Nos :										
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :				
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :			Gross Wt. :			
MAWB No./Dt. :				HAWB No./Dt. :						
Marks & Nos :										
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :				

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

1 of 1 | getDoc-1 | 80.00%

Shipper SHAOXING CHENYANG IMPORT AND EXPORT CO.,LTD THE SOUTH-WEST OF SECOND FLOOR OF BUILDING 3,LOTUS LAKE ROAD PROJIANG SHAOXING		Booking No.   Bil. No.   JAA2410516A	
Consignee JAI HANJAMAN OVERSEAS PLOT NO 35 SECTOR 29 PART 2, HUDA, PANIPAT 132103MARRANA, INDIA GSTIN : 06AKFZ27961ZK EC : 331 5080719 PAN : AAKFZ278Q		<b>OCEAN BILL OF LADING</b>  JA INTERNATIONAL TRANSPORTATION CO.,LTD	
Notify party SAME AS CONSIGNEE		RECEIVED in apparent good order and condition except as otherwise noted the total number of Containers or other packages or units enumerated below for transportation from the place of receipt to the place of delivery subject to the terms and conditions hereof. One of the Bills of Lading must be surrendered duly endorsed in exchange for the goods or delivery order. On presentation of this document duly endorsed to the Carrier by or on behalf of the Holder of the Bill of Lading, the rights and liabilities arising in accordance with the terms and conditions hereof shall, without prejudice to any rule of common law or statute rendering them binding on the Merchant, become binding in all respects between the Carrier and the Holder of the Bill of Lading as though the contract evidenced hereby had been made between them. IN WITNESS whereof the number of original Bills of Lading stated under have been signed, all of this tenor and date, one of which being accomplished, the other(s) to be void.	
Pre-carriage by   Place of receipt Ocean vessel   Voyage No.   Port of loading ZHONG GU CHONG QING 438W   QINGDAO,CHINA (Terms and Conditions as per back hereof)		Port of discharge   Place of delivery   Final destination (for the Merchant's reference) NHAVA SHEVA,INDIA   NHAVA SHEVA,INDIA   NHAVA SHEVA,INDIA	
CONTAINER No. : Seal No. : Marks and Nos. : No. of Containers : Kind of Packages : description of goods : Gross weight : Measurement NIM : 379 ROLLS : SHIPPER'S LOAD, COUNT & SEAL (1*40HQ)CONTAINER S.T.C. : 16900.000KGS : 68.000CBM POLYESTER KNITTED CUT PILE FABRIC HS CODE: 60019200 14 DAYS FREE DETENTION AT DESTINATION		SHIPPED ON BOARD SEP 27 2024 FREIGHT PREPAID	
CONTAINERS/SEAL NO. MRKU255681240/HQ/CN3002754/079ROLLS/16900.000KGS/68.000CBM		<b>ORIGINAL</b>	
Total number of Containers or other Packages or units received by the Carrier (in words) SAY ONE(1*40HQ) CONTAINER ONLY		CY-CY	
Freight and charges Revenue tons   Rate   Per   Prepaid   Collect SHEELTRANS CONTAINER LINE PVT LTD ADDRESS PLOT NO. 17 JILE PADARGANJ INDUSTRIAL AREA, EAST DELHI, DELHI POST CODE : 110092 TEL : +91 9950178500 FAX:NA EMAIL :DOC@SHEELTRANS.IN ;JATIN@SHEELTRANS.IN EC CODE: 184 PAN NO. :ABAC55352H GST NO. :07ABAC55352H12D			
Exchange rate   Prepaid at   Payable at   Place and date of issue       CHENGDU,CHINA   SEP 27 2024		Total Prepaid in Local Currency   No. of Original B(s)/L   THREE(3)	
		For and on behalf of THE CARRIER 捷宇欣航 (成都) 国际物流有限公司 By: _____ Authorized Signature(s)	

Bill of Entry 6255357 dated 21.10.2024:

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Master Invoice	Items	Dept comments	Exam order	Queries	IGM Cont	eXAm_instr	license	duty	Grp7_dutyfg	Other
view_be										
15/01/2026 Indian Customs EDI System - Imports V1.5 08:28:32 p										
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707										
VIEW										
Enter BE No: 6255357 Date: 21/10/2024 CC: N Type: H No of IGMs: 1										
Importer: JAI HANUMAN OVERSEAS AG: 3 First Chk: N										
IGM No./Dt.: 2391095 19/10/2024 Inw. Dt.: 21/10/2024 Tot. Pkgs.: 523 RLS Gross Wt.: 14000 KGS										
MAWB No./Dt.: JAM2410516B 26/09/2024 HAWB No./Dt.:										
Marks & Nos: AS PER INVOICE & BL										
Gate Way IGM: Gate Way Port: Dest. Code: INNSA1PSCI Current CFS:										
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.:										
MAWB No./Dt.: HAWB No./Dt.:										
Marks & Nos:										
Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:										
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.:										
MAWB No./Dt.: HAWB No./Dt.:										
Marks & Nos:										
Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:										
IGM No./Dt.: Inw. Dt.: Tot. Pkgs.: Gross Wt.:										
MAWB No./Dt.: HAWB No./Dt.:										
Marks & Nos:										
Gate Way IGM: Gate Way Port: Dest. Code: Current CFS:										

Shipper SHAQING CHENYANG IMPORT AND EXPORT CO. LTD THE SOUTH-WEST OF SECOND FLOOR OF BUILDING 3, LOTUS LAKE ROAD PAOJIANG SHAOQING		Booking No.	Blt. No. JAM2410516B
Consignee JAI HANUMAN OVERSEAS PLOT NO 35 SECTOR 29 , PART 2 , HUDA, PANIPAT -132103 HARYANA, INDIA GSTIN - 06AAHFJ2176Q12R EC - 331 500719 PAN - AAKFJ2176Q		<b>OCEAN BILL OF LADING</b>   JA INTERNATIONAL TRANSPORTATION CO., LTD	
Notify party SAME AS CONSIGNEE			
Pre-carriage by		Place of receipt	
Ocean vessel Voyage No. 439W		Port of loading QINGDAO, CHINA	
Port of discharge NHAVA SHEVA, INDIA		Place of delivery NHAVA SHEVA, INDIA	
Container No. : Seal No. : Marks and Nos. : No. of Containers : Kind of Packages, description of goods : Gross weight : Measurement :		Final destination (for the Merchant's reference) : NHAVA SHEVA, INDIA	
N/M		SHIPPER'S LOAD COUNT & SEAL (1*40HQ) CONTAINER S.T.C. POLYESTER KNITTED CUT PILE FABRIC HS CODE: 60019200 14 DAYS FREE DETENTION AT DESTINATION	
CONTAINERS/SEAL NO. : TKRU6775357/40HQ/CN8301934/523ROLLS/14000.000KGS/68.000CBM		SHIPPED ON BOARD SEP 27 2024 FREIGHT PREPAID	
Total number of Containers or other Packages or units received by the Carrier (in words) : SAY ONE(1*40HQ) CONTAINER ONLY		CY-CY	
Freight and charges		Prepaid	
SHEELTRANS CONTAINER LINE PVT LTD ADDRESS PLOT NO. 17 F-11E PATIPARGANU INDUSTRIAL AREA, EAST DELHI, DELHI POST CODE - 110092 TEL: +91 9980179800 FAX: NA E-MAIL: DOC@SHEELTRANS.IN, JATIN@SHEELTRANS.IN EC CODE: NA PAN NO. JABK-SS332H GST NO. 07ABAC5532H1ZD		Collect	
Exchange rate		Place and date of issue	
Prepaid at		CHENGDU, CHINA SEP 27 2024	
Total Prepaid in Local Currency		No. of Original B(s)/L THREE(3)	
For and on behalf of JAI HANUMAN OVERSEAS AGENTS FOR THE CARRIER 捷宇欣航(廣州) 國際物流有限公司 By _____ Authorized Signature(s)			

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Bill of Entry 6255370 dated 21.10.2024:

Master Invoice Items Dept comments Exam order Queries iGM Cont eXAm_instr lceNce dUty Grp7_dutyfg Qther									
15/01/2026 Indian Customs EDI System - Imports V1.5 12:16:37 pm									
VIEW JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707									
Enter BE No :	6255370	Date :	21/10/2024	CC :	N	Type :	H	No of IGMs :	1
Importer :	JAI HANUMAN OVERSEAS					AG :	3	First Chk :	N
IGM No./Dt. :	2391093	19/10/2024	Inw. Dt. :	21/10/2024	Tot. Pkgs. :	366	RLS	Gross Wt. :	17000
MAWB No./Dt. :	JAM2410516C	26/09/2024			HAWB No./Dt. :				
Marks & Nos :	AS PER INVOICE & BL								
Gate Way IGM :		Gate Way Port :		Dest. Code :	INNSA1PSC1		Current CFS :		
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :				Gross Wt. :	
MAWB No./Dt. :					HAWB No./Dt. :				
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :			Current CFS :		
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :				Gross Wt. :	
MAWB No./Dt. :					HAWB No./Dt. :				
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :			Current CFS :		
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :				Gross Wt. :	
MAWB No./Dt. :					HAWB No./Dt. :				
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :			Current CFS :		

Shipper SHAOXING CHEYANG IMPORT AND EXPORT CO. LTD THE SOUTH-WEST OF SECOND FLOOR OF BUILDING 3, LOTUS LAKE ROAD PAUJIANG SHAOXING		Booking No. BIL No. JAM2410516C	
Consignee JAI HANUMAN OVERSEAS PLOT NO 35, SECTOR 29, PART 2, HUDA, PANIPAT +132103HARYANA, INDIA GSTIN : 06AAKFJ2176012R IEC : 331 500719 PAN : AAKFJ2176Q		<b>OCEAN BILL OF LADING</b>  RECEIVED in apparent good order and condition except as otherwise noted the total number of Containers or other packaged or units enumerated below for transportation from the place of receipt to the place of delivery subject to the terms and conditions hereof. One of the Bills of Lading must be numbered, date endorsed in exchange for the goods or delivery order. On presentation of this document duly endorsed to the Carrier by or on behalf of the Holder of the Bill of Lading, the rights and liabilities arising in accordance with the terms and conditions hereof shall, without prejudice to any rule of common law or statute rendering them binding on the Merchant, become binding in all respects between the Carrier and the Holder of the Bill of Lading as though the contract evidenced hereby had been made between them. IN WITNESS whereof the number of original Bills of Lading stated under have been signed, all of this tenor and date, one of which being accomplished, the other(s) to be void.	
Notify party SAME AS CONSIGNEE			
Pre-carriage by	Place of receipt		
Ocean vessel ZHONG GU CHONG QING 439W	Voyage No.	Port of loading QINGDAO, CHINA	
(Terms and Conditions as per back hereof.)			
Port of discharge NHAVA SHEVA, INDIA	Place of delivery NHAVA SHEVA, INDIA		Final destination (for the Merchant's reference) NHAVA SHEVA, INDIA
Container No. : NM	Seal No. : Marks and Nos. : 366	No. of Containers : of Packages : ROLLS	Kind of Packages; description of goods : SHIPPER'S LOAD, COUNT & SEAL (1*40HQ) CONTAINER S.T.C. POLYESTER KNITTED CUT PILE FABRIC HS CODE: 60019200 14 DAYS FREE DETENTION AT DESTINATION
		Gross weight : 17000.000KGS	Measurement : 66.000CBM
CONTAINERS/SEAL NO. : MRKJ903393B/40HQ/CN9246713 /366ROLLS/17000.000KGS/66.000CBM			SHIPPED ON BOARD SEP 27 2024 FREIGHT PREPAID
<b>ORIGINAL</b>			
Total number of Containers or other Packages or units received by the Carrier (in words)		SAY ONE(1*40HQ) CONTAINER ONLY	
Freight and charges		Revenue tons	Rate Per
SHEELTRANS CONTAINER LINE PVT LTD ADDRESS: PLOT NO. 17, F.I.E. PATPARGANJ INDUSTRIAL AREA, EAST DELHI, DELHI POST CODE : 110092 TEL : +91 9950178000 FAX: NA EMAIL: OCS@SHEELTRANS.IN; JAT@SHEELTRANS.IN IEC CODE: NA PAN NO: ABACS1529H GST NO: 07ABACS552H1ZD		Prepaid	Collect
Exchange rate	Prepaid at	Payable at	Place and date of issue CHENGDU, CHINA SEP 27 2024
	Total Prepaid in Local Currency	No. of Original B(s) L THREE(3)	
For and on behalf of 20250119 INTERNATIONAL TRANSPORTATION CO., LTD 捷宇航运(成都)国际物流有限公司 THE CARRIER By  Authorized Signature(s)			

**22.5.4** I observe that the importer has filed the impugned Bills of Entry for home consumption and not submitted any authorizations, such as those effected under Advance Authorization Schemes, Export Oriented Units (EOUs), or Special Economic Zones (SEZs).

