

 सत्यमेव जयते	आयुक्त, सीमा शुल्क का कार्यालय, OFFICE OF THE COMMISSIONER OF CUSTOMS न्यू कस्टम हाउस, बालाजी मंदिर के पास, न्यू कांडला-370210 NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE, NEW KANDLA-370210 E-mail : commr-cuskandla@nic.in	
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A	FILE NO.	GEN/ADJ/ADC/512/2026-Adjn-O/o Commr-Cus-Kandla
B	OIO NO.	KDL/ADC/VS/06/2026-27
C	Passed by	VISHWAJEET SINGH, COMMISSIONER (in-situ), CUSTOMS HOUSE, KANDLA.
D	DATE OF ORDER	17.04.2026
E	DATE OF ISSUE	17.04.2026
F	SCN NUMBER & DATE	SCN GEN/ADJ/ADC/512/2026-Adjn-O/o Commr-Cus-Kandla Dtd.18.03.2026
G	Noticee / Party / Importer	M/s. Blushzone Cosmetics and Beauty Products Pvt. Ltd., Bangalore (IEC- AALCB9685N)
H	DIN Number	20260471ML0000212662

1. यह अपील आदेश संबंधित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1- में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

“ सीमा शुल्क आयुक्त (अपील),
 चौथी मंजिल, हुडको भवन, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद-380009”
 “The Commissioner of Customs (Appeals), Ahmedabad,
 Having his office at 4th Floor, HUDCO Bhawan, Ishwar Bhuvan Road,
 Navrangpura, Ahmedabad 380009

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए ।

Appeal shall be filed within sixty days from the date of communication of

this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

- (i) उक्त अपील की एक प्रति और (A copy of the appeal, and)
- (ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं०-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए ।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/-(Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये ।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमा शुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए ।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

Brief facts of the case:-

1. Specific intelligence was developed that One 20 feet Container No. WLP2300784 (through Vessel: TSS Amber) unloaded on 20.04.2025 in KICT by Shipping Line M/s. Winwin Maritime Ltd., destined for Kandla Special Economic Zone (KASEZ) and has been lying inside the terminal till date (appx. 138 days has passed) and no party has approached for the delivery of the same. In the IGM, 8 pallets are declared and goods appear to be Cosmetic products and the Consignee: Blushzone Cosmetics and Beauty Products Pvt. Ltd., Bangalore (IEC-AALCB9685N) and the Notify Party is: Liladhar Passo Forwarders Pvt. Ltd. Plot No.4, Sector-1, Marshelling Yard, KASEZ. It has been gathered that the Line wants to re-export this container.
2. For importing the Cosmetic products in India, registration / authorisation under the Drugs and Cosmetics Act, 1940 and the Cosmetics Rules, 2020 are required and as the container has been lying idly in KICT for such a long period, an investigation has been initiated and the container has been put on hold for further action.
3. Investigation revealed that Container No. WLP2300784, covered under Bill of Lading No. WINJEAIXY70524 dated 16.04.2025 was manifested through Import General Manifest (IGM) filed under Section 30 of the Customs Act, 1962 by M/s Winwin Maritime Ltd. (hereinafter referred to as "Shipping Line"). The IGM specifically declared M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. (hereinafter referred to as "Noticee") as the consignee/importer. The details of the consignment, as per IGM No.1132993 dated 16.04.2025 are as under:-

Sr. No.	Name of Importer	CHA/Notify	Bill of Lading	Description	Value (in Rs.)	Duty (in R s.)	Container details
1	M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd.	M/s Liladhar Passo Forwarders Pvt. Ltd.	WINJEAIXY70524 dated 16..04.2025	Cosmetic products (3304)	4,91,17,536/-	2,15,92,069/-	WLP2300784

Investigation

4. Examination: It is pertinent to mention that the container bearing No. WLP2300784 was initially unloaded at Kandla International Container Terminal (KICT) on 20.04.2025 and remained lying there for a considerable period as nobody approached for clearance of the goods. During the course of investigation, it was considered necessary to undertake detailed physical examination of the goods contained therein. However, since examination facilities and space for detailed destuffing and verification were not readily available at KICT, the container was shifted to the Container Freight Station (CFS) of M/s A. V. Joshi & Co., Kandla, which is an approved customs area equipped for examination and destuffing of containers.

