	कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा, सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421 **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:** **CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.** **PHONE : 02838-271426/271163 FAX :02838-271425** **E-mail id- adj-mundra@gov.in**	

A. File No.	**:**	**GEN/ADJ/ADC/1106/2026-Adjn-O/o Pr. Commr-Cus-Mundra**
B. SCN No.	**:**	**108/2026-27/ADC/ZDC/MCH**
C. Date of Issue		**16.07.2026**
D. Passed by	**:**	**Dipak Zala, Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.**
E. Noticess(s)/Importer	**:**	**M/s Tarkeshwar Associates (IEC: BDTPC5239A)**

<u>Whereas it appeared that:</u>

1. INTELLIGENCE

1.1. M/s Tarkeshwar Associates, having its address at Flat No. 12, Floor 1-C-3, Siddharth Nagar, Phase-1, Aundh Road, Pune–411007, holding IEC No. BDTPC5239A (hereinafter referred to as the "importer" for the sake of brevity), is engaged in the import of stage-effect machines and other trading goods at Mundra SEZ. It is stated that the importer has been importing such goods under various declarations pertaining to stage-effect machines and related articles.

1.2 The Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (hereinafter referred to as "DRI" for the sake of brevity), developed specific intelligence to the effect that the importer was importing fireworks concealed in containers from China and mis-declaring the same as stage-effect machines and other items.

1.3 Based on the said intelligence, the following import consignment of M/s Tarkeshwar Associates was put on hold vide letter dated 19.12.2025, and the officers of DRI examined the goods. The details of the imported goods, as declared by the importer in the Bill of Entry, are as under:

Table "1"

SEZ BE No. & Date	Bill of Lading No.	Container No.	CTH	Description of goods as per BE
6486033 dated 23.12.2025	**MEDUKZ556540 dated 03.12.2025**	TXGU5379045	84248990	STAGE JET FOG AIR THROWER MACHINE
			84248990	STAGE BUBBLE MACHINE-MINI
			84248990	STAGE FOAM MACHINE
			28230090	COMPOSITE SPONGE – (TI FOR STAGE EFFECT)
			28230010	COMPOSITE TI FOR STAGE EFFECT (Tio2 FOR STAGE EFFECT)
			85444999	EXTENSION CABLE FOR MACHINE

2. EXAMINATION OF GOODS

2.1 Physical examination of the goods mentioned under the above Bill of Entry No. 6486033 dated 23.12.2025 filed at Mundra SEZ port was conducted at SEZ Unit, M/s. Shoolin Trade Link LLP under Panchanama dated 24/25.12.2025 by the officers of DRI, Ahmedabad in the presence of Authorised representative of M/s. Tarkeshwar Associates (**RUD-1**).

2.2 During the examination of goods, copies of documents such as Bill of Entry, Bill of Lading, Packing List/Commercial Invoice, etc. were obtained. In these documents following details were declared:

Table – 2

S. N.	**PARTICULARS**	**DETAILS**
1	NAME OF IMPORTER	M/S. TARKESHWAR ASSOCIATES, FLAT NO 12, FLOOR 1-C-3, SIDDHARTH NAGAR, PHASE-1, AUNDH ROAD, PUNE-411007 (IEC: BDTPC5239A)
2	GST NO.	27BDTPC5239A1ZO
3	EMAIL ID	HUMANMIND123@HOTMAIL.COM
4	BILL OF ENTRY NO. & DATE	6486033 DATED 23.12.2025
5	BILL OF LADING NO.	MUDUKZ556540 DATED 03/12/2025
6	NAME OF EXPORTER	M/S. DONGYANG GURUI COMMODITY CO. LTD.
7	SALES INVOICE NO.	DGCL881118 DATED 25/11/2025
8	DESCRIPTION OF GOODS	AS PER TABLE-2
9	QUANTITY OF GOODS DECLARED	19.29 MTS
10	TOTAL INVOICE VALUE	24792.5 USD
11	COUNTRY OF CONSIGNMENT	CHINA

2.3 The details of imported goods declared in bill of entry no. 6486033 dated 23.12.2025 are tabulated below:

Table-3

Sr No	Description	**CTH**	Quantity
1	STAGE JET FOG AIR THROWER MACHINE	84248990	265 PIECES
2	STAGE BUBBLE MACHINE-MINI	84248990	324 PIECES
3	STAGE FOAM MACHINE	84248990	20 PIECES
4	COMPOSITE SPONGE – (TI FOR STAGE EFFECT)	28230090	4000 Kgs
5	COMPOSITE TI FOR STAGE EFFECT (Tio2 FOR STAGE EFFECT)	28230010	4000 Kgs
6	EXTENSION CABLE FOR MACHINE	85444999	125000 DOZEN

2.4 The goods were examined under Panchanama dated 24/25.12.2025 in the presence of the authorised representative of the importer and representatives of the warehouse. Upon physical examination of goods, following goods were found out:

Table-4

SR NO	GOOD FOUND DURING THE EXAMINATION	QUANTITY
1	MACHINE PACKED IN CORRUGATED BOXES HAVING MARKING MENTIONING STAGE JET FOG AIR THROW MACHINE	265 PIECES
2	MACHINE PACKED IN CORRUGATED BOXES HAVING MARKING MENTIONING STAGE BUBBLE MACHINE-MINI	324 PIECES
3	MACHINE PACKED IN CORRUGATED BOXES HAVING MARKING MENTIONING STAGE SAILINGFLO BILGE PUMP AND USER MANUAL MENTIONING JET FOAM MACHINE	20 PIECES
4	ORANGE COLOUR WIRE LIKE ITEM WITH ONE END OPEN AND OTHER END WITH BLACK SPOT PACKED IN CORRUGATED BOX	15,00,000 PIECES
5	DARK GREY POWDER STORED IN WHITE SACK BAG OF 25 KG PACKING WHICH ARE PACKED IN CORRUGATED BOX FURTHER PACKED IN GREEN PLASTIC SACKS	4000 KGS
6	DARK GREY POWDER PACKED IN SILVER VACUUM PLASTIC OF 200 GMS EACH, TOTAL 125 SUCH ITEMS IN ONE BOX	4025 KGS
7	DARK GREY POWDER PACKED IN SILVER VACUUM PLASTIC OF 200 GMS EACH, TOTAL 100 SUCH ITEMS IN ONE BOX	2000 KGS

2.5 Further, it was found that the goods i.e. composite Ti powder was in excess of the goods declared in the bill of entry. Item at Sr No. 7 of Table-4 was not declared in the bill of entry. Samples were drawn for items at serial no 4 to 7 of Table-4, for further analysis and testing.

3 SEARCH OF THE REGISTERED BUSINESS PREMISES

3.1 During the investigation, the registered business premises of importer M/s Tarkeshwar Associates, located at Flat No. 12, 1st Floor, Block C-3, Siddharth Nagar Society, Phase-1, Aundh Road, Pune–411007, was visited by officers of the Directorate of Revenue Intelligence, Pune Regional Unit, under authorization for search on 24.12.2025. During the visit, it came to notice that the premises had been rented to Shri T. Raj Chande three years earlier and is presently vacant. Accordingly, a visit note **(RUD-2)** was drawn at the premises.

