**सीमाशुल्क(निवारक) केआयुक्तकाकार्यालय, सीमाशुल्कभवन,
जामनगर-राजकोटहाईवे, विक्टोरियाब्रिजकेपास
जामनगर(गुजरात)-361001
Office of the Commissioner of Customs (Preventive),
SEEMA SHULK BHAVAN, Jamnagar-Rajkot Highway,
Near Victoria Bridge, Jamnagar (Gujarat)- 361 001
Email: commr-custjmr@nic.in: adj-custjmr@nic.in**

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SCN No.: COMMR-02/2026-27 Date: 23.04.2026

SHOW CAUSE NOTICE

M/s. Shree Momaikrupa Enterprise (IEC: LCTPS2689P), having its registered office at 106, First Floor, R.S. Number 348/2 and 3, Shree Harikrishna Plaza, Atkot, Jasdan, Gujarat (hereinafter referred to as "M/s. Shree Momaikrupa"/"Importer" / "Noticee" for sake of brevity), vide the following 5 Bills of Entry have imported goods under the description as "Agricultural Rejected Nut pieces and waste (a kind used in animal feed, unfit for human consumption)" (herein after referred to as "Impugned goods" or "imported Goods"), classifying the same under CTH 23080000 – Vegetable Materials and Vegetable Waste, Vegetable Residues and by-products, whether or not in the form of pallets, of a kind used in Animal Feeding, not elsewhere specified or included at Pipavav port (INPAV1). The Noticee imported the impugned goods declaring the Assessable Value of the same as Rs.96,87,370/- from Vietnam claiming the benefit of preferential rate of duty under Notification No. 046/2011 – Customs dated 01.06.2011.

Sr. No.	Bill of Entry No.	Date	Declared Assessable value (Rs.)
1	5245651	22.10.2025	19,37,474
2	5245989	22.10.2025	19,37,474
3	5246571	22.10.2025	19,37,474
4	5246839	22.10.2025	19,37,474
5	5247239	22.10.2025	19,37,474
Total			96,87,370

2. Whereas, acting on specific intelligence was gathered by the Directorate of Revenue Intelligence (DRI), that the Noticee had actually imported 'Cashew Kernels, broken' which are rightly classifiable under CTH 08013210; wherein the goods falls under the 'prohibited' category for import unless the CIF Value of the same is above Rs. 680/- per Kg. Accordingly, the DRI, Ahmedabad Zonal Unit, Ahmedabad placed the said consignment on hold for examination and further investigation.

3. Examination of Consignment and drawl of samples:

3.1 Whereas, the examination of the imported goods covered under the above mentioned 5 Bills of Entry were conducted on 30.10.2025 by the Officers of DRI, Ahmedabad Zonal Unit along with the Officer of Custom House, Pipavav in presence of two independent witnesses and the representative of Customs Broker's firm M/s. A.B. Cargo Logistics Private Limited (on behalf of the importer) under Panchnama dated 30.10.2025 **(RUD-01)**. During the examination, it was informed that the goods were originally imported in 01 X 40-Feet Container for each Bill of Entry and accordingly, there were 5 containers in total. However, the goods were already de-stuffed from the containers and were stored in warehouse and they were stacked separately for each container at the CFS. During the examination, representative samples were drawn and were sealed in presence of the representative of the importer.

4. Testing of Sample and Test Results:

4.1 Whereas, the representative samples drawn during Panchnama dated 30.10.2025, were initially sent to ICAR-Directorate of Cashew Research, Puttur, Dakshina Kannada district, Karnataka, however, they returned the samples citing the workload issues. Accordingly, the representative samples were sent to Central Revenue Chemical Laboratory (CRCL), New Delhi. The CRCL, New Delhi vide their test report dated 18.12.2025 **(RUD-02)** has informed that the tested parameters are within the specified limit for compound feeds for cattle as per IS 2052L2023. However, CRCL, New Delhi expressed their inability to comment on "the fit for human consumption" part as the exact identity of the sample was not known. As CRCL, New Delhi has shown their inability to determine the exact identity of the samples, the samples were sent to National Forensic Sciences University (NFSU), Gandhinagar on 19.12.2025 in order to verify the exact identity of the representative sample.

4.2 The NFSU, Gandhinagar vide their test report reference No. NFSU/Co-FTF/Analysis/Report/2025-2026/121 dated 21.01.2026 **(RUD-03)** and clarification dated 17.03.2026 **(RUD-04),** has submitted detailed test result of the tested samples and the same is enumerated below:

1. Microscopic Examination:

Microscopic evaluation of the samples reveals that the material comprises heterogeneous mixtures of kernels exhibiting variation in size, shape and colour.

The kernels were segregated into four distinct kernel categories for the purpose of microscopic evaluation as described below:

1. Kernel Type 1: Whole Kernel, comparatively intact and better quality among all kernel categories

2. Kernel Type 2: Slightly broken Kernels exhibiting brownish discoloration

3. Kernel Type 3: Extremely broken Kernels with pronounced brown discoloration.

4. Kernel Type 4: Irregularly shaped, broken kernels showing maximum brown discoloration among all kernel categories.

Detailed microscopic evaluation of the kernels indicate that the kernels are extremely poor quality, exhibiting signs of insect infestation along with fungal growth.

2. DNA Analysis:

DNA barcoding analysis was conducted using the matK gene sequencing method for botanical identification. Based on sequencing results and comparison with reference sequences in the NCBI database, the species was identified as Anacardium occidentale (Cashew).

The scientific examination thus establishes that the goods are cashew kernel fragments, i.e., broken cashew nuts.