5. The examination of the cargo of container- WLP2300784 of "Cosmetics Products" imported by M/s. Blushzone Cosmetics and Beauty Products Pvt. Ltd., Bangalore, vide Bill of Lading WINJEAIXY70524 dated 16.04.2025, lying at CFS A. V. Joshi, Kandla, was conducted on 19.09.2025. The proceedings were recorded under a Panchnama dated 19.09.2025 and was directed not to deal/temper/remove/part with goods of the aforementioned container, without the prior permission of the competent authority, Custom Kandla. The details of the goods are as under-

S.NO	DESCRIPTION	QTY
1	Activex Cutticle Remover 250 ml	640
2	Activex Face & Body Scrub 500 ml Vitamin E	310
3	Silky Cool Hair Tonic 100 ml	290
4	Activex Shower Gel 1000 ml Fruits	500
5	Activex Exfoliating Body Wash 1000 ml Citrouisia & Minta	440
6	Silky Cool Beard Oil 120 ml	500
7	Millia Facial Serum 40 ml Collagen	100
8	Millia Facial Serum 40 ml Retinol	210
9	Millia Facial Serum 40 ml Vitamin B3	450
10	Silky Cool Hair Conditioner Sulfate-Free 500 ml	500
11	Silky Cool Hair Shampoo Sulfate-Free 500 ml	500
12	Silky Cool Mineral Bath Salt 3 Kg Breeze	480
13	M.S. Hair Styling Cream 200 ml All Hair Types	500

6. Statements:

The statements of the M/s. Liladhar Passo (Notify Party), M/s. Blushzone Cosmetics and Beauty Products Pvt. Ltd. (Importer) and M/s Winwin Maritime Ltd. (Shipping Line) have been taken on records and are as:-

(i) Statement of M/s Liladhar Pasoo Forwarders Pvt. Ltd. (hereinafter

referred to as Notify Party or LP): Statement dated 13.10.2025 and 16.10.2025 recorded of Sh. Kailash T Sharma, Authorized representative of M/s Liladhar Pasoo Forwarders Pvt. Ltd., Gandhidham, Kutch, Gujarat - 370230 and the relevant portion of the same are reproduced as:

- I. M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. contacted our company on our email id. M/s. Blushzone wanted to import the cosmetic goods for kitting, de-kitting, labelling and then to re-export. On being asked for the documents, M/s. Blushzone submitted the KYC vide Email. The case was put up before UAC (Unit Approval Committee) of the KASEZ on 17.04.2025. In Agenda no. 213.3.9, Minutes of the 213th Unit Approval Committee of KASEZ on 30.04.2025 “permit the additional items to be warehoused by the above unit on behalf of DTA / Foreign Clients as submitted by the unit except items at Sr. No. 3, 4, 5, 11, 16 & 33 of the Agenda, subject to submission of ITR of the DTA client for the A.Y. 2022-23 & 2023-24 &
- II. M/s. Blushzone forwarded a copy Bill of Lading to our email and we ask to submit the other documents like Commercial Invoice, Packing list and other for filing the Bill of Entry for the same. On receiving the documents, we filed the Bill of Entry on 24.04.2025.
- III. Knowing about the Minutes of KASEZ dtd. 30.04.2025, we requested M/s. Blushzone to submit the two years ITR but due to non-submission of the documents, we requested for cancellation of the Bill of Entry to KASEZ Authorities, which was finally cancelled on 14.08.2025 by KASEZ Authorities.
- IV. M/s. Blushzone is the new client for us and in past we have never ever imported any goods of M/s. Blushzone. We have not any kind of agreement with M/s. Blushzone.
- V. The chronology of the events with M/s. Blushzone is as :

Date	Event
01.04.2025	M/s. Blushzone contacted through Email (info.narayanenterprise@gmail.com) for quotation regarding comprehensive service for import, labeling and re-export for beauty products (Import from Dubai and Export to Malaysia)
02.04.2025	LP provided the quotation to M/s. Blushzone.