**22.5.5** In view of the above, I find that the prohibition imposed by the DGFT vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, prescribing a Minimum Import Price of USD 3.5 per Kg. for the import of “synthetic knitted fabric” under CTH 6001 92 00, is squarely and categorically applicable to the impugned imported goods (Table-I, para 1 supra).

**22.5.6** I observe that the declared unit price per kilogram of the impugned imported goods, described as “100% polyester knitted cut pile fabric”, is USD 1.20 per kg, which is below the prescribed Minimum Import Price of USD 3.50 per kg. Accordingly, I find that the imported goods covered under Table-I (para 1.0 supra) have been imported in violation of, and in contravention of, the applicable DGFT Notifications and the prevailing Import Policy.

**22.6** From the foregoing facts and analysis, I find that the imposition of Minimum Import Price (MIP) on the import of synthetic knitted or crocheted fabrics, including those classifiable under CTH 6001 92 00, has been prescribed by the DGFT in exercise of the powers conferred under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, vide Notification No. 77/2023 dated 16.03.2024, as amended and clarified by Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder. While limited exemptions from MIP are provided for imports made under valid authorisations such as Advance Authorisation, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), such exemptions are conditional and applicable only where the goods are not cleared for home consumption. In the instant case, the impugned goods have been imported for clearance for home consumption and are not covered under any such authorised schemes; therefore, the benefit of exemption from MIP is not available to the importer.

**22.6.1** On scrutiny of the importer’s declarations, examination reports, and earlier test reports available in the E-Sanchit system relating to identical goods imported from the same overseas supplier, M/s Shaoxing Chenyang Import and Export Co. Ltd., China, it is observed that the impugned goods have been declared as “100% Polyester Knitted Cut Pile Fabric” and self-classified by the importer under CTH 6001 92 00. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester with cut pile construction, squarely fall within the description of “synthetic knitted fabric” covered under the MIP notifications. There is no dispute regarding the description or classification of the goods.

**22.6.2** I further observe that, in terms of paragraph 11.11 of the DGFT Handbook of Procedures, the relevant date of shipment or dispatch for imports transported by sea is determined by the date mentioned on the Bill of Lading. Accordingly, for the applicability of the Minimum Import Price, the goods are required to be synthetic knitted fabrics classifiable

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

under CTH 6001 92 00 and the date of shipment or dispatch is required to be on or after 15.09.2024. In the present case, the relevant Bills of Lading are dated between 26.09.2024 and 05.10.2024, which is subsequent to 15.09.2024, thereby satisfying the condition relating to the date of shipment or dispatch.

**22.6.3** In view of the above, I find that DGFT Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder, prescribing a Minimum Import Price of USD 3.50 per kilogram for the import of synthetic knitted fabric under CTH 6001 92 00, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 per kilogram is below the prescribed Minimum Import Price. Accordingly, I hold that the impugned goods have been imported in violation of and in contravention of the applicable DGFT Notifications and the prevailing Import Policy.

### **REBUTTAL TO DEFENCE SUBMISSIONS**

**23.** Noticee vide written submission dated 02.01.2026 has contended as follows:

**23.1** That the Bill of Lading dates mentioned in the Show Cause Notice are incorrect. In respect of Bill of Entry No. 6369027 and Bill of Entry No. 6369030, the Bills of Lading have been stated as dated 05.10.2024, whereas, in fact, the Bills of Lading are dated 28.09.2024 and not 05.10.2024. The importer has submitted copies of the relevant Bills of Lading in support of this contention, the same being reproduced as follows:

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Shipper  
SHAOXING CHENYANG IMPORT AND EXPORT CO.,LTD  
THE SOUTH-WEST OF SECOND FLOOR OF BUILDING  
3, LOTUS LAKE ROAD PAOJIANG SHAOXING

Booking No. BL No. JAM2411056B

OCEAN BILL OF LADING



Consignee  
JAI HANUMAN OVERSEAS  
PLOT NO 35, SECTOR 29 , PART 2 , HUDA, PANIPAT  
-132103HARYANA, INDIA  
GSTIN : 06AAKFJ2176Q12R  
IEC : 331 5900719  
PAN : AAKFJ2176Q

Notify party  
SAME AS CONSIGNEE

RECEIVED in apparent good order and condition except as otherwise noted the total number of Containers or other packages or units enumerated below for transportation from the place of receipt to the place of delivery subject to the terms and conditions hereof.  
One of the Bills of Lading must be surrendered duly endorsed in exchange for the goods or delivery order. On presentation of this document duly endorsed to the Carrier by or on behalf of the Holder of the Bill of Lading, the rights and liabilities arising in accordance with the terms and conditions hereof shall, without prejudice to any rule of common law or statute rendering them binding on the Merchant, become binding in all respects between the Carrier and the Holder of the Bill of Lading as though the contract evidenced hereby had been made between them.  
IN WITNESS whereof the number of original Bills of Lading stated under have been signed, all of this tenor and date, one of which being accomplished, the other(s) to be void.

Pre-carriage by	Place of receipt
Ocean vessel GSL NICOLETTA	Voyage No. 440W
Port of loading QINGDAO, CHINA	Final destination (for the Merchant's reference) NHAVA SHEVA, INDIA
Port of discharge NHAVA SHEVA, INDIA	Place of delivery NHAVA SHEVA, INDIA

Container No.	Seal No. Marks and Nos.	No. of Containers of Packages	Kind of Packages; description of goods	Gross weight	Measurement
N/M	369	ROLLS	SHIPPER'S LOAD COUNT & SEAL (1*40'HQ)/CONTAINER S.T.C. 100% POLYESTER KNITTED CUT PILE FABRIC HS:6001 9200	15800.000KGS	68.000CBM

Particulars furnished by the Merchant

CONTAINERS/SEAL NO.: PONU8160248/40/HQ/ICN9245402/369ROLLS/15800.000KGS/68.000CBM

SHIPPED ON BOARD  
FREIGHT PREPAID

ORIGINAL

Total number of Containers or other Packages or units received by the Carrier (in words) SAY ONE(1\*40'HQ) CONTAINER ONLY CY-CY

Freight and charges	Revenue tons	Rate	Per	Prepaid	Collect
SHEELTRANS CONTAINER LINE PVT LTD. PLOT NO. 511, GROUND FLOOR, PATPARGANJ INDUSTRIAL AREA DELHI - 110092, NEW DELHI TEL: +91 9990179800 FAX: NA EMAIL: DOCS@SHEELTRANS.IN, JATIN@SHEELTRANS.IN IEC CODE: NA PAN NO.: ABACS5352H GST NO.: 07ABACS5352H1ZD					

Exchange rate	Prepaid at	Payable at	Place and date of issue CHENGDU, CHINA	28/09/2024
	Total Prepaid in Local Currency	No. of Original B(s)/L THREE(3)		

For and on behalf of  
JA INTERNATIONAL TRANSPORTATION CO., LTD. FOR THE CARRIER  
捷宇航运(成都)国际物流有限公司  
By  
Authorized Signature(s)

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Shipper SHAOXING CHENYANG IMPORT AND EXPORT CO. LTD THE SOUTH -WEST OF SECOND FLOOR OF BUILDING 3, LOTUS LAKE ROAD PAOJIANG SHAOXING		Booking No.	BL No. JAM2411056B
Consignee JAI HANUMAN OVERSEAS PLOT NO 35, SECTOR 29 , PART 2 , HUDA, PANIPAT -132103HARYANA, INDIA, GSTIN : 06AAKFJ2178Q1ZR IEC : 331 5000719 PAN : AAKFJ2178Q		<h1 style="margin: 0;">OCEAN BILL OF LADING</h1> JA INTERNATIONAL TRANSPORTATION CO., LTD	
Notify party SAME AS CONSIGNEE		RECEIVED in apparent good order and condition except as otherwise noted the total number of Containers or other packaged or units enumerated below for transportation from the place of receipt to the place of delivery subject to the terms and conditions hereof. One of the Bills of Lading must be surrendered duly endorsed in exchange for the goods or delivery order. On presentation of this document duly endorsed to the Carrier by or on behalf of the Holder of the Bill of Lading, the rights and liabilities arising in accordance with the terms and conditions hereof shall, without prejudice to any rule of common law or statute rendering them binding on the Merchant, become binding in all respects between the Carrier and the Holder of the Bill of Lading as though the contract evidenced hereby had been made between them. IN WITNESS whereof the number of original Bills of Lading stated under have been signed, all of this tenor and date, one of which being accomplished, the other(s) to be void.	
Pre-carriage by	Place of receipt		
Ocean vessel	Voyage No.	Port of loading	
GSL NICOLETTA	440W	QINGDAO, CHINA	
Port of discharge		Place of delivery	Final destination (for the Merchant's reference)
NHAVA SHEVA, INDIA		NHAVA SHEVA, INDIA	NHAVA SHEVA, INDIA
Container No.	Seal No. / Marks and Nos.	No. of Containers / of Packages	Kind of Packages; description of goods
N/M	369	ROLLS	SHIPPER'S LOAD, COUNT & SEAL (1*40'HQ) CONTAINER S.T.C. 100% POLYESTER KNITTED CUT PILE FABRIC HS:6001 9200
		Gross weight	Measurement
		15800.000KGS	68.000CBM
SHIPPED ON BOARD			
FREIGHT PREPAID			
CONTAINERS/SEAL NO.: PONU8160248/40'HQ/CN8245402/369ROLLS/15800.000KGS/68.000CBM			
ORIGINAL			
Total number of Containers or other Packages or units received by the Carrier (in words) SAY ONE (1*40'HQ) CONTAINER ONLY		CY-CY	
Freight and charges	Revenue tons	Rate	Per
SHEELTRANS CONTAINER LINE PVT LTD. PLOT NO. 511, GROUND FLOOR, PATPARGANJ INDUSTRIAL AREA DELHI - 110092, NEW DELHI TEL: +91 9990179800 FAX: NA EMAIL: DOCS@SHEELTRANS.IN; JATIN@SHEELTRANS.IN IEC CODE: NA PAN NO.: ABAC55352H GST NO.: 07ABACS55352H1ZD		Prepaid	Collect
Exchange rate	Prepaid at	Payable at	Place and date of issue
	Total Prepaid in Local Currency	No. of Original B(s)/L THREE(3)	28/09/2024 CHENGDU, CHINA
For and on behalf of JA INTERNATIONAL TRANSPORTATION CO. LTD AGENTS FOR THE CARRIER 捷宇欣航(成都)国际物流有限公司 By _____ Authorized Signature(s)			

**23.1.1** From above, it is observed that the Bill of Lading No as per above documents is BL NO: JAM2411056A dated 28.09.2024 for Bill of Entry No. 6369027 dated 27.10.2024 and BL NO: JAM2411056B dated 28.09.2024 for Bill of Entry No. 6369030 dated 27.10.2024. However, I observe that as per IGM details of impugned Bills of Entry as per EDI 1.5 system and 'Manifest Details' column No. 06 & 07 of impugned Out of Charge Copy of Bills of Entry, the above-mentioned Bills of Lading mentioned by the Noticee are House Bills of Lading, whereas the corresponding Master Bills of Lading are dated 05.10.2024.

