



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/10-902/2025-26/Adj./Commr./Gr.III/NS-III/CAC/JNCH

Date : 29.01.2026

SCN File No: CUS/APR/MISC/6018/2025-Group 3-O/o-Commissioner-Customs-NS-III

SCN No: 1220/2025-26/Commissioner/NS-III/JNCH dated 13.11.2025

DIN:20260178NX000000E2CF

आदेश की तिथि Date of Order	:	29.01.2026
जारी किए जाने की तिथि Date of Issue	:	29.01.2026
आदेश सं. Order No.	:	373/2025-26/आयुक्त/एनएस-III/सीएसी/जेएनसीएच 373/2025-26 /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 ए के सेल्स। M/s. A K SALES.

मूलआदेश

ORDER-IN-ORIGINAL

- 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.
- 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.
- अपील दाखिल करने संबंधी मुख्य मुद्दे:-

Main points in relation to filing an appeal:-

फार्म Form	: फार्म न .सीए ३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके 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)
समय सीमा Time Limit	: इस आदेश की सूचना की तारीख से ३ महीने के भीतर
	Within 3 months from the date of communication of this order.
फीस Fee	: (क) एक हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५ लाख रुपये या उस से कम है।
	(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.
भुगतान की रीति Mode of Payment	: 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।
	A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.
सामान्य General	: 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।
	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/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

The proceedings of the present case emanate out of **Show Cause Notice No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025 read with CORRIGENDUM dated 13.11.2025** (hereinafter called in short as “SCN”), issued by the Commissioner of Customs, NS-III, JNCH, Mumbai Customs Zone-II vide **File No. CUS/APR/MISC/6018/2025-Group 3-O/o-Commissioner-Customs-Nehva Sheva-III** to **M/s. A K SALES (IEC: 3307000888)** having their registered address at 486/4, WARD-4, Amar Bhawan Chowk, Panipat, Haryana-132103 (hereinafter referred to as the “Importer” or “Noticee”).

BRIEF FACTS OF THE CASE

1. Whereas, M/s. A K Sales 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 and 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	6119290 Dated 14-Oct-2024	26-Sep-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	4426115.4	43470	1.2	84.85	1243738.5
2	6119254 Dated 14-Oct-2024	26-Sep-2024	CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC	60019200	1527910.92	15006	1.2	84.85	429343
2	6299311 Dated 23-Oct-2024	7-Oct-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	2223158.49	21808.5	1.2	84.95	624707.6
4	9419044 Dated 10-Aprl-2025	25-Mar-2025	100% Polyester Warp Knitted Fabric (Printed) ?Approx. ? 10% Tolerance 678 Rolls WARP KNITTED 100% POLYESTER	60053900	2065040.24	15660	1.43	86.6	484871.4
				TOTAL	10242225.05				2782660.5

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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.

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: 16th March 2024

Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 15th 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 15th 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



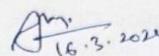
**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

					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 16th 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 15th September 2024. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16th September 2024, unless expressly amended by subsequent notification.

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

(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 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.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

[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
 Vanijya Bhawan

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

Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 31st 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 **15th September, 2024 to 31st 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

: 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 15th September 2024 to 31st 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 31st 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/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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



S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

Import Price (MIP) on the following 15 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



**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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.

Amr
4.1.2025

(Santosh Kumar Sarangi)
Director General of Foreign Trade &
Ex- officio Addl. Secretary to the Government of India
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(F.No. 01/89/180/Misc-39/AM-05/PC-2[A]/E-1425)

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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 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.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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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.


 (Aijaz Raza)

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

2.4 The validity period of each Notification, covering the duration from the date of its enforcement to the date of its cessation, is furnished 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	01.10.2024	31.12.2024
			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		

2.4 Whereas, in view of the above and on detailed scrutiny of the importer's 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 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.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

2.5 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.

2.6 Whereas, the importer has self-assessed, under section 17(1) of the Customs Act 1962, these 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).

2.7 As the goods imported above mentioned Bills of Entry were found to be mis declared 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:

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.

2.8 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 and 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	6119290 Dated 14-Oct-2024	26-Sep-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	4426115.4	43470	1.2	84.85	1243738.5
2	6119254 Dated 14-Oct-2024	26-Sep-2024	CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC	60019200	1527910.92	15006	1.2	84.85	429343
2	6299311 Dated 23-Oct-2024	7-Oct-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	2223158.49	21808.5	1.2	84.95	624707.6
4	9419044 Dated 10-Aprl-2025	25-Mar-2025	100% Polyester Warp Knitted Fabric (Printed) ?Approx. ? 10% Tolerance 678 Rolls WARP KNITTED 100% POLYESTER	60053900	2065040.24	15660	1.43	86.6	484871.4
				TOTAL	10242225.05				2782660.5

2.9. 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 and Date	CTH	Difference in MIP (3.5-declared unit price)	Differential rate as per MIP	Differential value	Exchange Rate	BCD @20%	SWS @10%	IGST (@5)	Total Differential duty payable
1	6119290 Dated 14-Oct-2024	60019200	2.3	195.15	8483387.85	84.85	1696677.57	169667.76	517486.66	2383831.99
2	6119254 Dated 14-Oct-2024	60019200	2.3	195.15	2928495.93	84.85	585699.19	58569.92	178638.25	822907.36
2	6299311	60019200	2.3	195.38	4261053.773	84.95	852210.78	85221.07	259924.28	1197356.11

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

	Dated 23- Oct- 2024									
4	94190 44 Dated 10- Aprl- 2025	6005390 0	2.07	179.2 6	2807242.92	86.66	561448.5 8	56144.86	171241.8 1	788835.26
TOTAL					18480180.47					5192930.7 1

2.10 During scrutiny, it has been noticed that random verification of the Bills of Entry revealed availability of earlier test reports in the E-Sanchit system for Bill of Entry No. 6119290 dated 14.10.2024 and Bill of Entry No. 6299311 dated 23.10.2024. Both consignments were imported from the same overseas supplier, namely *M/s Haining Yudu Textile Co. Ltd., China*, thereby establishing the identity and consistency of the imported goods' description.