4 TESTING OF REPRESENTATIVE SAMPLE

4.1 The samples collected under Panchnama dated 24/25.12.2025 appeared to be "Titanium Powder to be used for stage effect" (as printed on the goods). Hence, this office approached CRCL, Vadodara, for testing of all the four representative samples. However, CRCL, Vadodara, informed that they do not possess the complete testing facilities required for analysis of the said product. Accordingly, they advised that the samples may be forwarded to any other Government-authorized laboratory having the necessary testing capabilities.

4.2 Accordingly, a laboratory named "**High Energy Materials Research Laboratory (HEMRL)"** situated at Pune which is a research laboratory of Defence Research and Development Organisation (DRDO) in the **area of high energy materials**, was identified for testing purpose. HEMRL has the necessary equipments to conducts R&D in the formulation, design and development of propellants, high explosives, pyrotechnics, polymeric materials, liners/insulators, and other materials. All the four samples were sent to HEMRL, Pune for testing purpose on 19/01/2026.

5 SUBMISSIONS OF DOCUMENTS BY SHRI RUSHIK CHANDE, AUTHORIZED REPRESENTATIVE OF M/S TARKESHWAR ASSOCIATES

5.1 Shri Rushik Chande, Authorized Representative of M/s Tarkeshwar Associates, vide his letter dated 26.01.2026**(RUD-11)** made the following submissions:

M/s Tarkeshwar Associates is stated to be a proprietary concern of Shri Raj Sanjay Chande, engaged in import and local sale of general goods sourced mainly from China, with imports routed through Mundra SEZ through M/s Shoolin Tradelink LLC. It was further stated that **Shri Raj Sanjay Chande was suffering from serious medical conditions and subsequently passed away on 02.01.2026**, and that a Power of Attorney had been issued in favour of Shri Rushik Chande, who handled urgent business matters.

It was submitted that the importer had placed an order with M/s Dongyang Gurai Commodity Co. Ltd., China, for Stage Fog Machines, Bubble Machines and allied accessories under C&F terms, with payment stipulated at 100% within seven days of delivery. The consignment was shipped in 1,129 cartons weighing approximately 19,290 kg, accompanied by an original invoice dated 25.11.2025 for USD 24,792.50. Subsequently, an additional invoice for USD 2,200 was furnished in respect of an unbilled item described as Composite Sponge/Titanium Sponge. The documents provided by the supplier were relied upon for filing the Bill of Entry, and declarations were made accordingly. The importer contended that there was no misdeclaration, asserting that the goods found in the container comprised either the principal machines or their integral accessories, and that any discrepancies in description or omission of invoice were attributable to supplier error, later rectified through revised documentation and submission of an MSDS for titanium sponge. Shri Rushik Chande, vide letter dated 11.02.2026, requested release of the detained goods to mitigate further financial loss and hardship.

6 STATEMENTS RECORDED UNDER SECTION 108 OF THE CUSTOMS ACT, 1962:

6.1 Summons were issued to Shri Rushik Chande, Authorised Representative of M/s Tarkeshwar Associates, to appear before the DRI office for tendering oral statement on 27.02.2026. Shri Rushik Chande vide his mail dated 26.02.2026 expressed his inability to remain present on the said date before this office.

6.2 Shri Rushik Chande presented himself on 09.03.2026 before this office to tender his statement **(RUD-03).** Accordingly, Summons were issued and statement of Shri Rushik Chande was recorded under the provisions of Section 108 of the Customs Act, 1962. During the statement he stated that:

i. M/s. Tarkeshwar Associates is a proprietorship concern of his cousin brother Late Shri Raj Chande and after his death on 02.01.2026, Raj's parents asked him to represent his firm.

ii. M/s. Tarkeshwar Associates is engaged in import of Stage lights, stage effect machines, DJ Equipments, Artificial Flowers etc.

iii. He stated that M/s Tarkeshwar Associates used to receive orders from local buyers and then place orders with the Chinese trading company M/s Dongyang Gurui. He stated that the goods were earlier imported through Nhava Sheva, then Mundra Port, and later Mundra SEZ, after which they were moved to the warehouse at Gandhidham.

iv. Shri Raj Chande used to store his goods in his warehouse and he was aware of the business activities of M/s. Tarkeshwar Associates.

v. Shri Raj Chande informed him that the goods belong to Shri Anuj Khandelwal of M/s. Ridhis from Jaipur.

vi. He was told that titanium powder is used in stage effect machine for special effect and the Extension cables for machines were also used in stage effect machines.

vii. He did not know that titanium powder was restricted, but on reading the import policy and description of the goods, he now believes that its import is restricted. He stated that titanium powder is used in stage effect machines and produces special effects such as a fountain when heated.

viii. He stated that transportation was generally arranged by the buyers themselves, and that Shri Raj Chande used to generate the final bill and e-way bill. He stated that Shri Vikram and Shri JB of M/s Shoolin Trade Link LLP were in contact with Shri Raj Chande. He stated that no one from M/s Shoolin Trade Link LLP was aware of the contents of the container until examination.

6.3 Summons were issued to Shri Anuj Khandelwal, Proprietor of M/s Ridhis, to appear before the office for tendering oral statement on 08.05.2026**(RUD-04).** Shri Anuj Khandelwal remained present on 08.05.2026 and during his statement he stated that:

i. He is proprietor of M/s. Ridhis, Jaipur and is engaged in business of paper cutting, stage effect machines, foam/bubble machines, sparkler machines, pyro guns and semi-precious stones.

ii. The products are marketed through social media platforms such as Facebook and Instagram and are sold from premises situated at Jaipur.

iii. He provided details of various suppliers from whom stage effect machines; titanium powder and other related goods were purchased.

iv. He purchases Titanium powder from local manufacturer and the same is used in sparkler/stage effect machines for creating special effects.

v. He stated that fuse wires/connectors were also marketed by him and were used in large stage shows and events.

vi. He admitted that he had posted advertisements relating to Ti powder and stage effect products on social media platforms, but he does not sell any spark powder (Ti powder).

vii. Goods purchased by his firm were transported either through travels or trucks depending upon quantity.

viii. He admitted that his firm sales goods to the event management firms without raising GST invoices and transactions were largely done in cash.

ix. He had purchased fuse wires from M/s. Hetraj Overseas and M/s. GPV International and will submit the details of purchase and sales of fuse wire at the earliest.

x. He had perused the e-way bill details dated 29.03.2025 and 05.08.2025 showing transport of goods to M/s Ridhi's from M/s. Tarkeshwar Associates through M/s. Mahadev Exim. He, however, expressed his inability to comment on the supplier of M/s Mahadev Exim. He stated that he used to purchase goods from M/s Mahadev Exim and not from M/s Tarkeshwar Associates.

xi. He stated that he used to place telephonic orders with M/s. Mahadev Exim and goods were dispatched after receipt of payment.

xii. He stated that transport arrangements and generation of e-way bills were handled by M/s. Mahadev Exim.

xiii. He admitted visiting China in 2025 and stated that one visit was sponsored by Mitsubishi AC and another was for attending a jewellery exhibition.

xiv. He denied having directly imported any goods into India.

xv. He stated that he was not aware why certain cartons found in the warehouse of M/s. Tarkeshwar Associates were marked with the name “Anuj”.

xvi. He stated that he was not aware of Customs tariff classification rules and classified goods as per invoices provided by suppliers.

xvii. He stated that titanium powder was imported for use in stage effect/sparkler machines where heat generated special fountain-like effects.

