आयुक्त, सीमा शुल्क का कार्यालय,
OFFICE OF THE COMMISSIONER OF CUSTOMS
न्यू कस्टम हाउस, बालाजी मंदिर के पास, न्यू कांडला-370210
NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE,
NEW KANDLA-370210
E-mail : commr-cuskandla@nic.in

F. No. GEN/ADJ/ADC/1012/2026-Adjn-O/o Commr-Cus-Kandla

DIN- 20260671ML0000666F93

<u>SHOW CAUSE NOTICE</u>
<u>(ISSUED UNDER SECTION 28(4) OF THE CUSTOMS ACT, 1962)</u>

Whereas, it appears that:

M/s Nageswara Trade (Proprietor: Geddada Nageswara Rao), hereinafter also referred to as "**the said importer**" or "**the noticee**" having their registered office at Shop No. 10, Yogi Puram Complex, Plot No. 87, Shinay Road, Survey 24/1, Gandhidham, Kachchh, Gujarat-370205 is a proprietorship firm engaged in the business of wholesale/distribution of the goods falling under HSN: 6006 (Other Knitted Or Crocheted Fabrics), 9608 (Ball Point Pens; Felt Tipped and Other Porous tipped Pens And Markers; Fountain Pens; Stylograph Pens and Other Pens), 6702 (Artificial Flowers, Foliage and Fruit and Parts thereof; Articles made of Artificial Flowers, Foliage or Fruit) and 9505 (Festive, Carnival or Other Entertainment Articles including Conjuring Tricks And Novelty Jokes).

Whereas, Z type **Bill of Entry No. 2321796 dated 28.05.2025** [**RUD-01**] was filed by the SEZ Warehousing Unit namely **M/s Cargo Care Agency** situated at Shed No. 366 FA 1 Type, Phase Sector IV, Kandla Special Economic Zone, Gandhidham, Kachchh, Gujarat, 370230 on behalf of the importer wherein the goods were declared as Festival Birthday Decorative Cendal Small and Medium, Festival and Party Snow Spray and Decorative Mat under CTH:95059090.

2. INTELLIGENCE AND INITIAL RISK INPUT

2.1 Whereas, this office had received an NCTC Alert No. 2025-26/IMP/2102 dated 29.05.2025 in respect of Container No. OOCU9695126 imported under Bill of Entry no. 2321796 dated 28/05/2025 by M/s Nageswara Trade, Gujarat. The said NCTC Alert dated

29.05.2025 was forwarded by SIIB Mundra vide email dated 31.05.2025. As per the said NCTC Alert dated 29.05.2025, in terms of the Bill of Lading, the afore-mentioned consignments appeared to be imported in the name of SEZ entity M/s. Cargo Care Agency, Shed No. 366 FA 1 Type, Phase Sector IV, Kandla Special Economic Zone, Gandhidham, Kachchh, Gujarat, 370230 (shown as Notified Party) and the importer M/s. Nageswara Trade (shown as Consignee). Further, M/s. East Germany (Shaoxing) Trading Co. Ltd., China (shown as Shipper/Exporter) appeared to be the supplier of the instant consignment in terms of the Bill of Entry.

2.2 Further, as per the said NCTC Alert dated 29.05.2025, the description of the declared goods in the consignment viz. "Party Supplies" appeared to be vague and as such the instant goods appeared to be prone to mis-declaration / mis-classification / concealment. It was further highlighted that the commercial invoice/packing lists uploaded in e-sanchit appeared to be incomplete/missing (such as payment terms, bank details etc.) along with no signature found on the said Invoice/Packing list. Thus, as per the said NCTC alert, the said import shipment was identified to be risky for misdeclaration/mis-classification /concealment and as such 100% examination of the consignment was prescribed along with directions to check the container seal integrity. The details of the import covered under Bill of Entry No. 2321796 dated 28.05.2025 are as under:

Table-1
Details of Z-type Bill of Entry filed by M/s Nageswara Trade

Bill of Entry No. & Date	Port of Loading	Supplier Name	Goods Description (Declared in BE)	Quantity	Declared Assessable Value (INR)	Declared Duty (INR)	Container No.
2321796 dated 28.05.2025	Ningbo	East Germany (Shaoxing) Trading Co. Ltd, Shaoxing City, Zhejiang.	Festival Birthday Decorative Cendal Small (95059090)	1390 GRS.	693446	305839	OOCU9695126
			Festival Birthday Decorative Cendal Medium	1450 GRS.			

			(95059090)				
			Festival and Party Snow Spray (95059090)	2460 DOZ			
			Decorative Mat (95059090)	1015 DOZ			

3. CHRONOLOGY OF INVESTIGATION AND FACTS.

3.1 EXAMINATION OF CONTAINER NO. OOCU9695126.

3.1.1 Whereas, examination of the goods imported under Container No. OOCU9695126 by M/s Nageswara Trade was conducted by officers of SIIB (Special Intelligence and Investigation Branch) Kandla Customs Commissionerate at the premises of M/s Cargo Care Agency (SEZ warehousing unit) situated at Shed No. 366, FA 1 Type, Phase Sector-IV, Kandla SEZ Gandhidham-370240 and the proceedings were recorded under Panchnama dated 04.06.2025 (**RUD-2**).

3.1.2 During the examination proceedings, the container seal was found intact and further, the container was found to be sealed with Seal No. OOLJPP0527 as declared in the Bill of Entry No. 2321796 dated 28.05.2025. The container was de-stuffed in the presence of Shri Goda Prabhakar, Partner of M/s Cargo Care Agency, the SEZ Warehousing Unit and independent witnesses. Upon opening of the container, the same was found to be stuffed with corrugated paper boxes and the boxes/cartons were placed item wise inside the warehouse for 100% examination of the cargo.