**23.1.2** I observe that a **Master Bill of Lading** is the primary transport document issued by the Carrier or vessel operator and evidences the actual lading of goods on board the vessel. The Master Bill of Lading is unique in nature and may cover multiple consignments booked under different House Bills of Lading. A **House Bill of Lading**, on the other hand, is issued by a freight forwarder or shipping agent for the purpose of booking, consolidation, and commercial documentation of cargo. Accordingly, for the purposes of determining the date of shipment or dispatch under the Import Policy, Para 11.11 of the DGFT Handbook of Procedures and DGFT provisions, reliance is required to be placed on the date mentioned on the Master Bill of Lading, as it reflects the actual date of shipment, whereas the House Bill of Lading has limited relevance for such determination.

**23.1.3** I further observe that, as per The Indian Carriage of Goods By Sea Act, 1925 (Act No. 26 of 1925), under ARTICLE III. —Responsibilities and Liabilities, states as follows:

*“Rule 3: After receiving the goods into his charge, **the carrier, or the master or agent of the carrier**, shall, on demand of the shipper, issue to the shipper a bill of lading showing among other things— (a) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage: (b) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper: (c) The apparent order and condition of the goods:*

*Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.*

***Rule 4. Such a bill of lading shall be prima facie evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3(a), (b) and (c). 1 [However, proof to the contrary shall not be admissible when the bill of lading has been transferred to a third party acting in good faith.]”***

**23.1.3.1** From the foregoing, I observe that in terms of Article III Rule 3 of the Schedule to the Carriage of Goods by Sea Act, 1925, after receiving the goods into his charge, **the carrier or the Master of the vessel is statutorily obliged to issue a Bill of Lading recording, inter**

**alia, the quantity, description and apparent condition of the goods.** Further, Article III Rule 4 of the said Act provides that such a Bill of Lading shall constitute *prima facie evidence* of the receipt of the goods by the carrier as therein described.

**23.1.4** I further observe that the filing of the Import General Manifest (IGM) is governed by the provisions of Section 30 of the Customs Act, 1962, read with the Import Manifest (Vessels) Regulations, 1971. In terms of Section 30(1) of the Customs Act, the person in charge of the vessel, namely the master or the carrier, is mandatorily required to file the IGM with the proper officer of Customs prior to the arrival of the vessel at the port of import, declaring therein true and correct particulars of all goods carried by the vessel which are intended to be unloaded or discharged at the said port.

**23.1.4.1** I further find that the prescribed IGM forms under the Import Manifest (Vessels) Regulations, 1971, particularly Form I, require declaration of detailed cargo particulars, including a specific and mandatory column for the Bill of Lading number and date, apart from the name of the consignor and consignee, description of goods, marks and numbers, and the port of loading and discharge. These particulars necessarily emanate from the Master Bill of Lading (MBL) issued by the master of the vessel or the carrier, which evidences the receipt and shipment of the goods on board the vessel.

**23.1.4.2** I find that the statutory responsibility for filing the IGM vests exclusively with the master or the carrier and, therefore, the declaration of cargo in the IGM can only be made on the basis of the MBL issued by them. **I also find that where a freight forwarder or an agent issues a House Bill of Lading (HBL) to the shipper, the master of the vessel or the carrier is correspondingly required to issue a Master Bill of Lading, which may cover one or more such House Bills of Lading, and that such MBL necessarily contains the “shipped on board” date in respect of the goods corresponding to each such HBL. The said “shipped on board” date reflects the date on which the goods covered by the respective HBL were actually laden on board the vessel.**

**23.1.4.3** A House Bill of Lading, being a document issued by a freight forwarder, does not discharge the statutory obligation cast upon the master under Section 30 of the Customs Act. **Accordingly, the filing of the IGM is intrinsically linked to the issuance of the MBL, and lawful filing of the IGM without issuance of the MBL is neither contemplated under the statute nor feasible in practice.** I also find that since the IGM is required to be filed prior to the arrival of the vessel and must accurately declare the goods proposed to be unloaded at the port of import, the MBL is necessarily issued contemporaneously with the shipment or lading of the goods on board the vessel. **Consequently, the date of issuance and the “shipped on board” date mentioned in the Master Bill of Lading assume statutory significance and are to be reckoned as the date of shipment or dispatch of the goods.**

**23.1.4.4** Thus, the Master Bill of Lading, being issued by the carrier / Master of the vessel in discharge of a statutory duty and constituting *prima facie* evidence of receipt and shipment of

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the goods, carries greater evidentiary value and reliability as compared to the House Bill of Lading issued by an agent or freight forwarder. **Accordingly, in the event of any discrepancy between the House Bill of Lading and the Master Bill of Lading with regard to the ‘shipped on board’ date, the particulars recorded in the Master Bill of Lading, being the principal shipping document issued by the carrier / Master of the vessel, merit greater reliance for determining the actual date of shipment of the goods.**

**23.1.5 In this context I observe the following anomalies in the ‘Laden on Board’ / ‘Shipped on board’ date of goods and HBL / MBL issue dates as follows:**

Sr. No	BE Number	BE date	Details as per supporting documents uploaded on e-Sanchit		Details as per IGM	
			BL/Date	Goods Laden on Board/ Shipped on Board Date as per BL.	MBL No.	Date
1	6004336	7/10/2024	HBL No. SZBS2406472 dated 03.09.2024	03.09.2024	SZBS2406472	18-09-24
2	6369027	27-10-24	HBL No. JAM2411056A dated 28.09.2024	Not Mentioned in B/L.	244998997	5/10/2024
3	6369030	27-10-24	HBL No. JAM2411056B dated 28.09.2024	Not Mentioned in B/L.	244998997	5/10/2024
4	6255348	21-10-24	HBL No. JAM2410516A dated 26.09.2024	26.09.2024	JAM2410516A	26-09-24
5	6255357	21-10-24	HBL No. JAM2410516B dated 26.09.2024	26.09.2024	JAM2410516B	26-09-24
6	6255370	21-10-24	HBL No. JAM2410516C dated 26.09.2024	26.09.2024	JAM2410516C	26-09-24

**23.1.5.1** From the foregoing table, it is observed as follows:

- i. **For Bill of Entry at Sr. No. 01:** Firstly, the House Bill of Lading issued by the freight forwarder/agent has been treated as the Master Bill of Lading in the Import General Manifest (IGM) filed with the Customs authorities. It is not proper and not acceptable as the Master Bill of Lading is required to be issued by the carrier or vessel operator itself and not by its agent or a freight forwarder. Further, there is a substantial discrepancy in the issuing date of the House Bill of Lading (HBL) as reflected in the documents uploaded by the importer in the E-Sanchit system and the date reflected in the Import General Manifest (IGM) filed by the shipping line with the Customs authorities. It is undisputed fact that a single document can't have two issued date, therefore the subject HBL and goods shipped on board date can't be relied upon.

- ii. **For Bills of Entry at Sr. Nos. 02 and 03:** The “Goods Laden on Board / Shipped on Board” date is not mentioned in the House Bills of Lading uploaded in the E-Sanchit system. Further the MBL copy is not uploaded in e-Sanchit.
- iii. **For Bills of Entry at Sr. Nos. 04, 05, and 06:** The House Bill of Lading issued by the freight forwarder/agent has been treated as the Master Bill of Lading in the Import General Manifest (IGM) filed with the Customs authorities. It is not proper and not acceptable as the Master Bill of Lading is required to be issued by the carrier or vessel operator itself and not by its agent or a freight forwarder.

**23.1.5.2 In this context I observe that it is an undisputed fact that the ‘shipped on board’ date of the goods, being the actual date on which the goods were loaded on board the vessel, cannot vary between the House Bill of Lading and the Master Bill of Lading, i.e. in other words same goods can’t have two different dates of being shipped on board a vessel or ship.**

**23.1.5.3** However, in the instant case, as discussed above (Para **23.1.5.1** supra), “*Shipped on board*” or “*laden on board*” date of the goods is not mentioned on the HBL and there is also a significant time gap between the issue dated of the HBL and the MBL that remains unexplained and requires thorough verification from the Master Bill of Lading itself. **It is further pertinent to mention that neither the MBL has been uploaded by the importer on the E-Sanchit portal for the subject Bills of Entry, nor has a copy of the same been furnished by the Noticee in its defence submissions,** and therefore the ‘shipped on board’ date mentioned in the HBL could not be verified from the MBL.

**23.1.5.4** Accordingly, in view of the above anomalies, the House Bills of Lading submitted as supporting documents and uploaded on the E-Sanchit system, cannot be relied upon. Therefore, the Master Bill of Lading dates as reflected in the Import General Manifest (IGM) and relied upon in the Show Cause Notice are held to be correct and valid. Accordingly, the relevant date of Bill of lading is 05.10.2024 for both the Bill of Entry No. 6369027 dated 27.10.2024 and Bill of Entry No. 6369030 dated 27.10.2024. Accordingly, I hold that the contention of the Noticee is mis-conceived and rejected.

**23.1.6** Screenshot of the relevant IGM details of impugned Bills of Entry as per EDI 1.5 system are reproduced below as follows:

S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

Master Invoice Items Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others									
view_be									
13/01/2026 Indian Customs EDI System - Imports V1.5 04:00:07 pm									
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707									
VIEW IGMS									
Enter BE No :	6369027	Date :	27/10/2024	CC :	N	Type :	H	No of IGMS :	1
Importer :	JAI HANUMAN OVERSEAS	AG :	3	First Chk :	N				
IGM No./Dt. :	2391654	26/10/2024	Inw. Dt. :	28/10/2024	Tot. Pkgs. :	469	RLS	Gross Wt. :	18300
MAWB No. /Dt. :	244998997	05/10/2024	HAWB No./Dt. :	JAM2411056A					28/09/2024
Marks & Nos :	AS PER INVOICE & BL								
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			

Master Invoice Items Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others									
view_be									
13/01/2026 Indian Customs EDI System - Imports V1.5 04:00:07 pm									
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707									
VIEW IGMS									
Enter BE No :	6369030	Date :	27/10/2024	CC :	N	Type :	H	No of IGMS :	1
Importer :	JAI HANUMAN OVERSEAS	AG :	3	First Chk :	N				
IGM No./Dt. :	2391654	26/10/2024	Inw. Dt. :	28/10/2024	Tot. Pkgs. :	369	RLS	Gross Wt. :	15800
MAWB No. /Dt. :	244998997	05/10/2024	HAWB No./Dt. :	JAM2411056B					28/09/2024
Marks & Nos :	AS PER INVOICE & BL								
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :		Gross Wt. :			
MAWB No. /Dt. :		HAWB No./Dt. :							
Marks & Nos :									
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :			

23.1.7 Screenshot of the relevant 'Manifest Details' column No. 06 & 07 of impugned Bills of Entry are reproduced below as follows:



S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
 SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025

INDIAN CUSTOMS		Port Code	BE No	BE Date	BE Type
PORT : JNCH, NHAVA SHEVA, TAL:URAN, DIST:RAIGAD-400707 BILL OF ENTRY FOR HOME CONSUMPTION		INNSA1	6369030	27/10/2024	H
		IEC/Br	3315000719/0	OOC COPY	
		GSTIN TYPE	06AAKFJ2176Q1ZR, G		
		CB CODE	AFJJPJ1965RCH001		
		TYPE	INV	ITEM	CONT
		No.	1	1	1
		PKG	369	G.WT (KGS)	15800
				BE1311020240034	

