कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
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A. File No.	**:**	**GEN/ADJ/ADC/1279/2026-Adjn-O/o Pr. Commr-Cus-Mundra**
B. SCN No.	**:**	**126/2026-27/ADC/ZDC/MCH**
C. Date of Issue		**24.08.2026**
D. Passed by	**:**	**Dipak Zala,** **Additional Commissioner of Customs,** **Customs House, AP&SEZ, Mundra.**
E. Noticess(s)/Importer	**:**	**(i) M/s. A S Enterprises (IEC: AHSPB0968R)** (ii) **Shri Rehan Boringwala, Proprietor of M/s A S Enterprises**

(Show Cause Notice under Section 124 of the Customs Act, 1962)

Whereas it appeared that:

1. Intelligence

1.1. M/s. A S Enterprises, having registered address at First Floor, 12, Navpada Welfare, Association, Ghas Bazaar Gate No. 18C, Bandra East, Mumbai-400051 and holding IEC No. AHSPB0968R [hereinafter referred to as **"importer"** for the sake of brevity] is engaged in the import of Readymade Garments at Mundra SEZ.

1.2. The Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (hereinafter referred to as "DRI, AZU" for the sake of brevity) received specific intelligence indicating that certain importers were mis declaring goods and importing undeclared goods by concealing them in declared goods.

1.3. Based on the above intelligence, the import consignment of M/s A S Enterprises was intercepted, and the goods were examined by the officers of the DRI.

2. Examination of Goods

2.1. Consequently, physical examination of the goods mentioned under the above BE No. 7734693 dated 25.02.2026 filed at Mundra SEZ was conducted under Panchnama dated 26/27.02.2026(**RUD-1)**.

2.2. During the examination of goods, copies of documents such as Bill of Entry, Bill of Lading, Packing List, Invoice, etc., were obtained. Based on such documents, the following details are found:

Table – "1"

S. N.	**Particulars**	**Details**
1.	Name of Importer	M/s. A S Enterprises, First Floor, 12, Navpada Welfare, Association, Ghas Bazaar Gate No. 18C, Bandra East, Mumbai-400051 (IEC: AHSPB0968R)
2.	Bill of Entry No. & Date	7734693 dated 25.02.2026
3.	Bill of Lading No.	147502277321 dated 05.02.2026
4.	Name of Exporter	M/s. De-Fashionista Company Limited
5.	PAN No.	AHSPB0968R
6.	GST No.	27AHSPB0968R1ZI
7.	Email ID	rehanboringwala@gmail.com
8.	Sales Invoice No.	AS02-26
9.	Description of goods	Garments
10.	Country of consignment	China

2.3 The details of the goods which were declared by the importer in the bill of entry are tabulated as below:

Table- "2"

Sr. No.	Declared Description of goods	CTH	Qty	Unit
1	Baby Frock	61113000	493	Dozen
2	Baby Socks	61113000	6175	Dozen
3	Baby Napkin	61113000	5063	Dozen
4	Baby Pant	61113000	1013	Dozen
5	Baby Top	61113000	1331	Dozen
6	Girls Legging	61152990	538	Dozen
7	Girls Night Dress	61083210	550	Dozen
8	Men T Shirt	61099010	1920	Dozen
9	Girls Payzama	61083210	915	Dozen

10	Baby Skirt	61113000	325	Dozen
11	Baby Bibs	61113000	3248	Dozen

2.4. During the examination, all the imported goods under the said container were de-stuffed, and subjected to systematic examination. Goods of the same type were segregated, and their quantities were counted. It was observed that the goods imported in the said container differed from those declared in the import documents. On examination of the container the goods were found to be mis-declared/concealed and different from those declared under bill of entry No. 7734693 dated 25.02.2026, thereby rendering them liable to confiscation under Section 111 of the Customs Act, 1962. The details of the goods found during the examination are as under:

<u>Table – "3"</u>

Sr. No.	Marks And Marks No.	Description/Goods	No. of Cartoons	Qty per Cartoon	Total	Sample Marking (A, B, C)
1	MT	Matrix So Color (Hair Color) 90 Ml	140	288	40320	1
2	FS	Bluetox Florective Profissional 120 Ml	7	100*6 +1*75	675(600+75)	2
3	AA/BP	Forever 52 Banana Powder 42 Gms	25	576	14400	3
4	AA/PRO	Forever 52 Liquid Foundation 60 Ml	66	216	14256	4
5	AA/CP4	Forever Wet & Dry Compact Powder 12gms	100	288	28800	5
6	FS	Cetaphil, Sa Cleanser 236 Ml	5	70	350	6
7	AAS	Readymade Garments (Brand Mushroo)	40	40	1600	7
8	FS	Cetaphil, 500ml Skin Cleanser	24	36	864	8
9		Cetaphil, 591 Ml Moisturizing Lotion	9	36	324	9
10	FS	Cetaphil,125ml Cleanser	11	144	1584	10
11	FS	Cetaphil,100ml Lotion	5	144	720	11
12		Cetaphil Lip Balm	1	288	288	12
13	FS	Johnson Skin Balance, 200 Ml	1	144	144	13
14		Jeans	33		2578	14
15		Mens Shirt	22		2476	15
16		Mens T Shirt	70		10259	16
17		Sport T-Shirt with Shorts (ADDIDAS)	17	250	4250	17
18		Sport T-Shirt with Shorts (Nike)	2	250	500	18

19		Sport T-Shirt with Shorts (Puma)	5	250	1250	19
20	Sunglasses	Police	1		600	20
21	Sunglasses	Emporio Armani	3		1620	21
22	Sunglasses	Cartier	2		1100	22
23	Sunglasses	Oakley	1		360	23
24	Sunglasses	Celine	1		540	24
25	Sunglasses	Lacoste	1		500	25
26	Sunglasses	Hugoboss	1		480	26
27	Sunglasses	Gucci	1		670	27
28	Sunglasses	Prada	2		1100	28
29	Sunglasses	Dior	1		580	29
30	Underwear		1	156	156	30
31	Socks			480	480	31

2.5. Further, representative samples of each type of goods were drawn under the said Panchnama dated 26/27.02.2026 for laboratory testing and for analysis to ascertain their exact identity and Customs Classification.

3. Seizure of Goods

3.1 Upon examination of the container, it was observed that the quantity of goods actually found therein differed from the declared quantity, and further, undeclared cosmetics along with other branded goods were detected concealed inside the said container. Examination of the container revealed the presence of various branded cosmetic items, which were neither declared nor registered with the Central Drugs Standard Control Organization (CDSCO) as mandated under the Cosmetic Rules, 2020 and the Drugs & Cosmetics Act, 1940. Since cosmetics are restricted goods requiring prior CDSCO registration, their import without such certification constitutes a substantive violation of the governing statutory provisions. Coupled with mis-declaration in the Bill of Entry, the import stands prohibited under Section 2(33) of the Customs Act, 1962, rendering the goods liable for confiscation and penal action under the law.

3.2 The aforesaid misdeclaration and misclassification appeared, prima facie, to constitute a deliberate attempt to evade the applicable customs duty and circumvent the legal and regulatory requirements applicable to the imported goods. Accordingly, the goods covered by Bill of Entry No. 7734693 dated 25.02.2026 were placed under seizure vide Seizure Memo F. No. DRI/AZU/CI-1/Enq-07(Int-05)/2026 dated 02.04.2026 as the goods appeared to be liable to confiscation under Section 111 of the Customs Act, 1962**(RUD-2)**.

4. Sample Test Reports

The duly Sealed representative samples of each type of goods as drawn under the panchnama dated 26/27.02.2026 were forwarded to CRCL Vadodara for laboratory testing and for analysis vide Test Memo's No. as mentioned below:

1. 01/7734693/A S ENTERPRISES of Sample 1B,
2. 02/7734693/A S ENTERPRISES of Sample 2B,
3. 03/7734693/A S ENTERPRISES of Sample 3B,
4. 04/7734693/A S ENTERPRISES of Sample 4B,
5. 05/7734693/A S ENTERPRISES of Sample 5B,
6. 06/7734693/A S ENTERPRISES of Sample 6B,
7. 07/7734693/A S ENTERPRISES of Sample 7B,
8. 08/7734693/A S ENTERPRISES of Sample 8B
9. 09/7734693/A S ENTERPRISES of Sample 9B.

Outcome of Test Report (RUD-3):

4.1. In respect of Sample 1 with item description "READYMADE GARMENTS (BRAND MUSHROO)" under Test Memo No. 01/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6132/17.03.2026 dated 15.04.2026 reported that:

"*The sample is in the form of ready-made garments. It is made of dyed knitted fabric of filament yarns of polyester together with spandex yarn, having following composition-*
% of spandex yarn= 4.3
Polyester=Balance."

4.2. In respect of Sample 2 with item description “JEANS” under Test Memo No. 02/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6133/17.03.2026 dated 15.04.2026 reported that:

“*The sample is in the form of readymade garment (Jeans). It is a Denim fabric, made of woven fabric having dyed spun yarns of cotton on one side and white filament yarns of polyester together with spandex yarn, wrapped with the white spun yarns of cotton on other side, having following composition-*
Spandex yarn=2.11%
Polyester=5.6%
Cotton = Balance. Query at no. 4 could not be ascertained.”