3.1.3 Subsequently, the goods were physically examined and inventoried. The details of the goods found during examination were recorded in the Panchnama dated 04.06.2025, which has been reproduced below for the ease of reference as **Table-2**:

Table-2

Sr. No.	Description	No. of Boxes ascertained during examination	No. of pieces in one box	Total No. of pieces
1	Small Snow Spray Bottles (around 100 ml)	100 Boxes Master cartoon contains (6 small boxes X 24 bottles)	144	14400
2	Party Popper 30 cm	164 Boxes	100	16400
3	Party Popper 40 cm	135 Boxes	100	13500
4	½ ltr. (approx.) plastic water bottles for kids	14 Boxes	100	1400

3.2 DETECTION OF MIS-DECLARATION OF QUANTITY AND DESCRIPTION OF GOODS

3.2.1 Whereas, during the course of examination of the imported goods under Panchnama proceedings dated 04.06.2025, it was observed that the goods found to be stuffed inside the container no. OOCU9695126 imported under Bill of Entry no. 2321796 dated 28/05/2025 were found to be other than the goods declared under the aforesaid Bill of Entry dated 28.05.2025. The comparison between declared description and goods actually found during the course of examination proceedings dated 04.06.2025 has been summarized below as **Table-3**: -

Table-3

Sr. No.	Description of imported goods as declared in Bill of Entry	Quantity declared in Bill of Entry	Quantity of declared goods found during the course of examination	Description of actual goods found during the course of examination	Qunatity of the actual goods found during examination
1	Festival Birthday	1390 GRS.	**Nil**	Party Popper – 30 cm	16400

	Decorative Cendal Small				
2	Festival Birthday Decorative Cendal Medium	1450 GRS	**Nil**	Party Popper – 40 cm	13500
3	Festival and Party Snow Spray	2460 DOZ./ 29520 Pieces	14400	Small Snow Spray Bottles	14400
4	Decorative Mat	1015 DOZ./ 12180 Pieces	**Nil**	Plastic Water Bottles for Kids	1400

3.2.2 Whereas, from the above comparison sheet, the following observations were noticed:

(i) The goods declared as "**Festive Birthday Decorative Cendal Small/Medium**" were actually found to be "**Party Poppers**" and as such grossly mis-declared.

(ii) Though the declared CTH 95059090 appears to be broadly applicable for party articles except for the plastic water bottles for kids, the description furnished in the Bill of Entry was grossly incorrect and misleading.

(iii) In respect of the goods viz. "**Festival and Party Snow Spray**" substantial quantity variation was noticed in as much as the quantity declared in the subject Bill of Entry dated 28.05.2025 was **2460 Dozens (2460X 12 =29520 pieces)** whereas the quantity physically found during the examination proceedings was only **14400 pieces**. **Thus, 15,120 pieces (29520 minus 14400) of the said goods were found to be short**.

(iv) The goods declared as "**Decorative Mat**" were entirely absent and instead "**Plastic Water Bottles for kids**" were found.

3.2.3 The above comparison establishes that the description and quantities of the goods declared in the Bill of Entry No. 2321796 dated 28.05.2025 were not found to be in conformity with the actual goods and quantities found during the course of Panchnama proceedings dated 04.06.2025 thereby indicating gross mis-declaration of goods in terms of description and quantity.

3.3 DETECTION OF MIS-DECLARATION OF VALUE.

3.3.1 In view of the discrepancies noticed in the description and quantity of the goods during the course of examination under Panchnama proceedings dated 04.06.2025, a team of officers visited the premises of M/s Cargo Care Agency situated at Shed No. 366, FA 1 Type, Phase Sector-IV, Kandla SEZ, Gandhidham-370240 on 03.12.2025 for drawing samples for valuation purposes. Samples were drawn in the presence of independent witnesses, Shri Goda Prabhakar, Partner of M/s Cargo Care Agency and Shri Ajayrajsinh Baldevsinh Jhala, Empanelled Chartered Engineer. The proceedings were recorded under Panchnama dated 03.12.2025 (**RUD -3**). During the course of Panchnama proceedings dated 03.12.2025 for valuation of the goods, 02 (two) samples of each item were drawn and handed over to the Empanelled Chartered Engineer for valuation purposes.

Valuer's Report

3.3.2 Subsequently, the Valuation Report dated 27.12.2025 bearing No. ABJ:INSP: CE:KAN:SIIB:PAR:25-26:01 issued by the Empanelled Chartered Engineer (**RUD-04**) was received whose relevant extract has been reproduced below:-

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Valuation Report Dated 27.12.2025 issued by Empanelled Chartered Engineer

Er. AJAYRAJSINH B. JHALA

LLB, MPA, MBA (Productions & Operations), B.E. (Mech), C.Eng (India), AMIE

Associate Member: IEI & IOV.

Empanelled Chartered Engineer in Kandla Customs.