02.04.2025	M/s. Blushzone agreed with quotation and conveyed that the payment will be disbursed from Narayan Enterprise and asking for documents required for the same.
11.04.2025	LP sent the list of documents for KYC.
14.04.2025	LP again sent the reminder and asking for documents prior to vessel ETA to avoid additional cost of detention and demurrage.
14.04.2025	M/s. Blushzone sent us the Draft BL for confirmation.
16.04.2025	M/s. Blushzone submitted the KYC
17.04.2025	LP confirmed the draft BL and ask for arrangement of packing list with item wise KGS detail.
17.04.2025	LP requested to KASEZ authority for addition of items in their LOA and submitted the KYC for the Party
19.04.2025	M/s. Blushzone submitted the Import documents like BL, Commercial Invoice and Packing List.
24.04.2025	LP filed the Bill of Entry.
25.04.2025	LP executed the Bond-cum Legal Undertaking to KASEZ authority amounting to Rs. 16 Crore.
30.04.2025	Meeting of Unit Approval Committee (UAC) conducted and in the Agenda no. 213.3.9, Minutes of the 213th Unit Approval Committee of KASEZ on 30.04.2025 <i>“permit the additional items to be warehoused by the above unit on behalf of DTA / Foreign Clients as submitted by the unit except items at Sr. No. 3, 4, 5, 11, 16 & 33 of the Agenda, subject to submission of ITR of the DTA client for the A.Y. 2022-23 & 2023-24 & ”</i>
01.05.2025	LP emailed to M/s. Blushzone for providing ITR in order to enable the import process, as per Minutes of the UAC Meeting.
05.05.2025	LP requested to the KASEZ authority for cancellation of Bill of Entry no. 9674450 dtd. 24.04.2025 and withdrawl of application dtd. 17.04.2025 for insertion of HS code in LOA. And further many reminders were written to KASEZ authority for cancellation of the same.
09.06.2025	Blushzone (through email id – info@blushzonecosmetics.com) requested to LP for cancellation of Bill of Entry due to incomplete documentation.

14.08.2025	KASEZ Authority cancelled the Bill of Entry in system of ICEGATE. LP telephonically confirmed the same to the Liner.
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In KASEZ, if the cosmetic goods are imported for the purpose of re-export, then there is no need of any Drug License but if the cosmetic goods are imported for the purpose of DTA clearance, then Drug License is mandatory. As M/s. Blushzone contacted me for import and re-export, so I did not ask for any Drug License.

(ii) Statement of M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. (Noticee): Statement dated 06.11.2025 recorded of Sh. Yogesh Kaushik, Director of M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd., Bengaluru Urban, Karnataka – 560025 and the relevant portion of the same are reproduced as:

- I. M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd., is a Private Limited Company and established in September 2023 bearing GST Registration No. 29AALCB9685N1ZI and there are 02 Directors namely Sh. Yogesh Kaushik (myself) and Sh. Amit Singh. The company deals in Import and Export of Cosmetic products. I am submitting the duly attested copy of registration certificate of GST, Certificate of Incorporation (MCA), Memorandum of Association (MoA).
- II. This is the very first consignment of M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. For the same, we contacted Winwin Shipping Agency Ltd., Gandhidham and they gave us the contact of M/s. Liladhar Passo Forwarders Pvt. Ltd., Kandla SEZ. We contacted M/s. Liladhar Passo Forwarders Pvt. Ltd. and asked for the quotation for import of the cosmetic goods for kitting, de-kitting, labelling and then to re-export and accepted the quotation of M/s. Liladhar Passo Forwarders Pvt. Ltd. On being asked by M/s. Liladhar Passo for the documents, we submitted the KYC vide Email.
- III. Later on, we forwarded a copy Bill of Lading and the other documents like Commercial Invoice, Packing list for filing the Bill of Entry for the same to M/s. Liladhar Passo. Finally, M/s. Liladhar Passo filed the Bill of Entry on 24.04.2025 in Kandla SEZ on our behalf.
- IV. Then, M/s. Liladhar Passo contacted us and asked to submit the two years ITR, quoting the Minutes of the 213th Unit Approval Committee of KASEZ on 30.04.2025 in our case. But due to non-availability of the two year ITRs, M/s. Liladhar Passo requested Kandla SEZ authorities for cancellation of the Bill of Entry, which was finally