6.4 Summons were issued to Shri Jay Thacker, Authorized Person of M/s. Mahadev Exim, to appear before the office for tendering oral statement on 09.05.2026 **(RUD-05)**. Shri Jay Thacker presented himself on 19.05.2026 and stated that:

i. He resides at House No. 64-74/B, Rajvi Residency, Varsamedi, District Kachchh, Gujarat, along with his family.

ii. After completing post-graduation, he worked with a shipping company and in 2017 commenced his proprietorship firm M/s. Disha Logistics, which is engaged in transportation. In 2022, he started trading in event-related items through M/s. Mahadev Exim, a partnership firm with his wife Meera J Thacker and Mrs. Priyanka as partners.

iii. He stated that he manages both businesses from Rivera Arcade, Gandhidham, and personally handles operations of M/s. Mahadev Exim.

iv. He explained that sales in M/s. Mahadev Exim are based on client requirements, with orders placed to suppliers and goods supplied accordingly.

v. He provided details of major buyer and supplier of M/s. Mahadev Exim which includes M/s. Tarkeshwar Associates.

vi. He stated that transport arrangements depend on quantity and convenience; sometimes arranged by clients, sometimes by him.

vii. He stated that he was familiar with M/s. Tarkeshwar Associates, a proprietorship concern of the late Shri Raj Chande, and that he had purchased event-related goods from the said firm.

viii. He stated that Shri Raj Chande was his only point of contact in M/s. Tarkeshwar Associates, and orders were placed telephonically.

ix. He explained that goods were dispatched directly from suppliers to buyers, without storage at his premises, and e-way bills were generated in two stages to maintain confidentiality.

x. He confirmed supplying stage-effect equipment to M/s. Ridhis (Anuj Khandelwal, Jaipur).

xi. He denied ever purchasing or supplying titanium composite, titanium powder, or zirconium powder.

xii. He stated that goods examined under panchanama dated 25.12.2025 at Warehouse No. 14 belonged to M/s. Tarkeshwar Associates.

xiii. He denied knowledge of cartons marked “Anuj” found in the Warehouse No. 14 during examination of goods under panchanama dated 25.12.2025.

xiv. He denied of ever purchasing or selling fuse wires/ignitors/connecting cables for machines and stated that he was unaware of their intended use.

xv. He admitted that he was aware of M/s. Tarkeshwar Associates, which was engaged in the import of stage-effect equipment, but he denied having seen titanium powder, zirconium powder, or any similar material at their godown.

xvi. He stated that he visited China once (2023-24) for Canton Fair, and also visited UAE and Bali with family.

xvii. He confirmed e-way bills dated 29.03.2025 and 05.08.2025 showed movement of goods from M/s. Tarkeshwar Associates to Ridhis via Mahadev Exim, explaining that the same truck was used and bills were raised to maintain client privacy.

xviii. He explained that he generated e-way bills for Mahadev Exim, placed orders with Shri Raj Chande after confirming availability, and goods were dispatched directly to Ridhis.

xix. He stated that transport was sometimes arranged by clients, sometimes by him, but charges were always borne by clients.

xx. He denied ever importing goods into India.

6.5 Summons were issued to Shri Rushik Chande, Authorised Representative of M/s Tarkeshwar Associates, to appear before the DRI office for tendering oral statement on 27.05.2026 **(RUD-06)**. Shri Shri Rushik Chande presented himself on 02.06.2026 for the statement and during statement he stated that:

i. M/s. Tarkeshwar Associates was the proprietorship concern of late Shri Raj Chande, and after his death on 02.01.2026, parents of late Shri Raj Chande requested him to represent the said firm.

ii. M/s. Tarkeshwar Associates was engaged in import of stage lights, stage effect machines, bubble machines, fog machines, DJ equipment, stage truss, light stands, stationery items, artificial flowers, birthday decoration items, and similar goods.

iii. M/s. Tarkeshwar Associates used to receive orders from local buyers and place orders with M/s. Dongyang Gurui, China, and thereafter the goods were imported through Nhava Sheva, Mundra Port, and later through Mundra SEZ.

iv. The goods imported vide Bill of Entry No. 6486033 dated 23.12.2025 included stage jet fog air throw machine, stage bubble machine, stage foam machine, connecting cables, and titanium powder/composite, and he was informed by late Shri Raj Chande that some of these goods were for Shri Anuj Khandelwal of M/s Ridhi’s, Jaipur.

v. After perusing BoE No. 6486033 dated 23.12.2025 and the panchnamas dated 24/25.12.2025, he stated that the goods actually found were different from the goods declared.

vi. The goods found at examination included stage jet fog air throw machine, stage bubble machine mini, stage foam machine, orange color wire with black spot, dark grey powder in 25 kg packing, dark grey powder in silver vacuum packing of 200 gm, and SSP dark grey powder in silver vacuum packing of 200 gm.

vii. He stated that item with marking SSP dark grey powder in silver vacuum packing of 200 gm was not declared in the Bill of Entry due to mistake of the foreign supplier, and that dark grey powder in silver vacuum packing of 200 gm was also mis-declared in quantity.

viii. He has perused and signed the interim test results dated 02.04.2026 and final test report dated 15.05.2026 issued by HEMRL, Pune.

ix. The test reports showed that the goods were pyrotechnic items intended for indoor cold pyrotechnic/stage effects.

x. Sample-1A was an electric fuse wire/ignitor wire used to initiate pyrotechnic compositions and was classifiable under CTI 36035000.

xi. Sample-2A, Sample-3A, and Sample-4A were pyrotechnic articles predominantly containing titanium and zirconium, used in indoor cold firework and stage performance, and classifiable under CTI 36049090.

xii. Import of pyrotechnic articles falling under Chapter 36 is restricted and can only be made with proper authorization.

xiii. The valuation under Annexure-A and duty computation under Annexure-B were fair and acceptable, and he accepted the assessable value arrived at under Rule 9.

xiv. The misdeclaration in nature, classification, and quantity of the imported goods under BoE No. 6486033 dated 23.12.2025 amounted to contravention of customs regulations and rendered the goods liable to confiscation under Section 111 of the Customs Act, 1962.

xv. He had perused the seizure memo dated 02.04.2026 and the panchnamas dated 24/25.12.2025 and 25.12.2025 and had signed them.

7 TEST REPORT AND SEIZURE OF GOODS

7.1 HEMRL, Pune vide their e-mail id gd.ts.hemrl@gov.in dated 02/04/2026 **(RUD-07)** submitted an interim report which is as under:

*"With reference to above, samples marked 3A, 4A, 2A and 1A (orange coloured wire) received from DRI Gujrat, have been analysed. Based on preliminary investigation, sample 2A is having more than 50% Ti and sample 3A, 4A having Zr more than 50%. Based on these findings it may be anticipated that these composition **used in indoor cold fire work and stage performance and sample 1A (orange color wire) is used to initiate these composition**. Further experiments are still going on. Further complete detailed analysis report will be issued within 15 days."*

7.2 Further vide final test report dated 15.05.2026, **(RUD-07)** HEMRL, Pune provided the details of composition and other details in respect of each representative sample. Details of the same is as below:

Table-" 5"