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

TABLE-III

Declared Assessable Value	Declared Duty	Re-determine Differential Value	Total redetermine assessable Value	Total Duty As per MIP	Payable total Differential Duty
10242225.05	2782660.5	18480180.47	28722406	7975591	5192930.71

Thus, the differential duty of **Rs. 51,92,930.71/-** 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 04 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.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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*

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 these 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) 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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, 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification etc and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

14 In the instant case, M/s. A K Sales (IEC: 3307000888) 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 wilful 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 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 A K Sales (IEC: 3307000888)** 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.1,02,42,225/-, as detailed in Table-I. The goods were mis declared in terms of valuation; 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. 2,87,22,406/-, based on the applicable Minimum Import Price (MIP) rate.
- ii. The goods imported having total Re-assessable value of **Rs. 2,87,22,406/- (Rupees Two Crore Eighty-Seven Lakh Twenty-Two Thousand Four Hundred Six Only)** 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. 51,92,931/- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

Act, 1962, for the act of false declaration.

DEFENCE REPLY

17. The Noticee has not made any written submission to the SCN.

RECORD OF PERSONAL HEARINGS

18. In order to follow principle of natural justice, an opportunity of personal hearing was granted to Noticee on 12.01.2026, 16.01.2026 & 28.01.2026 vide this office letter dated 08.01.2026, 13.01.2026 & 16.01.2026. However, neither the Noticee nor any authorized representative on his behalf availed any of the personal hearing opportunity.

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 12.01.2026, 16.01.2026 & 28.01.2026 vide this office letter dated 08.01.2026, 13.01.2026 & 16.01.2026. However, neither the Noticee nor any authorized representative on his behalf availed any of the personal hearing opportunity. 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.)]

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:

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

- 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. 1,02,42,225/-, 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. 2,87,22,406/-, based on the applicable Minimum Import Price (MIP) or otherwise. And as to whether the differential duty amounting to Rs. 51,92,931/- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One 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. 2,87,22,406/- (Rupees Two Crore Eighty-Seven Lakh Twenty-Two Thousand Four Hundred Six only) 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. 1,02,42,225/-, 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. A K SALES (IEC: 3307000888) 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 and 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	6119290 Dated 14-Oct-2024	26-Sep-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	4426115.4	43470	1.2	84.85	1243738.5
2	6119254 Dated 14-Oct-2024	26-Sep-2024	CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC	60019200	1527910.92	15006	1.2	84.85	429343
2	6299311 Dated 23-Oct-2024	7-Oct-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	2223158.49	21808.5	1.2	84.95	624707.6
4	9419044 Dated 10-Aprl-2025	25-Mar-2025	100% Polyester Warp Knitted Fabric (Printed) ?Approx. ? 10% Tolerance 678 Rolls WARP KNITTED 100% POLYESTER	60053900	2065040.24	15660	1.43	86.6	484871.4
				TOTAL	10242225.05				2782660.5

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 04 Bills of Entry (as mentioned in Table-I above), the goods were not covered under the Advance Authorization Schemes, Export Oriented Units (EOUs), or

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

3.50 per kilogram (CIF basis). 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

Notification No. 77/2023
 New Delhi, Dated: 16th March 2024

Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 15th 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 15th 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

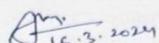


					3.5 US Dollar and above per Kilogram
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2. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16th September 2024, unless expressly amended by subsequent notification.

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 15th September 2024. The existing 'Free' Import Policy, as it stands prior to the issuance of this Notification, shall be in effect starting from 16th September 2024, unless expressly amended by subsequent notification.

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

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

22.2.1 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 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:

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

[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
 Vanijya Bhawan

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

Subject: Imposition of Minimum Import Price on Synthetic Knitted Fabrics up to 31st 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 **15th September, 2024 to 31st 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 31st December, 2024, with immediate effect:



S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

: 2 :

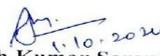
ITC(HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Existing Policy Condition	Revised Policy Condition
60019200	- Other : -- Of man-made fibres	Free	Prohibited	-	However, import is 'Free' if CIF value is 3.5 US Dollar and above per Kilogram
60041000	Knitted or crocheted fabrics 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 15th September 2024 to 31st 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 31st 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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		

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

			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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

*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 goods, as follows:

- i. Goods are Synthetic Knitted fabric
- ii. Goods are classifiable under CTH 6001 9200 or 6005 3900.
- 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 04 Bills of Entry, as mentioned in Table-I, it is observed as follows:

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

- i. That the declared description of the goods by the importer in the impugned Bills of Entry is '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' for Bill Entry 6119254 Dated 14-Oct-2024 and '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)*' for the Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025.
- ii. Goods are self-classified by the Importer under CTH 6001 9200/ 6005 3900
- iii. The Bill of Lading date is for the period 26.09.2024 to 25.03.2025
- 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 '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' / '*WARP KNITTED 100% POLYESTER (PRINTED) 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 under Bill Entry 6119254 Dated 14-Oct-2024 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 '*CUT PILE OTHER WARP KNITTED 100% POLYESTER 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 under Bill Entry 6119254 Dated 14-Oct-2024 are correctly classifiable under CTH 6001 92 00.**

22.5.1.1 I further observe that the CTH 6005 3900 covers **Warp Knitted fabrics- other than those of headings 6001 to 6004, made of Synthetic fibres-printed**. In this regard, I observe that it is an undisputed fact that the impugned goods under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are Warp knitted fabrics made of synthetic fibre, namely polyester and are printed. There is also no dispute regarding the declared description of the goods as '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*'. It is also undisputed fact that the goods are *neither* pile fabric / cut pile

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

fabric which is covered under CTH 6001, *nor* has a declared width of 30 cm or less which are covered under CTH 6002, 6003 & 6004. Therefore, impugned goods merit classification under CTH 6005 3900.