4.3. In respect of Sample 3 with item description “MENS SHIRT” under Test Memo No. 03/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6134/17.03.2026 dated 23.04.2026 reported that:

“*The sample is in the form of readymade garments (MENS SHIRT). It is made of one side printed woven fabric of spun yarns of cotton on both sides.*”

4.4 In respect of Sample 4 with item description “MENS T SHIRT” under Test Memo No. 04/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6135/17.03.2026 dated 23.04.2026 reported that:

“*The sample is in the form of readymade garments (T-shirt). It is made of dyed woven fabric and dyed knitted fabric.*
Woven fabric made of filament yarns on shoulder=3.0%
Knitted fabric = Balance.
The % composition of T-shirt is as under-
Total polyester=68.4%
Spandex made of polyurethane= 0.71%
Cotton = Balance.”

4.5 In respect of Sample 5 with item description “SPORTS T-SHIRT WITH SHORTS (Addidas)” under Test Memo No. 05/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6136/17.03.2026 dated 24.04.2026 that:

"*On opening the sample packet, It contains two samples of readymade garments T-shirt and shorts having tag of Adidas make.*
T-shirt- made of dyed knitted fabric of filament yarn on back side and printed knitted fabric of filament yarn on front side. It is wholly composed of polyester.
Shorts-made of white knitted fabric of filament yarn having 03 blue strips on the both sides of short made of dyed knitted fabric of filament yarns. it has waste band strip with braided lace, having following % composition-
Polyester knitted fabric=84.0%
Waste band strip together with spandex=13.4%
Braided lace made of polyester=Balance.".

4.6 In respect of Sample 6 with item description "SPORT T-SHIRT WITH SHORTS (NIKE)" under Test Memo No. 06/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6137/17.03.2026 dated 02.04.2026 that:

"*The sample is in the form of dyed, knitted Readymade Garment (T-shirts & shorts). Base fabric of each is made of Polyester filament yarns.*".

4.7 In respect of Sample 7 with item description "SPORT T-SHIRT WITH SHORTS (PUMA)" under Test Memo No. 07/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6138/17.03.2026 dated 30.04.2026 that:

"*The sample is in the form of dyed, knitted Readymade Garment (T-shirt & shorts). Base fabric of each is made of Polyester filament yarns.*".

4.8 In respect of Sample 8 with item description "UNDERWEAR" under Test Memo No. 08/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6139/17.03.2026 dated 27.04.2026 that:

"*The sample as received is in the form of self-design printed knitted textile article (underwear). It having following composition- The base fabric is a self-design printed knitted fabric made of nylon filament yarns together with elastomeric yarns. The inner side stitched with cream-colored, perforated knitted lining fabric composed of viscose spun yarns.*

Al the upper portion, pasted a micro dotted waistband strip, which is made of dyed knitted fabric of nylon filament yarns together with elastomeric yarns. The inside of the waistband contains a white elastomeric strip.
Total Nylon =80.2%
Total Elastomeric yarns=13.1%
Perforated knitted lining fabric (viscose) = balance."

4.9 In respect of Sample 9 with item description "SOCKS" under Test Memo No. 09/7734693/A S ENTERPRISES, CRCL Vadodara vide their Test Report No. RCL/DRI AH/IMP/6140/17.03.2026 dated 06.04.2026 that:

"*The sample as received is in form of dyed knitted textile article (Socks). It is made of cotton yarns & polyester filament yarns together with elastomeric yarns-having following composition.*
% cotton (Whole sample basis) =69.5
%Polyester (Whole sample basis) =25.4
%Elastene (Whole sample basis) =balance"

5. CLASSIFICATION OF THE IMPORTED GOODS

5.1 <u>CLASSIFICATION OF GOODS BASED ON TEST REPORT</u>

5.1.1 Sample 1 with item description **"READYMADE GARMENTS (BRAND MUSHROO)"**

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the sample is found to be a ready-made garment manufactured from dyed knitted fabric composed predominantly of polyester filament yarn together with 4.3% spandex yarn. Since the article is a complete garment and the fabric is knitted in nature, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, knitted or crocheted." As the garment is manufactured predominantly from polyester, a man-made fibre, and falls within the scope of Heading 6108, the applicable sub-heading is 6108.92, covering "Other, of man-made fibres." Accordingly, the goods are appropriately classifiable under tariff item **61089210**, subject to identification of the article as the specific garment covered under the said tariff item on the basis of examination records and import documents.

5.1.2 Sample 2 with item description “**JEANS**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the product is found to be a ready-made women's jeans manufactured from denim woven fabric composed predominantly of cotton, together with polyester filament yarn and spandex yarn, having a composition of 2.11% spandex, 5.6% polyester and the balance cotton. The fabric consists of dyed spun cotton yarns on one side and white polyester filament yarns together with spandex yarn wrapped with white spun cotton yarns on the other side. Since the article is a complete garment and the fabric is woven in nature, the goods are classifiable under Chapter 62 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, not knitted or crocheted." Further, as the article is specifically identifiable as women's trousers in the form of jeans, it falls under Heading 6204, which covers "Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear)." As the garment is made predominantly of cotton, the applicable sub-heading is 6204.62 covering "Women's or girls' trousers, bib and brace overalls, breeches and shorts, of cotton." Accordingly, the goods are appropriately classifiable under tariff item **62046290**, covering other women's or girls' trousers of cotton.

5.1.3 Sample 3 with item description “**MENS SHIRT**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the product is found to be a ready-made men's shirt manufactured from printed woven fabric composed of spun cotton yarns on both sides. Since the article is a complete garment and the fabric is woven in nature, the goods are classifiable under Chapter 62 of the First Schedule to the Customs Tariff Act, 1975, covering “Articles of apparel and clothing accessories, not knitted or crocheted.” Further, as the article is specifically identifiable as a men's shirt, it falls under Heading 6205, which covers “Men's or boys' shirts.” As the garment is made wholly of cotton, the applicable sub-heading is 6205.20 covering “Of cotton.” Accordingly, the goods are appropriately classifiable under tariff item **62052090**, covering other men's or boys' shirts of cotton.

5.1.4 Sample 4 with item description “**MENS T SHIRT**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the product is found to be a ready-made T-shirt manufactured predominantly from dyed knitted fabric, with dyed woven fabric of polyester filament yarns forming the shoulder portion. The garment is composed of 68.4% polyester, 0.71% spandex (polyurethane) and the balance cotton. Since the article is a complete garment and is predominantly made of knitted fabric, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering “Articles of apparel and clothing accessories, knitted or crocheted.” Further, as the article is specifically identifiable as a T-shirt, it falls under Heading 6109, which covers “T-shirts, singlets and other vests, knitted or crocheted.” As the garment is made predominantly of man-made fibres, namely polyester, the applicable sub-heading is 6109.90 covering “Of other textile materials.” Accordingly, the goods are appropriately classifiable under tariff item **61099010**, specifically covering T-shirts of other textile materials, knitted or crocheted.

5.1.5 Sample 5 with item description “**SPORTS T-SHIRT WITH SHORTS (Addidas)**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the sample is found to consist of a set of two ready-made garments, namely a T-shirt and a pair of shorts, bearing the tag of "Adidas". The T-shirt is manufactured from dyed knitted fabric of polyester filament yarn on the back side and printed knitted fabric of polyester filament yarn on the front side, and is wholly composed of polyester. The shorts are manufactured from white knitted fabric of polyester filament yarn with three blue side stripes made of dyed knitted polyester filament yarns and are provided with a waistband strip and braided lace. The composition of the shorts is 84.0% polyester knitted fabric, 13.4% waistband strip together with spandex, and the balance braided lace made of polyester. Since the articles are complete garments and are made of knitted fabric, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, knitted or crocheted." Further, as the goods consist of a T-shirt and shorts presented together as a coordinated set for retail sale, they are classifiable under Heading 6103, which covers "Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)." Being an ensemble of knitted garments made predominantly of synthetic fibres, the applicable sub-heading is 6103.23 covering "Ensembles, of synthetic fibres." Accordingly, the goods are appropriately classifiable under tariff item **61032300**.

5.1.6 Sample 6 with item description “**SPORT T-SHIRT WITH SHORTS (NIKE)**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the sample is found to be in the form of dyed, knitted ready-made garments consisting of a T-shirt and a pair of shorts. The base fabric of both garments is manufactured from polyester filament yarns. Since the articles are complete garments and are made of knitted fabric, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, knitted or crocheted." Further, as the goods consist of a T-shirt and shorts presented together as a coordinated set, they fall under Heading 6103, which covers "Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)." As the garments are made of synthetic fibres, namely polyester filament yarns, the applicable sub-heading is 6103.23 covering "Ensembles, of synthetic fibres." Accordingly, the goods are appropriately classifiable under tariff item **61032300**, covering ensembles of synthetic fibers, knitted or crocheted.

5.1.7 Sample 7 with item description “**SPORT T-SHIRT WITH SHORTS (PUMA)**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the sample is found to be in the form of dyed, knitted ready-made garment consisting of a T-shirt and a pair of shorts. The base fabric of both garments is made of polyester filament yarns. Since the articles are complete garments and are made of knitted fabric, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, knitted or crocheted." Further, as the goods consist of a T-shirt and shorts presented together as an ensemble, they fall under Heading 6103, which covers "Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)." As the garments are made of synthetic fibres, namely polyester filament yarns, the applicable sub-heading is 6103.23 covering "Ensembles, of synthetic fibres." Accordingly, the goods are appropriately classifiable under tariff item **61032300**.