Sr. No.	Sample Marking	Description Of Product	Analysis Result
1	Om-100, Sample 1 A	Orange Color Wire With One End Open And Other End With Black Spot	Cu=55.50% Zn=34.88%
2	Om-400, Sample – 2 A	Dark Grey Powder In 25 Kg Packaging	1.Composition: Ti-85.68% Ai=0.04% K=0.11% Na=0.08% Zr=0.51% 2. Particle Size= 343.33 Um 3. True Density @ 30 Deg.C=4.348 G/Cc, 4.342 G/Cc 4. Ignition Point= No Ignition Upto 400 C 5. Tap Density =2.00 G/Cc 6. Friction Sensitivity=360 N 7. Impact Sensitivity=Insensitive Upto 100 Cm At 2 Kg Load 8. Bulk Density= 1.54 G/Cc
3	Om-160, Sample-3A	Dark Grey Powder In Silver	1.Composition: Ti-2.75% Al=1.88%

		Vacuum Packing Of 200gm	K=0.18% Na=0.11% Cu=0.41% Mg=0.10% Fe=1.48% Zr=60.12% 2. Particle Size= 285.21 micro meter 3.True Density @ 30 Deg.C=4.57 g/cc, 4.58 g/cc 4. Ignition Point= No Ignition upto 400 C 5. Tap Density= 2.00 g/cc 6. Friction Sensitivity=360 N 7. Impact Sensitivity=Insensitive upto 100 cm At 2 Kg Load 8. Bulk Density= 1.67 g/cc
4	SSP, Sample-4 A	Dark Grey Powder In Silver Vacuum Packing Of 200gm	1.Composition: Ti=2.01% Al=1.10% K=0.15% Na=0.09% Cu=0.87% Mg=0.10% Fe=1.48% Zr=61.12% 2. Particle Size= 251.64 Um 3. True Density @ 30 Deg.C=4.986 g/cc, 4.983 g/cc 4. Ignition Point= No Ignition Upto 400 C 5. Tap Density =2.86 g/cc 6. Friction Sensitivity=360 N 7. Impact Sensitivity=Insensitive upto 100 cm At 2 Kg Load 8. Bulk Density= 1.67 g/cc

7.3 Based on the interim report dated 02.04.2026 and the final report dated 15.05.2026 of HEMRL, Pune, the recovered samples were found to be specialized pyrotechnic compositions, with Sample 2A containing titanium in excess of 85%, Samples 3A and 4A containing zirconium in excess of 60%, and Sample 1A identified as an orange-coloured wire intended to initiate such compositions. Accordingly, it appears that the importer had in fact imported pyrotechnic articles for use in sparkler/stage-effect machines but deliberately mis-declared them as composite sponge/titanium stage-effect material, and also mis-declared fuse wire as extension cable for machine, whereas the goods are correctly classifiable under ITC(HS) 3604 and CTH 3603 respectively, Such pyrotechnic articles are restricted/prohibited for import under the Foreign Trade Policy and import of the same is subject to strict regulatory conditions and not permitted without specific authorization; such deliberate misdeclaration and misclassification appear intended to circumvent import restrictions and evade scrutiny, rendering the goods liable to confiscation under the Customs Act, 1962.

7.4 During the investigation, the importer/ authorised representative of the importer failed to submit any requisite licence wherein import of restricted goods was allowed. Further the importer mis declared the goods in terms of classification and misdeclaration appeared to be a deliberate attempt to evade applicable regulatory conditions. Accordingly, the goods imported vide Bill of Entry no. 6486033 dated 23.12.2025 was placed under seizure vide Seizure Memo F. No. DRI/AZU/CI-1/Enq-13(Int-59)/2026 dated 02.04.2026 **(RUD-08)**, under Section 110 of the Customs Act, 1962 on reasonable belief that the said goods are liable to confiscation under the provisions of Section 111 of the Customs Act, 1962. The details of seized goods are as under:

Table-6

Sr. No.	Marks and Marks No.	Description/Goods	No. of Cartoons	Qty per Cartoon	Total (PCS)/KG
1	SKY J	STAGE JET FOG AIR THROW MACHINE	-	-	265 PCS
2	F 2 FOG BUBBLE MACHINE	STAGE BUBBLE MACHINE MINI	-	-	324 PCS
3	WOW!	JET FOAM MACHINE	-	-	20 PCS
4	OM-100	ORANGE COLOR WIRE WITH ONE END OPEN AND OTHER END WITH BLACK SPOT	100	15000	15,00,000 PCS
5	OM-400	DARK GREY POWDER IN 25 KG PACKAGING	160	25KG	4000 KGS
6	OM-160	DARK GREY POWDER IN SILVER VACUUM PACKING OF 200GM	161	25 KG	4025 KGS
7	SSP	DARK GREY POWDER IN SILVER VACUUM PACKING OF 200GM	100	20 KG	2000 KGS

7.5 In accordance with the provisions of Section 110(2) of the Customs Act, 1962, where goods are seized under sub-section (1) and no notice under clause (a) of Section 124 is issued within six months from the date of seizure, the goods are required to be returned to the person from whose possession they were seized; however, the proviso to the said section empowers the Principal Commissioner or Commissioner of Customs to extend this period by a further six months, provided reasons are recorded in writing and the concerned person is informed before the expiry of the initial period—accordingly, in the present case, the competent authority has granted extension up to 18.07.2026 and the same was duly communicated to the importer, M/s. Tarkeshwar Associates, vide letter dated 16.06.2026 **(RUD-12).**

8. IMPORT POLICY FOR PYROTECHNIC ARTICLES (FIREWORKS) UNDER ITC (HS) 3604 and ITC (HS) 3603.

8.1 The DGFT, under the ITC (HS) Import Policy, classifies goods falling under CTH 3603 as "Safety Fuses; Detonating cords; percussion or detonating caps; Igniters; Electric detonators" and goods falling under CTH 3604 as "fireworks, signalling flares, rain rockets, fog signals, and other pyrotechnic articles". The import of goods falling under both CTH 3603 and CTH 3604 is restricted in nature and is not freely permitted. Accordingly, import of such goods is generally allowed only against the requisite authorization/permission from the competent authority, subject to strict compliance with the applicable safety, security, and other regulatory requirements prescribed by the Government of India.

8.2 The import, if permitted in exceptional cases, is subject to stringent conditions laid down by authorities such as the DGFT, which under its policy has placed restrictions on the import of pyrotechnic articles. The Petroleum and Explosives Safety Organization (PESO), governed by the Explosives Act, 1884, derives its authority from Section 5 of the said Act, which empowers the Central Government to make rules to regulate or prohibit the import of pyrotechnic articles. Further, Rule 7 of the Explosives Rules, 2008 specifically states that *"No person shall manufacture, import, export, transport, possess for sale or use an explosive except as authorised or licensed under these rules."* Hence, only entities possessing valid licenses and approvals from the concerned regulatory authorities are eligible to import such goods.

8.3 It is pertinent to note that pyrotechnic compositions used in "cold fireworks" or stage effects also fall within the ambit of CTH 3604, as they are based on controlled pyrotechnic reactions intended to produce visual or special effects. Even if described under alternate names or claimed as stage equipment, such goods are governed by the same restrictive policy. Therefore, any attempt to import such items without proper declaration and requisite authorization would amount to violation of the Foreign Trade Policy and applicable statutory provisions.

8.4 The importer failed to produce any supporting documentation such as certificates, licensing agreements, or requisite approvals from the competent authorities including DGFT/PESO, thereby indicating non-compliance with the applicable import policy and regulatory requirements governing such restricted pyrotechnic goods.