CHARTERED ENGINEER | VALUATION

Our Ref:- ABJ:INSP:CE:KAN:SIIB:PAR:25-26:01

Date: 27/12/2025

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CHARTERED ENGINEER OPINION CERTIFICATE

1. I, **Ajayrajsinh Baldevsinh Jhala (Chartered Engineer)**, hereby declare that I have carried out an random inspection in presence of SIIB Kandla Customs & SEZ Unit ; covered under **Bill of Entry No.: 2321796**, **Dated: 28-05-2025,** as per the details below :

2. I/We have randomly physically and visually inspected the Goods and observe the following:

a) Place of Inspection :- CARGO CARE SEZ UNIT , KANDLA.

b) **Details of Exporter:**

i.	Name	:- M/s. EAST GERMANY (SHAOXING) TRADING CO.,LTD.
ii.	Address	:- 2ND FLOOR. NO.509 WANG CHENG ROAD. BAOGUAN STREET. SHANGYU DISTRICT SHAOXING CITY, ZHEJIANG CN.

c) **Details of Importer:**

i.	Name	:- M/s. NAGESWARA TRADE.
ii.	Address	:- Shop No. 10, Yogi Puram Complex, Gandhidham, Kachchh 370205.
iii.	IEC	:- DLOPG0711A
iv.	GSTIN	:- 24DLOPG0711AIZT

CB Name : M/s. FILED BY IEC HIMSELF

SEZ Unit : M/s. CARGO CARE SEZ UNIT , KANDLA

(27/12/25)

19, Rajvi Residency, Opp. Rivera Residency, Airport Road, Gandhidham, Kutch, Gujarat – 370110.

Er. AJAYRAJSINH B. JHALA
LLB, MPA, MBA (Productions & Operations), B.E. (Mech), C.Eng (India), AMIE
Associate Member: IEI & IOV.
Empanelled Chartered Engineer in Kandla Customs.
CHARTERED ENGINEER | VALUATION

Date: 27/12/2025

Our Ref:- ABJ:INSP:CE:KAN:SIIB:PAR:25-26:01

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(1 USD = 86.40 INR)

VALUATION TABLE

Sr. No.	DESCRIPTION OF GOODS AND QUANTITY AS PER BoE 2321796 dated 28.05.2025				DESCRIPTION OF GOODS AND QUANTITY FOUND DURING EXAMINATION - AS PER CUSTOMS EXAMINATION REPORT					
	Description of Goods as per BoE	Quantity as per BoE	Per Unit Declared C.I.F. Value - As per Bill of Entry in USD	Total Declared C.I.F. Value - As per Bill of Entry in USD	Description of Goods as per Examination	No of Boxes ascertained during examination	No of pieces in one box	Total no. of pieces	Per Unit Suggestive C.I.F. Value in USD (Approx.)	Total Suggestive C.I.F. Value in USD (Approx.)
1)	FESTIVAL BIRTHDAY DECORATIVE CENDAL SMALL	1390 (GRS) 2,00,160 PCS	1	1390	Party Popper 30 cm	164 Boxes	100	16400	0.16 USD / PCS	2624.00 USD
2)	FESTIVAL BIRTHDAY DECORATIVE CENDAL MEDIUM	1450 (GRS) 2,08,800 PCS	1.2	1740	Party Popper 40 cm	135 Boxes	100	13500	0.17 USD / PCS	2295.00 USD
3)	FESTIVAL AND PARTY SNOW SPARY	2460 (DOZ) =29,520 pieces	1	2460	Small Snow Spray bottles (around 100 ml)	100 Boxes Master cartoon contains (6 small boxes X 24 bottles)	144	14400	0.19 USD / PCS	2736.00 USD
4	DECORATIVE MAT	1015 (DOZ) = 12, 180 pieces	2.4	2436	½ ltr. (approx.) plastic water Bottles for kids	14 Boxes	100	1400	0.40 USD / PCS	560.00 USD
Total Average Suggestive C.I.F. Value (Approx.):				8026 USD						8215.00 USD

- Items no. 1 & 2 are not found as declared in BoE.
- Item at serial no. 03 is found short by 15120 pieces as declared in BoE.
- For item No. 04 - During the examination ½ ltr plastic water bottles for kids (Total no. of pieces=1400) were found instead of goods declared in BoE as Decorative Mat (quantity= 1015 DOZ).

Please Note:

- This certificate is valid for this consignment only. It should not be referred as a reference for any of the past / future consignment.

27/12/25

3.3.4 As per the valuation report, the total value of the imported goods was assessed at **₹7,09,777/-**(Rupees Seven Lakhs Nine Thousand Seven Hundred Seventy-Seven Only), as detailed in **Table-4** below:

Table-4

Sr. No.	**Description of the goods and quantity found during examination**						
	Description of the goods as per examination	**No. of boxes ascertained during examination**	**No. of pieces in one box**	**Total No. of pieces**	**Per unit suggestive CIF Value in USD**	**Total suggestive value in USD**	**Value in INR** **1USD=86.40 INR**
1.	Party Popper 30 cm	164 Boxes	100	16400	0.16 USD/PCS	2624	226714
2.	Party Popper 40 cm	135 Boxes	100	13500	0.17 USD/PCS	2295	198288
3.	Small Snow Spray Bottles (around 100 ml)	100 Boxes Master cartoon contains (6 small boxes X 24 bottles)	144	14400	0.19 USD/PCS	2736	236391
4.	½ ltr. (approx..) plastic water bottles for kids	14 Boxes	100	1400	0.40 USD/PCS	560	48384
Total						**8215**	**7,09,777**

3.3.5 Whereas, the said importer had declared the total assessable value of **Rs. 6,93,446/-** (Rupees Six Lakhs Ninety-Three Thousand Four Hundred and Forty-Six Only) in the Bill of Entry No. 2321796 filed by them. Thus, upon comparison of the assessable value as declared in the Bill of Entry No. 2321796 dated 28.05.2025 and the assessable value of **Rs. 7,09,777/-** (Rupees Seven Lakhs Nine Thousand Seven Hundred and Seventy-Seven Only) ascertained through the valuation report dated 27.12.2025, it is observed that the value of the goods determined is higher than the declared value of the goods.