3. Moisture Analysis

Moisture content analysis was conducted against the FSSAI prescribed limit of 5%. The results are reproduced below:

Sample	Moisture Content	Prescribed Limit (FSSAI)
A/1	6.60%	5%
B/1	5.19%	5%
C/1	6.69%	5%
D/1	5.09%	5%
E/1	5.84%	5%

All the samples exceed the permissible limit, which indicates deterioration and compromised quality of the kernels.

4. *Total Aflatoxin Analysis*

Total aflatoxin analysis reveals presence of aflatoxin in the range of 3–10 µg/kg. The maximum permissible limit as per FSSAI standards is 15 µg/kg.

Although the detected levels are within the maximum permissible threshold, the report records that all samples exhibit fungal infestation, which is consistent with the presence of aflatoxins and indicative of deterioration.

5. *Free Fatty Acid (FFA) Analysis*

Free Fatty Acid content was analysed against the permissible limit of not more than 2%. The results are reproduced below:

Sample	FFA Result	Permissible Limit
A/1	8.35%	≤ 2%
B/1	6.11%	≤ 2%
C/1	5.85%	≤ 2%
D/1	5.94%	≤ 2%
E/1	5.77%	≤ 2%

The samples exhibited elevated FFA content beyond acceptable limits, which is indicative of degradation and compromised quality.

6. *Peroxide Value Analysis*

Peroxide value analysis was conducted against the maximum permissible limit of 10 meq/kg. The results are as follows:

Sample	Peroxide Value (meq/kg)	Permissible Limit
A/1	13.3	≤ 10
B/1	14.56	≤ 10
C/1	11.53	≤ 10
D/1	16.83	≤ 10
E/1	12.96	≤ 10

The samples exhibited peroxide values exceeding the permissible limits, indicating oxidative degradation of the product. The elevated peroxide levels are suggestive of compromised quality and the onset of rancidity.

9. Pesticide Analysis

Pesticide analysis reveals the presence of Organophosphorus pesticide in Sample A/ 1.

Based on test report received from NFSU, Gandhinagar, it appears that the samples are cashew kernel fragments of the species Anacardium occidentale, and are found to be degraded, structurally disintegrated, fungal infested and rancid in nature and the samples do not conform to prescribed food safety standards and are unfit for human consumption.

In nutshell, the test report provided by the NFSU, Gandhinagar on the basis of scientific examination appears to establish that the imported goods are identifiable **cashew kernel** fragments, albeit of inferior and deteriorated quality. The declaration of the goods as mere "nut residues and waste" appears to be untenable.

5. Seizure of the imported goods:

5.1 The test result of the representative sample drawn vide Panchnama dated 30.10.2025 as received from National Forensic Sciences University (NFSU), Gandhinagar indicated that the impugned goods were Anacardium Occidentale (Cashew Nut) not fit for human consumption instead of "Agricultural Rejected Nut pieces and waste (a kind used in animal feed, unfit for human consumption)" as declared by the Noticee.

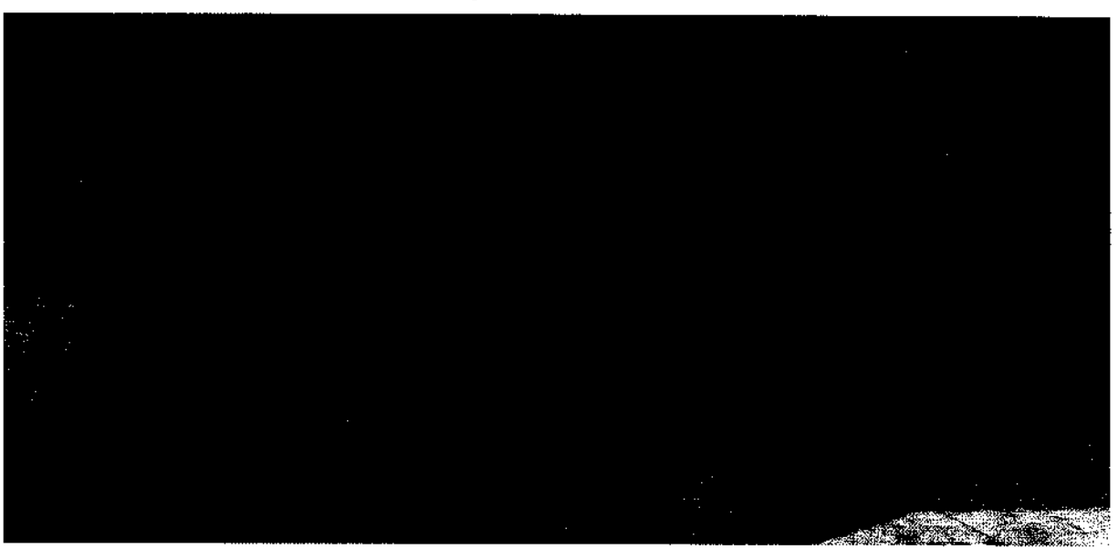
5.2 Whereas, all types of shelled cashew kernels broken falls under the CTH 08013210. The import of Shelled Cashew Kernel Broken is prohibited unless Minimum Import Price (MIP) i.e. Rs.680/kg conditions as laid down under DGFT Notification No. 59/2015-20 dated 21.02.2023 is fulfilled.