9. Re-Classification of Goods:

9.1.1 **<u>Classification of Sample-1</u>**

On the basis of the test report issued by High Energy Materials Research Laboratory (HEMRL), Pune the product is found to be a pyrotechnic item intended to be used to initiate pyro technique compositions in various machines. Since the article is product specifically used as **pyrotechnic fuse wire** to ignite the pyrotechnic elements. These wires are typically made of a core of black powder or another combustible material, wrapped in a durable outer shell. When lit, the flame travels along the core in a controlled burn, either fast or slow, depending on the type of fuse. The fuse wire serves as the "spark highway" that ensures the pyrotechnic elements ignite exactly when and where they are supposed to, providing precise timing for choreographed displays. Since the goods are specifically used as pyrotechnic fuse to initiate pyrotechnic element are classifiable under Chapter 36 of the First Schedule to the Customs Tariff Act, 1975, covering "*Explosives; Pyrotechnic Products; Matches; pyrophoric Alloys; Certain Combustible preparations*". Further the product is specifically identifiable as Electric Fuse which merit classification under tariff item 36035000 covering **"Electric Ignitor:** ***Electric igniters consisting of an electric fuse head and a small charge of igniting powder, generally black powder. An electric fuse head consists of two***

insulated conductors to the ends of which a conducting metal filament is soldered to form an electrically resistant bridge; this filament is embedded in an igniter bead. It is used to ignite a powder charge or to initiate a primary explosive. " Accordingly, the goods are correctly classifiable under tariff item 36035000, covering Electric Igniters.

However, the importer has deliberately mis-declared the product as "EXTENSION CABLE FOR MACHINE" and thereby attempted to classify the same under CTI 8544 49 99, which is meant for insulated electric conductors and cables used for carrying current. However, the product under dispute is not in the nature of electric conductor and cables, rather it is specifically used for the purpose to ignite cold pyro powder or to ignite a primary explosive. Such description is wholly false and contrary to the physical nature, composition, and intended use of the goods. The declared CTI bears no nexus to the actual product, which is a pyrotechnic initiating item and not an insulated cable or wiring accessory. This deliberate misdescription and misclassification reflect a conscious attempt to suppress the true identity of the goods and to import Electric Fuse wire intended to be used in pyro technic import of which is restricted and is only permissible under special Import License. Accordingly, the importer's declared product description and CTI are untenable in law and liable to be rejected.

9.1.2 <u>Classification of Samples 2, 3 and 4</u>

On the basis of test reports issued by the High Energy Materials Research Laboratory, Pune, Samples-2, 3 and 4 have each been found to be **pyrotechnic items** predominantly consisting of titanium or zirconium, intended for use as pyrotechnic compositions in sparkler/stage-effect machines. These goods are not composite sponge, TiO_2, or mere inorganic chemical compounds as claimed by the importer. Being specifically designed and used as pyrotechnic articles for ignition and stage-effect applications, they fall squarely under **Chapter 36** of the First Schedule to the Customs Tariff Act, 1975, covering "Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations." As such, they are rightly classifiable under **CTI 36049090**, which covers fireworks, signalling flares, rain rockets for signals, and other pyrotechnic articles.

The importer, however, deliberately misdeclared Sample-2 as “Composite Sponge – (Ti for Stage Effect)” under CTI 28230090, Sample-3 as “Composite Ti for Stage Effect (TiO_2 for Stage Effect)” under CTI 28230010, and failed to declare Sample-4 altogether, importing it by concealment. These declarations are wholly misleading, unsupported by the test reports, and inconsistent with the actual nature and intended use of the goods. Goods falling under CTI 36049090 are **restricted for import under DGFT policy** and cannot be imported freely without compliance with prescribed authorisations. By suppressing the true identity of the goods, misclassifying them under Chapter 28, or omitting them from the Bill of Entry, the importer sought to bypass import restrictions, evade Customs scrutiny, and defeat the legal consequences of correct classification.

Accordingly, the importer’s acts constitute **deliberate and conscious misdeclaration, misclassification, and concealment of restricted goods**, rendering the declared descriptions and CTIs untenable, incorrect, and liable to outright rejection.

9.1.3. <u>Classification of goods (Stage Effect machines) Mentioned at Sr. No. 1, 2 & 3 of Table-3</u>

The goods, namely **Stage Jet Fog Air Thrower Machine**, **Stage Bubble Machine-Mini**, and **Stage Foam Machine**, are classifiable under **CTI 84248990**, being machinery for projecting, dispersing, or spraying liquids or other materials, not elsewhere specified or included. These machines are designed to generate stage effects by mechanically throwing fog, dispersing bubbles, or producing foam through controlled operation of pumps, nozzles, and air pressure mechanisms, and therefore squarely fall within the scope of this tariff item. Since the importer has also classified the said goods under **CTI 84248990**, the declared classification is in accordance with the nature, function, and use of the goods, and is in line with the tariff description applicable to such machines.

9.2 The facts on foregoing paras clearly establish that M/s Tarkeshwar Associates deliberately mis-declared the nature, description, and classification of the imported goods in the Bill of Entry no. 6486033 dated 23.12.2025. The importer has, in a deliberate and planned manner, mis-declared and mis-classified the impugned goods with the sole intent to bypass the import restrictions applicable to pyrotechnic articles. Though the stage-effect machines, namely Stage Jet Fog Air Thrower Machine, Stage Bubble Machine-Mini, and Stage Foam Machine, are correctly classifiable under CTI 84248990, the remaining impugned items were falsely declared as "extension cable for machine," "TiO2 for stage effect," or were not declared at all in the Bill of Entry, despite the test reports conclusively establishing that such goods were pyrotechnic items intended for stage-effect use and classifiable under Chapter 36, particularly CTI 36035000 and CTI 36049090. This false description, concealment, and incorrect classification were not inadvertent errors but a conscious attempt to suppress the true identity of the goods, evade the DGFT restrictions applicable to pyrotechnic goods. Such deliberate misdeclaration and misclassification, coupled with concealment of the true identity of the imported goods, rendered the goods liable to confiscation under Section 111 of the Customs Act, 1962.

9.3 By mis-declaring the nature, description, and classification of the imported goods, the importer has evaded customs duty amounting to ₹ 23,19,238/- (Rupees Twenty Three Lacs Nineteen Thousand Two Hundred Thirty Eight only), comprising Basic Customs Duty of ₹ 7,39,721/- (Rupees Seven Lakhs Thirty Nine Thousand Seven Hundred Twenty One only), Social Welfare Surcharge (SWS) of ₹ 73,972/- (Rupees Seventy Three Thousand Nine Hundred Seventy Two only), and Integrated Goods and Services Tax (IGST) of ₹ 15,05,545/- (Rupees Fifteen Lakhs Five Thousand Five Hundred Forty Five only). The detailed calculation indicating the above quantum of evasion is brought out in the subsequent part of this Notice.