3.4 MISCLASSIFICATION OF GOODS

3.4.1 Whereas, as discussed in the foregoing paragraphs, although the goods found to be physically present inside the container no. OOCU9695126 (BE No. 2321796 dated 28.05.2025) were found to be grossly mis-declared, the CTH mentioned in the aforesaid Bill of Entry viz. 95059090 appeared to be correct except for the Plastic Water Bottles for Kids (shown at Sr.

No. 4 of Table above). It appears that the correct classification of the 14 Boxes of the said goods (total 1400 pieces) would be falling under **CTH:39233090** attracting BCD @ 15%, SWS @ 10% of BCD and IGST @ 18% (total duty @ 37.470). For the sake of ready reference, the relevant portion of the Customs Tariff Act, 1975 is reproduced as under (**Table-5**):

Table-5

HS Code		Item Description
3923		Articles for the conveyance or packing of goods of plastics; stoppers. Lids, caps and other closures of plastics
392330	-	Carboys, Bottles, Flasks and Similar Articles.
39233010	--	Insulated Ware
39233090	---	Other

Thus, investigation has revealed that the said importer had mis-declared the goods as Decorative Mats instead of plastic water bottles for kids and accordingly they had mis-classified the said goods under CTH: 95059090 while the applicable CTH was 39233090 as discussed above.

3.5 ISSUANCE OF SUMMONS AND RECORDING OF STATEMENT

3.5.1 Whereas, summons under Section 108 of the Customs Act, 1962 were issued to M/s M/s Nageswara Trade and the SEZ warehousing unit namely M/s Cargo Care Agency for appearance and submission of relevant documents. The details of the summons issued have been tabulated under **Table-6**:

Table-6

Sr. No.	Particulars	Date	Issued to	DIN
1	Summons	23.06.2025	M/s Cargo Care Agency	20250671ML0000666A92
2	Summons	23.06.2025	M/s Nageswara Trade	20250671ML0000272082

3	Summons	09.07.2025	M/s Nageswara Trade	20250771ML000000B93E
4	Summons	26.11.2025	M/s Nageswara Trade	20251171ML000000E76D
5	Summons	05.01.2026	M/s Nageswara Trade	20260171ML0000666C41

3.5.2 The above summons issued during the course of investigation have been collectively relied upon as **RUD-05.** However, despite issuance of summons, the said importer namely M/s Nageswara Trade neither have appeared nor have they submitted any reply/documents. Thus, during the course of investigation, the said importer has **displayed continued non-cooperation**. However, the SEZ warehousing unit namely M/s Cargo Care Agency have responded to the summons dated 23.06.2025 and their statement has been recorded on 07.07.2025 which has been discussed hereinafter.

3.6 STATEMENT OF SHRI GODA PRABHAKAR RECORDED U/S 108 OF THE CUSTOMS ACT, 1962 ON 07.07.2025.

3.6.1 Whereas, in response to summons dated 23.06.2025 issued to M/s Cargo Care Agency, Shri Goda Prabhakar, Partner had appeared and his statement was recorded under Section 108 of the Customs Act, 1962 on 07.07.2025 (**RUD -06**).

3.6.2 In his voluntary statement dated 07.07.2025, Shri Goda Prabhakar had inter alia stated that:

- that he was one of the four partners in M/s Cargo Care Agency engaged in providing warehousing services to clients for clearance of the imported goods either in DTA or Export as per directions received from their clients.
- that, as per the KYC documents, M/s Nageswara Trade was a proprietorship firm and proprietor of the firm was Shri Geddada Nageswararao with IEC No. DLOPG0711A and GSTIN: 24DLOPG0711A1ZT.
- that, they had not verified the address of M/s Nageswara Trade but they had obtained all the KYC documents.
- that, their firm had been working with M/s Nageswara Trade since January-2025 and prior to this consignment they had cleared 4-5 other consignments into DTA. They had

made warehousing agreement on 20.01.2025 and were issuing consignment wise invoices to the said importer. That he did not remember the exact details of the past import consignments but assured to produce the same within the next 2-3 days.

- that, their firm had filed the Bill of Entry No. 2321796 dated 28.05.2025 on behalf of M/s Nageswara Trade based on the basis of Bill of Lading No. OOLU2157725380 dated 29.04.2025 and Invoice No. 28EGNT425 dated 26.04.2025 issued by the foreign supplier.
- that, upon examination of the goods under the said Bill of Entry, he acknowledged that the goods were found to be mis-declared as detailed in the panchnama dated 04.06.2025 and accepted the description and valuation of the goods estimated by the panch witnesses as fair and reasonable for determination of assessable value.
- that the foreign supplier might have dispatched goods different from those declared in the invoice and packing list, resulting in the discrepancies.
- that M/s Cargo Care Agency files DTA Bills of Entry and pays customs duty on behalf of the importer as per the latter's instructions, recovering the duty and warehousing charges subsequently. He confirmed that the consignment was intended for DTA clearance and that the unit was authorized under the Letter of Approval issued by KASEZ authorities for warehousing of goods falling under the relevant HSN.
- that he had submitted a copy of the warehousing agreement dated 20.01.2025 and stated that the firm had only a business relationship with the importer.
- While acknowledging the discrepancies noticed during examination and seizure proceedings, he claimed that neither he nor his firm was involved in the misdeclaration and attributed the same to the negligence or actions of the foreign supplier, requesting that no penal action be taken against M/s Cargo Care Agency.