5.3 Whereas, it appears that the Noticee had misclassified the said imported goods under CTH 2308000 instead of CTH 08013210 in violation DGFT Policy Conditions. As per the DGFT Notification No. 59/2015-20 dated 21.02.2023, the import of shelled Cashew Kernels, broken is prohibited for its importation, unless CIF Value is above Rs. 680 per kg. The Noticee had declared CIF value of the imported goods as Rs. 83/- per kgs, which is far below the MIP fixed by the Notification *supra*, therefore, it appears that the Noticee had violated the policy condition applicable for import of goods under CTH 08013210. It further appears that the Noticee is ineligible to claim the benefit of the preferential rate of duty under Notification No. 046/2011 – Customs dated 01.06.2011, as the said benefit is not available to the goods falling under CTH 08013210. Therefore, the imported goods have been placed under seizure on vide seizure

memo dated 27.01.2026 **(RUD-11)** in terms of provisions of under Section 110 of Customs Act, 1962, on reasonable belief that the imported goods are liable for confiscation under the provisions of Section 111 of Customs Act, 1962.

6. Search at registered premises:

6.1 Whereas, the premises of the Importer i.e. 106, First Floor, R.S. Number 348/2 and 3, Shree Harikrushna Plaza, Atkot, Jasdan, Gujarat was searched on 31.01.2026 and the search proceedings were recorded under Panchnama dated 31.01.2026 **(RUD-05).** During the search proceedings, the office premises of M/s. Shree Momaikrupa was found locked and only after sustained efforts, Shri Laljibhai Samatbhai Sasura, Proprietor of M/s. Shree Momaikrupa Enterprise came and opened the office and it was noticed that the office premises was situated at Shop and the entire shop was empty and have only one chair, one bedsheet, play-cards and a broken old wooden table and one blue color drum in the shop and it was also noticed that the shop looked like it was never used for any work and the shop looked very dusty and there was no documents in relation to the import or their business activity. The photographs of the shop from inside which is pasted below:



6.2 Whereas, during the search proceeding, Shri Laljibhai informed that, he is the proprietor of M/s Shree Momaikrupa Enterprises, which is a trading firm, he imports "broken cashew nuts & walnuts" from outside of India. The broken cashew nuts were imported at Pipavav port and walnuts were imported at Nava Sheva port. Shri Laljibhai informed that their books of accounts and other import-export & GST in related documents, were maintained by Mr. Nikunj, Tax consultant and the documents were at his office at Jasdan and accordingly, he could not produce any document in relation to import of goods under Bills of Entry Nos. 5245651. 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025.

7. Statement of key person:

7.1 Whereas, the statement of Shri Laljibhai Samatbhai Susara, Proprietor of M/s Shree Momaikrupa Enterprises situated at Shop No 106, Shree Hari Krishna Plaza, Near Sardar Patel Chowk, Atkot, was recorded **(RUD-06)** under Section 108 of Customs Act, 1962 on 31.01.2026; wherein he interalia stated that -

- All the documents in relation to Import and other GST related purchase and sale documents of his firm M/s. Shree Momaikrupa Enterprise were at the office of Shri Nikunj Thakkar and Shri Laljibhai Aditya Prajapati at their office at Jasdan.
- All the invoices and books of accounts were maintained by Shri Nikunj Thakkar and Shri Laljibhai Aditya Prajapati at their office; that all the sale invoices were prepared and maintained at their office; that he never prepared documents related to imports or sale of the imported goods; that he never used the principal place of business for any work except for taking registration; that the premises was remained closed since he had taken it on lease.
- He stated that his firm is engaged in import of Broken Cashew Nuts from Vietnam through Customs, Pipavav Port and through Customs, Nhava Sheva Port.
- He stated that the imported goods at Pipavav Port are Cashew Nuts which are in broken condition.
- He stated that Shri Sagar, a citizen and residing at Vietnam was a contact person to purchase broken cashew nuts; that Shri Sagar arranged for purchases of broken cashew nuts from Vietnam; that the mobile number of Shri Sagar @ vietnam is +918286070242.
- He stated that Shri Jignesh Pandya and Shri Punit Rajyaguru were facilitating the customs clearances at Pipavav Port for import of Broken Cashew Nuts at Pipavav.
- He stated that the imported cashew nuts were sold to a firm based at Mumbai namely M/s. Jasoda Impex through a Broker; that he did not have the contact number of the broker; that all the imported cashew nuts were sold to M/s. Jasoda Impex.
- He stated that the delivery of the imported goods in every case was sent directly from Port to the buyer's place and the imported cashew nuts were never received at their premises.
- Perused the copy of DGFT Notification No. 59/2015-2020 dated 21.02.2023 and he was aware that the import of cashew nut either broken or whole are prohibited to import.

7.2 Further statement of Shri Laljibhai Samatbhai Susara, Proprietor of M/s Shree Momaikrupa Enterprises was recorded **(RUD-07)** under Section 108 of Customs Act, 1962 on 02.02.2026; wherein he interalia stated that –

- Perused the Panchnama dated 30.10.2025 drawn at Pipavav Port during the examination of the imported goods and he stated that the contents of the said Panchnama are true and correct.
- Perused the Panchnama dated 31.01.2026 drawn M/s. Shree Momaikrupa Enterprise, Shop No. 106, Shree Harikrishna Plaza, Near Sardar Chokdi, Atkot and stated that the contents of the statement are true and correct.
- Perused his earlier statement dated 31.01.2026 recorded under Section 108 of the Customs Act, 1962 and he agreed and confirmed that the statement was recorded as per his say and version and the content of the statement is true and correct.
- He stated that he had imported broken cashew nuts from Vietnam and the details of Bills of Entry are as under:

Sr. No.	Bill of Entry No. & date	Item Declared	CTH
1	4683058/23.09.2025	Agricultural Rejected Nut Pieces Residues and Waste (A kind used in animal feed unfit for human consumption)	23080000
2	4136944/27.08.2025	-do-	-do-
3	3900814/14.08.2025	-do-	-do-