PART - I - BILL OF ENTRY SUMMARY												
A. STATUS	1.BE STATUS	2.MODE	3.DEF BE	4.KACHA	5.SEC 48	6.REIMP	7.ADV BE (Y/N/P)	8.ASSESS	9.EXAM	10.HSS	11.FIRST CHECK	12.PROV/FINAL
	OOC COPY	Sea	T	N	N	N	C	N	N	N	N	F
B. DECLARANT	13.COUNTRY OF ORIGIN						14.COUNTRY OF CONSIGNMENT			15.FIRST CHECK		
	CHINA						CHINA			CHINA		
C. DUTY SUMMARY	15.PORT OF LOADING						16.PORT OF SHIPMENT			17.TOT.ASS VAL		
	Qingdao						Qingdao			1556611		
D. MANIFEST DETAILS	1.IMPORTER NAME & ADDRESS						2.CB NAME			3.AEO		
	JAI HANUMAN OVERSEAS PLOT NO. 35, SECTOR -29., PART-II, HUDA, PANIPAT HARYANA 132103						DURVA SHIPPING AGENCY					
E. BOND DETAILS	AD CODE						4.UCR			5.TOT.AMT		
	6360226									437407		
F. PAYMENT DETAILS	1.BCD	2.ACD	3.SWS	4.NCCD	5.ADD	6.CVD	7.IGST	8.CESS	9.TOT.ASS VAL			
	311322.2	0	31132.2	0	0	0	94953	0	1556611			
G. WH	9.SG	10.SAED	11.GSIA	12.TTA	13.HEALTH	14.TOTAL DUTY	15.JNT	16.PNLTY	17.FINE	19.TOT.AMOUNT		
						437407	0	0	0	437407		
H. PROCESSING DETAILS	1.IGM NO	2.IGM DATE	3.INW DATE	4.GIGMNO	5.GIGMDT	6.MAWB NO	7.DATE	8.HAWB NO	9.DATE	10.PKG	11.GW	
	2391654	26/10/2024	28/10/2024	0		24498997	05/10/2024	JAM2411056	28/09/2024	369	15800	
I. INVOICE DETAILS - SUMMARY #	1.BOND NO.	2.PORT	3.BOND CD	4.DEBT AMT	5.BG AMT	1.SR NO	2.CHAL LAN NO	3.PAID ON	4.AMOUNT(Rs.)			
						1	2051692652	28/10/2024	437407			
J. CONTAINER DETAILS	1.WBE NO.	2.DATE	3.WBE SITE	4.WH CODE								
K. GLOSSARY	1.EVENT	2.DATE	3.TIME	EXCHANGE RATE								
	Submission	27-OCT-24	21:27	INR-INR								
				Assessment	27-OCT-24	21:29	1 USD=84.95INR					
				Examination								
				OOC	30-10-2024	22:20						
L. INVOICE DETAILS - SUMMARY #	1.SNO	2.LCL/FCL	3.TRUCK	4.SEAL	5.CONTAINER NUMBER							
	1	F		N.A.	PONU8160248							
						OOC NO.	2060012667					
						OOC DATE	30-10-2024					

GLOSSARY											
A : DEF - Deferred Payment, REIMP - Reimport, ADV - Advance, P - Prior, HSS - HighSeaSafe; B : CB - Customs Broker, AEO - Authorized Economic Operator, UCR - Unique Customs Reference; D : GIGM - Gateway GM; G : WBE - Warehouse BE; I : OOC - Out of Charge, # Refer Part IV for full list of Invoices; J : * Refer Part IV for full list of Containers, AP - Authorized Person											

23.1.8 Accordingly, I hold that the contention of the Noticee is mis-conceived and rejected.

23.2 Further, the Noticee has contended that Notification No. 33/2024-25 dated 01.10.2024 has been wrongfully applied, as all the Bills of Lading pertaining to the impugned Bills of Entry are dated between 16.09.2024 and 30.09.2024, that is, prior to 01.10.2024. It is therefore contended that Notification No. 33/2024-25 could not have been applied retrospectively to the present imports. The Noticee has further relied upon paragraph 2 of Notification No. 77/2023, which categorically provides that *“the existing import policy of the items covered under this notification, as it stood prior to the issuance of this notification, shall continue to remain in effect from 16th September, unless expressly amended by a subsequent notification.”* It is also contended that the retrospective operation of the subsequent Notification No. 33/2024-25 dated 01.10.2024 is bad in law and unenforceable.

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**23.2.1** In this regard, I reiterate my findings recorded in paragraph 23.1 supra, as the same apply *mutatis mutandis* to the issue at hand. I have already held that the relevant Bill of Lading date for the purpose of determining the date of shipment or dispatch is the date of the Master Bill of Lading. And the Bills of lading for the Bills of Entry 6369027 dated 27.10.2024 and 6369030 dated 27.10.2024 is 05.10.2024. Therefore, the contention of the Noticee that Bill of lading for all Bill of Entry is before 01.10.2024 is factually incorrect and mis-guiding.

**23.2.2** I further observe that, as per paragraph 1 of Notification No. 33/2024-25 dated 01.10.2024, the condition of Minimum Import Price (MIP) is applicable for the period from 15.09.2024 to 31.12.2024, that is, with retrospective effect. Accordingly, Notification No. 33/2024-25, read with Notification No. 77/2023 dated 16.03.2024, is rightly applicable to the instant case, and the contention of the Noticee in this regard is unfounded. The relevant paragraph of Notification No. 33/2024-25 is reproduced below for reference:

[To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (ii)]

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Vaniija Bhawan

**Notification No. 33 /2024-25**  
New Delhi, Dated: 1<sup>st</sup> October, 2024

**Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 31<sup>st</sup> December 2024 –reg.**

**S.O.:** In exercise of powers conferred by Section 3 and Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, and in partial modification to Notification No. 77/2023 dated 16.03.2024, the Central Government hereby **extends** the condition of Minimum Import Price (MIP) on the following 5 ITC (HS) Codes of Synthetic Knitted Fabrics from **15<sup>th</sup> September, 2024 to 31<sup>st</sup> December 2024** as under :

**23.2.3** I observe that as per Section 5 of the Foreign Trade Development and Regulation Act, 1992, the Central Government may formulate and announce Foreign Trade Policy. Accordingly, The Foreign Trade Policy (FTP) 2023 was notified by the Directorate General of Foreign Trade (DGFT) under Notification No. 1/2023, dated March 31, 2023. The handbook of procedure outlines the specific procedures to comply with the Foreign Trade Policy. In this context, I observe that as per para 1.05 (b) of the Foreign Trade policy: "*(b) .... The date of import/export is defined in para 2.17 of HBP 2023. Bill of Lading and Shipping Bill are the key documents for deciding the date of import and export respectively. In case of change of policy from 'free' to 'restricted/prohibited/state trading' or 'otherwise regulated', the import/export already made before the date of such regulation/restriction will not be affected. However, the import through High Sea sales will not be covered under this facility. Further,*

*the import/export on or after the date of such regulation/restriction will be allowed for importer/ exporter who has a commitment through Irrevocable Commercial Letter of Credit (ICLC) before the date of imposition of such restriction/regulation and shall be limited to the balance quantity, value and period available in the ICLC. For operational listing of such ICLC, the applicant shall have to register the ICLC with jurisdictional RA against computerized receipt within 15 days of imposition of any such restriction/regulation. Whenever, Government brings out a policy change of a particular item, the change will be applicable prospectively (from the date of Notification) unless otherwise provided for”*

**23.2.3.1** In this context I, observe that the imposition of Minimum Import Price by the DGFT, in exercise of the powers conferred under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, read with paragraphs 1.02, 1.05 and 2.01 of the Foreign Trade Policy, 2023, is a conscious policy decision taken by the Government in the larger interest of regulation of foreign trade. The statutory framework clearly empowers the Central Government to regulate, restrict, or prohibit imports by prescribing conditions such as Minimum Import Price. **Such policy measures fall within the exclusive domain of the Government, and the Government is legally competent to impose such restrictions either prospectively or, where expressly provided, with retrospective effect.** Consequently, the imposition of MIP in the present case is within the scope of the statutory powers conferred under the FTDR Act and the Foreign Trade Policy. Therefore, I reject the contention of the Noticee.

**B.** Now, I take up the next issue, as to whether the declared value of the imported goods is mis-declared and liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and should be re-determined at Rs. 2,83,49,026/-, based on the applicable Minimum Import Price (MIP) or otherwise. And as to whether the differential duty amounting to Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only) for the import of aforesaid imported goods (Table-I) should be demanded and recovered from the importer under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA, *ibid*, or otherwise.

**24.** I reiterate my findings from Para 22 supra, as the same appears *mutatis mutandis* to this also.

**24.1** I find that the imposition of Minimum Import Price (MIP) on the import of synthetic knitted or crocheted fabrics, including those classifiable under CTH 6001 92 00, has been prescribed by the DGFT in exercise of the powers conferred under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, vide Notification No. 77/2023 dated 16.03.2024, as amended and clarified by Notification No. 33/2024-25 dated 01.10.2024 and subsequent notifications issued thereunder. While limited exemptions from MIP are provided for imports made under valid authorisations such as Advance Authorisation, Export Oriented

Units (EOUs), or Special Economic Zones (SEZs), such exemptions are conditional and applicable only where the goods are not cleared for home consumption. In the instant case, the impugned goods have been imported for clearance for home consumption and are not covered under any such authorised schemes; therefore, the benefit of exemption from MIP is not available to the importer.

**24.1.1** On scrutiny of the importer's declarations, examination reports, and earlier test reports available in the E-Sanchit system relating to identical goods imported from the same overseas supplier, M/s Shaoxing Chenyang Import and Export Co. Ltd., China, it is observed that the impugned goods have been declared as "100% Polyester Knitted Cut Pile Fabric" and self-classified by the importer under CTH 6001 92 00. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester with cut pile construction, squarely fall within the description of "synthetic knitted fabric" covered under the MIP notifications. There is no dispute regarding the description or classification of the goods.

**24.1.2** I further observe that, in terms of paragraph 11.11 of the DGFT Handbook of Procedures, the relevant date of shipment or dispatch for imports transported by sea is determined by the date mentioned on the Bill of Lading. Accordingly, for the applicability of the Minimum Import Price, the goods are required to be synthetic knitted fabrics classifiable under CTH 6001 92 00 and the date of shipment or dispatch is required to be on or after 15.09.2024. In the present case, the relevant Bills of Lading are dated between 26.09.2024 and 05.10.2024, which is subsequent to 15.09.2024, thereby satisfying the condition relating to the date of shipment or dispatch.

**24.1.3** In view of the above, I find that DGFT Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024-25 dated 01.10.2024 and subsequent notifications issued thereunder, prescribing a Minimum Import Price of USD 3.50 per kilogram for the import of synthetic knitted fabric under CTH 6001 92 00, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 per kilogram is below the prescribed Minimum Import Price. Accordingly, I hold that the impugned goods have been imported in violation of and in contravention of the applicable DGFT Notifications and the prevailing Import Policy.

## **ISSUE OF DEMAND OF DUTY UNDER SECTION 28 (4) OF THE CUSTOMS ACT, 1962.**

**24.2** It is further observed that with the introduction of the system of self-assessment with effect from 2011 under Section 17 of the Customs Act, 1962, the primary responsibility and onus for correct assessment of duty has been squarely cast upon the importer, who is required to act in good faith and with due diligence while filing the Bill of Entry. The self-assessment regime imposes an added responsibility on the importer to correctly determine and declare the

classification, description, value, rate of duty, and applicable policy conditions at the time of import.

**24.2.1** Further, in terms of Sections 46(4) and 46(4A) of the Customs Act, 1962, read with the Electronic Bill of Entry (Regulations), the importer is mandatorily required to furnish a declaration at the time of filing the Bill of Entry affirming that the particulars furnished therein, including the description of goods, classification, quantity, value, and all other material details, are true, correct, and complete to the best of his knowledge and belief. Such statutory declaration reinforces the heightened obligation on the importer to ensure strict compliance with the provisions of the Customs Act, the Import Policy, and the applicable DGFT Notifications, and any failure in this regard renders the importer liable to appropriate action under law.