4. SEIZURE OF GOODS

In view of the foregoing discussions, as the imported goods were found to be mis-declared in terms of description, classification and value, the goods imported under the cover of Bill of Entry No. 2321796 dated 28.05.2025 appeared to be liable for confiscation under Section 111 of the Customs Act, 1962. Accordingly, the said goods imported vide Bill of Entry No. 2321796 dated 28.05.2025 were seized under Section 110 of the Customs Act, 1962 vide Seizure Memo dated 20.06.2025 (**RUD-07**). Subsequently, the seized goods were handed over under Supradnama dated 20.06.2025 (**RUD-08**) to M/s Cargo Care Agency for safe custody.

Subsequently as the importer had failed to cooperate in the investigation and also owing to pendency of valuation report, the competent authority had accorded extension of time limit for completion of investigation for further six months under Section 110(2) of the Customs Act, 1962 which was communicated to M/s Nageswara Trade and M/s Cargo Care Agency vide letter F.No. CUS/SIIB/HOC/43/2025 dated 17.12.2025

5. OUTCOME OF INVESTIGATION / CONCLUSION:

5.1 Investigation conducted in respect of Bill of Entry No. 2321796 dated 28.05.2025 revealed that the subject import was selected for examination on the basis of intelligence input indicating possible misdeclaration, misclassification, and concealment of goods. Upon 100% physical examination of the container, it was found that the goods actually stuffed therein were not in conformity with the description and quantity declared in the Bill of Entry and the accompanying import documents. The goods declared as Festival Birthday Decorative Cendal Small, Festival Birthday Decorative Cendal Medium, Festival and Party Snow Spray, and Decorative Mat were found to be materially different from the goods actually recovered during examination.

5.2 The examination proceedings established that the container was primarily stuffed with Party Poppers of 30 cm and 40 cm, Small Snow Spray Bottles, and Plastic Water Bottles for Kids. It was further observed that the declared description of goods was grossly incorrect and misleading. The goods declared as Decorative Mat were not found at all, and instead Plastic Water Bottles for Kids were found in the consignment. In respect of Festival and Party Snow Spray, there was also a substantial discrepancy in quantity between the declared and physically found goods. Thus, the investigation clearly established misdeclaration of the goods in respect of both description and quantity.

5.3 Further, on valuation, the goods were re-assessed through a Chartered Engineer's report, which determined the value of the consignment at Rs. 7,09,777, as against the declared assessable value of Rs. 6,93,446 in the Bill of Entry. The investigation therefore revealed undervaluation of the imported goods. It was also noticed that the Plastic Water Bottles for Kids were misclassified under CTH 95059090 in the Bill of Entry, whereas the correct classification appeared to be under CTH 39233090. Accordingly, the investigation established misdeclaration not only in description and quantity, but also in value and tariff classification.

5.4 During the course of investigation, repeated summons were issued to the importer, M/s Nageswara Trade, however, the importer failed to appear and did not submit any explanation, documents, or reply despite opportunities afforded. On the other hand, the SEZ warehousing unit, M/s Cargo Care Agency, appeared and gave a statement under Section 108 of the Customs Act, 1962, in which the discrepancies noticed during examination were acknowledged. The partner of the said unit also accepted the valuation arrived at by the departmental officers as fair and reasonable for the purpose of assessment. Based on the facts, evidence, examination report, valuation report, and statements recorded during investigation, it stands established that the goods imported under the said Bill of Entry were misdeclared in material particulars and were liable to confiscation under the Customs Act, 1962.

6.1 STATUTORY OBLIGATION OF TRUE AND CORRECT DECLARATION

Whereas, in terms of Section 46(4) and Section 46(4A) of the Customs Act, 1962, it is a statutory obligation cast upon every importer to make a true, complete, and accurate declaration of all particulars relating to the imported goods, including but not limited to description, quantity, quality, value, and all elements constituting the assessable value, and to ensure the authenticity and correctness of all supporting documents furnished at the time of import. Whereas, in terms of Section 14 of the Customs Act, 1962, read with the Customs

Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value of imported goods shall be the transaction value, that is to say, the price actually paid or payable for the goods when sold for export to India, subject to the condition that such price is truthful, accurate, verifiable, and reflects the real commercial value of the goods, and further subject to the condition that no circumstance exists which may influence or distort such declared value.

6.2 CIRCUMSTANCES RENDERING DECLARED TRANSACTION VALUE UNACCEPTABLE.

Whereas, in the present case, the declared assessable value of **₹6,93,446/-** under Bill of Entry No. 2321796 dated 28.05.2025 was examined in the light of the physical examination findings recorded under Panchnama dated 04.06.2025, the documentary evidence on record, and the subsequent valuation exercise, and it is observed that multiple serious and material discrepancies existed which rendered the declared transaction value unacceptable and unreliable for assessment purposes, for the following cumulative and inter-linked reasons:

(i) Mis-declaration of goods and quantity:

Upon 100% physical examination of the container, it was found that the goods actually stuffed therein were not in conformity with the description and quantity declared in the Bill of Entry and the accompanying import documents which conclusively established that the quantity declared in the import documents was not truthful or accurate, thereby vitiating the declared transaction value at its very foundation.