- He stated and confirmed that all the goods imported previously under the above referred Bills of Entry were broken cashew nuts.
- He stated all the imported goods vide the above referred Bills of Entry were sold to M/s. Jasoda Impex, Mumbai and the delivery of the imported goods were made directly from Pipavav port to the buyers' premises.
- He stated that he did not know what does M/s. Jasoda Impex further do with the imported goods.
- He stated that the imported goods covered under the following Bills of Entry which are presently lying at Customs, Pipavav Port are:

Sl. No.	Bill of Entry No. & date	Item Declared	CTH
1	5245651/ 22.10.2025	Agricultural Rejected Nut Pieces Residues and Waste (A kind used in animal feed unfit for human consumption)	23080000
2	5245989/22.10.2025	Same as above	23080000
3	5246571/22.10.2025	Same as above	23080000
4	5246839/22.10.2025	Same as above	23080000
5	5247239/22.10.2025	Same as above	23080000

- He stated and confirmed that the imported goods vide the above referred Bills of Entry are also broken cashew nuts and they were imported from Vietnam and classified at CTH 23080000 and the goods imported were described as "Agricultural Rejected Nut Pieces, Residues and Waste (A kind used in animal feed unfit for Human Consumption)"; however, he confirmed and stated the imported goods are broken Cashew Nuts.
- He stated that the description of the goods as "Agricultural Rejected Nut Pieces / waste" in the Bills of Entry was not decided by him, as he is not well educated and not fully conversant with import documentation; that matters relating to import documentation, including the description of goods, were looked after by Shri Vijay Mange, Shri Nikunj, and his CHA viz. Shri Jayesh Pandya and Shri Punit Rajyaguru; that he relied on them for filing of import documents and accordingly the said description was declared in the Bills of Entry; that he did not personally prepare or file the Bills of Entry and acted as per the guidance and handling done by the above-mentioned persons.
- He stated that the imported goods, after clearance from Pipavav Port were sent directly to the buyers' premises; that all documents relating to import, sale and purchase, including invoices and other records, are managed and maintained by Shri Nikunj, a tax consultant of his firm M/s. Shree Momaikrupa Enterprise.
- Upon perusal of the DGFT Notification No. 59/2015-20 dated 21.02.2023 shown to him; he stated that he had understood that import of cashew nuts is subject to Minimum Import Price (MIP) condition and that import below the prescribed MIP is not permitted.
- He stated that the current imported goods vide the Bills of Entry mentioned were imported at a price of USD 0.80 per kg, which is far below the prescribed MIP, and accordingly fall under restricted/prohibited category and the MIP for import of shelled broken cashew nuts are Rs.680/Kgs.

8. Scrutiny of documents and oral evidences:

8.1 Whereas, on scrutiny of the documents in the form of import documents uploaded while filing Bills of Entry, details of Bills of Entry, Examination Panchnama, Test report, Search Panchnama and oral evidences, it appears that the importer has mis-declared the imported goods to be "Agricultural Rejected Nut pieces and waste (a kind used in animal feed, unfit for human consumption" with clear intent to circumvent the policy restriction imposed under FTP for import of "Cashew Kernel – broken" vide DGFT Notification No. 59/2015-2020 dated 21.02.2023. It further, appears that the Noticee has availed inadmissible benefit of preferential rate of duty under Notification No.

046/2011 – Customs dated 01.06.2011. It appears from the test report and the statements given by Shri Laljibhai Susara under Section 108 of the Customs Act, 1962, that the imported goods are Cashew Kernels – broken and the Noticee has mis-declared the same as ""Agricultural Rejected Nut pieces and waste (a kind used in animal feed, unfit for human consumption)" while filing the bills of entry.

8.2 Whereas, the proprietor of M/s. Shree Momaikrupa Enterprise has admitted that their previous imports vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025, were also Cashew Nuts – broken and thereby they also appear to be mis-declared/mis-classified the imported goods. As already mentioned above, the import of cashew nuts have been prohibited for import below the minimum import price fixed by the DGFT vide its notification no. 59/2015-2020 dated 21.02.2023. However, it is observed that in these bills of entry, the importer has imported the cashew nuts – broken, far below the minimum import price fixed at the DGFT vide its Notification No. 59/2015-20 dated 21.02.2023. The details of the import of Cashew Nut – Broken under these bills of entry are under :-

Sr. No.	Bill of Entry No. & date	Item Declared	CTH	Assessable Value (Rs.)	Quantity	Unit Price (Rs.) (kgs)
1	4683058/ 23.09.2025	Agricultural Rejected Nut Pieces Residues and Waste (A kind used in animal feed unfit for human consumption)	23080000	3881501	54000	71.88
2	4136944/ 27.08.2025	-do-	-do-	1920000	27000	71.11
3	3900814/ 14.08.2025	-do-	-do-	1935290	27000	71.57

8.3 Whereas, the Bills of Supply and E-way Bills pertaining to the previously imported and cleared consignments, as furnished by the Noticee, have been scrutinized and verified. Upon such verification, it is revealed that the sole purchaser of the said goods is M/s. Jasoda Impex, Mumbai. Furthermore, a detailed examination of the aforementioned documents reveals that the entire quantity of the imported goods was transported to and stored at M/s. Dhara Cold Storage, D-10/4, ITC Industrial Area, behind Everyday Kotak Agro Pvt. Ltd., Navi Mumbai. This factual matrix appears to demonstrate that the goods were preserved under controlled cold storage conditions for subsequent utilization. Such storage practices are inherently inconsistent with the declared nature of the goods as "animal feed," as commodities intended for cattle consumption are ordinarily not subjected to cold storage facilities. A summons

was issued to M/s. Jasoda Impex; however, the same was returned undelivered by the postal authorities with the endorsement "Left," indicating that they were not available at the given address.