22.5.1.2 However, it is observed that for Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024, importer has declared the CTH of the goods as 6001 9200, whereas the same merit classification under CTH 6005 3900. For goods covered under Bill of Entry No. 9419044 Dated 10-April-2025, importer has declared correct classification under CTH 6005 3900. For the sake of clarity same is tabulated as follows:

Sr. No.	BE Number and Date	Full Item Description	Declared CTH	Correct CTH
1	6119290 Dated 14-Oct-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	60053900
2	6299311 Dated 23-Oct-2024	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%) WARP KNITTED 100% POLYESTER (PRINTED) FABRIC (+/- 10%)	60019200	60053900
4	9419044 Dated 10-April-2025	100% Polyester Warp Knitted Fabric (Printed) Approx. 10% Tolerance 678 Rolls WARP KNITTED 100% POLYESTER	60053900	60053900

22.5.1.3 However, I find that the above does not affect the Show Cause Notice proceedings, as both the CTH 6001 9200/ 6005 3900 are covered under the MIP Notification 77/2023-24 dated 16.03.2024 read with Notification No. 33/2024-25 dated 01.10.2024 and subsequent Notifications for the relevant period in the instant case. Therefore, import of 'Synthetic knitted fabric' covered under CTH 6001 9200 or covered under 6005 3900 below the MIP is prohibited.

22.5.1.4 I find that, it is a well-settled principle of law that merely quoting a wrong section or failing to quote the correct section in a Show Cause Notice (SCN) will not vitiate the notice, provided that the substance of the charge is clearly stated and the recipient is not prejudiced. The validity of the SCN hinges on the clarity of the allegations, not on a technical error in citing the law. In this regard, I rely on following case law: -

- In Pruthvirajsinh N Jadeja (D) By Lrs. v Jayeshkumar Chhakaddasm Shah, in Civil Appeal No. 10521 of 2013 **on 4 October, 2013** (and similar other cases like **AIR ONLINE 2019 SC 1172, 2019 (9) SCC 533, (2019) 137 ALL LR 703, (2019) 13 SCALE 572, (2019) 203 ALL INDCAS 22, (2019) 4 CURCC 12, (2019) 4 RECCIVR 919, (2020) 1 ALL RENTCAS 52, (2020) 1 CIVLJ 239** the Supreme Court reiterated that misstating an incorrect provision is not fatal if the power to grant the order is available to the court.
- Similarly, the court in N. Jagadeesan vs K.Selvam held that simply quoting a wrong provision of law is not a reason to deny relief to a party.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

- The ruling in P.K Palanisamy v. N. Arumugham supports the idea that mentioning a wrong provision does not disentitle a person from obtaining the relief they seek.

22.5.1.5 Accordingly, there remains no dispute that the impugned goods covered under the Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are correctly classifiable under CTH 6005 3900.

22.5.2 Further, reliance is placed on the test reports available in the E-Sanchit system pertaining to the Bills of Entry mentioned in Table-I. It is noticed that random verification of the Bills of Entry revealed availability of earlier test reports in the E-Sanchit system for Bill of Entry No. 6119290 dated 14.10.2024 and Bill of Entry No. 6299311 dated 23.10.2024. Both consignments were imported from the same overseas supplier, namely M/s Haining Yudu Textile Co. Ltd., China, thereby establishing the identity and consistency of the imported goods' description.

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 In this context I 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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.**

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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:

Sr No	BE Number & 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	6119290 Dated 14- Oct-2024	HBL No. DKS2409579A dated 26-09-2024 & HBL No. DKS2409579B dated 26-09-2024	26-Sep-24	CXS24NGBNSA0474 55	26-Sep- 24
2	6119254 Dated 14- Oct-2024	HBL No. JAM2410357 dated 26-09-2024	26-Sep-24	CXS24NGBNSA0474 93	26-Sep- 24
3	6299311 Dated 23- Oct-2024	HBL No. DKS2410503A dated 30-09-2024	Not mentioned, instead ' <i>received for shipment: 2024-09- 30</i> ' is mentioned	CXS24NGBNSA0488 52	7-Oct-24
4	9419044 Dated 10- Aprl-2025	HBL No. JAM2502425 dated 25-03-2025	25-Mar-25	ONEYNBOF01875600	25-Mar- 25

22.5.3.4.1 For Bills of Entry at Sr. No. 03:

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

- i. The 'shipped on board' date of the goods is not mentioned on the HBL; instead, the remark '**received for shipment: 2024-09-30**' is mentioned. "*Shipped on board*" or "*laden on board*" is distinct from "*received for shipment*", because the former confirms that the goods have actually been loaded onto the carrying vessel, whereas "*received for shipment*" merely indicates that the goods have been received by the agent for future shipment and does not establish the actual date of loading on board the vessel.
- ii. Further it is noticed that the HBL issued by the agent of the carrier is dated 30.09.2024, whereas the Master Bill of Lading (MBL) issued by the carrier / Master of the vessel bears the date 07.10.2024. Thus, there is a considerable time gap between the date of issuance of HBL and the date of issuance of the MBL. However, for the Bills of Entry at Serial Nos. 01, 02 & 04, the 'shipped on board' date of the goods as per the HBL issued by the agent of the carrier and the date of issuance of the Master Bill of Lading (MBL) issued by the carrier / Master of the vessel are the same, i.e., 26.09.2024/25.03.2025 and therefore the 'shipped on board' date of the goods as per the HBL matches with the MBL issue date.

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, 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 "*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 25.03.2025, 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 6119290 Dated 14-Oct-2024:

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
 SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

view_be		Indian Customs EDI System - Imports V1.5				04:47:25 pm	
22/01/2026		JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707				IGMS	
VIEW							
Enter BE No :	6119290	Date :	14/10/2024	CC :	N	Type :	H
Importer :	A.K. SALES			AG :	3	No of IGMs :	2
						First Chk :	N
IGM No./Dt. :	2390473 11/10/2024	Inw. Dt. :	13/10/2024	Tot. Pkgs. :	970	RLS	Gross WL. : 23550 KGS
MAWB No./DL :	CSX24NGENSA047455		26/09/2024	HAWB No./DL :	DKS2409579A		26/09/2024
Marks & Nos :	AS PER INVOICE & BL						
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :	
IGM No./Dt. :	2390473 11/10/2024	Inw. Dt. :	13/10/2024	Tot. Pkgs. :	979	RLS	Gross WL. : 23700 KGS
MAWB No./DL :	CSX24NGENSA047455		26/09/2024	HAWB No./DL :	DKS2409579B		26/09/2024
Marks & Nos :	AS PER INVOICE & BL						
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :	
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :			Gross WL. :
MAWB No./DL :				HAWB No./DL :			
Marks & Nos :							
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :	
IGM No./Dt. :		Inw. Dt. :		Tot. Pkgs. :			Gross WL. :
MAWB No./DL :				HAWB No./DL :			
Marks & Nos :							
Gate Way IGM :		Gate Way Port :		Dest. Code :		Current CFS :	

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

BILL OF LADING

(NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER)

SHIPPER
HAINING YUDU TEXTILE CO.,LTD.
ADD:NO.55-2 NORTH WENSHENG ROAD LIANMENG VILLAGE,XUCUN
TOWN,HAINING,ZHEJIANG,CHINA

B/L NO. DKS2409579A
REF NO.