(ii) Existence of undeclared goods:

The presence of 1400 pieces of ½ ltr. (appx.) plastic water bottles for kids, 16400 pieces of Party Popper 30 cm and 13500 pieces of Party Popper 40 cm which were not declared as a separate item in the Bill of Entry or invoice, but were physically found during examination, clearly demonstrated that the declaration was selective and incomplete, thereby disentitling the importer from claiming acceptance of the declared transaction value.

(iii) Inconsistency between declared goods, quantities and unit values:

Once the declared goods and quantities thereof themselves were found to be incorrect, the declared unit prices and total values automatically lose their credibility, as the value declared was based on quantities which were subsequently found to be factually incorrect.

(iv) Nature of commercial arrangement:

The SEZ warehousing unit had admitted that the goods were warehoused for eventual DTA clearance and that the firm acted on instructions of the importer while filing the Bill of Entry, thereby indicating that the declared value was not independently arrived but was mechanically reproduced without verification.

6.3 INVOCATION OF RULE 12 OF THE VALUATION RULES

Whereas, in view of the above circumstances, there is reasonable doubt regarding the truth or accuracy of the declared value, warranting invocation of Rule 12 of the Customs Valuation Rules, 2007, which empowers rejection of the declared transaction value where the same is found to be incorrect, incomplete, or unverifiable. Whereas, the importer was afforded opportunity during investigation to substantiate the declared value with credible evidence; however, no documentary or financial evidence has been produced to dispel the doubts raised, and therefore the declared transaction value appears to be rightly rejectable.

6.4 ADOPTION OF REASONABLE METHOD FOR REDETERMINATION OF VALUE

Whereas, upon rejection of the declared value, the assessable value is required to be redetermined using reasonable means consistent with the principles and general provisions of Section 14 of the Customs Act, 1962, and the Valuation Rules, without arbitrary enhancement. Accordingly, samples of the imported goods were drawn under Panchnama dated 03.12.2025 in the presence of the partner of the SEZ warehousing unit and independent witnesses and were forwarded to a Empanelled Chartered Engineer, namely, Er. Ajayrajsinh B. Jhala for independent valuation. Whereas, the Valuation Report dated 27.12.2025 issued by Er. Ajayrajsinh B. Jhala has assessed the value of each category of goods and estimated the aggregate value of the imported goods at **₹7,09,777/-**, as detailed in Table-4 above which is higher than the declared value of **Rs.6,93,446/-.** The valuation report is also crucial for the reason that the goods found during the course of examination proceedings dated 04.06.2025 were majorly found to be different than the goods declared in the Bill of Entry No. 2321796 dated 28.05.2025 filed by the importer/SEZ warehouse.

6.5 LEGAL CONSEQUENCES FLOWING FROM MIS-DECLARATION OF VALUATION

Whereas, mis-declaration of value directly affects assessment of duty and constitutes a material violation of the Customs Act, 1962, and where such mis-declaration of valuation is coupled with mis-declaration of quantity and absence of bona fide explanation, the goods become liable for confiscation under Section 111(m) of the Act. Whereas, the failure of the importer to provide any plausible explanation or evidence negating intent establishes that the mis-declaration of valuation was knowing, wilful, and intentional, thereby attracting penal provisions under Sections 112 and 114AA of the Customs Act, 1962.

6.6 FINAL FINDING ON VALUATION

Therefore, in view of the foregoing facts, admissions, documentary evidence, physical examination findings, valuation exercise, it appears that:

(i) The declared transaction value of ₹6,93,446/- was incorrect, incomplete, and unreliable;

(ii) The same is rejectable under Rule 12 of the Customs Valuation Rules, 2007;

(iii) The assessable value of ₹7,09,777/- estimated by the Empanelled Chartered Engineer represents the true and correct value of the imported goods for the purpose of assessment under Section 14 of the Customs Act, 1962.

7. CALCULATION OF DUTY.

7.1 Whereas, the said importer had declared an assessable value of Rs. 6,93,446/- and duty payable of Rs.3,05,839/- in the Bill of Entry No. 2321796 dated 28.05.2025. However, investigation has revealed that the goods were found to be mis-declared in terms of description, quantities, valuation and classification as discussed in the foregoing paragraphs. In view of the above, the duty actually payable on the goods physically found during the course of examination proceedings dated 04.06.2025 has been worked out and the same has been shown in **Table-7** below:

Table-7

Description	Assessable Value (INR)	BCD %	BCD payable	SWS payable (10% of BCD)	IGST 18% (Assessable Value+BCD+SWS) X18%	Total Duty
Party Popper 30 cm	226714	20	45343	4534	49786	99663
Party Popper 40 cm	198288	20	39658	3966	43544	87167
Small Snow Spray Bottles	236391	20	47278	4728	51911	103917
Plastic Water Bottles for Kids	48384	15	7258	726	10146	18129
TOTAL	**709777**		**139536**	**13954**	**155388**	**308877**

7.2 Thus, it appears that the actual duty required to be paid by the importer in respect of the goods actually imported and found during the course of Panchnama proceedings dated 04.06.2025 comes to **Rs.3,08,877/- (Rupees Three Lakhs Eight Thousand Eight Hundred Seventy-Seven)** as against Rs. 3,05,839/- declared in the Bill of Entry No. 2321796 dated 28.05.2025 by M/s Nageswara Trade.

8. LEGAL FRAMEWORK – CUSTOMS ACT, 1962 AND SEZ PROVISIONS

8.1 Relevant provisions of the SEZ Act, 2005 and Rules made thereunder:

The SEZ Act, 2005

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

………..