5.1.8 Sample 8 with item description “**UNDERWEAR**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the product is found to be a ready-made knitted underwear manufactured predominantly from self-design printed knitted fabric composed of nylon filament yarns together with elastomeric yarns. The garment is provided with an inner cream-colored perforated knitted lining fabric composed of viscose spun yarns. The upper portion is fitted with a micro-dotted waistband strip made of dyed knitted fabric of nylon filament yarns together with elastomeric yarns, containing a white elastomeric strip on the inner side. The overall composition of the garment is 80.2% nylon, 13.1% elastomeric yarns and the balance perforated knitted lining fabric of viscose. Since the article is a complete garment and the fabric is knitted in nature, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering “Articles of apparel and clothing accessories, knitted or crocheted.” Further, as the article is identifiable as men's underwear in the nature of briefs, it falls under Heading 6107, which covers “Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted.” As the garment is made predominantly of man-made fibres, namely nylon, the applicable sub-heading is 6107.12 covering “Briefs, of man-made fibres.” Accordingly, the goods are appropriately classifiable under tariff item **61071210**.

5.1.9 Sample 9 with item description “**SOCKS**”

On the basis of the Test Report issued by the Central Revenue Control Laboratory (CRCL), Vadodara, the product is found to be a dyed knitted textile article in the form of socks, manufactured from cotton yarns and polyester filament yarns together with elastomeric yarns. The composition of the article is 69.5% cotton, 25.4% polyester and the balance elastomeric yarns. Since the article is a complete knitted clothing accessory, the goods are classifiable under Chapter 61 of the First Schedule to the Customs Tariff Act, 1975, covering "Articles of apparel and clothing accessories, knitted or crocheted." Further, as the article is specifically identifiable as socks, it falls under Heading 6115, which covers "Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted." As the article is made predominantly of cotton, the applicable sub-heading is 6115.95 covering "Other, of cotton." Accordingly, the goods are appropriately classifiable under tariff item **61159500**, covering other socks and hosiery of cotton, knitted or crocheted.

5.2 Classification of Concealed Cosmetics:

5.2.1 The subject goods, namely **Matrix So Color Hair Color (90 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, which is related to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a preparation specifically formulated for colouring hair, are covered under Heading 3305, which covers "Preparations for use on the hair." Further, the goods fall under sub-heading 3305.90, pertains to "Other" preparations for use on the hair. Since the product is specifically a hair dye intended for colouring hair, the same is appropriately classifiable under tariff item **33059040**, which covers "Hair dyes (natural, herbal or synthetic)."

5.2.2 “The subject goods, namely **Bluetox Florective Profissional (120 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, which is related to “Essential oils and resinoids; perfumery, cosmetic or toilet preparations.” The goods, being a professional hair treatment / hair care preparation intended for smoothing, repairing, conditioning and improving the appearance of hair, are covered under Heading 3305, which covers “Preparations for use on the hair.” Further, the goods fall under sub-heading 3305.90, pertaining to “Other” preparations for use on the hair. Since the product is neither shampoo nor hair, the same is appropriately classifiable under tariff item **33059090** as “Other” preparations for use on the hair.”

5.2.3 The subject goods, namely **Forever 52 Banana Powder (42 gms)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, which is related to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a cosmetic preparation in the form of a face powder used for setting makeup, controlling shine and improving facial appearance, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.91, pertaining to "Powders, whether or not compressed." Since the product is a loose face powder (banana powder) intended for cosmetic make-up application, it is appropriately classifiable under tariff item **33049110** as "Face powder."

5.2.4 The subject goods, namely **Forever 52 Liquid Foundation (60 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a cosmetic preparation in the form of a liquid foundation used for facial make-up to provide coverage, even skin tone and enhance appearance, is specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations. Since the product is a liquid foundation for facial make-up and is not covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049990** as "Other" beauty or make-up preparations.

5.2.5 The subject goods, namely **Forever 52 Wet & Dry Compact Powder (12 gms)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a cosmetic preparation in the form of a compact face powder used for setting makeup, controlling shine and enhancing facial appearance, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.91, pertaining to "Powders, whether or not compressed." Since the product is a pressed (compact) face powder intended for cosmetic make-up application, the same is appropriately classifiable under tariff item **33049110** as "Face powder."

5.2.6 The subject goods, namely **Cetaphil SA Cleanser (236 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin cleansing preparation formulated for cleansing, exfoliating and improving the appearance of the skin, and is specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a facial cleanser intended for skin care and is neither a medicament nor covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049990** as "Other" beauty or make-up preparations and preparations for the care of the skin. The product is marketed as a gentle exfoliating facial cleanser for skin care and cleansing purposes.

5.2.7 The subject goods, namely **Cetaphil Skin Cleanser (500 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin cleansing preparation formulated for cleansing and maintaining the skin, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a skin cleanser intended for cleansing and caring for the skin and is neither a medicament nor covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049990** as "Other" beauty or make-up preparations and preparations for the care of the skin.

5.2.8 The subject goods, namely **Cetaphil Moisturizing Lotion (591 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin care preparation formulated for moisturizing, softening and protecting the skin, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a skin moisturizing lotion intended for the care and hydration of the skin and is not covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049930** as "Skin creams and lotions."

5.2.9 The subject goods, namely **Cetaphil Cleanser (125 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin cleansing preparation formulated for cleansing and maintaining the skin, are specifically covered under Heading 3304, which covers

"Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a skin cleanser intended for cleansing and caring for the skin and is neither a medicament nor covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049990** as "Other" beauty or make-up preparations and preparations for the care of the skin.

5.2.10 The subject goods, namely **Cetaphil Lotion (100 ml)**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin care preparation formulated for moisturizing, softening and protecting the skin, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a skin moisturizing lotion intended for the care and hydration of the skin and is not covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049930** as "Skin creams and lotions."

5.2.11 The subject goods, namely **Cetaphil Lip Balm**, is appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a cosmetic preparation specifically formulated for the care, protection and moisturization of the lips, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.10, pertaining to "Lip make-up preparations." Since the product is a lip balm intended for the care and protection of the lips and is specifically covered under the said sub-heading, the same is appropriately classifiable under tariff item **33041000** as "Lip make-up preparations."

5.2.12 The subject goods, namely **Johnson Skin Balance (200 ml)**, are appropriately classifiable under Chapter 33 of the First Schedule to the Customs Tariff Act, 1975, relating to "Essential oils and resinoids; perfumery, cosmetic or toilet preparations." The goods, being a skin care preparation formulated for cleansing, toning and maintaining the natural balance of the skin, are specifically covered under Heading 3304, which covers "Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations." Further, the goods fall under sub-heading 3304.99, pertaining to "Other" beauty or make-up preparations and preparations for the care of the skin. Since the product is a skin tonic/facial toner intended for skin care and is not covered under any specific preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **33049910** as "Skin tonics."

5.2.13 The other goods in the consignment were sunglasses of brand **Police, Emporio Armani, Cartier, Oakley, Celine, Lacoste, Hugo boss, Gucci, Prada and Dior** in various quantities. The subject goods are appropriately classifiable under Chapter 90 of the First Schedule to the Customs Tariff Act, 1975, relating to "Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof." The goods, being sunglasses designed to protect the eyes from sunlight and glare, are specifically covered under Heading 9004, which covers "Spectacles, goggles and the like, corrective, protective or other." Further, the goods fall under sub-heading 9004.90, pertaining to "Other" spectacles, goggles and the like. Since the product is neither corrective spectacles nor specifically covered under any preceding tariff item of the said sub-heading, the same is appropriately classifiable under tariff item **90049090** as "Other".

6 Examination of Goods based on IPR Perspective

6.1 On examination, the goods mentioned in Table-4 were found to be unbranded and did not bear any mark, logo, label, trademark, or other visible feature indicative of association with any recorded intellectual property right. Accordingly, these goods were not considered liable for action under the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, insofar as no prima facie case of IPR infringement was made out on the basis of physical markings.

Table-4

<table>
<tr><th>Sr. No.</th><th>Description/Goods</th><th>No. of Cartoons</th><th>Qty per Cartoon</th><th>Total</th></tr>
<tr><td>1</td><td>JEANS</td><td>33</td><td></td><td>2578</td></tr>
<tr><td>2</td><td>MENS SHIRT</td><td>22</td><td></td><td>2476</td></tr>
<tr><td>3</td><td>MENS T SHIRT</td><td>70</td><td></td><td>10259</td></tr>
<tr><td>4</td><td>Underwear</td><td rowspan="2">1</td><td>156</td><td>156</td></tr>
<tr><td>5</td><td>SOCKS</td><td>480</td><td>480</td></tr>
</table>

6.2 This office, vide email dated 09.03.2026, requested the IPR Cell, Mundra Customs to provide information regarding the IPR status of the brands detected during examination of the imported consignments, so as to ascertain whether the said brands were protected under the Intellectual Property Rights. In response, the IPR Cell, Mundra Customs, vide its email dated 26.03.2026, informed that the trademarks Cetaphil, Matrix So Color, Johnson & Johnson, Adidas, Nike, Puma, Emporio Armani, Cartier, Oakley, Celine, Lacoste, Hugo Boss, Gucci, Prada and Dior are duly registered and protected under the applicable Intellectual Property Rights laws and the rest of the brands (for example: Bluetox, Forever 52, Mushroo and Police), are not registered with the Indian Customs **(RUD-4)**. In view of the said confirmation, only those goods bearing the brands Cetaphil, Matrix So Color, Johnson & Johnson, Adidas, Nike, Puma, Emporio Armani, Cartier, Oakley, Celine, Lacoste, Hugo Boss, Gucci, Prada and Dior were considered liable for action under the provisions of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, while no IPR-related action was proposed in respect of the remaining goods not covered by such registered rights.