CONSIGNEE
A.K.SALES
ADDRESS- 486, WORD-4 . AMAR BHAWAN CHOWK PANIPAT HARYANA
(INDIA)
IEC CODE:- 3307000888
GST NO:- 06AMAPM9702D1ZD

RECEIVED by the Carrier the Goods as specified below in apparent good order and condition unless otherwise stated, to be transported to such place as agreed, authorized or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of Lading to which the Merchant agrees by accepting this Bill of Lading any local privileges and customs notwithstanding.

NOTIFY PARTY
SAME AS CONSIGNEE

The particulars given below as stated by the shipper and the weight, measure, quantity, conditions, contents and value of the Goods are unknown to the Carrier.

In WITNESS where of one (1) original Bill of Lading has been signed if not otherwise stated below, the same being accomplished the other(s) if any, to be void. If required by the Carrier one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order.

PRE CARRIAGE BY		PLACE OF RECEIPT		
OCEAN VESSEL AN TONG DA LIAN		VOY.NO. V.2401W		
PORT OF LOADING NINGBO		PORT OF DISCHARGE NHAVA SHEVA	PLACE OF DELIVERY NHAVA SHEVA	
MARKS & NUMBERS CNTRS NOS./SEAL NOS.	NUMBER AND KIND OF PACKAGES	DESCRIPTION OF GOODS	GROSS WEIGHT (KGS)	MEASUREMENT (CBM)
N/M	970ROLLS	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC HS.60019200	23550.000KGS	68.000CBM
CSYU4028313 CSX184101 40HQ	970ROLLS 23550.000KGS	68.000CBM	ON BOARD FREIGHT COLLECT CY-CY SHIPPER'S LOAD, COUNT & SEAL ORIGINAL	
ACCORDING TO THE DECLARATION OF THE MERCHANT				

TOTAL NUMBER OF PACKAGES (IN WORDS): SAY NINE HUNDRED AND SEVENTY ROLLS ONLY

FOR DELIVERY PLEASE APPLY TO:

CONNECT & GROW LOGISTICS
OFFICE NO. 66, 2ND FLOOR, STREET NO. 01, JP
ENCLAVE, BHAMIA KHURD ROAD, LUDHIANA-141010-PB, INDIA
EMAIL-KULDEEP@CONNECTGROW.IN
PRICING@CONNECTGROW.IN CONTACT-9779798817
GST NO. 03CUZPP9914KLZO PAN NO. CUZPP9914K
EMAIL-PRICING@CONNECTGROW.IN CONTACT-7888725086
CS@CONNECTGROW.IN-8360246654

FREIGHT & CHARGES	
PREPAID AT	PAYABLE AT
DATE LADEN ON BOARD	2024-09-26
PLACE AND DATE OF ISSUE	AT NINGBO 2024-09-26

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD.

Nancy Chan

AS CARRIER(S)

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD. AS CARRIER

NUMBER OF ORIGINAL B(s)/L: THREE

SUBJECT TO THE TERMS AND CONDITIONS PRINTED OVERLEAF

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

BILL OF LADING

(NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER)

SHIPPER
HAINING YUDU TEXTILE CO.,LTD.
ADD:NO.55-2 NORTH WENSHENG ROAD LIANMENG VILLAGE,XUCUN
TOWN,HAINING,ZHEJIANG,CHINA

B/L NO. DKS2409579B
REF NO.



CONSIGNEE
A.K.SALES
ADDRESS:- 486, WORD-4 . AMAR BHAWAN CHOWK PANIPAT HARYANA
(INDIA)
IEC CODE:- 3307000888
GST NO:- 06AMAPM9702D1ZD

RECEIVED by the Carrier the Goods as specified below in apparent good order and condition unless otherwise stated, to be transported to such place as agreed, authorized or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of lading to which the Merchant agrees by accepting this Bill of lading, any local privileges and customs notwithstanding.

NOTIFY PARTY
SAME AS CONSIGNEE

The particulars given below as stated by the shipper and the weight, measure, quantity, conditions, contents and value of the Goods are unknown to the Carrier.

In WITNESS where of one (1) original Bill of Lading has been signed if not otherwise stated below, the same being accomplished the other(s) if any, to be void. If required by the Carrier one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order.

PRE-CARRIAGE BY		PLACE OF RECEIPT			
OCEAN VESSEL AN TONG DA LIAN		VOY.NO. V.2401W			
PORT OF LOADING NINGBO		PORT OF DISCHARGE NHAVA SHEVA		PLACE OF DELIVERY NHAVA SHEVA	
MARKS & NUMBERS CNTRS.NOS./SEAL NOS.	NUMBER AND KIND OF PACKAGES	DESCRIPTION OF GOODS		GROSS WEIGHT (KGS)	MEASUREMENT (CBM)
N/M	979 ROLLS	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC HS.60019200		23700.000KGS	68.000CBM
ASLU7029198 CSX184126 40HQ	979 ROLLS	23700.000KGS	68.000CBM	<p align="center">ON BOARD FREIGHT COLLECT CY-CY SHIPPER'S LOAD, COUNT & SEAL ORIGINAL</p>	
<p align="center">ACCORDING TO THE DECLARATION OF THE MERCHANT</p>					