8.4 Accordingly, a search was conducted on 10.04.2026 at the registered premises of M/s. Jasoda Implex at Plot No. 7, M-50, 1st Floor, AMPC-II, Phase-II, Sector-19B, Vashi, Navi Mumbai-400705 under regular panchnama **(RUD-08)**. During the search proceeding, Shri Mahesh Shivaji Bhanushali informed that presently M/s. Jasoda Impex is non-operative as there was no business activity in the said M/s. Jasoda Impex and accordingly, all the documents relating to M/s. Jasoda Impex were given to Charted Accountant for closure of books of account. Further, Shri Mahesh Shivaji Bhanushali further informed that M/s Jasoda Impex is a trading firm and that the firm has procured imported goods of broken cashew nuts from M/s Shree Momaikrupa Enterprises and he subsequently sold through broker to M/s Aadhyas Nutrition and Feeds, Karnataka (Bangalore) and M/s Patel Retail Limited, Maharashtra. During the search, Shri Mahesh Shivaji Bhanushali informed that the purchase/sale documents of M/s. Jasoda Impex were with Charted Accountant and accordingly he brought copies of purchase and sale related documents, which were resumed during panchnama.

8.5 Statement of Shri Mahesh Shivaji Bhanushali, Proprietor of M/s Jasoda Impex, situated at Plot No. 7, M-50, 1st Floor, AMPC-II, Phase-II, Sector-19B, Vashi, Navi Mumbai-400705, recorded on 10.04.2026 (RUD-09), under Section 108 of the Customs Act, 1962, wherein he interalia stated that -

- The GST registered address of M/s Jasoda Impex is Plot No. 7, M-50, 1st Floor, AMPC-II, Phase-II, Sector-19B, Vashi, Navi Mumbai-400705; that presently there were no operation at M/s. Jasoda Impex, hence, he was not operating any business activity from the registered premises and all the documents were given to Charted Accountant and documents were lying with him.

- He stated that M/s Jasoda Impex is purely a trading firm; that he purchased goods through brokers and sold them to buyers through brokers; that no manufacturing or processing activity was carried out by his firm.

- He stated that he had procured imported goods mainly from two suppliers namely M/s Shree Momaikrupa Enterprises and M/s Supreme

International; that both suppliers were supplied goods which were described in invoices as Agricultural waste/residue - animal feed.

- He stated that the goods purchased from M/s. Shree Momaikrupa Enterprise were imported goods and he was aware that the said goods were imported by them, as the same were directly shipped from Pipavav Port.
- He stated the he had physically inspected the goods received from M/s. Shree Momaikrupa Enterprise; that the purchased imported goods were broken cashew nuts.

- He stated he did not have any storage facility for storage of goods purchased; that in cases where purchased goods were required to keep for certain period for sale, he used to keep the purchased goods at Cold Storage facility of M/s. Dhara Cold Storage; that he produced invoice of M/s. Dhara Cold Storage for keeping our goods at their facility.

- He perused the sale documents and he stated that all the imported goods purchased from M/s. Shree Momaikrupa Enterprise were sold to M/s. Aadhyas Nutrition and Foods and M/s. Patel Retail Limited; that he agree that they are dealing with Nutrition food items and retail business respectively, however, he stated that the end use of the goods sold to them were not known to him.

- He stated and confirmed that the imported goods purchased goods from M/s. Shree Momaikrupa Enterprises were broken cashew nuts and the description of the goods mentioned in the purchase documents were relied and the same description has been mentioned at the sale documents.

8.6 Whereas, the documents submitted by M/s. Jasoda Impex during the course of search proceeding and statement of the proprietor of M/s. Jasoda Impex, appears to reveal that the goods purchased by them from M/s. Shree Momaikrupa Enterprise were broken cashew nuts and further it was also revealed from the document that M/s. Jasoda Impex had preserved/stored the imported goods purchased from M/s. Shree Momaikrupa Enterprise at M/s. Dhara Cold Storage and the description of goods stored by them was mentioned at the Invoice raised by M/s. Dhara Cold Storage as "Kaju Kani" **(RUD-10)**, which evidentially reflect that the imported goods were Cashew Nuts.

9. Classification:

a. Whereas, the Importer classified the said imported goods under the CTI 23080000. The Chapter Heading 2308 covers VEGETABLE MATERIALS AND VEGETABLE WASTE, VEGETABLE RESIDUES AND BY-PRODUCTS, WHETHER OR NOT IN THE FORM OF PELLETS, OF A KIND USED IN ANIMAL FEEDING, NOT ELSEWHERE SPECIFIED OR INCLUDED. The Tariff Entries under the Heading 2308 are reproduced below:

2308 00 00	**VEGETABLE MATERIALS AND VEGETABLE WASTE, VEGETABLE RESIDUES AND BY-PRODUCTS, WHETHER OR NOT IN THE FORM OF PELLETS, OF A KIND USED IN ANIMAL FEEDING, NOT ELSEWHERE SPECIFIED OR INCLUDED**	**kg.**	***15%**	-

b. On examination of the description against the CTH 2308, it may be seen that it covers items which are **not specified elsewhere or included** and hence is a residual heading for Vegetable Waste or Residues used for animal feeds.