**24.2.2** However, in the instant case, it is observed that the importer self-assessed six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring unit prices below the prescribed Minimum Import Price, without disclosing that the imported goods were subject to MIP. With the introduction of the system of self-assessment with effect from 2011 under Section 17 of the Customs Act, 1962, the primary responsibility and onus for correct assessment of duty has been squarely cast upon the importer, who is required to act in good faith and with due diligence while filing the Bill of Entry.

**24.2.2.1** In this context, it is observed that the DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily valued at or above the said Minimum Import Price of USD 3.50 per kilogram.

**24.2.2.2** It is further observed that acceptance of the transaction value under Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not absolute and is expressly subject to the provisions of Rule 12 thereof, which permits rejection of the declared value where there exists a significant variation from the value of identical or similar goods imported at or about the same time. Therefore, the Noticee was fully aware that the invoice value or declared transaction value did not represent the true assessable value for the purpose of levy of customs duty.

**24.2.2.3** However, the Noticee, with blind belief, relied solely on the invoice value @ USD 1.20 per kilogram and declared the same in the Bills of Entry filed before the Customs authorities. It is well settled that a bona fide belief cannot be equated with blind belief. A belief can be said to be bona fide only when it is formed after taking into account all reasonable considerations, including applicable statutory provisions, import policy restrictions, and prevailing trade practices. **In the present case, the reliance placed by the Noticee on the invoice value, without due regard to the applicable MIP condition and valuation**

**provisions, cannot be accepted as a bona fide belief and has resulted in incorrect self-assessment and short-levy of duty.**

**24.2.2.4** Further, the importer failed to truthfully declare that the subject goods attracted the Minimum Import Price condition, in clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. Such failure amounts to suppression of material facts relating to the applicable import policy conditions, which directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed MIP.

**24.2.3** Accordingly, I find that the Noticee, M/s Jai Hanuman Overseas, knowingly submitted incorrect and false declarations before the Customs authorities at the time of import, despite being fully aware that the goods under import were not eligible for clearance at values below the prescribed Minimum Import Price. Such conduct constitutes willful misstatement and suppression of material facts with the clear intent to circumvent the import policy restrictions and evade payment of appropriate customs duty, thereby establishing the presence of *mens rea*. Further, the importer has resorted to deliberate misdeclaration in respect of the value and applicable import conditions of the goods, as discussed in paragraph 22 supra and reiterated in paragraph 24.1 supra. Accordingly, I find that, in view of the willful misdeclaration of value, misstatement and suppression of material facts on the part of the importer, resulting in short-assessment of duty, the provisions of Section 28(4) of the Customs Act, 1962 have been rightly invoked for recovery of the differential duty, along with applicable interest under Section 28AA of the said Act. In support of this finding of invoking extended period, I rely upon the following court decisions:

(a) 2013(294) E.L.T.222 (Tri. - LB): Union Quality Plastic Ltd. Versus Commissioner of C.E. & S.T., Vapi [Misc. Order Nos. M/12671-12676/2013-WZB/AHD, dated 18.06.2013 in Appeal Nos. E/1762-1765/2004 and E/635- 636/2008]

*“In case of non-levy or short-levy of duty with intention to evade payment of duty, or any of circumstances enumerated in proviso ibid, where suppression or wilful omission was either admitted or demonstrated, invocation of extended period of limitation was justified”*

(b) 2013(290) E.L.T.322 (Guj.): Salasar Dyeing & Printing Mills (P) Ltd. Versus C.C.E. & C., Surat-I; Tax Appeal No. 132 of 2011, decided on 27.01.2012.

*Demand – Limitation – Fraud, collusion, willful misstatement, etc. – Extended period can be invoked up to five years anterior to date of service of notice –Assessee’s plea that in such case, only one year was available for service of notice, which should be reckoned from date of knowledge of department about fraud, collusion, willful misstatement, etc., rejected as it would lead to strange and anomalous results;*

(c) 2005 (191) E.L.T. 1051 (Tri. – Mumbai): Winner Systems Versus Commissioner of

Central Excise & Customs, Pune: Final Order Nos. A/1022-1023/2005-WZB/C-I, dated 19-7-2005 in Appeal Nos. E/3653/98 & E/1966/2005-Mum.

*Demand – Limitation – Blind belief cannot be a substitute for bona fide belief – Section 11A of Central Excise Act, 1944. [para 5]*

(d) 2006 (198) E.L.T. 275 –Interscape v. CCE, Mumbai-I.

*It has been held by the Tribunal that a bona fide belief is not blind belief. A belief can be said to be bona fide only when it is formed after all the reasonable considerations are taken into account;*

### **REJECTION OF DECLARED VALUE OF IMPORTED GOODS.**

**24.3** For the purposes of the Customs Tariff Act, 1975, the valuation of imported goods is required to be determined in accordance with the provisions of Section 14 of the Customs Act, 1962, read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as the “*Customs Valuation Rules, 2007*”).

**24.3.1** In this regard, I observe that the Rule 3 read with Rule 12 of CVR, 2007, is as follows:

#### **Rule 3. Determination of the method of valuation.**

*(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10; ....*

*(4) 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.*

#### **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.*

*(2) (iii) The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include -*

*(a) the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction were assessed;*

*(b) the sale involves an abnormal discount or abnormal reduction from the ordinary competitive price;*

- (c) the sale involves special discounts limited to exclusive agents;*
- (d) the misdeclaration of goods in parameters such as description, quality, quantity, country of origin, year of manufacture or production;*
- (e) the non-declaration of parameters such as brand, grade, specifications that have relevance to value;*
- (f) the fraudulent or manipulated documents.*

**24.3.2** I observe that the acceptance of the transaction value under Rule 3 is not absolute and is expressly subject to the provisions of Rule 12. While Rule 3 prescribes transaction value as the primary basis for valuation of imported goods, the same can be accepted only when the proper officer is satisfied about the truth and accuracy of the declared value. Where the proper officer has reason to doubt the declared value, Rule 12 empowers him to seek further information, documents, or evidence from the importer. Such doubts may arise on account of factors including significant variation from the value of identical or similar goods imported at or about the same time, abnormal or special discounts, misdeclaration or non-declaration of value-relevant parameters such as description, quality, quantity, brand, specifications or country of origin, and the use of fraudulent or manipulated documents. If, after examination of the additional information or in the absence of a satisfactory response, the doubts are not dispelled, the declared transaction value is liable to be rejected and the value is required to be determined sequentially under Rules 4 to 9.

**24.3.3** Therefore, in terms of the said provisions, the transaction value declared by the importer is required to be accepted only if it satisfies the conditions laid down under the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and is not liable to rejection under Rule 12 thereof. However, DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily at or above the said Minimum Import Price of USD 3.50 per kilogram. In the present case, there exists a significant variation between the declared value of the impugned imported goods (@ USD 1.2 per Kg) and the value of identical or similar goods imported at or about the same time (@ equal to or greater than USD 3.5 per Kg). Accordingly, I find that the declared transaction value of the impugned goods could not be accepted under Rule 3(1) of the Customs Valuation Rules, 2007 and liable to rejection under Rule 12 of the Customs Valuation Rules, 2007 and the value is required to be determined sequentially under Rules 4 to 9 Customs Valuation Rules, 2007.

#### **RE-DETERMINATION OF VALUE OF IMPORTED GOODS.**

**24.4** I observe that in accordance with Rule 3(4), the value of the goods is to re-determined proceeding sequentially through Rules 4 to 9 of CVR 2007.

**24.4.1** Relevant portion of the Rules 4 & 5, CVR 2007 are reproduced here, as follows:

*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;*

*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:*

**24.4.2** I observe that Rules 4 and 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provide for determination of value on the basis of the transaction value of identical goods or similar goods sold for export to India and imported at or about the same time as the goods under assessment, subject to the provisions of Rule 3 thereof. In the instant case, it is observed that the DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily valued at or above the said Minimum Import Price.

**24.4.3** In the present case, the impugned goods are unbranded and exhibit variations in respect of GSM and other technical specifications. Owing to these differences, the impugned goods cannot be considered identical to contemporaneous imports for the purpose of valuation under Rule 4. Accordingly, the value of the impugned goods is required to be determined under Rule 5 of the Customs Valuation Rules, 2007. Considering the facts and circumstances of the present case, and in view of the prevailing Minimum Import Price prescribed under the DGFT Notifications, the assessable value of the impugned goods is determined at USD 3.50 per kilogram under Rule 5 of Customs Valuation Rules, 2007.

**24.4.4** Accordingly, I find that declared value of imported goods covered under various Bills of Entry (as detailed in Table-I), having a total declared assessable value of **Rs. 97,91,246/-** is liable for rejection under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the same at **Rs. 2,83,49,026/-**, based on the applicable Minimum Import Price (MIP).

#### **DETERMINATION OF DIFFERENTIAL DUTY DEMAND**

**24.5** Accordingly, I observe that the re-determined assessable value of the impugned imported goods and the differential duty recoverable from the Noticee are as tabulated in Table-II read with Table- III, as follows:

**Table-II**

**S/10-1177/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH  
SCN No. 1381-2025-26/Commissioner/NS-III/JNCH dated 25.11.2025**

Sr. No.	BE No.	BE Date	BL Date	CTH	Difference in MIP (3.5-declared unit price)(USD)	Differential rate as per MIP	Differential value (Rs.)	Exchange Rate	BCD @20 (Rs.)	SWS @10% (Rs.)	IGST @5 (Rs.)	Total Differential duty payable (Rs.)
1	6004336	27-10-24	18-09-24	60019200	2.3	195.155	3,220,058	84.85	644,012	64,401	196,424	904,836
2	6369027	27-10-24	5/10/2024	60019200	2.3	195.385	3,438,776	84.95	687,755	68,776	209,765	966,296
3	6369030	27-10-24	5/10/2024	60019200	2.3	195.385	2,950,314	84.95	590,063	59,006	179,969	829,038
4	6255348	21-10-24	26-09-24	60019200	2.3	195.385	3,165,237	84.95	633,047	63,305	193,080	889,432
5	6255357	21-10-24	26-09-24	60019200	2.3	195.385	2,598,621	84.95	519,724	51,972	158,516	730,212
6	6255370	21-10-24	26-09-24	60019200	2.3	195.385	3,184,776	84.95	636,955	63,696	194,271	894,922
				<b>Total</b>			<b>18,557,780</b>					<b>5,214,736</b>

**Table-III**

Declared Assessable Value (Rs.)	Declared Duty (Rs.)	Re-determined Differential Value (Rs.)	Total redetermined assessable Value (Rs.)	Total Duty As per MIP (Rs.)	Payable total Differential Duty (Rs.)
9,791,246	2,751,340	18,557,780	28,349,026	7,966,076	5,214,736

**24.5.1**

Accordingly, I find that the differential duty amounting to **Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only)** is liable for recovery from the importer M/s. Jai Hanuman Overseas under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA, *ibid*.

**24.5.2** I observe that the goods have already been cleared by the importer and are not available for confiscation. Therefore, the prohibition under the applicable import policy and as-well-as the demand of duty are rightly applicable in the present case.

**REBUTTAL OF DEFECEN SUBMISSION**

**24.6** Noticee has contended that Section 28(4) of the Customs Act, 1962 is unsustainable, in this regard, I observe that the invocation of section 28 (4) is discussed in details in the foregoing paras. It is established that the Importer

- i. All six impugned Bills of Entry were facilitated under the Risk Management System (RMS), and neither the verification of the self-assessment made by the importer was carried out, nor were the goods examined by the Customs authorities at the time of clearance.
- ii. With the introduction of the system of self-assessment with effect from 2011 under

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Section 17 of the Customs Act, 1962, the primary responsibility and **onus for correct assessment of duty has been squarely cast upon the importer**, who is required to act in good faith and with due diligence while filing the Bill of Entry.