cancelled on 14.08.2025 by KASEZ Authorities. It took around three and a half months for cancellation of the Bill of Entry by Kandla SEZ authorities. This is the main reason for container to be stuck at Kandla Terminal.

- V. Later on, M/s. Winwin Shipping Agency Ltd., Gandhidham guided us that at this stage, this container cannot be imported in India for kitting, de-kitting, labelling and then to re-export and it is advisable to send it back to the overseas supplier as it is. That's why, we took the decision to re-export it.
- VI. Yes, I know that drug license is required for import of Cosmetics products in India. But in case of the subject consignment, we were not going to sell the product in India. We have imported in the SEZ & after kitting, de-kitting, labelling, we were going to re-export the whole consignment. So, in our case, the drug license not required.
- VII. I humbly request your goodself to please allow me to re-export this container to overseas supplier so that I may come out of the financial constraint. I am ready to pay any fine, penalty for re-exporting this container.

(iii) Statement of M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. (Noticee): Statement dated 22.12.2025 recorded of Sh. Deepak Kashyap, Authorised Person of M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd., Bengaluru Urban, Karnataka – 560025; wherein he stated that:

- I. M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd., is a Private Limited Company and established in September 2023 bearing GST Registration No. 29AALCB9685N1ZI. The company is engaged in the import and export of cosmetic products. I am responsible for handling marketing, banking, and other office-related work.
- II. I am providing the payment details, including the ledger of accounts and SWIFT copies. Out of the total amount of USD 5,68,490, we have already made payment of USD 3,88,883.

As mutually agreed vide letter dated 07.10.2024, the balance payment against the shipment shall be cleared within 45 days from the date of shipment of the container from the UAE. The container was landed in India on 20.04.2025 then after M/s. Liladhar Passo contacted us and asked to submit the two years ITR, quoting the Minutes of the 213th Unit Approval Committee of KASEZ on

30.04.2025 in our case. But due to non-availability of the two year ITRs, M/s. Liladhar Passo requested Kandla SEZ authorities for cancellation of the Bill of Entry. At this stage we can't execute the import formalities so we could not make the rest of the payment to the Supplier.

III. All the goods are of Dubai made brand.

(iv) Statement of M/s Winwin Maritime Ltd. (Shipping line): Statement dated 11.11.2025 recorded of Sh. Dhawal Rawal, Authorized representative of M/s Winwin Maritime Ltd., Gandhidham (Kutch)- 970201 and the relevant portion of the same are reproduced as:-

- I. M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd. contacted our company in March 2025 for enquiry regarding import of cosmetic goods and we referred M/s. Liladhar Passo for the same. Later on, in April 2025, we received the Bill of Lading No. WINJEAIXY70524 dated 16.04.2025 on our email id from Port of Loading, Jebel Ali and accordingly, we filed the IGM in Kandla Customs. Then, M/s. Liladhar Passo asked for the Delivery Order (D.O.) and Invoice and we sent the invoice on 23.04.2025 and got the payment from the Importer, M/s. Blushzone. Then finally, we sent the D.O. to M/s. Liladhar Passo on their email on 23.04.2025.
- II. When a long time has been passed and the container was lying idle on KICT (Terminal), we communicated the Consignee and Notify party. But no response has been received from both the ends. Later on, we got communication from the Port of Loading side and they requested to re-export the container and accordingly, we requested the Customs for allowing us to re-export the container.
- III. I request your good self to give us a permission for re-exporting the same, as the company is getting unnecessarily financial burden in this case.