6.3 The authorized representative(s) of the reputed right-holders were duly notified vide e-mail dated 27.03.2026 **(RUD-5)** and were given the opportunity to inspect the subject consignments, the outer packaging, and all accompanying documents. After inspection and careful review of the materials placed on record — including trademark registration particulars, comparative analysis reports, packaging and label features, product characteristics, representative samples, photographic evidence and independent expert opinion — the authorized representative(s) have submitted the following findings **(RUD-6)**:

1) The Legist- Authorised Representative of Adidas, vide their mail dated 07/04/2026 informed that the examined goods are counterfeit.
2) The Legist- Authorised Representative of Nike, vide their mail dated 07/04/2026 informed that the examined goods are counterfeit.

3) United and United- Authorised Representative of Emporio Armani, vide their mail dated 07/04/2026 informed that the examined goods are counterfeit.
4) Anand and Anand- Authorised Representative of Cartier, vide their mail dated 05/05/2026 informed that the examined goods are counterfeit.
5) Khaitan and Co- Authorised Representative of Cetaphil, vide their mail dated 14/04/2026 informed that the examined goods are counterfeit.
6) Anand and Anand- Authorised Representative of Dior, vide their mail dated 01/05/2026 informed that the examined goods are counterfeit.
7) Anand and Anand- Authorised Representative of L'Oreal (Matrix), vide their mail dated 05/05/2026 informed that the examined goods are counterfeit.
8) RNA- Authorised Representative of Gucci, vide their mail dated 01/04/2026 informed that the examined goods are counterfeit.
9) United and United- Authorised Representative of Hugo Boss, vide their mail dated 08/04/2026 informed that the examined goods are counterfeit.
10) The Legist- Authorised Representative of Johnson & Johnson, vide their mail dated 07/04/2026 informed that the examined goods are counterfeit.
11) United and United- Authorised Representative of Lacoste, vide their mail dated 07/04/2026 informed that the examined goods are counterfeit.
12) United and United- Authorised Representative of Oakley, vide their mail dated 08/04/2026 informed that the examined goods are counterfeit.
13) United and United- Authorised Representative of Prada, vide their mail dated 08/04/2026 informed that the examined goods are counterfeit.
14) TM Eludication- Authorised Representative of Puma, vide their mail dated 29/04/2026 informed that the examined goods are counterfeit.

Even though the authorized representative inspected the goods, the rights holder of the brand Celine did not give any report and therefore did not follow up or take part in the later proceedings.

6.4 During the inspection by the brand holders, it was found that samples of sunglasses of brand Armani had been mistakenly sealed in place of that of Cartier, and a sports T-shirt and shorts set of Nike had been mistakenly sealed in place of that of Puma. Accordingly, the samples of both goods were retrieved vide Panchnama dated 23.04.2026 drawn at M/s Shoolin Trade Link. After inspection, the brand representative of Puma submitted report on 29/04/2026 and the brand representative of Cartier submitted report on 05/05/2026 both stating that the goods were counterfeit.

6.5 Further, vide email dated 05.08.2026, the brand holders were informed of the assessable value arrived at and were requested to submit a bond equivalent to 110% of the value of the goods along with a bank guarantee of 25% of the bond value. **(RUD-7)**.

7. SEARCH

During the course of investigation search was conducted by the officers of DRI on 05.06.2026, at the residence of importer i.e. A-1302, Pearl Palace Co-Op Housing Society, Chandiwala Complex, Jogeshwari West, Mumbai, Maharasthra-400102 on 05.06.2026. However, no documents related to imports were found in his residence.

8. Statements Recorded

8.1 Summons dated 19.03.2026 were issued to M/s A S Enterprises to appear on 01.04.2026 for recording of statement. However, no one appeared to give a voluntary statement under the provisions of Section 108 of the Customs Act, 1962.

8.2 Summons dated 07.05.2026 were issued to M/s A S Enterprises to appear on 15.05.2026 for recording of statement. However, no one appeared to give voluntary statement under the provisions of Section 108 of the Customs Act, 1962. Importer vide email dated 14.05.2026 stated that due to medical emergency he is not currently able to travel, hence, he is unable to appear for the statement on the scheduled date and requested to appear at DRI office on any date after a month.

8.3 Summons dated 18.05.2026 were issued to M/s A S Enterprises to appear on 25.05.2026 for recording of statement. However, no one appeared to give voluntary statement under the provisions of Section 108 of the Customs Act, 1962. Importer vide email dated 24.05.2026 **(RUD-8)** stated that due to medical emergency and his mother's health he is not currently able to travel, hence, he is unable to appear for the statement on the scheduled date and requested to appear at DRI office on any date after 16th June 2026.

8.4 Summons dated 04.06.2026 were issued to M/s A S Enterprises to appear on 05.06.2026 for recording of statement. In response to this summons, statement of

Shri Rehan Boringwala (Proprietor of M/s A S Enterprises), was recorded under Section 108 of the Customs Act, 1962 on 05.06.2026, wherein ***Shri Rehan Boringwala*** stated that **(RUD-9)**:

a) He takes care of all the business activity in the firm M/s. A S Enterprises.
b) Initially M/s A S Enterprises was doing trading of garments. Afterwards the firm started importing goods from China and sell them in local market and they mainly deal in garments and fabrics.
c) Due to his health condition, he could not attend the previous summons. He also stated that he didn't receive the first summons.
d) After getting the orders from his Indian clients he used to place order to a person Mambu in China. After getting the goods cleared from customs, the same were directly sent to the clients and that he does not have any storage unit. He also stated that the transportation of the goods was also arranged by the clients.
e) He perused the Panchnama dated 26/27.02.2026 and agreed to the contents of it.
f) He has ordered the goods as described in the Bill of Entry and accordingly the supplier has also provided the bill of lading. He came to know that the goods are other than the declared goods only after the examination.
g) His supplier has confirmed that due to mistake, incorrect items were loaded in the container and the said goods were destined for Dubai.
h) He is unaware of the legalities of import of cosmetics as he has not imported or traded in cosmetics before. He also stated that he is aware of the goods falling under the chapter 61 and 62 as he regularly imports these goods.

8.5 Summons dated 05.06.2026 were issued to M/s A S Enterprises to appear on 09.06.2026 for recording of statement. In response to the summons, statement of ***Shri Rehan Boringwala (Proprietor of M/s A S Enterprises),*** was recorded under Section 108 of the Customs Act, 1962 on 09.06.2026, wherein ***Shri Rehan Boringwala*** stated that **(RUD-10)**:

a) He is the proprietor of M/s A S Enterprises and that he only manages all the business activities of the firm. He also stated that his firm only deals in fabrics and garments and that he has not dealt in any other commodity apart from these.

b) During his student life he had attended multiple international trade exhibitions and expos in many foreign countries and during such visits he came in contact with the Indian clients involved in this business. From there he got into this business.
c) Initially his family had multiple firms namely M/s S R Enterprises, M/s Aayt Enterprises and M/s RRS Enterprises. All these firms were used to imports. But after some time, they had a fall out and now he does business only in M/s A S Enterprises.
d) Earlier he had his registered office located at Ghas Bazaar which is not operational now and that he has his functional office at Khar West, Mumbai which is only for the purpose of meetings and accounting. He further stated that he has not applied in GSTN portal as well as in IEC Certificate for change of address.
e) In 2022, someone misused his IEC details to import areca nut, which he reported to the authorities as soon as he became aware of the fact. He further stated that the matter was investigated by DRI, Chennai, and that nothing adverse was found against him in the said investigation.
f) He travels to China approx. 3-4 times every year to keep in touch of the current fashion and many times places the order there only. He also stated that many a times they receive goods in quantity lower than the quantity ordered or sometimes even get goods of inferior quality.
g) He further acknowledged that the extreme variance in the type, statutory classification, and quantity of the recovered items as compared to the declared cargo constitutes an explicit contravention of customs laws, and that the consignment is liable to confiscation under Section 111 of the Customs Act, 1962.