TOTAL NUMBER OF PACKAGES (IN WORDS): SAY NINE HUNDRED AND SEVENTY NINE ROLLS ONLY

FOR DELIVERY PLEASE APPLY TO:

CONNECT & GROW LOGISTICS
OFFICE NO. 66, 2ND FLOOR, STREET NO. 01, JP
ENCLAVE, BHAMIA KHURD ROAD, LUDHIANA-141010-PB, INDIA
EMAIL-KULDEEP@CONNECTGROW.IN
PRICING@CONNECTGROW.IN CONTACT-9779798817
GST NO. 03CUZPP9914K1Z0 PAN NO. CUZPP9914K
EMAIL-PRICING@CONNECTGROW.IN CONTACT-7888725086
CS@CONNECTGROW.IN--8360246654

FREIGHT & CHARGES

PREPAID AT	PAYABLE AT
DATE LADEN ON BOARD	2024-09-26
PLACE AND DATE OF ISSUE	AT NINGBO 2024-09-26

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD.

Wang Chen

AS CARRIER(S)

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD. AS CARRIER

NUMBER OF ORIGINAL B(s)/L: THREE

SUBJECT TO THE TERMS AND CONDITIONS PRINTED OVERLEAF

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
 SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

Bill of Entry 6119254 Dated 14-Oct-2024:

Master Invoice iItems Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others

view_be

22/01/2026 Indian Customs EDI System - Imports V1.5 04:47:25 pm									
VIEW JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707 IGMS									
Enter BE No :	6119254	Date :	14/10/2024	CC :	N	Type :	H	No of IGMS :	1
Importer :	A.K. SALES					AG :	3	First Chk :	N
IGM No./Dt. :	2300473	11/10/2024	Inw. Dt. :	13/10/2024	Tot. Pkgs. :	608	PKG	Gross Wt. :	16400
MAWB No./Dt. :	CSX24NGBNSA047493	26/09/2024			HAWB No./Dt. :	JAM2410357			26/09/2024
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/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

Shipper HANGZHOU COLORFUL HOMETEXTILE CO., LTD. BUILDING 3A, NO. 488-1, DONGHU NORTH ROAD, DONGHU STREET, LINPING DISTRICT, HANGZHOU CITY, ZHEJIANG PROVINCE, CHINA		Booking No. _____		BL No. JAM2410357	
Consignee A. K. SALES ADDRESS:- 486, WORD-4 . AMAR BHAWAN CHOWK PANIPAT HARYANA (INDIA) IEC CODE :-330700888 GST NO :-06AMPM9702D1Z0		<h2 style="margin:0;">OCEAN BILL OF LADING</h2> <p style="font-size: small; margin: 5px 0;">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 the tenor and date, one of which being accomplished, the other(s) to be void.</p>			
Notify party SAME AS CONSIGNEE					
Pre-carriage by _____		Place of receipt NINGBO, CHINA			
Ocean vessel AN TONG DA LIAN		Voyage No. 2401W		Port of loading NINGBO, CHINA	
Port of discharge NHAVA SHEVA, INDIA		Place of delivery NHAVA SHEVA, INDIA		(Terms and Conditions as per back hereof.)	
				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
N/A	608	PACKAGES	SHIPPER'S LOAD, COUNT & SEAL (1*40' HQ) CONTAINER S. T. C. POLYESTER KNITTED CUT PILE FABRIC HS CODE :60019200	16400.000KGS	68.00CBM
				SHIPPED ON BOARD SEP. 26. 2024 FREIGHT COLLECT	
CONTAINER/SEAL NO. : TGU5322082/40' HQ/CSY184105/608PAC/KGS/16400.000KGS/68.000CBM		COPY			
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 CONNECT & GROW LOGISTICS OFFICE NO. 06, 2ND FLOOR, STREET NO. 01, JP ENCLAVE, RIAMBA KHURD ROAD, LUDHIANA-141010, PB, INDIA GST NO. 03CUZPP9914K1Z0 PAN:CUZPP9914K EMAIL - PRICING@CONNECTGROW.IN MOBILE :-7888725086 CS@CONNECTGROW.IN +91 83602 46654		Revenue tons _____		Rate _____	
		Per _____		Prepaid _____	
		Collect _____			
Exchange rate _____		Prepaid at _____		Payable at _____	
		Place and date of issue CHENGDU, CHINA SEP. 26. 2024			
Total Prepaid in Local Currency _____		No. of Original B(s)/L THREE (3)			
By _____ AS AGENTS FOR THE CARRIER					

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

Bill of Entry 6299311 Dated 23-Oct-2024:

Master Invoice Items Dept comments Exam order Queries iGM Cont eXAm_instr lIcNce dUty Grp7_dutyfg Others									
* view_be									
22/01/2026		Indian Customs EDI System - Imports V1.5						05:31:40 pm	
JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707									
VIEW									
Enter BE No: 6299311		Date: 23/10/2024		CC: N		Type: H		No of iGMs: 1	
Importer: A.K. SALES				AG: 3		First Chk: N			
IGM No./Dt.: 2391196 21/10/2024		Inw. Dt.: 23/10/2024		Tot. Pkgs.: 975		PKG		Gross WL: 23450	
MAWB No./DL: CSX24NGBNSA048852		07/10/2024		HAWB No./DL: DK52410503A				30/09/2024	
Marks & Nos: AS PER INVOICE & BL									
Gate Way IGM:		Gate Way Port:		Dest. Code:		Current CFS:			
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:		Gross WL.:			
MAWB No./DL:				HAWB No./DL:					
Marks & Nos:									
Gate Way IGM:		Gate Way Port:		Dest. Code:		Current CFS:			
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:		Gross WL.:			
MAWB No./DL:				HAWB No./DL:					
Marks & Nos:									
Gate Way IGM:		Gate Way Port:		Dest. Code:		Current CFS:			
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:		Gross WL.:			
MAWB No./DL:				HAWB No./DL:					
Marks & Nos:									
Gate Way IGM:		Gate Way Port:		Dest. Code:		Current CFS:			

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

BILL OF LADING

(NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER)

SHIPPER
HAINING YUDU TEXTILE CO.,LTD.
ADD : NO.55-2 NORTH WENSHENG ROAD LIANMENG VILLAGE,XUCUN
TOWN,HAINING,ZHEJIANG,CHINA

B/L NO. DK52410503A
REF NO.