- iii. Importer self-assessed six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring unit prices @ USD 1.20 per Kg, i.e. below the prescribed Minimum Import Price of USD 3.50 per Kg.
- iv. The acceptance of the transaction value under Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not absolute and is expressly subject to the provisions of Rule 12 of CVR, 2007. Rule 12 permits rejection of the declared value where there exists a significant variation from the value of identical or similar goods imported at or about the same time.
- v. As DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily valued at or above the said Minimum Import Price of USD 3.50 per kilogram.
- vi. The Noticee was fully aware that the invoice value or declared transaction value did not represent the true assessable value for the purpose of levy of customs duty.
- vii. The Noticee, with blind belief, relied solely on the invoice value @ USD 1.20 per kilogram and declared the same in the Bills of Entry filed before the Customs authorities. Bona fide belief cannot be equated with blind belief. A belief can be said to be bona fide only when it is formed after taking into account all reasonable considerations, including applicable statutory provisions, import policy restrictions, and prevailing trade practices.
- viii. Reliance placed by the Noticee on the invoice value, without due regard to the applicable MIP condition and valuation provisions, cannot be accepted as a bona fide belief and has resulted in incorrect self-assessment and short-levy of duty.
- ix. The importer failed to truthfully declare that the subject goods attracted the Minimum Import Price condition, in clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. Importer willfully suppressed the fact in the BE that that the imported goods were subject to MIP.
- x. Further, Section 46(4A) casts a statutory obligation upon the importer to ensure the accuracy and completeness of the information furnished in the Bill of Entry, the authenticity and validity of the supporting documents, and compliance with any restriction or prohibition applicable to the imported goods under the Customs Act, 1962 or under any other law for the time being in force.

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- xi. In the instant case, it is an admitted and established fact that the import of the subject synthetic knitted fabrics below the prescribed Minimum Import Price of USD 3.50 per kilogram was prohibited under the DGFT Notifications issued under the Foreign Trade (Development and Regulation) Act, 1992. The said MIP condition constituted a statutory restriction/prohibition applicable to the goods at the time of import.
- xii. However, the importer, while filing the impugned Bills of Entry under the self-assessment regime, failed to declare that the goods were subject to the Minimum Import Price condition and declared the CIF value at USD 1.20 per kilogram, which was substantially below the prescribed MIP. Importer willfully suppressed the fact in the BE that that the imported goods were subject to MIP.
- xiii. Such failure amounts to suppression of material facts relating to the applicable import policy conditions, which directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed MIP.
- xiv. M/s Jai Hanuman Overseas, knowingly submitted incorrect and false declarations before the Customs authorities at the time of import, despite being fully aware that the goods under import were not eligible for clearance at values below the prescribed Minimum Import Price.
- xv. Such willful misstatement and suppression of material facts with the clear intent to circumvent the import policy restrictions and evade payment of appropriate customs duty, thereby establishing the presence of *mens rea*.
- xvi. In view of the willful misdeclaration of value, misstatement and suppression of material facts on the part of the importer, resulting in short-assessment of duty, the provisions of Section 28(4) of the Customs Act, 1962 have been rightly invoked for recovery of the differential duty, along with applicable interest under Section 28AA of the said Act.

Accordingly, the contention of the Noticee is rejected.

**C. Now, I take up the next issue, as to whether the impugned imported goods (Table-I, Para 1 supra) having total Re-assessable value of Rs. 2,83,49,026/-, (Rupees Two Crores Eighty-Three Lakhs Forty-Nine Thousand and Forty-Nine) as per Table-III under the aforementioned Bills of Entry should be confiscated under Sections 111(d) and 111(m) of the Customs Act, 1962, on the grounds that they are "prohibited goods" and/or have been improperly imported in contravention of the restrictions in force or otherwise.**

**25.** I observe that the SCN has proposed confiscation of the impugned goods under Sections 111(d) and 111(m) of the Customs Act, 1962. Section 111 (d) & 111 (m) are reproduced, as follows:

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*“SECTION 111: Confiscation of improperly imported goods etc.: The relevant clauses of Section 111 are reproduced below: The following goods brought from a place outside India shall be liable to confiscation: -*

*(d) any goods which are imported or attempted to be imported or are brought within the Indian Customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

*(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];”*

**25.1** I reiterate my findings from Para 22 supra, as the same appears *mutatis mutandis* to 2confiscation of the goods under section 111 (d) of the Customs Act, 1962, which are as follows:

**25.1.1** I find that the imposition of Minimum Import Price (MIP) on the import of synthetic knitted or crocheted fabrics, including those classifiable under CTH 6001 92 00, has been prescribed by the DGFT in exercise of the powers conferred under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, vide Notification No. 77/2023 dated 16.03.2024, as amended and clarified by Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder. While limited exemptions from MIP are provided for imports made under valid authorisations such as Advance Authorisation, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), such exemptions are conditional and applicable only where the goods are not cleared for home consumption. In the instant case, the impugned goods have been imported for clearance for home consumption and are not covered under any such authorised schemes; therefore, the benefit of exemption from MIP is not available to the importer.

**25.1.2** On scrutiny of the importer’s declarations, examination reports, and earlier test reports available in the E-Sanchit system relating to identical goods imported from the same overseas supplier, M/s Shaoxing Chenyang Import and Export Co. Ltd., China, it is observed that the impugned goods have been declared as “100% Polyester Knitted Cut Pile Fabric” and self-classified by the importer under CTH 6001 92 00. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester with cut pile construction, squarely fall within the description of “synthetic knitted fabric” covered under the MIP notifications. There is no dispute regarding the description or classification of the goods.

**25.1.3** I further observe that, in terms of paragraph 11.11 of the DGFT Handbook of Procedures, the relevant date of shipment or dispatch for imports transported by sea is

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determined by the date mentioned on the Bill of Lading. Accordingly, for the applicability of the Minimum Import Price, the goods are required to be synthetic knitted fabrics classifiable under CTH 6001 92 00 and the date of shipment or dispatch is required to be on or after 15.09.2024. In the present case, the relevant Bills of Lading are dated between 26.09.2024 and 05.10.2024, which is subsequent to 15.09.2024, thereby satisfying the condition relating to the date of shipment or dispatch.

**25.1.4** In view of the above, I find that DGFT Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder, prescribing a Minimum Import Price of USD 3.50 per kilogram for the import of synthetic knitted fabric under CTH 6001 92 00, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 per kilogram is below the prescribed Minimum Import Price. Accordingly, I hold that the impugned goods have been imported in violation of and in contravention of the applicable DGFT Notifications and the prevailing Import Policy.

**25.2** I observe that Section 111 of the Customs Act, 1962 provides for confiscation of improperly imported goods. In particular, clause (d) of Section 111 stipulates that any goods which are imported or attempted to be imported, or are brought within the Indian Customs waters for the purpose of being imported, contrary to any prohibition imposed by or under the Customs Act, 1962 or any other law for the time being in force, shall be liable to confiscation.

**25.2.1** In the present case, it is undisputed fact that the import of the subject goods, namely *Synthetic Knitted Fabrics*, has been effected at a declared CIF value below the prescribed Minimum Import Price (MIP) of USD 3.50 per kilogram, as mandated by the Directorate General of Foreign Trade (DGFT) through the relevant notifications issued under the Foreign Trade (Development & Regulation) Act, 1992. The said DGFT notifications, having been issued in exercise of powers conferred under Sections 3 and 5 of the FT(D&R) Act, have the force of law, and any import made in violation thereof amounts to contravention of a prohibition imposed under another law for the time being in force.

**25.2.3** Accordingly, the import of Synthetic Knitted Fabrics below the prescribed MIP constitutes an import contrary to such prohibition, and therefore, the goods are to be treated as “prohibited goods” within the meaning of Section 2(33) and 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act. In terms of Section 111(d) of the said Act, any goods imported or attempted to be imported contrary to any prohibition imposed by or under the Customs Act, 1962 or any other law for the time being in force are liable to confiscation. In the present case, since the importer has imported goods in contravention of the import policy conditions prescribed under the aforesaid DGFT notifications, the goods are rendered liable to confiscation under Section 111(d) of the Customs Act, 1962, for having been imported contrary to the prohibition imposed under the Foreign Trade (Development & Regulation) Act, 1992 and the Foreign Trade Policy framed thereunder.

**25.3** I reiterate my findings from Para 24 supra, as the same appears *mutatis mutandis* to confiscation of the goods under section 111 (m) of the Customs Act, 1962, which are as follows:

**25.3.1** In the instant it is observed that the importer self-assessed six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring unit prices below the prescribed Minimum Import Price, without disclosing that the imported goods were subject to MIP. With the introduction of the system of self-assessment with effect from 2011 under Section 17 of the Customs Act, 1962, the primary responsibility and onus for correct assessment of duty has been squarely cast upon the importer, who is required to act in good faith and with due diligence while filing the Bill of Entry.

**25.3.1.1** In this context, it is observed that the DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily valued at or above the said Minimum Import Price of USD 3.50 per kilogram.

**25.3.1.2** It is further observed that acceptance of the transaction value under Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not absolute and is expressly subject to the provisions of Rule 12 thereof, which permits rejection of the declared value where there exists a significant variation from the value of identical or similar goods imported at or about the same time. Therefore, the Noticee was fully aware that the invoice value or declared transaction value did not represent the true assessable value for the purpose of levy of customs duty.

**25.3.1.3** However, the Noticee, with blind belief, relied solely on the invoice value @ USD 1.20 per kilogram and declared the same in the Bills of Entry filed before the Customs authorities. It is well settled that a bona fide belief cannot be equated with blind belief. A belief can be said to be bona fide only when it is formed after taking into account all reasonable considerations, including applicable statutory provisions, import policy restrictions, and prevailing trade practices. **In the present case, the reliance placed by the Noticee on the invoice value, without due regard to the applicable MIP condition and valuation provisions, cannot be accepted as a bona fide belief and has resulted in incorrect self-assessment and short-levy of duty.**

**25.3.1.4** Further, the importer failed to truthfully declare that the subject goods attracted the Minimum Import Price condition, in clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. Such failure amounts to suppression of material facts relating to the applicable import policy conditions, which directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed MIP.

**25.3.2** Accordingly, I find that the Noticee, M/s Jai Hanuman Overseas, knowingly submitted incorrect and false declarations before the Customs authorities at the time of import, despite being fully aware that the goods under import were not eligible for clearance at values below the prescribed Minimum Import Price. Such conduct constitutes willful misstatement and suppression of material facts with the clear intent to circumvent the import policy restrictions and evade payment of appropriate customs duty, thereby establishing the presence of *mens rea*. Further, the importer has resorted to deliberate misdeclaration in respect of the value and applicable import conditions of the goods, as discussed in paragraph 22 supra and reiterated in paragraph 24.1 supra. Accordingly, I find that, in view of the willful misdeclaration of value, misstatement and suppression of material facts on the part of the importer, resulting in short-assessment of duty, the provisions of Section 28(4) of the Customs Act, 1962 have been rightly invoked for recovery of the differential duty, along with applicable interest under Section 28AA of the said Act.

**25.4** I observe that Section 111 of the Customs Act, 1962 provides for confiscation of improperly imported goods. Clause (m) of Section 111 stipulates that any goods which do not correspond, in respect of value or in any other particular, with the entry made under the said Act shall be liable to confiscation.