c. The Chapter Heading 0801 covers COCONUTS, BRAZIL NUTS AND CASHEW NUTS, FRESH OR DRIED, WHETHER OR NOT SHELLED OR PEELED. The relevant Tariff Entries under the Heading 0801 are reproduced below:

0801	**COCONUTS, BRAZIL NUTS AND CASHEW NUTS, FRESH OR DRIED, WHETHER OR NOT SHELLED OR PEELED**				
	- *Coconuts :*				
0801 11 00	-- Desiccated	kg.	70%	60%	
0801 12	-- *In the inner shell (endocarp) :*				
0801 12 10	--- Fresh	kg.	70%	60%	
0801 12 20	--- Dried	kg.	70%	60%	
0801 12 90	--- Other	kg.	70%	60%	
0801 19	-- *Other:*				
0801 19 10	--- Fresh	kg.	70%	60%	
0801 19 20	--- Dried	kg.	70%	60%	
0801 19 90	--- Other	kg.	70%	60%	
	- *Brazil nuts :*				
0801 21 00	-- In shell	kg.	30%	20%	
0801 22 00	-- Shelled	kg.	30%	20%	
	- *Cashew nuts :*				
0801 31 00	-- In shell	kg.	**2.5%	Free	
0801 32	-- *Shelled :*				
0801 32 10	--- Cashew kernel, broken	kg.	30%	20%	
0801 32 20	--- Cashew kernel, whole	kg.	30%	20%	
0801 32 90	--- Other	kg.	30%	20%	

d. It appears that the imported goods are Cashew Kernels - broken is established and the Proprietor of the Noticee have accepted in statement recorded under section 108 of Customs Act, 1962, that the imported goods is Cashew Kernels. Further, the NFSU, Gandhinagar, based on the DNA barcoding analysis conducted using the *matK* gene sequencing method for botanical identification and sequencing results and comparison with reference sequences in the NCBI database, in their test report mentioned that the goods

tested are 'Cashew kernels' only. Further, it is also a fact that Cashew is an Edible Nut.

e. Further, for classification under various sub-headings and tariff items under CTH 2308, condition that the goods should adhere to certain standards is mentioned. However, it appears that, no such standard including FSSAI Standard is mentioned as a condition for classification under CTI 08013210. It further appears that the cashew nuts being directly mentioned in the CTH 0801, suggests that Tariff recognises Cashew Nut as Edible.

f. Further, the CTH 0801 also includes Cashew Nuts in Shell along with Coconut in Shell which does not appear to adhere to the FSSAI Standards. Hence, it appears that the term 'Edible' cannot be equated to being adherent to FSSAI Standards.

g. In accordance with all the above observations, it appears that the said goods being broken cashew kernels are rightly classifiable under CTI 08013210 irrespective of their adherence to FSSAI Standards or Animal Feed Standards.

10. The Import Policy in respect of the goods classifiable under CTH 08013210 is reproduced below for ready reference:

HS Code	Description	Import Policy	Policy Condition	Notification No.	HS Code Notification Date
08013210	--- Cashew Kernel, broken	Prohibited	1. However, import is free if CIF value is above Rs. 680/- per Kg. 2. MIP conditions, however, shall not be applicable for imports by 100% Export Oriented Units (EOUs) and units in the SEZ. 3. SEZs and EOUs units shall not be allowed to sell the imported Cashew Kernels into Domestic Tariff Area (DTA).	59/2015-2020	21/02/2023

11. Whereas, as per the Notification 59/2015-2020 dated 21.02.2023 issued by DGFT, the import of Cashew Kernel broken is prohibited unless the CIF Value is more than Rs. 680/- per Kg or import by 100% EOU or SEZ unit. However, the Import price in the impugned consignments is Rs. 83/- per Kg. Since, the Import price is less than Minimum Import Price of Rs. 680/- per Kg

and the Importer is not a SEZ or EOU Unit, it appears that the impugned goods falls under prohibited category and such import is prohibited.

12. Whereas, based on the above observation, it appears that the Goods are actually "Cashew Kernels, broken" which are rightly classifiable under CTH 08013210 and are prohibited for import unless the CIF Value is more than Rs. 680/- per Kg.

13. Legal Provisions:

13.1 ***Section 2(4) of the Customs Act, 1962:*** *– **"bill of entry"** means a bill of entry referred to in section 46;*

13.2 ***Section 2(23) of the Customs Act, 1962: – "import"****, with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*

13.3 ***Section 2(26) of the Customs Act, 1962: – "importer"****, in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;*

13.4 ***Section 2 (33) of the Customs Act, 1962: "prohibited goods"*** *means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;*

13.5 ***Section 2(39) of Customs Act, 1962: "smuggling"****, in relation to any goods, means any act or omission which will render such goods liable to confiscation under Section 111 and Section 113.*

13.6 ***Section 17 of the Customs Act, 1962****: "(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....."*

13.7 ***Section 46 (1) of the Customs Act, 1962****: "The importer of any goods, other than goods intended for transit or transhipment, shall make entry thereof by presenting electronically on the customs automated system to the proper of*

icer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed....."

13.8 ***Section 46 (4) of the Customs Act, 1962****: "The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper of icer the invoice, if any, (and such other documents relating to the imported goods as may be prescribed)."*

13.9 ***Section 46 (4A) of the Customs Act, 1962****: "The importer who presents a bill of entry shall ensure the following, namely: -*

a. the accuracy and completeness of the information given therein;
b. the authenticity and validity of any document supporting it; and
c. compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force."