7. Legal Provisions of the Customs Act 1962:-

- i. **Section 2(25) of the Customs Act, 1962** –*imported goods means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;*
- ii. **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 2 [any owner, beneficial*

owner] or any person holding himself out to be the importer;

iii. **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;

iv. **Section 30 of the Customs Act, 1962 - Delivery of [arrival manifest or import manifest] or import report.**—(1) The person-in-charge of—

(i) a vessel; or

(ii) an aircraft; or

(iii) a vehicle,

carrying imported goods 3 [or export goods] or any other person as may be specified by the Central Government, by notification in the Official Gazette, in this behalf shall, in the case of a vessel or an aircraft, deliver to the proper officer 4 [an 1 [arrival manifest or import manifest] by presenting electronically prior to the arrival] of the vessel or the aircraft, as the case may be, and in the case of a vehicle, an import report within twelve hours after its arrival in the customs station, in 5 [such form and manner as may be prescribed] and if the 1 [arrival manifest or import manifest] or the import report or any part thereof, is not delivered to the proper officer within the time specified in this sub-section and if the proper officer is satisfied that there was no sufficient cause for such delay, the person-in-charge or any other person referred to in this sub-section, who caused such delay, shall be liable to a penalty not exceeding fifty thousand rupees:]

[Provided that the 7 [Principal Commissioner of Customs or Commissioner of Customs] may, in cases cases where it is not feasible to deliver 1 [arrival manifest or import manifest] by presenting electronically, allow the same to be delivered in any other manner.]

(2) The person delivering the 1 [arrival manifest or import manifest] or import report shall at the foot thereof make and subscribe to a declaration as to the truth of its contents.

(3) If the proper officer is satisfied that the 1 [arrival manifest or import manifest] or import report is in any way incorrect or incomplete, and that there was no fraudulent intention, he may permit it to be amended or supplemented.

(v) **Section 46 of the Customs Act, 1962:-** Entry of goods on importation.

(1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 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]:

[Provided that the 8 [Principal Commissioner of Customs or Commissioner of Customs] may, in cases cases where it is not feasible to make entry by presenting electronically 5 [on the customs automated system], allow an entry to be presented in any other manner:

Provided further that] if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.

(2) Save as otherwise permitted by the proper officer, a bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignor.

[(3) The importer shall present the bill of entry under sub-section (1) before the end of the next day following the day (excluding holidays) on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:

Provided that a bill of entry may be presented at any time not exceeding thirty days prior to] the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:

Provided further that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.]

*(4) The importer while presenting a bill of entry shall 11*** make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, 1 [and such other documents relating*

to the imported goods as may be prescribed].

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

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

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

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

(5) If the proper officer is satisfied that the interests of revenue are not prejudicially affected and that there was no fraudulent intention, he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.

(vi) Section 111(d) of the Customs Act, 1962:- Confiscation of improperly imported goods, etc.—*The following goods brought from a place outside India shall be liable to confiscation:—*

(a);

(b);

(c);

(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;

(vii) Section 112(a) of the Customs Act, 1962:- 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 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;

(viii) 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 officer 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 officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]

(ix) Section 125 of the Customs Act, 1962:- 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.]

Legal Provisions of the Drugs and Cosmetics Act, 1940:-

(x) Section 10 of the Drugs and Cosmetics Act, 1940 Prohibition of import of certain drugs or cosmetics.—From such date as may be fixed by the Central Government by notification in the Official Gazette in this behalf, no person shall import—

(a) any drug [or cosmetic] which is not of standard quality;

(b) any misbranded drug [or misbranded or spurious cosmetics;

(bb) any [adulterated or spurious;] drug;

(c) any drug 1 [or cosmetic] for the import of which a licence is prescribed, otherwise than under, in accordance with, such licence;

.....

(xi) Rule 12 of the Cosmetics Rule, 2020 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)

(9) The applicant shall pay the fee as specified in the Third Schedule in connection with the expenditure to be incurred for inspecting or visiting the manufacturing premises of cosmetics approved in the foreign countries by officers authorised by Central Licensing Authority,

as considered necessary.