(o) "import" means—

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

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

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

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

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

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

Section 22. Investigation, inspection, search or seizure .—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

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

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

SEZ RULES, 2006

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

NOTIFICATION NO. 2665(E) AND 2667(E) DATED 05.08.2016

S.O. 2665(E).—In exercise of the powers conferred by sub-section (1) of section 21 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby, notifies the offences contained in the under-mentioned sections of the Customs Act, 1962 (52 of 1962), the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) as offences under the Act:-

The Customs Act, 1962

1. Section 28, 28AA and 28AAA
2. Section 74 and 75

3 Section 111

4. Section 113
5. Section 115
6. Section 124
7. Section 135
8. Section 104

…..

…..

S.O. 2667(E).—In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government authorizes the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) and Commissioner of Central Excise in respect of offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) and notified under the Act, for the reasons to be recorded in writing, to carry out the investigation, inspection, search or seizure in a

Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned.

8.2 Section 46 of the of the Customs Act, 1962: Entry of goods on importation. –

(1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 1 [electronically] 2 [on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed.

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed

(4A) The importer who presents a bill of entry shall ensure the following, namely:

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

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

(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

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

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

…

(f) any dutiable or prohibited goods required to be mentioned under the regulations in an [arrival manifest or import manifest] or import report which are not so mentioned.

(i) any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;

(j) any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission.

(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.

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

Any person, -

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

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section111, shall be liable, -

i. …………..

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:

8.5 Section 114 AA of the Customs Act, 1962, 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.

9. APPRECIATION OF EVIDENCE AND FINDINGS

9.1 From the investigation conducted and evidences gathered, the following facts clearly emerge:

i. The goods physically found during examination did not correspond with the description declared in the Bill of Entry.

ii. Significant quantity mismatch was detected in respect of Snow Spray goods.

iii. Goods declared as “Decorative Mat” were not found at all. Instead, entirely different goods i.e. plastic water bottles for kids were found.

v. The importer failed to provide any explanation supported by documentary evidence regarding the discrepancy.

vi. The importer deliberately avoided investigation proceedings by not appearing before the investigating authority despite repeated summons.

9.2 The nature of discrepancies detected in the consignment cannot be treated as clerical or bonafide mistakes. The declaration made in the Bill of Entry was found to be materially false and misleading.

9.3 The conduct of the importer in suppressing true particulars of imported goods and avoiding investigation proceedings clearly establishes deliberate intent to mis-declare imported goods before Customs authorities.

9.4 In view of the above and the findings as discussed at Para 5 above, the goods imported vide Bill of Entry No. 2321796 dated 28.05.2025 therefore appear to be liable for confiscation under **Sections 111(f)**, **Section 111(l)** and **111(m)** of the Customs Act, 1962.

10. ROLE AND CULPABILITY OF NOTICEES

10.1 Role and Culpability of M/s Nageswara Trade (Importer)

10.1.1 M/s Nageswara Trade had imported the goods under the cover of Bill of Entry No. 2321796 dated 28.05.2025 declaring the imported goods as “Festival Birthday Decorative Cendal”, “Festival and Party Snow Spray” and “Decorative Mat”. However, examination established that the goods actually imported were different from the declared description and also involved quantity mismatch. Subsequent investigation also revealed that the value of the goods was also mis-declared.

10.1.2 The importer had failed to make true and correct declaration in the Bill of Entry and thereby contravened the provisions of Section 46(4) and 46(4A) of the Customs Act, 1962.

By mis-declaring the imported goods in terms of description, quantity and value, M/s Nageswara Trade appeared to have rendered the goods liable for confiscation under **Sections 111(f), 111(l) and 111(m) of the Customs Act, 1962**.

10.1.3 Whereas, the importer was provided ample opportunities to provide submissions/explanations during the course of investigation, however, the importer has chosen to not cooperate in the ongoing investigation. It also appears that the importer knowingly used false and incorrect declarations/documents before Customs authorities. Investigation has also revealed that even the duty payable on the goods actually imported by the said importer was on the higher side than the duty declared in the Bill of Entry No. 2321796 dated 28.05.2025. Therefore, it appears that by resorting to the above acts of omission and commission, the said importer has rendered itself liable for penal action under **Section 112, 114A and 114AA of the Customs Act, 1962**.

10.2 Role and Culpability of M/s Cargo Care Agency

10.2.1 M/s Cargo Care Agency acted as the SEZ warehousing unit in respect of the subject consignment. The said warehousing unit had handled previous consignments of the importer and facilitated filing and warehousing formalities in respect of the impugned goods.

10.2.2 Although M/s Cargo Care Agency have stated that they acted merely as warehouse service provider, they failed to exercise due diligence regarding the nature of goods being warehoused and relied solely upon telephonic instructions and documents provided by the importer. Further, the warehousing unit facilitated storage and handling of goods which were ultimately found mis-declared and liable to confiscation under Section 111 of the Customs Act, 1962. While acknowledging the discrepancies noticed during examination and seizure proceedings, the SEZ Warehousing Unit had claimed that neither the firm was not involved in the misdeclaration and attributed the same to the negligence or actions of the foreign supplier, requesting that no penal action be taken against M/s Cargo Care Agency. However, no proof of any such mis-chief by the foreign supplier or reasons for the same has been brought on record by them. It has also been admitted by them that they had filed the subject Bill of Entry No. 2321796 dated 28.05.2025 on the instructions of the importer wherein the goods were found to be grossly mis-declared and due diligence including verification of the authenticity of the importer was not exercised by them. Thus, it appears that by resorting to the above acts of omission and commission, M/s Cargo Care Agency appear to have rendered itself liable for penal action under Section 112 and 114AA of the Customs Act, 1962.