13.10 ***Section 111 (d) of the Customs Act, 1962****: 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.;*

13.10 ***Section 111(m) of the Customs Act, 1962****: any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54;*

13.12 ***Section 112****- Penalty for improper importation of goods, etc. – Any person,*
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

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

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

(ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded on such goods or five thousand rupees, whichever is the greater;'

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

13.14 ***Section 124 of the Customs Act, 1962****: 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 of icer of Customs not below the rank of 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.*

Provided further *that notwithstanding issue of notice under this section, the proper of icer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

14. Obligation under Self-assessment:

Whereas, the Noticee had subscribed to a declaration as to the truthfulness of the contents of the Bills of Entry in terms of Section 46(4) of the

Customs Act, 1962, in all their import declarations. Further, consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' had been introduced in Customs. Section 17 of the Customs Act, 1962, effective from 08.04.2011, 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 Integrated Declaration and Paperless Processing) Regulation, 2018 (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 was defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in Electronic Data Interchange System either through ICEGATE or by way of data entry through the service centre, a Bill of Entry number was generated by the Indian Customs Electronic Data Interchange System for the said declaration.

15. Whereas, based on the discussions supra, it appears that the subject goods are rightly classifiable under CTI 08013210; wherein there is a Minimum Import Price of Rs. 680/- per Kg prescribed by DGFT vide Notification No. 59/2015-2020 dated 21.02.2023. Since, the import price is less than the MIP, the goods are prohibited for import and hence, appears to be liable for confiscation under Section 111(d) of the Customs Act, 1962. Further, for mis-declaring and thereby mis-classifying the imported goods at the Bills of Entry, the goods appear to be liable for confiscation under Section 111(m) of the Customs Act, 1962.

16. For the act of rendering the goods liable for confiscation under Section 111(d) & 111(m) of the Customs Acts, 1962, it appears that, the Noticee M/s. Shree Momaikrupa is liable for penalty under Section 112(a) of the Customs Act, 1962.

17. Circular No.17/2011-Customs dated 08.04.2011 issued by Ministry of Finance, Department of Revenue, Central board of Excise & Customs vide F.No.450/26/2011- Cus.IV, Section 17 of the Customs Act, 1962 provides for self-assessment of duty by the importer by filing a Bill of Entry in the electronic form. The importer at the time of self assessment is required to ensure that he declares the correct description of the goods, 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. It appears that the Noticee

has resorted to incorrect self-assessment, by mis-declaring and misclassifying the goods to evade the prohibition by DGFT, thereby violated provisions of Section 17 of the Customs Act, 1962.

18. Further, as per Section 46(4) and 46(4A) of the Customs Act, 1962, the Noticee is required to furnish a declaration as to the truth of the contents of Bill of entry and shall ensure accuracy and completeness of information, authenticity and validity of documents submitted. The Noticee is required to declare the full accurate details relating to the goods description, quantity, duties payable etc. It is noticed from the facts and the Statements of the key person i.e., the Proprietor of the Noticee and legal position that the impugned goods are classifiable under CTI 08013210 instead of 23080000 as declared by the Noticee in the bills of entry.

19. Role Played by Shri Laljibhai Samatbhai Susara/M/s. Momaikrupa Enterprise –

19.1 M/s. Shree Momaikrupa Enterprise, acting as the Noticee, played the central role in the case by filing Bills of Entry for goods imported from Vietnam while declaring them as "agricultural rejected nut pieces and waste (animal feed)" under CTH 23080000, whereas investigations and scientific testing appears to establish that the goods were in fact "cashew kernels – broken" classifiable under CTH 08013210. It appears that by way of this mis-declaration and misclassification the Noticee circumvented the DGFT restriction prescribing a Minimum Import Price of ₹680/kg and wrongly availed preferential duty exemption, despite importing the goods at a much lower value of about ₹83/kg, thereby rendering the goods prohibited for import and liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962.

19.2 It appears that the Noticee also exhibited a similar pattern in past imports, indicating deliberate and repeated evasion, and failed to maintain proper records or a functional place of business, suggesting that it operated as a paper entity. Shri Laljibhai Samat Susara, being the proprietor, is the legally responsible person for the acts of the firm and, through his statements recorded under Section 108, admitted that the imported goods were broken cashew nuts, acknowledged prior similar imports, and confirmed awareness of the applicable import restrictions, thereby establishing knowledge and intent. Although, he claimed reliance on other persons for documentation, it appears that such reliance does not absolve him of statutory obligations under Sections 17 and 46 of the Act; rather, his role reflects active participation in the illegal import of the impugned goods and its subsequent sales including procurement through overseas contacts and sale to domestic buyers. Accordingly, it appears

that the impugned goods imported by the Noticee and Shri Laljibhai are liable for confiscation and they are also liable for penal action under Section 112 of the Customs Act, 1962 for acts and omissions rendering the goods liable to confiscation.

SUMMARY:

20. In view of the foregoing facts, documentary evidences on record, statements recorded during the investigation, legal provisions, it appears that:

i. The Noticee has mis-declared the subject seized goods imported vide Bs/E Nos. 5245651, 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025 and the goods imported and cleared vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025 as "Agricultural Rejected Nut pieces and waste (a kind used in animal feed, unfit for human consumption)" which are actually "Cashew Kernels, broken".

ii. The Noticee has misclassified the said goods under CTI 23080000 which appears to be rightly classifiable under CTI 08013210 as discussed above.

iii. The goods imported vide Bills of Entry Nos. 5245651, 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025, with aggregate declared value of Rs. 96,87,370/- and aggregate Minimum Import Price on total quantity of 135 MTs arrived at Rs. 9,18,00,000/-, considering Rs. 680 Per Kg, are liable for confiscation under Sections 111(d) and 111(m) of the Act ibid;

(iv) The goods imported and cleared previously vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025, notwithstanding their present unavailability, with aggregate declared value of Rs. 76,36,791/- and aggregate Minimum Import Price on total quantity of 108 MTs arrived at Rs. 7,34,40,000/- considering Rs. 680 per kg, are also liable for confiscation under section 111(d) and 111(m) of the Customs Act, 1962.

iv. M/s Shree Momaikrupa Enterprise is liable for penalty under the provisions of Sections 112 of the Customs Act, 1962 for various omissions and commissions.