8.6 Summons dated 03.08.2026 were issued to M/s A S Enterprises to appear on 14.08.2026 for recording of statement. In response to the summons, statement of ***Shri Rehan Boringwala (Proprietor of M/s A S Enterprises),*** was recorded under Section 108 of the Customs Act, 1962 on 14.08.2026, wherein ***Shri Rehan Boringwala*** stated that **(RUD-11)**:

a) He commenced garment trading around 2013-14 and subsequently established his proprietorship concern, M/s A S Enterprises, in 2018, obtained an IEC, and started importing garments. He is responsible for all business activities of the firm, including procurement, customer dealings, import-related communications, accounts, and day-to-day operations.

b) The firm is primarily engaged in the trading and import of fabrics and garments. Initially, he imported leggings from China and subsequently commenced import of baby garments. He denied intentionally importing or trading in cosmetics, sunglasses, personal care products, or similar goods.

c) In the past, he was associated with imports undertaken through his brothers' proprietary concerns, namely M/s S R Enterprises and M/s Aayt Enterprises, but presently maintains no business relationship or joint business activities with his brothers or father.

d) Import orders are placed through a China-based forwarder, Mr. Mambu of De-Fashionista, who arranges sourcing, consolidation, loading, and shipment of goods. Orders are generally placed telephonically based on customer requirements.

e) He regularly visits China three to four times a year for market study, supplier interaction, and finalization of orders.

f) He does not maintain any owned warehouse or godown. Imported goods are generally moved from the port area to contractual storage facilities in Bhiwandi and thereafter supplied to customers.

g) Variations in quantity and quality are not uncommon in the garment trade; however, he stated that a complete substitution of goods, as noticed in the present case, had never occurred in his business earlier.

h) During the year 2022-23, an Areca Nut consignment had allegedly been imported using his IEC without his authorization. He informed the authorities regarding the incident and stated that DRI Chennai had investigated the matter without making any adverse findings against him.

i) In the present import of Bill of Entry No. 7734693 dated 25.02.2026, he had ordered garments including baby frocks, baby socks, baby napkins, baby pants, baby tops, baby skirts, baby bibs, girls' leggings, girls' night dresses, men's T-shirts, and girls' pyjamas through Mr. Mambu. He further stated that the shipping documents and Bill of Lading reflected the said goods.

j) He became aware only after Customs examination that the consignment contained cosmetics, branded sunglasses, branded consumer products, and other goods different from those declared in the import documents. He accepted that the goods found during examination were materially different from those declared in the Bill of Entry.

k) He had perused the Panchnama and Seizure Memo pertaining to the consignment and acknowledged the contents and inventory recorded therein.
l) No formal written purchase order, contract, email correspondence, WhatsApp communication, or other documentary evidence existed regarding the placing of the order for the goods declared in the Bill of Entry, as the order had been placed telephonically.
m) Upon learning of the discrepancy, he contacted Mr. Mambu, who allegedly informed him that, due to heavy workload and festival-season rush in China, goods meant for a customer in Dubai had been mistakenly loaded into his consignment. He further stated that an email dated 12.06.2026 was received from the forwarder confirming the alleged mistake.
n) The forwarder had neither issued any revised invoice nor provided details of the alleged Dubai buyer, but had promised to take back the wrongly shipped goods and supply the originally ordered goods.
o) He does not know the identity of the alleged owner of the undeclared goods and possesses no documentary evidence regarding the Dubai buyer apart from the email of the forwarder dated 12.06.2026. He further stated that, to his knowledge, the forwarder had not voluntarily informed Customs or any other authority regarding the alleged loading error.
p) He had not initiated any legal proceedings, arbitration, recovery action, or financial claim against the forwarder despite the alleged mistake, as discussions were ongoing and the forwarder had agreed to bear the expenses and supply the originally ordered goods.
q) He acknowledged that the present case represents the second occasion on which imports connected with his IEC have come under investigation, the first being the alleged misuse of his IEC in the Areca Nut matter. However, he stated that he had no explanation for such repeated irregularities.
r) He accepted that, as the IEC holder and importer on record, responsibility for the correctness of declarations filed before Customs ultimately rests with him.
s) He was not familiar with the regulatory requirements applicable to cosmetic imports and did not possess any CDSCO registration or certification in respect of the cosmetics found in the consignment.
t) The branded goods found during examination had never been ordered by him and that he became aware of their presence only after being shown the Panchnama. He further stated that he was not aware that import of goods bearing protected brand names could involve Intellectual Property Rights issues.

u) He acknowledged that the goods covered under Bill of Entry No. 7734693 dated 25.02.2026 were liable to confiscation under the Customs Act, 1962 on account of misdeclaration of description, quantity, and classification.

v) He stated that, apart from the email dated 12.06.2026 received from the forwarder admitting the alleged shipment error, he possesses no independent documentary evidence to establish that the goods entered India without his knowledge, consent, or involvement.

w) He perused all nine CRCL Vadodara test reports, Chartered Engineer's valuation report and revised calculation sheet, accepted the findings recorded therein, and further accepted the CTH-wise classification determined on the basis of the said test reports, and undertook to discharge all liabilities towards customs duty, interest, and penalty.

9. Undervaluation and revised valuation as per Customs Valuation Rules:

9.1. On scrutiny of the invoice and Bill of Entry No. 7734693 dated 25.02.2026, it was observed that items declared in the bill of entry were grossly mis-declared in terms of quantities, nature, and classification. The actual quantity of goods found during the examination are mentioned in Table-3 above.

9.2. Valuation of goods for assessment to Customs duties is governed by the provisions of Section 14 of the Customs Act, 1962, which provides that the value of imported goods shall be the transaction value of such goods, when sold for export to India for delivery at the time and place of importation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale, subject to such other conditions as may be specified in the rules made in this behalf. Further, the Customs Valuation Rules (Determination of Price of imported goods) 2007 (hereinafter referred to as the 'CVR, 2007'), having been framed under the provisions of Section 14, provide for the determination of value in a variety of situations. More specifically, Rule 3 of the CVR, 2007 provides that, subject to Rule 12, the value of the goods shall be the Transaction Value adjusted in accordance with Rule 10.

9.3. Examination revealed that the goods actually found were materially different from those declared in the Bill of Entry in terms of description and quantity. Cosmetics, sunglasses, and assorted apparel were found concealed in the container and most of them were bearing brand marks deceptively similar to registered trademarks, thereby attracting the Intellectual Property Rights (Imported Goods)

Enforcement Rules, 2007. Import of cosmetics requires prior CDSCO registration under the Drugs and Cosmetics Act, 1940 and Cosmetic Rules, 2020. No valid registration or licence was produced by the importer during the investigation. Further, the invoice submitted by the importer did not reflect the true nature or quantity of the imported goods and was evidently unrelated to the consignment, leaving no valid Invoice available for the actual goods, and in view of these discrepancies, the declared value in the Bill of Entry is liable to rejection under Rule 12 read with Rule 3(2) of the Customs Valuation Rules, 2007 and the provisions of the Customs Act, 1962.

9.4. Further, Shri Rehan Boringwala, Proprietor of M/s A S ENTERPRISES, the importer of the impugned goods, although admitting that examination test report suggesting the goods actually found were different from the declared goods in the bill of entry, did not provide any documents evidencing the true Transaction Value of the imported goods.

9.5. Rule 3 (4) of the CVR 2007 prescribes that, "If the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rules 4 to 9 of CVR 2007.

9.6. Under Rule 4 of the Customs Valuation Rules, 2007, the value of imported goods is to be determined on the basis of the transaction value of identical goods imported into India at or around the same time, subject to prescribed conditions. For this purpose, import data of corresponding goods under each CTI, was obtained from ICES and the same was examined. However, since the impugned goods were counterfeit and lacked other specific details, no identical goods could be identified for comparison, and valuation under Rule 4.

9.7 Under Rule 5 of the Customs Valuation Rules, 2007, the value of imported goods is determined based on the transaction value of similar goods imported into India at or around the same time, subject to certain conditions. For this purpose, import data of corresponding goods under each CTI, was obtained from ICES and the same was examined. However, since the impugned goods were counterfeit and lacked details regarding quality, nature, and type of fabric used in garments, no similar goods could be identified for comparison, and valuation under Rule 5 could not be applied.

9.8 Rule 6 of the CVR 2007 prescribes that, "If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 of CVR 2007 or, when the value cannot be determined under that rule, under rule 8.
Provided that at the request of the importer, and with the approval of the proper officer, the order of application of rules 7 and 8 shall be reversed.

9.9. Rule 7 of the Customs Valuation Rules, 2007 applies only when imported goods, or identical or similar goods, are sold in India in the same condition as imported at or around the time of import, with value determined on the basis of the unit price at which such goods are sold in the greatest aggregate quantity, after prescribed deductions for commission, profit, inland transport, insurance, customs duties, and other taxes; it also applies, in the alternative, where such goods are sold within ninety days of importation or after further processing, subject to deductions for value addition. In the present case, however, due to the absence of reliable particulars regarding the quality, nature, and type of fabric used in the garments, as well as the lack of verifiable evidence of contemporaneous domestic sale of identical or similar goods in the condition as imported, Rule 7 cannot be applied, and the value of the impugned goods cannot be determined under this provision.

9.10. Rule 8 of the Customs Valuation Rules, 2007 provides that where the value cannot be determined under the preceding rules, it shall be based on the computed value, comprising the cost of materials, fabrication or processing, together with profit, general expenses, and other costs specified under Rule 10(2). In the present case, however, details regarding the quality, profit margin, cost of raw materials, general expenses, and other relevant particulars of the impugned goods were not available, leaving no reliable basis to determine the value under the computed value method.

9.11 Rule 9 of the Customs Valuation Rules, 2007, being the residual method, applies where the value of imported goods cannot be determined under Rules 3 to 8, and requires valuation by reasonable means consistent with the principles of the Rules and based on data available in India, subject to the condition that such value shall not exceed the price at which such or like goods are ordinarily sold in international trade at the time and place of importation. In the present case, representative samples of the imported goods were examined by Chartered Engineer Shri Bhasker G Bhatt under panchnama dated 01.05.2026 **(RUD-12)** for assessing quality and nature of constituents and for arriving at a fair assessable value by reference to similar products available in the Indian market, supported by photographs and comparison with domestic sale prices from online platforms. Since such domestic prices ordinarily include GST, dealer margins, retail mark-ups, freight, handling and other post-import expenses, the minimum of the available prices was taken as the benchmark, and 40% of such price was adopted as the assessable value to neutralize embedded taxes and commercial additions. This redetermination was necessary as the declared value did not reflect the true nature, description, or classification of the goods, and the preceding valuation methods were found inapplicable on the facts of the case.