**25.4.1** In the instant case, I observe that the importer self-assessed the impugned six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring the CIF value of the imported synthetic knitted fabrics at USD 1.20 per kilogram, which is substantially below the prescribed Minimum Import Price of USD 3.50 per kilogram notified by the DGFT vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024. In view of the said notifications, contemporaneous imports of identical or similar goods are necessarily valued at or above the prescribed Minimum Import Price, and the significant variation between the declared value of the impugned goods and the value of contemporaneous imports establishes that the goods do not correspond with the entries made in the Bills of Entry in respect of value. Although Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides for acceptance of the transaction value, such acceptance is not absolute and is expressly subject to Rule 12 thereof, which permits rejection of the declared value where reasonable doubt exists regarding its truth or accuracy, including cases of significant deviation from the value of identical or similar goods imported at or about the same time. In the present case, the declared invoice value, being far below the prescribed Minimum Import Price, does not represent the true assessable value. The reliance placed by the importer solely on the invoice value, in blind belief and without due regard to the applicable DGFT notifications, import policy restrictions, and valuation provisions, cannot be accepted as a bona fide belief and amounts to deliberate misdeclaration of value, rendering the impugned goods liable to penal action under the provisions of the Customs Act, 1962.

**25.4.2** I further observe that the importer failed to truthfully declare in the Bills of Entry that

the subject goods were covered under the Minimum Import Price condition prescribed under the DGFT notifications. Such non-disclosure constitutes a clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. The suppression of material facts relating to the applicability of MIP directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed threshold. The importer, despite being fully aware that the goods were not eligible for clearance below the prescribed Minimum Import Price, knowingly suppressed and mis-stated material particulars with the intent to circumvent the import policy restrictions and evade payment of appropriate customs duty. Such conduct establishes willful mis-statement and suppression of material facts. Consequently, the impugned goods do not correspond with the entries made in the Bills of Entry in respect of value and other material particulars. Accordingly, I find that impugned imported goods are also liable to confiscation under Section 111(m) of the Customs Act, 1962.

**25.5** I therefore hold that the said imported goods are liable for confiscation under the provisions of Section 111(d) & 111(m) of the Customs Act, 1962, as proposed in the Show Cause Notice. The subject goods imported are not available for confiscation, but I rely upon the order of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.) wherein the Hon'ble Madras High Court held in para 23 of the judgment as below:

*“23. The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine, followed by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be **rectified**, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine.*

*The opening words of Section 125, “Whenever confiscation of any goods is **authorised** by this Act...”, bring out the point clearly. The power to impose redemption fine springs from the **authorisation** of confiscation of goods provided for under Section 111 of the Act. When once the power of **authorisation** for confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant.*

*The redemption fine is, in fact, to avoid such consequences flowing from Section 111 only. Hence, the payment of redemption fine saves the goods from getting confiscated. Therefore, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. We accordingly answer question No. (iii).”*

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**25.5.1** I further find that the above view of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), has been cited by Hon'ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.).

**25.5.2** I also find that the decision of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.) and the decision of Hon'ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.) have not been challenged by any of the parties and are in operation.

**25.5.3** It is established under the law that the declaration under section 46 (4) of the Customs Act, 1962 made by the importer at the time of filing Bills of Entry is to be considered as an undertaking which appears as good as conditional release. I further find that there are various orders passed by the Hon'ble CESTAT, High Court and Supreme Court, wherein it is held that the goods cleared on execution of Undertaking are liable for confiscation under Section 111 of the Customs Act, 1962 and Redemption Fine is imposable on them under provisions of Section 125 of the Customs Act, 1962. A few such cases are detailed below:

- a) M/s Dadha Pharma h/t. Ltd. Vs. Secretary to the Govt. of India, as in 2000 (126) ELT 535 (Chennai High Court);
- b) M/s Sangeeta Metals (India) Vs. Commissioner of Customs (Import) Sheva, as reported in 2015 (315) ELT 74 (Tri-Mumbai);
- c) M/s SacchaSaudhaPedhi Vs. Commissioner of Customs (Import), Mu reported in 2015 (328) ELT 609 (Tri-Mumbai);
- d) M/s Unimark Remedies Ltd. Versus. Commissioner of Customs (Export Promotion), Mumbai reported in 2017(335) ELT (193) (Bom)
- e) M/s Weston Components Ltd. Vs. Commissioner of Customs, New Delhi reported in 2000 (115) ELT 278 (S.C.) wherein it has been held that:

“if subsequent to release of goods import was found not valid or that there was any other irregularity which would entitle the customs authorities to confiscate the said goods – Section 125 of Customs Act, 1962, then the mere fact that the goods were released on the bond would not take away the power of the Customs Authorities to levy redemption fine.”

- Commissioner of Customs, Chennai Vs. M/s Madras Petrochem Ltd. As reported in 2020 (372) E.L.T. 652 (Mad.) wherein it has been held as under:

“We find from the aforesaid observation of the Learned Tribunal as quoted above that the Learned Tribunal has erred in holding that the cited case of the Hon'ble Supreme Court in the case of Weston Components, referred to above is distinguishable. This observation written by hand by the Learned Members of the Tribunal, bearing their initials, appears to

be made without giving any reasons and details. The said observation of the Learned Tribunal, with great respect, is in conflict with the observation of the Hon'ble Supreme Court in the case of Weston Components.”

**25.5.4** In view of the above, I find that the decision of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), which has been passed after observing decision of Hon'ble Bombay High Court in case of M/s Finesse Creations Inc reported vide 2009 (248) ELT 122 (Bom)-upheld by Hon'ble Supreme Court in 2010(255) ELT A. 120 (SC), is squarely applicable in the present case. Accordingly, I observe that the present case also merits imposition of Redemption Fine, regardless of the physical availability, once the goods are held liable for confiscation.

**D. Now, I take up the next issue, as to whether penalty should be imposed on the importer under Section 112(a) of the Customs Act, 1962, for the act of commission and omission by rendering the imported goods liable for confiscation under Section 111(d) and 111(m), or otherwise. and as to whether penalty should be imposed on the importer under Section 114A of the Customs Act, 1962, for the act of commission and omission by way of willful suppression of substantial facts regarding applicability of MIP or otherwise and as to whether penalty should be imposed on the importer under Section 114AA of the Customs Act, 1962, for the act of false declaration or otherwise.**

**26.** I observe that the SCN has proposed penalty under section 112 (a), 114A & 114AA of the Customs Act 1962 on the Noticee. It is imperative that I re-iterate the provision of the above sections, which are as follows:

**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*

**Section 114A- Penalty for short-levy or non-levy of duty in certain cases –**

*“Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-Section (8) of Section 28 shall also be liable to pay a penalty equal to the duty or interest so determined: Provided that where such duty or interest, as the case may be, 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 the 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 duty or interest, as the case may be, so determined:*

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*Provided further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:”*

**Section 114AA** of the Customs Act 1962 stipulates 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, shall be liable to a penalty not exceeding five times the value of goods”.

**26.1** I reiterate my findings from Para 22 to 25 supra, as the same appears *mutatis mutandis* to this also.

**26.1.1** I find that the imposition of Minimum Import Price (MIP) on the import of synthetic knitted or crocheted fabrics, including those classifiable under CTH 6001 92 00, has been prescribed by the DGFT in exercise of the powers conferred under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, vide Notification No. 77/2023 dated 16.03.2024, as amended and clarified by Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder. While limited exemptions from MIP are provided for imports made under valid authorisations such as Advance Authorisation, Export Oriented Units (EOUs), or Special Economic Zones (SEZs), such exemptions are conditional and applicable only where the goods are not cleared for home consumption. In the instant case, the impugned goods have been imported for clearance for home consumption and are not covered under any such authorised schemes; therefore, the benefit of exemption from MIP is not available to the importer.

**26.1.1.2** On scrutiny of the importer’s declarations, examination reports, and earlier test reports available in the E-Sanchit system relating to identical goods imported from the same overseas supplier, M/s Shaoxing Chenyang Import and Export Co. Ltd., China, it is observed that the impugned goods have been declared as “100% Polyester Knitted Cut Pile Fabric” and self-classified by the importer under CTH 6001 92 00. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester with cut pile construction, squarely fall within the description of “synthetic knitted fabric” covered under the MIP notifications. There is no dispute regarding the description or classification of the goods.

**26.1.1.3** I further observe that, in terms of paragraph 11.11 of the DGFT Handbook of Procedures, the relevant date of shipment or dispatch for imports transported by sea is determined by the date mentioned on the Bill of Lading. Accordingly, for the applicability of the Minimum Import Price, the goods are required to be synthetic knitted fabrics classifiable under CTH 6001 92 00 and the date of shipment or dispatch is required to be on or after 15.09.2024. In the present case, the relevant Bills of Lading are dated between 26.09.2024 and

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05.10.2024, which is subsequent to 15.09.2024, thereby satisfying the condition relating to the date of shipment or dispatch.

**26.1.1.4** In view of the above, I find that DGFT Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024 and subsequent notifications issued thereunder, prescribing a Minimum Import Price of USD 3.50 per kilogram for the import of synthetic knitted fabric under CTH 6001 92 00, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 per kilogram is below the prescribed Minimum Import Price. **Accordingly, I hold that the impugned goods have been imported in violation of and in contravention of the applicable DGFT Notifications and the prevailing Import Policy.**

**26.1.2** It is observed that the importer self-assessed six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring unit prices below the prescribed Minimum Import Price, without disclosing that the imported goods were subject to MIP. With the introduction of the system of self-assessment with effect from 2011 under Section 17 of the Customs Act, 1962, the primary responsibility and onus for correct assessment of duty has been squarely cast upon the importer, who is required to act in good faith and with due diligence while filing the Bill of Entry.

**26.1.2.1** In this context, it is observed that the DGFT, vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024, has prohibited the import of the subject goods below the Minimum Import Price of USD 3.50 per kilogram. Consequently, contemporaneous imports of identical or similar goods are necessarily valued at or above the said Minimum Import Price of USD 3.50 per kilogram.

**26.1.2.2** It is further observed that acceptance of the transaction value under Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is not absolute and is expressly subject to the provisions of Rule 12 thereof, which permits rejection of the declared value where there exists a significant variation from the value of identical or similar goods imported at or about the same time. Therefore, the Noticee was fully aware that the invoice value or declared transaction value did not represent the true assessable value for the purpose of levy of customs duty.

**26.1.2.3** However, the Noticee, with blind belief, relied solely on the invoice value @ USD 1.20 per kilogram and declared the same in the Bills of Entry filed before the Customs authorities. It is well settled that a bona fide belief cannot be equated with blind belief. A belief can be said to be bona fide only when it is formed after taking into account all reasonable considerations, including applicable statutory provisions, import policy restrictions, and prevailing trade practices. **In the present case, the reliance placed by the Noticee on the invoice value, without due regard to the applicable MIP condition and valuation provisions, cannot be accepted as a bona fide belief and has resulted in incorrect self-assessment and short-levy of duty.**

**26.1.2.4** Further, the importer failed to truthfully declare that the subject goods attracted the Minimum Import Price condition, in clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. Such failure amounts to suppression of material facts relating to the applicable import policy conditions, which directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed MIP.

**26.1.2.5** Accordingly, I find that the Noticee, M/s Jai Hanuman Overseas, knowingly submitted incorrect and false declarations before the Customs authorities at the time of import, despite being fully aware that the goods under import were not eligible for clearance at values below the prescribed Minimum Import Price. Such conduct constitutes willful misstatement and suppression of material facts with the clear intent to circumvent the import policy restrictions and evade payment of appropriate customs duty, thereby establishing the presence of *mens rea*. Further, the importer has resorted to deliberate misdeclaration in respect of the value and applicable import conditions of the goods, as discussed in paragraph 22 supra and reiterated in paragraph 24.1 supra. **Accordingly, I find that, in view of the willful misdeclaration of value, misstatement and suppression of material facts on the part of the importer, resulting in short-assessment of duty, the provisions of Section 28(4) of the Customs Act, 1962 have been rightly invoked for recovery of the differential duty, along with applicable interest under Section 28AA of the said Act.**

**26.1.3**I find that the import of Synthetic Knitted Fabrics below the prescribed MIP constitutes an import contrary to such prohibition, and therefore, the goods are to be treated as “prohibited goods” within the meaning of Section 2(33) and 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development & Regulation) Act. In terms of Section 111(d) of the said Act, any goods imported or attempted to be imported contrary to any prohibition imposed by or under the Customs Act, 1962 or any other law for the time being in force are liable to confiscation. In the present case, since the importer has imported goods in contravention of the import policy conditions prescribed under the aforesaid DGFT notifications, **the goods are rendered liable to confiscation under Section 111(d) of the Customs Act, 1962**, for having been imported contrary to the prohibition imposed under the Foreign Trade (Development & Regulation) Act, 1992 and the Foreign Trade Policy framed thereunder.