21. In view of the above, the Noticee M/s. Shree Momaikrupa Enterprise (IEC: LCTPS2689P), having its registered office at First Floor, R.S. Number 348/2 and 3, Shree Harikrushna Plaza, Atkot, Jasdan, Gujarat are hereby requested to show cause to the Commissioner, Customs (Preventive), Jamnagar

having its office at Room No.501, Seema Shulk Bhavan, Besides Victoria Bridge, Jamnagar Rajkot Highway, Jamnagar - 361001 as to why:

a. The description of the seized goods imported vide Bills of Entry Nos. 5245651. 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025 and the goods which were imported and cleared vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025 should not be rejected and correctly declared as "Cashew Kernels, broken";

b. The self-assessment, with respect to the seized goods imported vide Bills of Entry No. 5245651, 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025 and the goods which were imported and cleared vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025, under CTH 23080000 should not be rejected and re-classified under CTI 08013210 as per the provisions of Section 17 of the Customs Act, 1962;

c. The seized goods imported vide Bills of Entry No. 5245651, 5245989, 5246571, 5246839 and 5247239 all dated 22.10.2025, with aggregate declared value of Rs. 96,87,370/- and aggregate Minimum Import Price on total quantity of 135 MTs arrived at Rs. 9,18,00,000/-, considering Rs. 680 Per Kg, should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962;

d. The goods imported and cleared previously vide Bills of Entry No. 3900814 dated 14.08.2025, 4136944 dated 27.08.2025 and 4683058 dated 23.09.2025, with aggregate declared value of Rs. 76,36,791/- and aggregate Minimum Import Price on total quantity of 108 MTs arrived at Rs. 7,34,40,000/- considering Rs. 680 per kg, notwithstanding their present unavailability, should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962;

e. Penalty should not be imposed on them under Section 112 of the Customs Act, 1962;

22. The Noticee is hereby required to produce all evidences upon which they intend to rely upon in support of their defense. The Noticee is further required to indicate in their written reply as to whether they intend to be heard in person before the case is adjudicated, failing which it will be presumed that they do not desire a personal hearing.

23. If no reply is received within 30 (Thirty) days of receipt of this notice and do not appear before the adjudicating authority when the case is posted for hearing, the case will be decided ex-parte on the basis of material available on record.

24. This notice is issued without prejudice to any other action that has been or may be initiated under the Customs Act or under any other law for the time being in force.

25. The list of relied upon documents for the purpose of this show cause notice are listed in the Annexure-A.

26. Department reserves its right to amend, modify or supplement this notice at any time prior to the adjudication of the case.

27. The Noticee(s) also have an option under Section 127B of the Customs Act, 1962 to settle the case through Settlement Commission by filing an application, if eligible.

(Dhirendra Lal)
Commissioner

F.No. Cus/3768/2026-Adjn.
Date: 23.04.2026

By Speed Post/ Email:

To
M/s. Shree Momaikrupa Enterprise (IEC: LCTPS2689P),
106, First Floor, R.S. Number 348/2 and 3,
Shree Harikrishna Plaza, Atkot,
Jasdan, Gujarat - 360040

Copy to:

1. The Additional Director General, Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad for information.
2. The Additional Director, Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad for information.
3. The Deputy/Assistant Commissioner, Customs House, Pipavav with request to serve the Show Cause Notice to the Noticee and send dated acknowledgement to this office.
4. Guard file

ANNEXURE:-A

LIST OF DOCUMENTS RELIED UPON IN SHOW CAUSE NOTICE NO. COMMR-02/2026-27, ISSUED TO M/S. SHREE MOMAIKRUPA ENTERPRISE (IEC: LCTPS2689P), HAVING ITS REGISTERED OFFICE AT 106, FIRST FLOOR, R.S. NUMBER 348/2 AND 3, SHREE HARIKRISHNA PLAZA, ATKOT, JASDAN, GUJARAT.

RUD No.	Description of the documents	Remarks
01	Panchnama dated 30.10.2025	Available with the Noticee
02	CRCL, New Delhi test report dated 18.12.2025	Copy enclosed
03 & 04	NFSU, Gandhinagar test report reference No. NFSU/Co-FTF/Analysis/Report/2025-2026/121 dated 21.01.2026 and clarification dated 17.03.2026	Copy enclosed
05	Panchnama dated 31.01.2026	Available with the Noticee
06	Statement dated 30.01.2026 of Shri Laljibhai Samatbhai Susara, Proprietor of M/s Shree Momaikrupa Enterprises	Copy enclosed
07	Statement dated 02.02.2026 of Shri Laljibhai Samatbhai Susara, Proprietor of M/s Shree Momaikrupa Enterprises	Copy enclosed
08	Panchnama dated 10.04.2026	Available with the Noticee
09	Statement of Shri Mahesh Shivaji Bhanushali, Proprietor of M/s Jasoda Impex	Copy enclosed
10	Invoice raised by M/s. Dhara Cold Storage	Available with the Noticee
11	Seizure Memo dated 27.01.2026	Available with the Noticee