CONSIGNEE
A.K.SALES
ADDRESS:- 486, WORD-4 . AMAR BHAWAN CHOWK PANIPAT HARYANA
(INDIA)
IEC CODE:- 3307000888
GST NO:- 06AMAPM9702D1ZD

RECEIVED by the Carrier the Goods as specified below in apparent good order and condition unless otherwise stated, to be transported to such place as agreed, authorized or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of Lading to which the Merchant agrees by accepting this Bill of Lading any local privileges and customs notwithstanding.

NOTIFY PARTY
SAME AS CONSIGNEE

The particulars given below as stated by the shipper and the weight, measure, quantity, conditions, contents and value of the Goods are unknown to the Carrier.

In WITNESS where of one (1) original Bill of Lading has been signed if not otherwise stated below, the same being accomplished the other(s) if any, to be void, if required by the Carrier one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order.

PRE-CARRIAGE BY		PLACE OF RECEIPT		
OCEAN VESSEL BEIJING BRIDGE		VOY.NO. V.2406W		
PORT OF LOADING NINGBO		PORT OF DISCHARGE NHAVA SHEVA	PLACE OF DELIVERY NHAVA SHEVA	
MARKS & NUMBERS CNTRS.NOS./SEAL NOS.	NUMBER AND KIND OF PACKAGES	DESCRIPTION OF GOODS	GROSS WEIGHT (KGS)	MEASUREMENT (CBM)
N/M	975PACKAGES	WARP KNITTED 100% POLYESTER (PRINTED) FABRIC HS 60019200	23450.000KGS	68.000CBM
BEAU6443451 CSX183737 40HQ	975PACKAGES	23450.000KGS 68.000CBM		
ACCORDING TO THE DECLARATION OF THE MERCHANT				

RECEIVED FOR SHIPMENT
FREIGHT PREPAID
CY-CY
SHIPPER'S LOAD, COUNT & SEAL
ORIGINAL

TOTAL NUMBER OF PACKAGES (IN WORDS): SAY NINE HUNDRED AND SEVENTY FIVE PACKAGES ONLY

FOR DELIVERY PLEASE APPLY TO:

CONNECT & GROW LOGISTICS
OFFICE NO. 66, 2ND FLOOR, STREET NO. 01, JP
ENCLAVE, BHAMBA KHURD ROAD, LUDHIANA-141010-PB, INDIA
EMAIL-KULDEEP@CONNECTGROW.IN
PRICING@CONNECTGROW.IN CONTACT-9779798817
GST NO. 03CUZPP9914KLZO PAN NO. CUZPP9914K
EMAIL-PRICING@CONNECTGROW.IN CONTACT-7888725086
CS@CONNECTGROW.IN--8360246654

FREIGHT & CHARGES	
PREPAID AT	PAYABLE AT
RECEIVED FOR SHIPMENT	2024-09-30
PLACE AND DATE OF ISSUE	AT NINGBO 2024-09-30

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD.

Kamran Chaudhary
.....
AS CARRIER(S)

DK INTERNATIONAL LOGISTICS (NINGBO) CO., LTD. AS CARRIER

NUMBER OF ORIGINAL BILLS: THREE

SUBJECT TO THE TERMS AND CONDITIONS PRINTED OVERLEAF

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
 SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

Bill of Entry 9419044 Dated 10-Aprl-2025:

view be		Indian Customs EDI System - Imports V1.5		05:31:40 pm	
22/01/2026		JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707			
VIEW					IGMS
Enter BE No:	9419044	Date:	10/04/2025	CC:	N
Importer:	A.K. SALES	Type:	H	No of IGMs:	1
		AG:	3	First Chk:	N
IGM No./Dt.:	1129343 24/03/2025	Inw. Dt.:	10/04/2025	Tot. Pkgs.:	678 PKG
MAWB No./Dt.:	ONEYNB0F01875600			Gross WL:	17400 RGS
Marks & Nos:	AS PER INVOICE & BL			HAWB No./DL:	JAM2502425 25/03/2025
Gate Way IGM:		Gate Way Port:		Dest. Code:	
				Current CFS:	
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:	
MAWB No./Dt.:				Gross WL:	
Marks & Nos:				HAWB No./DL:	
Gate Way IGM:		Gate Way Port:		Dest. Code:	
				Current CFS:	
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:	
MAWB No./Dt.:				Gross WL:	
Marks & Nos:				HAWB No./DL:	
Gate Way IGM:		Gate Way Port:		Dest. Code:	
				Current CFS:	
IGM No./Dt.:		Inw. Dt.:		Tot. Pkgs.:	
MAWB No./Dt.:				Gross WL:	
Marks & Nos:				HAWB No./DL:	
Gate Way IGM:		Gate Way Port:		Dest. Code:	
				Current CFS:	