**26.1.4**In the instant case, I observe that the importer self-assessed the impugned six Bills of Entry under Section 17(1) of the Customs Act, 1962 by declaring the CIF value of the imported synthetic knitted fabrics at USD 1.20 per kilogram, which is substantially below the prescribed Minimum Import Price of USD 3.50 per kilogram notified by the DGFT vide Notification No. 77/2023 dated 16.03.2024, read with Notification No. 33/2024–25 dated 01.10.2024. In view of the said notifications, contemporaneous imports of identical or similar goods are necessarily valued at or above the prescribed Minimum Import Price, and the significant variation between the declared value of the impugned goods and the value of contemporaneous imports establishes that the goods do not correspond with the entries

made in the Bills of Entry in respect of value. Although Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides for acceptance of the transaction value, such acceptance is not absolute and is expressly subject to Rule 12 thereof, which permits rejection of the declared value where reasonable doubt exists regarding its truth or accuracy, including cases of significant deviation from the value of identical or similar goods imported at or about the same time. In the present case, the declared invoice value, being far below the prescribed Minimum Import Price, does not represent the true assessable value. The reliance placed by the importer solely on the invoice value, in blind belief and without due regard to the applicable DGFT notifications, import policy restrictions, and valuation provisions, cannot be accepted as a bona fide belief and amounts to deliberate mis-declaration of value, rendering the impugned goods liable to penal action under the provisions of the Customs Act, 1962.

**26.1.4.1** I further observe that the importer failed to truthfully declare in the Bills of Entry that the subject goods were covered under the Minimum Import Price condition prescribed under the DGFT notifications. Such non-disclosure constitutes a clear violation of the obligation of truthful declaration cast upon the importer under Section 46(4) of the Customs Act, 1962. The suppression of material facts relating to the applicability of MIP directly impacted the assessment of duty and facilitated clearance of the goods at values below the prescribed threshold. The importer, despite being fully aware that the goods were not eligible for clearance below the prescribed Minimum Import Price, knowingly suppressed and mis-stated material particulars with the intent to circumvent the import policy restrictions and evade payment of appropriate customs duty. Such conduct establishes willful mis-statement and suppression of material facts. Consequently, the impugned goods do not correspond with the entries made in the Bills of Entry in respect of value and other material particulars. **Accordingly, I find that impugned imported goods are also liable to confiscation under Section 111(m) of the Customs Act, 1962.**

#### **Applicability of Penalty under section 112(a) of the Customs Act, 1962**

**26.2** I observe that Section 112(a) of the Customs Act, 1962 provides for imposition of penalty on any person who, in relation to any goods, does or omits to do any act which renders such goods liable to confiscation under Section 111 of the said Act, or abets the doing or omission of such an act. In the present case, it has already been established that the impugned goods are liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962 on account of mis-declaration of value, suppression of material facts relating to the applicability of Minimum Import Price, and contravention of the import policy conditions notified by the DGFT.

**26.2.1** I further find that the Noticee, M/s Jai Hanuman Overseas, by knowingly declaring the goods at a value below the prescribed Minimum Import Price, failing to disclose the applicability of MIP in the Bills of Entry, and relying on such incorrect declarations for self-assessment under Section 17 of the Customs Act, 1962, has committed acts and omissions

which directly rendered the impugned goods liable to confiscation. Such acts and omissions were not inadvertent but deliberate, as discussed in detail in the preceding paragraphs, and were carried out with full knowledge of the applicable import policy and valuation provisions.

**26.2.2** Accordingly, I hold that the Noticee has rendered himself liable to penalty under Section 112(a) of the Customs Act, 1962 for acts and omissions resulting in improper importation of goods liable to confiscation under Section 111 of the said Act.

### **Applicability of Penalty under section 114A of the Customs Act, 1962**

**26.3** I observe that Section 114A of the Customs Act, 1962 provides for imposition of penalty equal to the duty or interest determined under Section 28(8) of the said Act where duty has not been levied or has been short-levied by reason of collusion, willful misstatement, or suppression of facts. In the present case, it has already been established that the importer self-assessed six Bills of Entry by declaring the value of the imported goods at **USD 1.20 per kilogram**, which is substantially below the **Minimum Import Price of USD 3.50 per kilogram** prescribed by the DGFT, and failed to disclose that the goods were subject to the MIP condition.

**26.3.1** It is further found that the importer, despite being fully aware of the DGFT Notifications prohibiting import of the subject goods below the prescribed MIP, relied solely on the invoice value with blind belief and did not make a truthful declaration regarding the applicability of MIP in violation of Section 46(4) of the Customs Act, 1962. Such reliance on invoice value alone, in disregard of the applicable import policy restrictions and valuation provisions, cannot be accepted as a bona fide belief and clearly constitutes willful misstatement and suppression of material facts. The said acts and omissions were carried out with the intent to circumvent the import policy restrictions and evade payment of appropriate customs duty, thereby establishing the presence of *mens rea*.

**26.3.2** Accordingly, since the short-levy of duty has arisen by reason of willful misstatement and suppression of material facts, and the differential duty has been determined under Section 28(8) of the Customs Act, 1962 pursuant to invocation of Section 28(4) thereof, I hold that the Noticee, M/s Jai Hanuman Overseas, is liable to penalty under Section 114A of the Customs Act, 1962 equal to the duty so determined. I further observe that the benefit of reduced penalty of twenty-five per cent, as provided under the proviso to Section 114A, shall be available only if the duty along with applicable interest under Section 28AA is paid within thirty days from the date of communication of this order.

### **Applicability of Penalty under section 114AA of the Customs Act, 1962**

**26.4** I observe that Section 46(4) of the Customs Act, 1962 mandates that 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. Further, Section 46(4A) casts a statutory obligation upon the

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importer to ensure the accuracy and completeness of the information furnished in the Bill of Entry, the authenticity and validity of the supporting documents, and compliance with any restriction or prohibition applicable to the imported goods under the Customs Act, 1962 or under any other law for the time being in force.

**26.4.1** In the instant case, it is an admitted and established fact that the import of the subject synthetic knitted fabrics below the prescribed Minimum Import Price of USD 3.50 per kilogram was prohibited under the DGFT Notifications issued under the Foreign Trade (Development and Regulation) Act, 1992. The said MIP condition constituted a statutory restriction/prohibition applicable to the goods at the time of import. However, the importer, while filing the impugned Bills of Entry under the self-assessment regime, failed to declare that the goods were subject to the Minimum Import Price condition and declared the CIF value at USD 1.20 per kilogram, which was substantially below the prescribed MIP.

**26.4.2** By doing so, the importer knowingly made and used Bills of Entry and declarations which were false and incorrect in material particulars, namely, with regard to the applicability of import policy restrictions and the true assessable value of the goods. Such non-disclosure and incorrect declaration directly violated the obligations imposed under Sections 46(4) and 46(4A) of the Customs Act, 1962, and facilitated clearance of the goods in contravention of the prohibition imposed by law.

**26.4.3** I further find that the said acts were not the result of any inadvertent error or bona fide belief. The importer was fully aware of the MIP-based prohibition and yet knowingly suppressed material facts and used declarations and documents which were false and incorrect in material particulars, with the intent to circumvent the import policy restrictions and evade payment of appropriate customs duty. Such conduct squarely satisfies the ingredients of knowledge and intention required for invocation of Section 114AA of the Customs Act, 1962.

**26.4.4** Accordingly, I hold that the importer has knowingly and intentionally made, signed, and used declarations and documents which were false and incorrect in material particulars in the transaction of business under the Customs Act, 1962, in violation of Sections 46(4) and 46(4A), and is therefore liable to penalty under Section 114AA of the said Act.

**27.** In view of the facts of the case, the documentary evidences on record and findings as detailed above, I pass the following order:

**ORDER**

- i. I hold that the importer **M/s. Jai Hanuman Overseas** has mis-declaring the value/MIP of the imported goods covered under various Bills of Entry (as detailed in Table-I), having a total declared assessable value of **Rs. 97,91,246/-**. Accordingly, I reject the declared value of the impugned goods under Rule 12 of the Customs Valuation

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- (Determination of Value of Imported Goods) Rules, 2007 and re-determine the same at **Rs. 2,83,49,026/-**, based on the applicable Minimum Import Price (MIP).
- ii. I confiscate the imported goods having total **Re-assessable value of Rs. 2,83,49,026/- (Rupees Two Crores Eighty-Three Lakhs Forty-Nine Thousand and Forty-Nine)** as per Table-III under the aforementioned Bills of Entry under Sections 111(d) and 111(m) of the Customs Act, 1962, on the grounds that they are "prohibited goods" and/or have been improperly imported in contravention of the restrictions in force and mis-declaration of value and suppression of fact about applicability of MIP on the impugned goods in the Bills of Entry. However, I impose a redemption fine of **Rs 75,00,000/- (Rupees Seventy-Five Lakh Only)** on the importer M/s. Jai Hanuman Overseas in lieu of confiscation under Section 125(1) of the Customs Act, 1962.;
  - iii. I confirm the demand the differential duty amounting to **Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only)** not paid/short paid on the aforesaid imported goods and recovery from the importer M/s. Jai Hanuman Overseas under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA, *ibid*.
  - iv. I impose a penalty of **Rs 75,00,000/- (Rupees Seventy-Five Lakh Only)** on the importer, M/s. Jai Hanuman Overseas importer under Section 112(a)(i) of the Customs Act, 1962, for the act of commission and omission by rendering the imported goods liable for confiscation under Section 111(d) and 111(m).
  - v. I impose a penalty equivalent to differential duty of **Rs. 52,14,736/- (Rupees Fifty-Two Lakhs Fourteen Thousand Seven Hundred and Thirty-Six only) and interest** accrued there upon on the importer, M/s. Jai Hanuman Overseas under Section 114A of the Customs Act, 1962 for the act of commission and omission by way of willful mis-declaration of value & willful suppression of substantial facts regarding applicability of MIP. However, in terms of the first and second proviso to Section 114A *ibid*, if duty and interest is paid within thirty days from the date of the communication of this order, the amount of penalty liable to be paid shall be twenty-five per cent of the duty and interest, subject to the condition that the amount of penalty is also paid within the period of thirty days of communication of this order.
  - vi. I impose a penalty of **Rs. 30,00,000/- (Rupees Thirty Lakh Only)** on the importer **M/s. Jai Hanuman Overseas** under Section 114 AA of the Customs Act, 1962, for the act of false declaration.

**Digitally signed by  
Vijay Risi**

**Date: 29-01-2026**

**17 (VJAYRISI)**

**Pr. COMMISSIONER OF CUSTOMS**

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**NHAVA SHEVA-III, JNCH**

**To,**

M/s. Jai Hanuman Overseas  
(IEC: 3315000719)  
Plot No. 35, Sector-29, Part-II, Huda,  
Panipat, Haryana, 132103

**Copy to:**

- i. AC/DC, Chief Commissioner's Office, JNCH
- ii. The AC/DC, Group-III, JNCH
- iii. AC/DC, Centralized Revenue Recovery Cell, JNCH
- iv. The Asst. /Dy. Commissioner of Customs (SIIB-Import), JNCH: For uploading on DIGIT Portal.
- v. The Asst. /Dy. Commissioner of Customs (CAC), JNCH: For uploading on CARMA Portal.
- vi. AC/DC, EDI, JNCH: - For display on JNCH Website.
- vii. Superintendent (P), CHS Section, JNCH – For display on JNCH Notice Board.
- viii. Office Copy.