9.12 The detailed valuation of the imported goods, as per the valuation report dated 29.07.2026 submitted by Chartered Engineer Shri Bhasker G. Bhatt **(RUD-13)**, is tabled below:

Table-6

Sr No	Description/Goods	No. of Cartoons	Qty per Cartoon	Total	Discounted local rates	Total Value
1	Matrix So Colour (Hair Colour) 90 ML	140	288	40320	94	3790080
2	CETAPHIL, SA CLEANSER 236 ML	5	70	350	171	59850
3	CETAPHIL, 500ML SKIN CLEANSER	24	36	864	293	253152
4	CETAPHIL, 591 ML MOISTURIZING LOTION	9	36	324	506	163944
5	CETAPHIL, 125ML CLEANSER	11	144	1584	83	131472
6	CETAPHIL, 100ML LOTION	5	144	720	140	100800
7	CETAPHIL LIP BALM	1	288	288	184	52992
8	JOHNSON SKIN BALANCE, 200 ML	1	144	144	90	12960
9	BLUETOX FLORECTIVE PROFISSIONAL 120ML	7	100*6 + 1*75	675 (600+75)	724	488700
10	FOREVER 52 BANANA POWDER 42 GMS	25	576	14400	173.6	2499840
11	FOREVER 52 LIQUID FOUNDATION 60 ML	66	216	14256	598	8525088
12	FOREVER WET & DRY COMPACT POWDER 12GMS	100	288	28800	174.8	5034240
13	JEANS	33	0	2578	219.6	566129
14	MENS SHIRT	22	0	2476	185.2	458555
15	MENS T SHIRT	70	0	10259	131.6	1350084
16	Sport T-Shirt with	17	250	4250	270	1147500

	Shorts (ADDIDAS)					
17	Sport T-Shirt with Shorts (Nike)	2	250	500	270	135000
18	Sport T-Shirt with Shorts (Puma)	5	250	1250	270	337500
19	POLICE	1	0	600	160	96000
20	EMPORIO ARMANI	3	0	1620	160	259200
21	CARTIER	2	0	1100	160	176000
22	OAKLEY	1	0	360	160	57600
23	CELINE	1	0	540	160	86400
24	LACOSTE	1	0	500	160	80000
25	HUGOBOSS	1	0	480	160	76800
26	GUCCI	1	0	670	160	107200
27	PRADA	2	0	1100	160	176000
28	DIOR	1	0	580	160	92800
29	KNITED FABRICS UNDER WEAR	1	156	156	115.6	18034
30	KNITED SOCKS	0	480	480	8	3840
31	READYMADE GARMENTS (BRAND MUSHROO)	40	40	1600	640	1024000
	TOTAL					**27361760**

9.13 In his statement dated 14.08.2026, Shri Rehan Boringwala stated that he had perused Annexure-A relating to the valuation of all imported items covered under the said container and that he had understood the Customs Valuation Rules, 2007, further confirming that the valuation had been carried out in accordance with the said Rules. He also categorically admitted that the goods were grossly mis-declared in terms of nature and description, and that certain items bore the markings of reputed international brands protected under the Intellectual Property Rights (Imported Goods) Enforcement framework, such as Cetaphil, Matrix So Color, Johnson & Johnson, Adidas, Nike, Puma, Emporio Armani, Cartier, Oakley, Celine, Lacoste, Hugo Boss, Gucci, Prada and Dior, and that for some other brands namely, Bluetox and Forever 52. He did not possess any CDSCO license which is mandatary for import of cosmetics.

10. Revised Quantification of Assessable Value and duties/taxes Thereon

10.1. Revised Quantification under Rule 9

The liabilities in respect of the imported goods have been quantified as follows:

a) Imported goods requiring CDSCO certificate

Table – "7A"
For IPR-INFRINGED COSMETICS

Sr. No.	Description / Goods	Actual Classification	Total QTY	Total Taxable Value of Goods (In INR)	Applicable BCD %	BCD Amount (In INR)	SWS %	SWS Amount	AIDC %	AIDC Amount	IGST Assessable Value (5+7+9+11)	IGST %	IGST Amount	Total Duty Payable (7+9+11+14)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Matrix So Color(Hair Color) 90 Ml	33059040	40320	3790080	20	758016	10	75802	0	-	4623898	18	832301.57	1666119.17
2	CETAPHIL SA CLEANSER 236 ML	33049990	350	59850	20	11970	10	1197	0	-	73017	18	13143.06	26310.06
3	CETAPHIL 500ML SKIN CLEANSER	33049990	864	253152	20	50630	10	5063	0	-	308845	18	55592.18	111285.62
4	CETAPHIL 591 ML MOISTURIZING LOTION	33049930	324	163944	20	32789	10	3279	0	-	200012	18	36002.1	72069.78
5	CETAPHIL125ML CLEANSER	33049990	1584	131472	20	26294	10	2629	0	-	160396	18	28871.25	57795.09
6	CETAPHIL100ML LOTION	33049930	720	100800	20	20160	10	2016	0	-	122976	18	22135.68	44311.68
7	CETAPHIL LIP BALM	33041000	288	52992	20	10598	10	1060	0	-	64650	18	11637.04	23295.28
8	JOHNSON SKIN BALANCE 200 ML	33049910	144	12960	20	2592	10	259	0	-	15811	18	2846.02	5697.22
				4565250		913049		91305					1002528.9	2006883.9

Table – "7B"
FOR NON IPR-INFRINGED COSMETICS

Sr. No.	Description/ Goods	Actual Classification	Total QTY	Total Taxable Value of Goods (In INR)	Applicable BCD %	BCD Amount (In INR)	SWS %	SWS Amount	AIDC %	AIDC Amount	IGST Assessable Value (5+7+9+11)	IGST %	IGST Amount	Total Duty Payable (7+9+11+14)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Bluetox Florective profissional 120 Ml	33059090	675	488700	20	97740	10	9774	0	-	596214	18	107318.52	214832.52
2	Forever 52 banana powder 42 gms	33049110	14400	2499840	20	499968	10	49997	0	-	3049805	5	152490.25	702455.25
3	Forever 52 liquid foundation 60 ml	33049990	14256	8525088	20	1705018	10	170502	0	-	10400607	18	1872109.32	3747629.32
4	Forever Wet & Dry	33049110	28800	5034240	20	1006848	10	100685	0	-	6141773	5	307088.65	1414621.65

	Compact Powder 12gms													
				16547868		3309574		330958					2439006.74	6079538.74

b) Imported goods not requiring CDSCO certificate:

Table – "8A"
FOR IPR-INFRINGED GOODS

Sr. No.	Description/ Goods	Actual Classification	Total QTY	Total Taxable Value of Goods (In INR)	Applicable BCD %	BCD Amount (In INR)	SWS %	SWS Amount	AIDC %	AIDC Amount	IGST Assessable Value (5+7+9+11)	IGST %	IGST Amount	Total Duty Payable (7+9+11+14)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Sport T-Shirt with Shorts (ADDIDAS)	61032300	4250	1147500	20	229500	10	22950	0	-	1399950	5	69997.5	322447.5
2	Sport T-Shirt with Shorts (Nike)	61032300	500	135000	20	27000	10	2700	0	-	164700	5	8235	37935
3	Sport T-Shirt with Shorts (Puma)	61032300	1250	337500	20	67500	10	6750	0	-	411750	5	20587.5	94837.5
4	EMPORIO ARMANI SUNGLASS	90049090	1620	259200	10	25920	10	2592	0	-	287712	18	51788.16	80300.16
5	CARTIER SUNGLASS	90049090	1100	176000	10	17600	10	1760	0	-	195360	18	35164.8	54524.8
6	OAKLEY SUNGLASS	90049090	360	57600	10	5760	10	576	0	-	63936	18	11508.48	17844.48
7	LACOSTE SUNGLASS	90049090	500	80000	10	8000	10	800	0	-	88800	18	15984	24784
8	HUGOBOSS SUNGLASS	90049090	480	76800	10	7680	10	768	0	-	85248	18	15344.64	23792.64
9	GUCCI SUNGLASS	90049090	670	107200	10	10720	10	1072	0	-	118992	18	21418.56	33210.56
10	PRADA SUNGLASS	90049090	1100	176000	10	17600	10	1760	0	-	195360	18	35164.8	54524.8
11	DIOR SUNGLASS	90049090	580	92800	10	9280	10	928	0	-	103008	18	18541.44	28749.44
				2645600		426560		42656					303734.88	772950.88

Table – "8B"
FOR NON IPR-INFRINGED GOODS

Sr. No.	Description/ Goods	Actual Classification	Total QTY	Total Taxable Value of Goods (In INR)	Applicable BCD %	BCD Amount (In INR)	SWS %	SWS Amount	AIDC %	AIDC Amount	IGST Assessable Value (5+7+9+11)	IGST %	IGST Amount	Total Duty Payable (7+9+11+14)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	READYMADE GARMENTS (BRAND MUSHROO)	61089210	1600	1024000	20% or 60 Rs	204800	0	0	0	0	1228800	5	61440	266240
2	JEANS	62034290/ 62046290	2578	566129	20% or Rs. 135	348030	0	0	0	0	914159	5	45707.94	393737.94
3	MENS SHIRT	62052090	2476	458555	20% or Rs 85	210460	0	0	0	0	669015	5	33450.76	243910.76
4	MENS T SHIRT	61099010	10259	1350084	20% or Rs 50	512950	0	0	0	0	1863034	5	93151.72	606101.72
5	POLICE SUNGLASS	90049090	600	96000	10	9600	10	960	0	0	106560	18	19180.8	29740.8
6	CELINE SUNGLASS	90049090	540	86400	10	8640	10	864	0	0	95904	18	17262.72	26766.72
7	Underwear	61071210	156	18034	20% or Rs. 30 per piece	4680	0	0	0	0	22714	5	1135.68	5815.68
8	SOCKS	61159500	480	3840	20	768	10	77	0	0	4685	5	234.24	1079.04
				3603042		1299928		1901					271563.86	1573392.66

The detailed duty calculation is enclosed as Annexure-B **(RUD-14)**

10.2. The deliberate undervaluation of the imported goods, coupled with their misclassification and concealment, as well as the import of goods infringing Intellectual Property Rights, clearly evidences the importer's intent to evade the applicable Basic Customs Duty and circumvent the provisions of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, resulting in undue financial gain to the importer and consequent loss of legitimate Government revenue.