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

Shipper HAINING YUDU TEXTILE CO., LTD. ADD:NO.55-2 NORTH WENSHENG ROAD LIANMENG VILLAGE, XUCUN TOWN, HAINING, ZHEJIANG, CHINA		Booking No. BL No. JAM2502425	
Consignee A. K. SALES ADDRESS:- 486, WORD-4 . AMAR BHAWAN CROWE PANIPAT HARYANA (INDIA) IEC CODE:- 3307008888 GST NO:- 06AMAPB702D1ZD		OCEAN BILL OF LADING  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 others to be void.	
Notify party SAME AS CONSIGNEE			
Pre-carriage by YM UNIFORMITY	Place of receipt NINGBO, CHINA		
Ocean vessel YM UNIFORMITY	Voyage No. 077V	Port of loading NINGBO, CHINA	
Port of discharge NHAVA SHEVA, INDIA		Place of delivery NHAVA SHEVA, INDIA	
		(Terms and Conditions as per back hereof)	
		Final destination (for the Merchant's reference) NHAVA SHEVA, INDIA	
Container No. N/M	Seal No. Marks and Nos. 678	No. of Containers of Packages PACKAGES	Kind of Packages; description of goods SHIPPER'S LOAD, COUNT & SEAL (1*40 HQ) CONTAINER S. T. C. WARP KNITTED 100% POLYESTER (PRINTED) FABRIC HS: 60053900
		Gross weight 17400.000KGS	Measurement 68.000CBM
		SHIPPED ON BOARD MAR. 25. 2025 FREIGHT PREPAID	
CONTAINER/SEAL NO. : BEAUSA19816/40' HQ /CNDR42916 /678P PACKAGES /17400.000KGS/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 CONNECT & GROW LOGISTICS (CGL) H/NO. 66, JP ENCLAVE, STREET NO. 01 BHAMIA KHERD ROAD, LUBHANA-141010 PUNJAB, INDIA EMAIL:KULDEEP@CONNECTGROW.IN		Revenue tons Rate Per	Prepaid Collect CHENGDU, CHINA MAR. 25. 2025
Exchange rate	Payable at THREE (3)	Place and date of issue For and on behalf of 捷宇欣航(成都)国际物流有限公司 捷宇欣航(成都)国际物流有限公司 AS AGENTS FOR THE CARRIER Authorized Signature(s)	
	Total Prepaid in Local Currency	No. of Original B(s)/L	

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 9200 & 6005 3900, 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,

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

described as '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' / '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*' is USD 1.20 TO USD 1.43 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 9200/ 6005 3900, 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 I find that the goods covered under Bill Entry 6119254 Dated 14-Oct-2024 being knitted and cut pile fabric made of man-made material i.e. Polyester is covered under the description of goods covered under CTH 6001 9200. The declared description of the goods as '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' remain undisputed and self-classified by the importer under CTH 6001 92 00. Therefore, goods covered under Bills of Entry No. 6119254 Dated 14-Oct-2024 are classifiable under CTH 6001 9200. I also find that the goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 being warp-knitted fabrics made of synthetic fibre, namely polyester, and being printed squarely fall under the description of goods covered under CTH 6005 3900. The declared description of the goods as '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*' remain undisputed. It is further established that these goods are neither pile / cut-pile fabrics classifiable under CTH 6001 nor fabrics of width 30 cm or less classifiable under CTH 6002, 6003 or 6004. Therefore, goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are classifiable under CTH 6005 3900. Further the test reports available in the E-Sanchit system, pertaining to the subject Bills of Entry and relating to consignments imported from the same overseas suppliers, confirm the identity, uniformity and consistency of the imported goods. Accordingly, I hold that the impugned goods are correctly classifiable under CTH 6001 9200/ 6005 3900. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester 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.

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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 under CTH 6001 9200/ 6005 3900 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 25.03.2025, 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 9200 & 6005 3900, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 TO USD 1.43 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 *neither* submitted any written submission to the SCN *nor* availed any of the Personal Hearing opportunities.

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. 2,87,22,406/-, based on the applicable Minimum Import Price (MIP) or otherwise. And as to whether the differential duty amounting to Rs. 51,92,931 /- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One 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 appeared *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 9200 & 6005 3900, 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 I find that the goods covered under Bill Entry 6119254 Dated 14-Oct-2024 being knitted and cut pile fabric made of man-made material i.e. Polyester is covered under the description of goods covered under CTH 6001 9200. The declared description of the goods as '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' remain undisputed and self-classified by the importer under CTH 6001 92 00. Therefore, goods covered under Bills of Entry No. 6119254 Dated 14-Oct-2024 are classifiable under CTH 6001 9200. I also find that the goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 being warp-knitted fabrics made of synthetic fibre, namely polyester, and being printed squarely fall under the description of goods covered under CTH 6005 3900. The declared description of the goods as '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*' remain undisputed. It is further established that these goods are neither pile / cut-pile fabrics classifiable under CTH 6001 nor fabrics of width 30 cm or less classifiable under CTH 6002, 6003 or 6004. Therefore, goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are classifiable under CTH 6005 3900. Further the test reports available in the E-Sanchit system, pertaining to the subject Bills of Entry and relating to consignments imported from the same overseas suppliers, confirm the identity, uniformity and consistency of the imported goods. Accordingly, I hold that the impugned goods are correctly classifiable under CTH 6001 9200/ 6005 3900. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester 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 9200/ 6005 3900 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 25.03.2025, 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 9200 & 6005 3900, is squarely and categorically

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 TO USD 1.43 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 four 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

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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 TO USD 1.43 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 A K SALES, 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

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 Colour, Design & Different Weight/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. 1,02,42,225/-**

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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. 2,87,22,406/-**, 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

Sr . N o.	BE Number and Date	CTH	Differ ence in MIP (3.5- decla red unit price)	Differ en tial rate as per MIP	Differential value	Excha nge Rate	BCD @20%	SWS @10%	IGST (@5)	Total Differential duty payable
1	61192 90 Dated 14- Oct- 2024	6001920 0	2.3	195.1 5	8483387.85	84.85	1696677. 57	169667.7 6	517486.6 6	2383831.99
2	61192 54 Dated 14- Oct- 2024	6001920 0	2.3	195.1 5	2928495.93	84.85	585699.1 9	58569.92	178638.2 5	822907.36
2	62993 11 Dated 23- Oct- 2024	6001920 0	2.3	195.3 8	4261053.773	84.95	852210.7 8	85221.07	259924.2 8	1197356.11
4	94190 44 Dated 10- Aprl- 2025	6005390 0	2.07	179.2 6	2807242.92	86.66	561448.5 8	56144.86	171241.8 1	788835.26
TOTAL					18480180.47					5192930.7 1

Table-III

Declared Assessable Value	Declared Duty	Re-determine Differential Value	Total redetermine assessable Value	Total Duty As per MIP	Payable total Differential Duty
10242225.05	2782660.5	18480180.47	28722406	7975591	5192930.71

24.5.1

Accordingly, I find that the differential duty amounting to **Rs. 51,92,931 /- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One only)** is liable for recovery from the importer M/s. A K SALES under Section 28(4) of the Customs Act, 1962,

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 is rightly applicable in the present case.