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

10.1. On scrutiny of Invoice and Bill of Entry No. 6486033 dated 23.12.2025, it was observed that the items declared therein as stage-effect machines, namely *Stage Jet Fog Air Thrower Machine*, *Stage Bubble Machine-Mini*, and *Stage Foam Machine*, appear to have been used as cover cargo for the import of the impugned items, which were declared as “extension cable for machine,” “composite sponge (Ti for stage effect),” and “composite Ti for stage effect (TiO_2 for stage effect).” However, upon examination and receipt of the test reports, the said goods were found to be pyrotechnic items intended for stage-effect use and classifiable under Chapter 36, particularly under CTI 36035000 and CTI 36049090. Thus, the goods actually imported were not in consonance with the description declared in the invoice and Bill of Entry, thereby indicating misdeclaration of their true nature, description, and classification. Furthermore, during examination it was found that **the quantity of Composite Ti powder actually imported was not in consonance with the quantity declared in the invoice, as the declared quantity was 2000 kgs less than the quantity actually imported. Since the invoice does not represent the true quantity of the imported goods, it certainly cannot represent the true value of the imported goods**. Hence, it is evident that the invoice and the goods are not related, and in the absence of an invoice representing the true value of the goods, the transaction value declared by the importer in the Bill of Entry is liable to rejection.

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

CVR, 2007 provides that, subject to Rule 12, the value of the goods shall be the Transaction Value adjusted in accordance with Rule 10.

10.3 From the foregoing, it is evident that the goods actually found during examination were materially different from the goods declared in the Bill of Entry. While the importer declared the goods as titanium sponge/composite titanium for stage effect and connecting wire, the examination and test reports revealed that the goods were in fact pyrotechnic compositions/articles predominantly consisting of titanium or zirconium and electric fuse wire intended to initiate such compositions. The test reports further established that the declared descriptions did not correspond with the actual nature, composition, and intended use of the goods, and that certain items were either mis declared under incorrect tariff items or not declared in the Bill of Entry at all. **Even the quantities of the goods found during examination also did not match the quantities declared, thereby creating serious doubt as to the correctness and authenticity of the declared value.** In these circumstances, the transaction value declared in the Bill of Entry does not appear to represent the true transaction value of the goods actually imported and has failed the test of acceptability under Rule 3(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Accordingly, the declared value in the bill of entry is liable to be rejected under Rule 12 read with Rule 3(2) of the said Rules, as the declaration was not supported by genuine and valid commercial disclosure of the actual imported goods.

10.4. Further, Shri Rushik Chande Authorized person of M/s Tarkeshwar Associates, the importer of the impugned goods, though admitting that the test report indicated that the goods were pyrotechnic articles and initiating materials different from the goods declared in the Bill of Entry, failed to produce any documents evidencing the true transaction value of the imported goods. The importer also did not furnish any genuine commercial documents reflecting the actual description, composition, quantity, and value of the goods imported.

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

10.6. As per Rule 4 of the CVR, 2007, the value of imported goods shall be the Transaction Value of identical goods sold for export to India and imported at or about the same time as the goods being valued, subject to certain conditions and parameters. To arrive at the value of the goods under Rule 4, the import data of Each CTI of corresponding goods discussed in paras above imported at or about the same time as the impugned goods, obtained from the ICES, was examined. However, in the absence of the Brand, technical specification, composition or other details of the impugned goods, identical goods for comparison could not be obtained.

10.7. As per Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the value of imported goods is required to be determined on the basis of the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued, subject to the prescribed conditions and parameters. Accordingly, the import data relating to each corresponding CTI, as discussed in paras above and imported at or about the same time as the impugned goods, was examined from the ICES records. On such examination, it appeared that the value of the impugned goods could be re-determined on the basis of contemporaneous imports of similar goods noticed at the lowest comparable value. In the present case, contemporaneous import data for the period Jan- March 2026 across seaports, SEZs, and ICDs was examined. However, in the absence of the Brand, technical specification, composition or other details of the impugned goods, similar goods for comparison could not be obtained. In the absence of contemporaneous import data for such goods, no reliable comparison could be made for valuation purposes under Rule 5 in respect of these items.

10.8 Rule 6 of the CVR 2007 prescribes that, "If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 of CVR 2007 or, when the value cannot be determined under that rule, under rule 8.

10.9. Rule 7 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 is applicable only where the imported goods or identical or similar imported goods are sold in India in the condition as imported at or about the time of importation, and the value is then required to be determined on the basis of the unit price at which such goods are sold in the greatest aggregate quantity, after making the prescribed deductions towards commission or profit, inland transport, insurance, customs duties, and other taxes. The said rule is also applicable, in the alternative, where such goods are sold in India within ninety days of importation or, where not sold in the condition as imported, after further processing, subject to appropriate deductions for value addition. However, in the present case, in the absence of any verifiable evidence of contemporaneous domestic sale of identical or similar imported goods in the condition as imported, the provisions of Rule 7 are not applicable. Accordingly, the value of the impugned goods cannot be determined under Rule 7.

10.10. As per the Rule 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, where the value cannot be determined under the preceding rules, the value of imported goods is required to be determined on the basis of the computed value. Such computed value shall comprise the cost or value of materials and fabrication or other processing employed in producing the imported goods, together with an amount for profit and general expenses usually reflected in sales of goods of the same class or kind made by producers in the country of exportation for export to India, as well as the cost or value of all other expenses specified under sub-rule (2) of Rule 10. However, in the present case details regarding the quality, profit margin, cost of raw material, general expenses and other relevant particulars of the impugned goods, no reliable basis was available to determine the value under the computed value method.

10.11 As per the Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) if the value of the impugned goods could not be determined under the provisions of Rules 3 to 8 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the same is liable to be determined under Rule 9 of the said Rules, being the residual method. Under this rule, the value is required to be determined by reasonable means consistent with the principles and general provisions of the Valuation Rules and on the basis of data available in India, subject to the condition that such value shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade.

10.12 In the present case, the reference prices collected from Indian online platforms relate to the domestic sale prices of similar pyrotechnic articles, namely titanium and zirconium / Ti for cold pyro, classifiable under CTI 36049090, and pyrotechnic fuse wire, classifiable under CTI 36035000. Such domestic prices ordinarily include GST, dealer margin, retail markup, storage, freight, handling, and other post-import commercial expenses, none of which form part of the assessable value at the stage of import.

Accordingly, the domestic market prices of each product, as available on the relevant Indian online platforms, were compared separately, and the minimum of the available prices for each product was taken as the benchmark for the purpose of valuation under the residual method. Since even the lowest domestic price includes embedded taxes and commercial mark-ups, 40% of such minimum domestic market price has been adopted as the assessable value, with a view to neutralize the incidence of GST, profit element, and other post-import additions ordinarily reflected in the retail price. This redetermination has been made because the declared value did not reflect the true nature, description, and classification of the goods actually imported, and the preceding methods of valuation were found to be inapplicable on the facts and circumstances of the case. The detailed valuation of the imported goods is tabled below.

Further, the products, namely Stage Jet Fog Air Thrower Machine, Stage Bubble Machine-Mini, and Stage Foam Machine, were found to be correctly classified under CTI 84248990 in Bill of Entry No. 6486033 dated 23.12.2025. On scrutiny of the contemporaneous import data of similar goods marked as **Annexure-B(RUD-09)**, the declared value adopted by M/s. Tarkeshwar Associates appears to be fair, reasonable, and in line with the prevailing import prices of comparable items. In the facts and circumstances of the case, the declared value of the said goods does not appear to warrant redetermination and is accepted as just and proper.