Details of the Customs Duty sought to be evaded by the importer is tabulated as below:

Table-9

Sr No.	DESCRIPTION	DECLARED DETAILS	DETAILS AFTER REASSESSMENT	DIFFERENCE
1	ASSESSABLE VALUE	1455880	27361760	25905880
2	BCD	379530	5949111	5569581
3	SWS	28353	466820	438467
4	IGST	93188	4016830	3923642
5	TOTALDUTY	501071	10432766	9931695

11. RELEVANT PROVISIONS OF LAW APPLICABLE IN THIS CASE:

The relevant legal provisions, insofar as they relate to the facts and circumstances of the subject imports, are as under:

11.1 Customs Act, 1962 -

11.1.1 Section 11. Power to prohibit importation or exportation of goods. -

(1) If the Central Government is satisfied that it is necessary so to do for any of the purposes specified in sub-section (2), it may, by notification in the Official Gazette, prohibit either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification, the import or export of goods of any specified description.

(2) The purposes referred to in sub-section (1) are the following: -

a) the maintenance of the security of India;

b) the maintenance of public order and standards of decency or morality;

c) the prevention of smuggling;

d) the prevention of shortage of goods of any description;

e) the conservation of foreign exchange and the safeguarding of balance of payments;

f) the prevention of injury to the economy of the country by the uncontrolled import or export of [1] [gold or silver or any other goods];

g) the prevention of surplus of any agricultural product or the product of fisheries;

h) the maintenance of standards for the classification, grading or marketing of goods in international trade;

i) the establishment of any industry;

j) the prevention of serious injury to domestic production of goods of any description;

k) the protection of human, animal or plant life or health;

l) the protection of national treasures of artistic, historic or archaeological value;

m) the conservation of exhaustible natural resources;

n) ***the protection of patents, trademarks, 2 [copyrights, designs and geographical indications];***
o) *the prevention of deceptive practices;*
p) *the carrying on of foreign trade in any goods by the State, or by a Corporation owned or controlled by the State to the exclusion, complete or partial, of citizens of India;*
q) *the fulfilment of obligations under the Charter of the United Nations for the maintenance of international peace and security;*
r) *the implementation of any treaty, agreement or convention with any country;*
s) *the compliance of imported goods with any laws which are applicable to similar goods produced or manufactured in India;*
t) *the prevention of dissemination of documents containing any matter which is likely to prejudicially affect friendly relations with any foreign State or is derogatory to national prestige;*
u) *the prevention of the contravention of any law for the time being in force; and*
v) *any other purpose conducive to the interests of the general public.*

[(3) Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.]

11.1.2 Section 17 of the Customs Act, 1962

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

....

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

11.1.3 Section 46 of the Customs Act, 1962:

46. 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 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

11.1.4 Section 110 of the Customs Act, 1962

110. Seizure of goods, documents and things.—(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not *remove, part with, or otherwise deal with the goods except with the previous permission of such officer.*

11.1.5 Section 111 of the Customs Act, 1962

111. Confiscation of improperly imported goods, etc.— 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 3[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;

11.1.6. Section 112 of the Customs Act, 1962

112. Penalty for improper importation of goods, etc. — Any person, —
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[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: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]*

(iii) ....

11.1.7 Section 114AA of the Customs Act, 1962

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, 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.]

11.1.8 Section 124 of the Customs Act, 1962

124. Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person—
(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;
(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and
(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned, be oral. 3 [Provided further that notwithstanding the issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]

11.1.9 Section 125 of the Customs Act, 1962

125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 4[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that], without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

11.2 Foreign Trade (Development and Regulation) Act, 1992 –

11.2.1 Section 3 (3) All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly

11.2.2 Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 provides inter-alia, for formulation of the export and import policy by the Central Government from time to time.

11.2.3 Section 7 of the Foreign Trade (Development and Regulation) Act, 1992, states that no import can take place without a valid Import Export Code Number unless otherwise exempted.

11.2.4 Section 11 (1) of the Foreign Trade (Development and Regulation) Act, 1992 states no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

11.3 Foreign Trade (Regulation) Rules, 1993 -

11.3.1 Rule 11 of the Foreign Trade (Regulation) Rules, 1993 stipulates inter-alia that on the importation into any custom port of any goods, whether liable to duty or not, the owner of such goods shall in the bill of entry or any other documents prescribed under the Customs Act, 1962 state the value, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such bill of entry or any other document.

11.3.2 Rule 14 (2) of the Foreign Trade (Regulation) Rules, 1993 stipulates inter-alia that no person shall employ any corrupt or fraudulent practice for the purposes of importing or exporting any goods

11.4 Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007: -

11.4.1 Rule 6. Prohibition for import of goods infringing intellectual property rights. - *After the grant of the registration of the notice by the Commissioner on due examination, the import of allegedly infringing goods into India shall be deemed as prohibited within the meaning of Section 11 of the Customs Act, 1962.*

11.4.2 Rule 7. Suspension of clearance of imported goods. -

(1)(a) Where the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, based on the notice given by the right holder has a reason to believe that the imported goods are suspected to be goods infringing intellectual property rights, he shall suspend the clearance of the goods.

(b)The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may, on his own initiative, suspend the clearance of goods, in

respect of which he has prima-facie evidence or reasonable grounds to believe that the imported goods are goods infringing intellectual property rights.

(2) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall immediately inform the importer and the right holder or their respective authorised representatives through a letter issued by speed post or through electronic mode of the suspension of clearance of the goods and shall state the reasons for such suspension.

(3) Where clearance of the goods suspected to be infringing intellectual property has been suspended and the right holder or his authorised representative does not join the proceedings within a period of ten working days from the date of suspension of clearance leading to a decision on the merits of the case, the goods shall be released provided that all other conditions of import of such goods under the Customs Act, 1962, have been complied with: Provided that the above time-limit of ten working days may be extended by another ten days in appropriate cases by the Commissioner or an officer authorized by him in this behalf.

(4) Where the Deputy Commissioner of Customs or Assistant Commissioner of Customs , as the case may be, has suspended clearance of goods on his own initiative and right holder does not give notice under rule 3 of the Rules or does not fulfill the obligation under Rule 5, within five days from the date of suspension of clearance, the goods shall be released provided that all other conditions of import of such goods under the Customs Act, 1962, have been complied with.

(5) Where the clearance of goods has been suspended, customs may, where it acts on its own initiative, seek from the right holder any information or assistance, including technical expertise and facilities for the purpose of determining whether the suspect goods are counterfeit or pirated or otherwise infringe an intellectual property right.

(6) Where the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, has suspended clearance of goods on his own initiative and right holder has given notice under rule 3 of the Rules and fulfilled the obligations under Rule 5, but , the right holder or his authorised representative does not join the proceedings within a period of ten working days from the date of suspension of clearance leading to a decision on the merits of the case, the goods shall be released provided that all other conditions of their import under the Customs Act, 1962, have been complied with: Provided that the above time- limit of ten working days may be extended by another ten working days in appropriate cases by the Commissioner or an officer authorized by him in this behalf.

(7) In the case of perishable goods suspected of infringing intellectual property rights, the period of suspension of release shall be three working days which may be extended by another four days subject to the satisfaction of the Commissioner or the officer authorized by him in this behalf that such extension shall not affect the goods.

(8) Notwithstanding anything contained in these Rules, in the case of suspension of clearance of perishable goods on the basis of notice of the right holder or his authorized representative, the right holder or his authorized representative shall join the proceedings as required under these Rules within three working days or the extended period as provided in sub-rule (7) and in case of suspension of clearance of perishable good by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, on his own initiative, the right holder shall give notice, execute a bond and join the proceedings as required under these Rules within three working days or the extended period as provided in sub-rule (7) , as the case may be, failing which the goods shall be released.

(9) If within ten working days or the extended period under sub-rule (6), as the case may be, and within three working days or the extended period as provided in sub-rule (7) of this rule in the case of perishable goods, the right-holder or his authorized representative joins the proceedings, the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, having reasons to believe that the goods are goods infringing intellectual property rights and liable to confiscation under section 111 (d) of the Customs Act, may seize the same under section 110 of the Customs Act.

11.4.3 Rule 8. Examination of goods by right holder. -
The Commissioner or the officer duly authorized in this behalf shall allow a right holder and the importer or their duly authorized representatives to examine the goods, the clearance of which has been suspended, and may provide representative samples for examination, testing and analysis to assist in determining whether the goods are pirated, counterfeit or otherwise infringe an intellectual property right, without prejudice to the protection of confidential information.