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. 2,87,22,406/-, (Rupees Two Crore Eighty-Seven Lakh Twenty-Two Thousand Four Hundred Six Only) 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 confiscated 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:

“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 appeared *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 9200 & 6005 3900, 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 I find that the goods covered under Bill Entry 6119254 Dated 14-Oct-2024 being knitted and cut pile fabric made of man-made material i.e. Polyester is covered under the description of goods covered under CTH 6001 9200. The declared description of the goods as '*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*' remain undisputed and self-classified by the importer under CTH 6001 92 00. Therefore, goods covered under Bills of Entry No. 6119254 Dated 14-Oct-2024 are classifiable under CTH 6001 9200. I also find that the goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 being warp-knitted fabrics made of synthetic fibre, namely polyester, and being printed squarely fall under the description of goods covered under CTH 6005 3900. The declared description of the goods as '*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*' remain undisputed. It is further established that these goods are neither pile / cut-pile fabrics classifiable under CTH 6001 nor fabrics of width 30 cm or less classifiable under CTH 6002, 6003 or 6004. Therefore, goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are classifiable under CTH 6005 3900. Further the test reports available in the E-Sanchit system, pertaining to the subject Bills of Entry and relating to consignments imported from the same overseas suppliers, confirm the identity, uniformity and consistency of the imported goods. Accordingly, I hold that the impugned goods are correctly classifiable under CTH 6001 9200/ 6005 3900. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester 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 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 9200/ 6005 3900 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 25.03.2025, 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 9200 & 6005 3900, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 TO USD 1.43 per kilogram is below the prescribed Minimum Import Price.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 appeared *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 four 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.

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 TO USD 1.43 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 A K SALES, 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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 four 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 TO USD 1.43 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.

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

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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).”

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

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

undertaking which appeared 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, appeared 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.

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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:

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 appeared *mutatis*

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 9200 & 6005 3900, 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.

26.1.1.1 I find that the goods covered under Bill Entry 6119254 Dated 14-Oct-2024 being knitted and cut pile fabric made of man-made material i.e. Polyester is covered under the description of goods covered under CTH 6001 9200. The declared description of the goods as ‘*CUT PILE OTHER WARP KNITTED 100% POLYESTER FABRIC*’ remain undisputed and self-classified by the importer under CTH 6001 92 00. Therefore, goods covered under Bills of Entry No. 6119254 Dated 14-Oct-2024 are classifiable under CTH 6001 9200. I also find that the goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 being warp-knitted fabrics made of synthetic fibre, namely polyester, and being printed squarely fall under the description of goods covered under CTH 6005 3900. The declared description of the goods as ‘*WARP KNITTED 100% POLYESTER (PRINTED) FABRIC*’ remain undisputed. It is further established that these goods are neither pile / cut-pile fabrics classifiable under CTH 6001 nor fabrics of width 30 cm or less classifiable under CTH 6002, 6003 or 6004. Therefore, goods covered under Bills of Entry No. 6119290 Dated 14-Oct-2024, 6299311 Dated 23-Oct-2024 & 9419044 Dated 10-Aprl-2025 are classifiable under CTH 6005 3900. Further the test reports available in the E-Sanchit system, pertaining to the subject Bills of Entry and relating to consignments imported from the same overseas suppliers, confirm the identity, uniformity and consistency of the imported goods. Accordingly, I hold that the impugned goods are correctly classifiable under CTH 6001 9200/ 6005 3900. Polyester, being a chemically synthesised fibre, is a synthetic fibre, and the impugned goods, being knitted fabrics of polyester 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.

26.1.1.2 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 9200/ 6005 3900 and the date of shipment or dispatch is required to be on or

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

after 15.09.2024. In the present case, the relevant Bills of Lading are dated between 26.09.2024 and 25.03.2025, which is subsequent to 15.09.2024, thereby satisfying the condition relating to the date of shipment or dispatch.

26.1.1.3 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 9200 & 6005 3900, is squarely and categorically applicable to the impugned goods. However, I observe that the declared CIF unit price of USD 1.20 TO USD 1.43 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 four 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 TO USD 1.43 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**

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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 A K SALES, 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.**

26.1.3I 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.

26.1.4In the instant case, I observe that the importer self-assessed the impugned four 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 TO USD 1.43 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,

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

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.

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

26.2.1 I further find that the Noticee, M/s A K SALES, 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 four Bills of Entry by declaring the value of the **imported goods at USD 1.20 TO USD 1.43 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 A K SALES, 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

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

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 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 TO USD 1.43 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. A K SALES** has mis-declaring the value/MIP of the imported goods covered under various Bills of Entry (as detailed in Table-I), having a

S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025

- total declared assessable value of **Rs. 1,02,42,225/-**. Accordingly, I reject the declared value of the impugned goods under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determine the same at **Rs. 2,87,22,406/-** based on the applicable Minimum Import Price (MIP).
- ii. I confiscate the imported goods having total **Re-assessable value of Rs. 2,87,22,406/- (Rupees Two Crore Eighty-Seven Lakh Twenty-Two Thousand Four Hundred Six Only)** 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. A K SALES in lieu of confiscation under Section 125(1) of the Customs Act, 1962.;
- iii. I confirm the demand the differential duty amounting to **Rs. 51,92,931/- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One Only)** not paid/short paid on the aforesaid imported goods and recovery from the importer M/s. A K SALES 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. A K SALES 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. 51,92,931/- (Rupees Fifty-One Lakh Ninety-Two Thousand Nine Hundred Thirty-One Only) and interest** accrued there upon on the importer, M/s. A K SALES 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. A K SALES** under Section 114 AA of the Customs Act, 1962, for the act of false declaration.

Digitally signed by
Vijay Risi
Date: 29.10.2026
16:59:40

**S/10-902/2025-26/Adj./Commissioner/Gr. III/NS-III/CAC/JNCH
SCN No.: 1220-2025-26/Commissioner/NS-III/JNCH dated 31.10.2025**

**Pr. COMMISSIONER OF CUSTOMS
NHAVA SHEVA-III, JNCH**

To

**M/s A K Sales (IEC: 3307000888)
486/4, WARD-4, AMAR BHAWAN CHOWK,
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.