(xii) Rule 13 of the Cosmetics Rule, 2020 Grant of import registration certificate.—

(1) After examination of documents furnished with the application under sub-rule (2) of rule 12 the Central Licensing Authority may, on being satisfied, grant import registration in Form COS- 2 or may reject such application for which reasons shall be recorded in writing within a period of six months from the date of application.....

(5) A fee as specified in the Third Schedule shall be paid for a duplicate copy of the registration certificate, if the original is defaced, damaged or lost.

Outcome / Findings of Investigation:-

8. Investigation reveals that Noticee was declared as the consignee in the Import General Manifest filed under Section 30 of the Customs Act, 1962 by the Shipping Line. While the IGM is an important statutory declaration identifying the consignee of goods, the determination of the “importer” must be made with reference to Section 2(26) of the Customs Act, 1962, which defines importer to include any owner, beneficial owner or any person holding himself out to be the importer between the time of importation and clearance. In the present case, Noticee arranged the import, submitted KYC documents, supplied commercial documents and caused filing of Bill of Entry No. 9674450 dated 24.04.2025, as per the statement of M/s. Blushzone Cosmetics and Beauty Product Pvt. Ltd. vide dated 06.11.2025 & 22.12.2025 recorded under Section 108 of the Customs Act, 1962. Accordingly, Noticee qualifies as the importer within the meaning of Section 2(26) of the Customs Act, 1962.

9. Noticee filed Bill of Entry No. 9674450 dated 24.04.2025 under Section 46 of the Customs Act for warehousing of the goods in SEZ for processing and re-export. However, the Unit Approval Committee of KASEZ in its meeting dated 30.04.2025 imposed the condition of submission of Income Tax Returns for the preceding two assessment years.

10. Statements recorded under Section 108 establish that Noticee was aware of the said conditions. However, Noticee failed to comply with the requirement and instead requested cancellation of the Bill of Entry. The Bill of Entry was cancelled by the KASEZ authorities on 14.08.2025.

11. The cancellation of a Bill of Entry does not extinguish the fact of importation. Import is completed once goods are brought into India from a place outside India. After cancellation of the Bill of Entry, the goods continued to remain in India under customs control without any valid Bill of Entry filed for clearance, warehousing or re-export under Section 46 of the Customs Act.

12. The goods under import are cosmetic products. Import of cosmetics into India is regulated under Section 10 of the Drugs and Cosmetics Act, 1940 and the Rule 12 & 13 of the Cosmetics Rules, 2020. As per Section 10 of the Drugs and Cosmetics Act, 1940, no cosmetic shall be imported into India unless it complies with the provisions of the Act and the Rules framed thereunder.

Further, Rule 12 & 13 of the Cosmetics Rules 2020 require that cosmetics intended for import into India must possess a Registration Certificate issued by the Central Licensing Authority (Drug Controller General of India, Central Drugs Standard Control Organization) in the prescribed form.

13. Investigation has revealed that Noticee did not possess any valid Registration Certificate or authorization under the Drugs and Cosmetics Act, 1940 read with Rules 12 & 13 Cosmetics Rules, 2020 for import of the subject cosmetic goods. Consequently, the import of the said cosmetics was contrary to the statutory prohibition imposed under the Drugs and Cosmetics Act, 1940.

14. In terms of Section 2(33) of the Customs Act, 1962, goods the import of which is subject to prohibition under any law for the time being in force are treated as "prohibited goods". Since import of cosmetics without the prescribed authorization under the Drugs and Cosmetics Act is not permissible, the subject goods fall within the ambit of "prohibited goods".

15. Accordingly, the goods appear to have been imported contrary to the prohibition imposed under the Drugs and Cosmetics Act, 1940 and therefore are liable to confiscation under Section 111(d) of the Customs Act, 1962.

16. By arranging import of such goods without the mandatory statutory authorization and by allowing the goods to remain in India without filing a valid Bill of Entry for lawful clearance, Noticee has rendered the goods liable to confiscation and is therefore liable to penalty under Section 112(a) of the Customs Act, 1962.