11.4.4 Rule 9. Supply of information to the right holder. –
At the request of the right holder, the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall inform the name and address of the importer and without prejudice to the protection of confidential information the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may also provide additional relevant information relating to the consignment which has been suspended from clearance.

11.4.5 Rule 10. Supply of information to the importer. - *At the request of the importer or his duly authorized representative, Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall inform the name and address of the right holder and without prejudice to the protection of confidential information the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may also provide additional relevant information relating to the consignment which has been suspended from clearance.*

11.4.6 Rule 11. Disposal of infringing goods. –

(1). Where upon determination by the Deputy Commissioner of Customs or Assistant Commissioner of Customs , as the case may be, it is found that the goods detained or seized have infringed intellectual property rights, and have been confiscated under section 111 (d) of the Customs Act, 1962 and no legal proceedings are pending in relation to such determination, the Deputy Commissioner of Customs or Assistant Commissioner of Customs , as the case may be, shall, destroy the goods under official supervision or dispose them outside the normal channels of commerce after obtaining "no objection" or concurrence of the right holder or his authorized representative: Provided that if the right holder or his authorized representative does not oppose or react to the mode of disposal as proposed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs , as the case may be, within twenty working days after having been informed, or within such extended period as may have been granted by the Commissioner at the request of the right holder, not exceeding another twenty working days, he shall be deemed to have concurred with the mode of disposal as proposed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs , as the case may be: Provided further that the costs toward destruction, demurrage and detention charges incurred till the time of destruction or disposal, as the case may be, shall be borne by the right holder.

(2) There shall not be allowed the re-exportation of the goods infringing intellectual property rights in an unaltered state.

(3) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may on his own, or at the request of the right holder, retain samples of goods infringing intellectual property rights prior to their destruction or disposal and provide the same to the right holder or importer if such samples are needed as evidence in pending or future litigations.

11.5 Cosmetic Rules, 2020

11.5.1 Rule 12 of Cosmetic Rules: Import of Cosmetics: -

(1) No cosmetic shall be imported into India unless the product has been registered in accordance with these rules by the Central Licensing Authority or by any officer to whom such powers may be delegated under sub-rule (1) of rule 5.

(2) An application for registration of a cosmetic product intended to be imported into India shall be made through the online portal of the Central Government in Form COS- 1 either by the manufacturer himself or by his authorised agent or the importer in India or by the subsidiary in India authorised by the manufacturer.

(3) An authorisation by the manufacturer to his agent in India shall be duly authenticated either in India before a first class Magistrate or in the country of origin before the authority competent under the laws of that country or by an authority specified in the First Schedule.

11.5.2 Rule 17 of the Cosmetic Rules: Import of cosmetics already registered for import: -

(1) A cosmetic manufactured in a foreign site and already registered under rule 13 for import and sale in India, may be imported by any person or entity by

making an application in online portal of the Central Government in Form COS- 4 with an undertaking as specified in Sixth Schedule.

(2) After examination of documents furnished with the application under sub-rule (1), the Central Licensing Authority may, on being satisfied, subject to the conditions, grant import registration number in Form COS- 4A, or may reject such application for which reasons shall be recorded in writing within a period of six months from the date of application.

(3) An import registration number granted under sub-rule (2) shall remain valid for a period of three years from the date of its issue, unless it is suspended or cancelled.

(4) If the importer fails to comply with any of the conditions of the Import Registration Number issued in Form COS- 4A, the Central Licensing Authority may, after giving him an opportunity to show cause as to why such an order should not be passed, by an order in writing, stating the reasons therefore, suspend or cancel the import registration number for such period as it thinks, fit.

12. Cosmetic products are restricted for import into India and require prior registration with the Central Drugs Standard Control Organisation (CDSCO) under the Cosmetic Rules, 2020 and Drugs & Cosmetics Rules, 1945. Import without such certification constitutes a substantive violation, rendering the goods 'prohibited' under Section 2(33) of the Customs Act, 1962. Mis-declaration in customs documents and concealment of cosmetics further evidences deliberate non-compliance, making the goods liable for confiscation and penal action under the law.

13. From the foregoing investigation, it appeared that:

13.1 Consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 8.4.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined 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 must 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 amendments 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.

13.2 The importer grossly mis declared the consignment by declaring baby garments, while examination revealed cosmetics, sunglasses, branded garments, sportswear, and other goods bearing reputed international brand identifiers, including counterfeit items, which contravenes to the violation of provisions laid down under Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. Cosmetics were imported without mandatory CDSCO registration, violating the Cosmetic Rules, 2020 and Drugs & Cosmetics framework. The misdeclaration extended to description, classification, quantity, and value, resulting in incorrect self-assessment, attempted duty evasion, and non-compliance with statutory import requirements. This act of importer has made the imported goods liable to confiscation under Sections 111(d), 111(l), and 111(m) of the Customs Act, 1962, and the importer is liable to penalty under Sections 112(a) and 112(b) of the Customs Act, 1962. The declared transaction value fails the test of acceptability under Rule 3(2) of the Customs Valuation Rules, 2007, warranting rejection under Rule 12 and redetermination under Rule 9, with differential duty recoverable accordingly.

13.3 Shri Rehan Boringwala, Proprietor of M/s A S Enterprises, appears to have indulged in presenting documents falsifying the identity of the goods, before the Customs authorities for import of the restricted goods. Thus, importer has knowingly and intentionally made a declaration under the Bill of Entry filed under Section 46 of the Customs Act 1962, which is false and incorrect. Hence, Shri Rehan Boringwala, Proprietor of M/s A S Enterprises has rendered himself liable to penalty under the Section 114AA of the Customs Act 1962.

14.1 Now, therefore, M/s. A S Enterprises (IEC No. AHSPB0968R), having registered address at First Floor, 12, Navpada Welfare Association, Ghas Bazaar Gate No.18C, Bandra East, Mumbai-400051, is hereby called upon to show cause in writing to **the Additional Commissioner of Customs, Customs House, Mundra**, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of this notice, as to why and asking them as to why:

i. The declared assessable value of Rs. 14,55,880/- (Rupees Fourteen Lakhs Fifty-Five Thousand Eight Hundred Eighty only) should not be rejected, and the goods be re-assessed at Rs. 2,73,61,760/- (Rupees Two Crore Seventy-Three Lakh Sixty-One Thousand Seven Hundred Sixty only) as per the provisions laid down in the Customs Act, 1962.

ii. Importable goods having re-determined Assessable value of Rs. 36,03,042/- (Rupees Thirty-Six Lakhs Three Thousand Forty-Two only) as detailed in Table 8B should not be confiscated under Section 111(l) and 111(m) of the Customs Act, 1962 and restricted goods having redetermined Assessable value of Rs. 2,37,58,718/- (Rupees Two Crores Thirty-Seven Lakhs Fifty-Eight Thousand Seven Hundred and Eighteen only) as detailed in Table 7A, 7B and 8A should not be confiscated under Section 111(d), 111(l) and 111 (m) of the Customs Act, 1962.

iii. Duty on importable goods amounting to Rs. 15,73,393/- (Rupees Fifteen Lakhs Seventy Three Thousand Three Hundred Ninety-Three only), as detailed in Table 8B, should not be demanded from the importer.

iv. Penalty should not be imposed on M/s A S Enterprises under Section 112 (a) and (b) of the Customs Act, 1962 as the importer had imported goods by mis-declaring in terms of quantity and description.

14.2 Now, therefore, Shri Rehan Boringwala, Proprietor of M/s A S Enterprises, is hereby called upon to show cause in writing to **the Additional Commissioner of Customs, Customs House, Mundra**, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of this notice, as to why penalty should not be imposed upon him under **Section 114AA of the Customs Act, 1962**, for knowingly and intentionally making, signing, using or causing to be used declarations, statements and documents which were false and incorrect in material particulars in relation to the impugned import.

15. This Show Cause Notice is being issued without prejudice to any other action that may be taken against the Noticees or any other person / party connected with this case, under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply in writing to the Adjudicating authority within 30 days of issuance of this notice. In their written reply, they should specifically mention whether they would like to be heard in person or through their authorized representative, by the adjudicating authority. They should also produce at the time of showing cause, all the evidences upon which they intend to rely in support of their defence. If no cause is shown against the action proposed in this Show Cause Notice within 30 days from the receipt of this Show Cause Notice (or extended period, if allowed) or if they or their representatives do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

16. This Show Cause Notice is being issued on the basis of the evidences available on record. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department also reserves its right to issue separate Notice/s for other Noticees, offences etc. related to the above case, if warranted.

17. The Copies of relied upon documents, as mentioned in the Show Cause Notice, are enclosed with the Show Cause Notice and also are an integral part of this Show Cause Notice.

Digitally signed by Dipakbhai Zala
Date: 24-08-2026 12:54:51

(DIPAK ZALA)
ADDITIONAL COMMISSIONER OF CUSTOMS,
MUNDRA CUSTOMS HOUSE

Encl: As Above.

To,

(i) M/s. A S Enterprises (IEC No. AHSPB0968R),
First Floor, 12, Navpada Welfare Association,
Ghas Bazaar Gate No.18C, Bandra East, Mumbai-400051

(ii) Shri Rehan Boringwala, Proprietor of M/s A S Enterprises,
First Floor, 12, Navpada Welfare Association,
Ghas Bazaar Gate No.18C, Bandra East, Mumbai-400051

Copy to:

1. The Joint Director, Directorate of Revenue Intelligence, Ahmedabad Zonal Unit
2. The Deputy Commissioner, EDI, Customs Mundra (For uploading on official website immediately).