11. Show cause Notice

11. 1 Now therefore, **M/s Nageswara Trade**, Shop No. 10, Yogi Puram Complex, Gandhidham, Kachchh, 370205 are hereby called upon to show cause to the Assistant/ Deputy Commissioner of Customs, having his/her Office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:

(i) The classification of the goods declared as "Decorative Mats" under HS Code/CTH 99059090 in Bill of Entry No. 2321796 dated 28.05.2025 but found to plastic water bottles for kids during examination proceedings dated 04.06.2025 should not be rejected and re-classified under HS Code/CTH: 39233090 as discussed at Para 3.4.1 above.

(ii) The value of the goods imported under the cover of Bill of Entry No. 2321796 dated 28.05.2025 declared as **Rs. 6,93,446/-** (Rupees Six Lakhs Ninety-Three Thousand Four Hundred and Forty-Six Only) should not be rejected under Rule 12 of the Customs Valuation Rules, 2007 and re-determined as Rs. **7,09,777/-** (Rupees Seven Lakhs Nine Thousand Seven Hundred Seventy-Seven Only) as the true and correct value of the imported goods for the purpose of assessment under Section 14 of the Customs Act, 1962.

(iii) The goods imported vide Bill of Entry No. 2321796 dated 28.05.2025, having a re-determined assessable value of **₹7,09,777/-** (Rupees Seven Lakhs Nine Thousand Seven Hundred Seventy-Seven Only), should not be held liable to confiscation under Sections 111(f), 111(l) and 111(m) of the Customs Act, 1962;

(iv) The duty of Customs amounting to **Rs.3,08,877/-** (Rupees Three Lakhs Eight Thousand Eight Hundred Seventy-Seven) as shown in **Table-7** above actually payable in respect of the goods found during the course of examination proceedings dated 04.06.2025 should not be demanded and recovered from them u/s 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Act ibid;

(v) Penalty should not be imposed on M/s Nageswara Trade under Section 112, 114A and 114AA of the Customs Act, 1962.

11.2 Now therefore, **M/s Cargo Care Agency**, situated at Shed No. 366 FA 1 Type, Phase Sector IV, Kandla Special Economic Zone, Gandhidham, Kachchh, Gujarat, 370230 are also called upon to show cause to the Assistant/ Deputy Commissioner of Customs, having his/her Office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:

(i) Penalty should not be imposed upon them under Section 112 and Section 114AA of the Customs Act, 1962.

12. This Show Cause Notice is issued without prejudice to any other action that may be taken against the above noticees or any other person, whether named herein or not under the Customs Act, 1962 or under any other law for the time being in force in India.

13. The Department reserves the right to add, amend, modify or delete any part or portion of this notice; and any such addition, amendment, modification or deletion, if made, shall be deemed to form an integral part of this notice.

14. The above Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticees may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the Noticee(s). Further, the Noticees are advised to mention their email address in writing for virtual hearing as per CBIC's Instruction dated 21.08.2020 issued vide F. No. 390/Misc/3/2019-JC.

15. If no cause is shown within the stipulated period, or such extended period as may be allowed by the adjudicating authority on a written request, or if the noticees fail to appear when the case is posted for personal hearing, the case will be decided ex-parte on the basis of the evidence available on record, without any further reference to them.

16. The list of relied upon documents (RUDs) in this case are enclosed herewith as per Annexure-R.

Digitally signed by
Haroon Rashid Khan
Date: 19-06-2026
19:16:11

(**Haroon Rashid Khan**)
Assistant Commissioner,
Kandla Customs Commissionerate.

F. No. GEN/ADJ/ADC/1012/2026-Adjn-O/o Commr-Cus-Kandla

DIN- 20260671ML0000666F93

BY REGISTERED/SPEED POST/BY EMAIL/E-OFFICE

To,

1. **M/s Nageswara Trade, Shop No. 10, Yogi Puram Complex, Gandhidham, Kachchh, 370205.**
2. **M/s Cargo Care Agency, situated at Shed No. 366 FA 1 Type, Phase Sector IV, Kandla Special Economic Zone, Gandhidham, Kachchh, Gujarat, 370230.**

Copy to:

1. The Assistant Commissioner, SIIB, SEZ Policy and Investigation, Custom House Kandla.

2. The Deputy/ Assistant Commissioner, Kandla Special Economic Zone (KASEZ), Gandhidham, Kutch-370230

3. Guard File..

Annexure- R

List of Relied Upon Documents w.r.t. Show Cause Notice No. GEN/ADJ/ADC/1012/2026-Adjn-O/o Commr-Cus-Kandla dated 19.02.2026 in the matter of M/s Nageswara Trade, Shop No. 10, Yogi Puram Complex, Gandhidham, Kachchh, 3702025 & Others

RUD No.	Particulars	Remarks
RUD-01	Bill of Entry No. 2321796 dated 28.05.2025	Attached
RUD-02	Panchnama dated 04.06.2025 drawn at premises of M/s. Cargo Care Agency	Attached
RUD-03	Panchnama dated 03.12.2025 drawn at premises of M/s. Cargo Care Agency for Valuation of imported consignment	Attached
RUD-04	Valuation report dated 27.12.2025	Attached
RUD-05	Summons issued during the Investigation	Attached
RUD-06	Statement dated 07.07.2025 of Shri Goda Prabhakar, partner of M/s Cargo Care Agency	Attached
RUD-07	Seizure Memo dated 20.06.2025	Attached
RUD-08	Supratnama dated 20.06.2025	Attached