"Table-7 A"

Annexure-B (Goods which are importable)									
Sr. No.	Marks and Marks No.	Description/ Goods As per Test Reports/and Examination	Total Quantity found during examination (PCS)/KG	Declared Classification	Actual Classification (on the basis of test reports)	Declared Value in Bill of Entry (Per Piece)	Final Unit Price considered for Assessable Value	Invoice Value	Assessable Value (Including Insurance)
	1	2	3	4	5	6	7	8	9
1	SKY J	STAGE JET FOG AIR THROW MACHINE	265 PCS	84248990	84248990	1140.625	1140.625	302265.63	305666.11
2	F 2 FOG BUBBLE MACHINE	STAGE BUBBLE MACHINE MINI	324 PCS	84248990	84248990	684.375	684.375	221737.50	224232.05
3	WOW!	JET FOAM MACHINE	20 PCS	84248990	84248990	4106.25	4106.250	82125.00	83048.91
Total								606128	612947

"Table-7 B"

Annexure-B (Goods which are restricted and cannot be imported)												
Sr No.	Marking	Description /Goods As per Test Reports/and Examination	Total Quantity found during examination (PCS)/ KG	Declared Classification	Actual Classification (on the basis of test reports)	Declared Value in Bill of Entry (Per Piece /per Kg)	Market Value of Product 1(In INR)	Market Value of Product 2 (In INR)	Value (Minimum of 7 & 8) (per piece /per Kg)	Unit Price determined (@ 40% of market value) (In INR)	Final Unit Price considered for Assessable Value	Total Assessable value (11*3)
	1	2	3	4	5	6	7	8	9	10	11	12
4	OM-100	Pyro technic Ignitor wire	15,00,000 PCS	85444999	36035000	0.07	2.54	4.9	2.54	1.02	1.02	1524000

5	OM-400	Pyrotechnic Article predominantly of Ti	4000 KGS	28230090	36049090	1.1	1350	2500	1350	540	540	2160000
6	OM-160	Pyrotechnic Article Predominantly of Zirconium	4025 KGS	28230010	36049090	1.25	1350	2500	1350	540	540	2173500
7	SSP	Pyrotechnic Article Predominantly of Zirconium	2000 KGS	Not declared in Bill of Entry	36049090	-	1350	2500	1350	540	540	1080000
Total												69,37,500

10.13 In his statement dated 02.06.2026, Shri Rushik Chande stated that he had perused **Annexure-A(RUD-10)** relating to the valuation of all the imported items covered under the said container and that he had understood the Customs Valuation Rules. He further stated that the valuation appeared to have been carried out in accordance with the said Rules. He further accepted the fact that, in the present case, the goods were not merely chemicals of titanium/titanium oxide or Extension cables for machine, but were in fact pyrotechnic articles comprising titanium and zirconium / Ti for cold pyro, classifiable under CTI 36049090, and pyrotechnic fuse wire, classifiable under CTI 36035000. In view of the misdeclaration of the nature, description, and classification of the goods, the value declared in bill of entry therefore remains liable to be rejected and redetermined in accordance with law.

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

11.1. Revised Quantification under Rule 9.

Considering the above, liabilities in respect of the imported goods have been quantified, as below:

Table – "8"

Annexure-A

Sr. No.	Marks and Marks No.	Description/ Goods As per Test Reports/and Examination	Total Quantity found during examination (PCS)/KG	Actual Classification (on the basis of test reports)	Final Unit Price considered for Assessable Value	Total assessable value	BCD in Percentage	BCD Amount	SWS in percentage	SWS Amount	Assessable Value for IGST	IGST in Percentage	IGST Amount	Total of Duty (8+10+13)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	SKY J	STAGE JET FOG AIR THROW MACHINE	265 PCS	84248990	1140.625	305666	7.5	22925	0.75	2292	330884	18	59559	84776
2	F 2 FOG BUBBLE MACHINE	STAGE BUBBLE MACHINE MINI	324 PCS	84248990	684.375	224232	7.5	16817	0.75	1682	242731	18	43692	62191
3	WOW!	JET FOAM MACHINE	20 PCS	84248990	4106.250	83049	7.5	6229	0.75	623	89900	18	16182	23034
4	OM-100	Pyro technic Ignitor wire	15,00,000 PCS	36035000	1.02	1524000	10	152400	10	15240	1691640	18	304495	472135
5	OM-400	Pyrotechnic Article predominantly of Ti	4000 KGS	36049090	540	2160000	10	216000	10	21600	2397600	18	431568	669168
6	OM-160	Pyrotechnic Article Predominantly of Zirconium	4025 KGS	36049090	540	2173500	10	217350	10	21735	2412585	18	434265	673350
7	SSP	Pyrotechnic Article Predominantly of Zirconium	2000 KGS	36049090	540	1080000	10	108000	10	10800	1198800	18	215784	334584
Total						75,50,447		7,39,721		73,972	83,64,140		15,05,545	23,19,238

The detailed duty calculation is enclosed as Annexure-A **(RUD-10)**

11.2. The importer appears to have deliberately undervalued the goods and, along with that, mis-classified, mis-declared, and concealed their true pyrotechnic nature, thereby suppressing the correct description, value, and the requirement of prior authorization for import of pyrotechnic articles. These acts do not appear to be inadvertent, but rather indicate an intention to avoid the regulatory scrutiny, permissions, and compliances applicable to restricted goods. By importing such goods in a disguised form and without fulfilling the requirements under the Policy, the importer appears to have sought to evade the rightful levy of customs duties and to obtain an undue pecuniary benefit at the cost of Government revenue. The facts on record therefore indicate a wilful attempt to circumvent the law, avoid compliances applicable to restricted goods and evade duty.

12. Legal Provisions

12.1. **Section 17 of the Customs Act, 1962**

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

....

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

12.2. **Section 46 of the Customs Act, 1962**

46. Entry of goods on importation. — (1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

12.3. **Section 110 of the Customs Act, 1962**

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

12.4. **Section 111 of the Customs Act, 1962**

111. Confiscation of improperly imported goods, etc.— The following goods brought from a place outside India shall be liable to confiscation: —

....

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

....

(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 3[in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

12.5. **Section 112 of the Customs Act, 1962**

112. Penalty for improper importation of goods, etc. — Any person, —

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

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

shall be liable, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

(iii) 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 3[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 4[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 5[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.

12.6. **Section 124 of the Customs Act, 1962**

124. Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person —

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

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

12.7. **Section 125 of the Customs Act, 1962**

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

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

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

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

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

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

13. Findings on Misdeclaration and Liability

13.1. In terms of Section 17 of the Customs Act, 1962, an importer filing a Bill of Entry under Section 46 is required to self-assess the duty leviable on imported goods. In the present case, while certain stage-effect machines such as Stage Jet Fog Air Thrower Machine, Stage Bubble Machine-Mini, and Stage Foam Machine were correctly declared under CTI 84248990, the remaining goods were mis-declared in respect of classification, description, and quantity. Test reports established that these were pyrotechnic articles comprising titanium and zirconium intended for stage-effect use, classifiable under CTI 36049090, and pyrotechnic fuse wire classifiable under CTI 36035000. The importer, however, described them as "extension cable for machine," "composite sponge – (Ti for stage effect)," "composite Ti for stage effect (TiO_2 for stage effect)," or failed to declare them altogether, thereby suppressing their true nature and attempting to import restricted goods without authorisation.

13.2 Such misdeclaration and concealment resulted in non-disclosure of the correct duty liability, short-levy and non-levy of customs duties, and evasion of regulatory requirements applicable to restricted goods. The acts of M/s

Tarkeshwar Associates, therefore, constitute deliberate misdeclaration and concealment, rendering the goods liable to confiscation under Section 111(d), 111(l) and 111(m) of the Customs Act, 1962. Consequently, the importer is also liable to penalty under Section 112(a) and 112(b) for knowingly making false declarations and for acts which rendered the goods liable to confiscation.