17. Therefore, M/s Blushzone Cosmetics and Beauty Products Pvt. Ltd., (IEC-AALCB9685N) Bangalore were called upon to show cause as to why:

- i. the goods contained in the Container No. WLP2300784 should

- not be confiscated under Section 111(d) of the Customs Act, 1962;
- ii. the redemption fine under Section 125 should not be imposed;
 - iii. penalty under Section 112(a) should not be imposed;

DEFENSE SUBMISSION:-

18. The noticee vide their letter dated 02.04.2026 in their defense have submitted that-

- i. The delay in occurrence occurred due to procedural requirements imposed by the KASEZ authorities, specifically the requirement to submit two years Income Tax Return (ITR). Since, their company was newly established (September 2023), they did not file the returns.
- ii. Due to this the Bill of Entry filed on 24.04.2025 and was requested for cancellation on 14.08.2025. The delay was procedural and beyond their direct command.
- iii. No Malafide Intent:-

There was no intention to evade duty or violate any provisions of law. All actions, including filing of B/E and submissions of documents, were done transparently through authorized channels. The goods remained uncleared due to compliance with Legal Provisions. As the goods were intended for re-export after processing in SEZ: Requirement of drug license under the Drugs and Cosmetics Act does not apply in case of re-export from SEZ, as clarified during proceedings. Whereas KASEZ has imposed a condition for filing of Income Tax Returns after the import of goods and filing bill of entry of goods for re-export purposes. This condition was earmarked after filing IGM not before landing of Goods. Neither Liladhar passo who is our CHA at that time informed us before landing of goods in Indian customs or nobody else also.

- iv. We have already submitted that we are on early stage of this business which can be traced from our company incorporation documents also. We have hired one of the best CHA M/s Liladhar Passo with the opinion that they will coach us better for compliances. This is their responsibility to aware us about this, before landing of goods in Indian customs.
- v. Moreover, we have imported goods in SEZ for re-export only, in India we have relabel, label, kiting/de kiting imported goods in SEZ for kiting.
- vi. We have fully cooperated with the investigation and provided all the required documents and statements.

Request for Re-export

- vii. We had already requested permission to re-export the goods to the overseas supplier M/s Beauty call, as:

- viii. Idle goods are causing financial losses; cosmetics expire within 1-2 years and need prompt re-exporting to avoid destruction.
- ix. Rule 131(3) permits re-export when any part of Chapter III of the Drugs and Cosmetics Act or its rules is violated-not just for sub-standard quality, but for all breaches, including lack of a valid registration certificate.
- x. Please considers decision of case law **Kanwarlal & Co. Vs. Jt. Commissioner of Customs-2018 (360) ELT 837 (Mad) and B. Kholani & Co. Vs. Commissioner of Customs-2015 (320) ELT 189 (Mad)**.
- xi. Payment to suppliers has been made, and details submitted with statements. Regulatory hurdles, such as insufficient information and lack of updates from CHA M/s Liladhar Passo, have delayed the import process despite their expertise.
Prayer
- xii. In view of the above, they requested that the goods may kindly be allowed for re-export without confiscation. Any proposed penalties may be waived or reduced, considering their Absence of malafide intention, Genuine procedural constraints.

PERSONAL HEARINGS:-

19. The noticee vide their letter 02.04.2026 has submitted to consider their written submission dated 02.04.2026 and Further, the noticee requested to for personal hearing in the matter and personal hearing was conducted on 16.04.2026 and Shri Applaswamy Yampalla, Authorized Representative of the noticee appeared for personal hearing and he categorically denied all the charges levelled in the Show Cause Notice dated 18.03.2026. Further, he requested that the case be adjudicated and the seized goods be allowed for re-export without imposition of any redemption fine. He further prayed for dropping of all the proceedings in the matter and reiterated the submissions dated 02.04.2026.

DISCUSSION AND FINDINGS:-

20. I hereby proceed to adjudicate the case in the light of Show Cause Notice, Defense Submission, facts and records available in the case.

21. The Noticee imported cosmetic products via Container No. **WLPU2300784**, filing Bill of Entry No. **9674450** (dated 24.04.2025) for warehousing in KASEZ. The import was stalled because the noticee could not provide two years of Income Tax Returns (ITR) as required by the Unit Approval Committee. Consequently, the Bill of Entry was cancelled on 14.08.2025. The Department alleges that because the goods were imported without a valid Registration Certificate under the **Drugs and Cosmetics Act**,

1940, they are "prohibited goods" under Section 2(33) and liable to confiscation under Section 111(d) of the Customs Act, 1962.

22. Status of Importer: I agree with the investigation that the Noticee is the "Importer" per **Section 2(26)**. By filing the Bill of Entry and providing KYC, they held themselves out to be the importer. The cancellation of the Bill of Entry does not erase the fact of importation.

23. Procedural Impossibility: The Noticee has demonstrated that their company was incorporated in **September 2023**. The requirement for two years of ITR was a "procedural impossibility" at the time of filing. I find merit in the argument that a newly established startup cannot be expected to provide documents that do not exist.

24. Nature of Goods & Re-export: The goods were intended for SEZ processing and re-export. The Noticee has cited Rule 131(3) of the Cosmetics Rules, 2020, which allows for re-export in cases of non-compliance. Furthermore, the judicial precedents cited (**Kanwarlal & Co. and B. Kholani & Co.**) establish that where there is no intent to clear goods for home consumption or evade duty, the department should favor re-export over absolute confiscation.

25. Prohibited Goods vs. Technical Breach: While the absence of a Drug Registration Certificate technically renders the goods "prohibited" under Section 2(33), this is a rectifiable/technical breach rather than a substantive attempt to smuggle contraband.

26. The noticee further have cited cases of **Mallesh Cheekoti v. Commissioner of Customs [CESTAT Chennai, 2026]**, I find that Ratio held by the Tribunal that if an importer is a bona fide owner and the violation occurred due to a lack of awareness of the law (and not a deliberate attempt to smuggle), the penalty should be drastically reduced. They further referred the case of **CC vs. Elephanta Oil [2003 (152) E.L.T. 257 (S.C.)]**- I find that this case law is often cited in cases where goods are destined for re-export. It was observed that while the authority has the power to impose a fine, if the importer is not clearing the goods for "home consumption" but is instead opting to re-export them, the redemption fine should be significantly lower or nil, as the goods never entered the domestic market. In view of the above cited case-laws, in the present case the importer has requested to re-export the goods.

27. In view of the above findings, specifically noting the absence of *mens rea* (guilty intent) and the startup status of the company, I pass the following order:

-Order-

(i) Confiscation: The goods contained in Container No. WLP2300784 are held liable for confiscation under Section 111(d). However, I give the Noticee an option to Redeem the goods for the purpose of Re-export only, on payment of a Redemption Fine.

(ii) Redemption Fine: Considering the financial hardship, the perishable nature of cosmetics and cited case laws, I impose the Redemption Fine of **Rs.2,00,000/- (Rupees Two Lakh Only)** under Section 125 of the Customs Act, 1962.

(iii) Penalty: I impose a penalty of **Rs.20,00,000/- (Rupees Twenty Lakh Only)** under Section 112(a) of the Customs Act, 1962 and the goods are allowed re-export subject to the fulfillment of all other shipping formalities.

(VISHWAJEET SINGH)
COMMISSIONER (in-situ),
CUSTOMS HOUSE, KANDLA.

F. No. GEN/ADJ/ADC/512/2026-Adjn-O/o Commr-Cus-Kandla

To,

M/s. Blushzone Cosmetics and Beauty Products Pvt. Ltd.,
(IEC- AALCB9685N) 2nd Floor, Unit No-202, Palm Square No-125,
Brigade Road, Brigade Tower, Ashok Nagar,
Bangalore, Bengaluru Urban,
Karnataka-560025.

Copy to :-

1. The Assistant Commissioner (SIIB), Custom House, Kandla.
2. The Assistant Commissioner (RRA), Custom House, Kandla.
3. The Assistant Commissioner (TRC), Custom House, Kandla.
4. The Assistant Commissioner (EDI), Custom House, Kandla.
5. Guard File