13.3 Further, consequent upon the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, self-assessment places an enhanced responsibility on the importer to declare the correct description, classification, value, and duty liability. By failing to do so and by presenting false descriptions and incorrect documents, M/s Tarkeshwar Associates violated the statutory requirements of self-assessment. Late Shri Raj Chande, Proprietor of the firm, knowingly and intentionally made false declarations and misrepresented the true identity of the goods before Customs authorities. His conduct clearly attracts penal consequences under Section 114AA of the Customs Act, 1962, which applies to any person who knowingly or intentionally makes, signs, or uses false or incorrect declarations, statements, or documents in the transaction of business under the Act.

14. M/s Tarkeshwar Associates was a sole proprietorship of late Shri Raj Chande, who died on 02.01.2026. A sole proprietorship has no separate legal identity from its proprietor; hence, the seized goods form part of his estate. Under Sections 8 and 10 of the Hindu Succession Act, 1956, property of a male Hindu dying intestate devolves upon Class I heirs, which includes the mother. Accordingly, Mrs. Preeti S. Chande, as surviving Class I heir, is the legal successor to the seized goods. During investigation, Mrs. Preeti S. Chande and Shri Sanjay Damji Chande authorised Shri Rushik Chande to manage assets, run the business, recover dues, represent the concern before authorities, and act as authorised representative. Thus, Shri Rushik Chande was treated as representative for investigation and hearing. GST records confirms that GST returns continued to be filed even after the proprietor's death, evidencing continuity of business. The seized goods, still owned by the firm/legal heirs until adjudication, are liable to confiscation under Sections 111(d), 111(l) and 111(m) of the Customs Act for import violations and mis-declaration. A Show

Cause Notice for confiscation can validly be issued to Shri Rushik Chande being the legal representative of the firm M/s. Tarkeshwar Associates. However, penalties under Sections 112 and 114AA of the Customs Act are personal in nature and do not survive the death of the proprietor; hence, no penal liability is proposed on legal heirs.

15. The imports in the present matter were made from the Mundra SEZ. Hence, the case falls under the jurisdiction of Mundra Customs. Since the goods are currently lying in the warehouse, the matter comes under the purview of the Additional Commissioner of Customs (Import), Custom House Mundra, in terms of the provisions of Section 122 of the Customs Act, 1962.

16. Now, therefore, **Shri Rushik Chande** being the authorised representative of M/s. TARKESHWAR ASSOCIATES, having its address at Flat no. 902, C6, Kumar Prithvi, Aachal Nagar, Kondhwa, Pune City, Pune, Maharashtra-411048, is hereby called upon to show cause in writing to **the Additional Commissioner of Customs, Customs House, Mundra**, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of this notice, as to why:

(i) The declared assessable value of Rs. 22,87,767/- (Rupees Twenty-two lakhs Eighty-Seven Thousand Seven Hundred Sixty-Seven only) should not be rejected and goods be **re-assessed at ₹ 75,50,447/- (Rupees Seventy-Five Lakhs Fifty Thousand Four Hundred and Forty-Seven Only**), as per the provisions laid down in the Customs Act, 1962.

(ii) The goods imported vide Bill of Entry No. 6486033 dated 23.12.2025, should not be reassessed under section 17 of the Customs Act, 1962, as detailed in Table-7A & 7B supra;

(iii) Import duty amounting **Rs. 1,70,001/- (Rupees One Lakh Seventy thousand and one only)** on Importable goods i.e. sr. no. 1 to 3 of Table-4 supra, having assessable value of Rs. 6,12,947/- (Rupees Six

Lakh Twelve Thousand Nine hundred forty-seven only), should not be demanded from him.

(iv) Imported goods, as mentioned at sr. no. 4 to 7 of Table-4 supra, which are restricted in nature and having redetermined assessable value of **Rs. 69,37,500/- (Sixty-Nine Lakhs Thirty-Seven thousand and five hundred only)** should not be confiscated under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962.

17. This Show Cause Notice is being issued under Section 124 of the Customs Act, 1962 without prejudice to any other action that may be taken against the Noticees or any other person / party connected with this case, under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply in writing within 30 days of issuance of this notice. In their written reply, they should specifically mention whether they would like to be heard in person or through their authorized representative, by the adjudicating authority. They should also produce at the time of showing cause, all the evidences upon which they intend to rely in support of their defense. If no cause is shown against the action proposed in this Show Cause Notice within 30 days from the receipt of this Show Cause Notice (or extended period, if allowed) or if they or their representatives do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

18. This Show Cause Notice is being issued on the basis of the evidences available on record. The Department reserves the right to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material facts related to goods under investigation and any other import/smuggling by the said noticees, which may come to the notice of the Department after issuance of this notice and prior to the adjudication of the case.

19. The copies of relied upon documents, as mentioned in this Show Cause Notice, are listed in **Annexure-R** and are enclosed with this Show Cause Notice and also are an integral part of this Show Cause Notice.

Encl: As above.

Digitally signed by
Dipakbhai Zala
Date: 16-07-2026
17:48:48

(Dipak Zala)

Additional Commissioner of Customs,

Custom House, Mundra

F. No.: GEN/ADJ/ADC/1106/2026-Adjn-O/o Pr Commr-Cus-Mundra

List of Noticee:

To,

(i) Shri Rushik Chande (authorised representative of M/s. TARKESHWAR ASSOCIATES)

Flat no. 902, C6, Kumar Prithvi, Aachal Nagar,

Kondhwa, Pune City, Pune, Maharashtra- 411048

<u>COPY TO:-</u>

(1) The Joint Director, Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad.

(2) The Deputy Commissioner, EDI, Customs Mundra (For uploading on official website immediately).

ANNEXURE-R

List of Relied upon Documents

Investigation in respect of consignment imported by M/S TARKESHWAR ASSOCIATES, IEC (BDTPC5239A)

Sr no.	Document	Page no.
RUD-01	Copy of Panchanama dated 28.02.2026.	1-9
RUD-02	Copy of Visit Note dated 26.12.2025	1-2
RUD-03	Statement of Shri Rushik Chande, Authorized Person of M/s TARKESHWAR ASSOCIATES recorded on 09.03.2026	1-6
RUD-04	Statement of Shri Anuj Khandelwal, of M/s Ridhis recorded on 08.05.2026	1-6
RUD-05	Statement of Shri JAY THACKER, Authorized person M/s Mahadev Exim recorded on 19.05.2026	1-6
RUD-06	Statement of Shri Rushik Chande, Authorized Person of M/s TARKESHWAR ASSOCIATES recorded on 02.06.2026	1-8
RUD-07	Copy of Test Reports received from HEMRL, PUNE	1-14
RUD-08	Copy of Seizure Memo F. No. DRI/AZU/CI-1/Misc-1/2025 dated 02.04.2026	1-2
RUD-09	Duty computation of imported goods as “Annexure B”	1-3
RUD-10	Valuation sheet “Annexure A”	1-5
RUD-11	Copy of Authority letter and submission of M/s. Tarkeshwar Associates.	1-74
RUD-12	Letter for extension of time limit dated 16.06.2026	1-2