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F. No. GEN/ADJ/ADC/423/2026-Adjn-O/o Commr-Cus-Kandla

DIN: 20260371ML0000884558

SHOW CAUSE NOTICE

An intelligence was gathered using EDI that one exporter namely M/s MPS Enterprises [IEC: ABUFM6306Q] situated at First Floor, Gali No. 1, Sheikhpura, Kithwari Chowk, Palwal, Haryana - 121102 have declared the inflated value of the goods, i.e. Other textile material blind fabrics rolls for Curtain, intended for export under shipping bill Nos. 8510775, 8510777 & 8510796, all dated 26.02.2025 filed by the CHA namely M/s Madhav Workland (**RUD – 1A**). Further, it was also observed that high value incentive i.e. Drawback, RoSCTL, IGST etc. were involved in the said cargo. The details of the said three consignments, as declared in the Shipping Bills, are furnished in Table-I below:

Table: I (Amount in Rs.)

Sr. No.	SB No. & all Dated 26.02.2025	Description	No. of Rolls	Qty. (Sq Ft.)	Declared FOB (In Rs.)	Drawback Amount Involved (in Rs.)	RosCTL Amount Involved (in Rs.)	IGST paid (in Rs.)	Export Benefits Involved (in Rs.)
1	8510775	Other Textile Material Blind fabrics rolls for curtain	50	46200	13914285	208714	737458	1669714	2615886
2	8510777		49	45276	13635999	204540	722708	1636320	2563568
3	8510796		49	45276	13635999	204540	722708	1636320	2563568
Total			148	136752	41186283	617794	2182874	4942354	7743022

2. Since, high incentive involvement in the above Cargo was more than Rs. 77 Lakhs and seemed suspicious, accordingly, the cargo covering the above said shipping bills of the exporter M/s MPS Enterprises [IEC: ABUFM6306Q], were put on hold by the SIIB vide letter dated 10.03.2025 for 100% examination by the SIIB section for investigation or examination to reveal the facts/reason for the same.

Investigation & Examination:

3. Acting on the intelligence, the said consignment covered under Shipping Bills No. 8510775, 8510777 & 8510796 all dated 26-02-2025 & filed by M/s MPS Enterprises [IEC: ABUFM6306Q] were examined at M/s AV Joshi CFS, Gandhidham in the presence of independent panchas and Shri Ishwar Singh, H-Card Holder of CHA namely M/s Madhav Workland, appearing on behalf of the Exporter namely M/s MPS Enterprises. Shri Ishwar Singh and both the independent panchas remained present during the examination

proceedings. The proceedings were duly recorded in Panchnama dated 19.03.2025 (**RUD-1B**).

4. The export consignment in all shipping Bills is mentioned as “Other textile Material Blind Fabrics Rolls for Curtain” under CTH 63039990 and the details of shipping bills are as per the table below:

Table: II

Sr. No.	Name of the Exporter	Shipping Bill all dated 26.02.2025	FOB (INR)	Total Rolls	Quantity in SQF	Net Weight in Kg
1	M/s. MPS Enterprises	8510775	13914285	50	46200	1400
2		8510777	13635999	49	45276	1372
3		8510796	13635999	49	45276	1372

5. Prima facie, on examination of the subject consignments, the declared value appeared to be on the higher side. Accordingly, the declared transaction value appeared liable for rejection under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 and required re-determination by sequentially proceeding in terms of Rules 4 to 6 of the said Rules. In the instant case, the exporter is a trader (as per GST online portal); and in the facts of this case, the transaction value could not be reliably determined under Rules 4 and 5 for the reasons stated in below paragraphs. Accordingly, a Government-empanelled Chartered Engineer (Valuer) was engaged.

6. During the examination, it was revealed that the fabric rolls in the said consignment are not fabric roll of standard lengths, such as 50 meters or 100 meters, but rather rolls of irregular length made from wrapping, on one another, left-over cut pieces of varying length from different fabric rolls. Samples from the above-mentioned cargo were not taken as the drawl of the samples of the above cargo is not feasible since fabric rolls were of irregular lengths & widths and had wrapped cut pieces of irregular size on one another to make fabrics roll.

7. As per the Weighment Slip of the Cargo and the Gate in Pass in respect of the above cargo submitted by Shri Mahesh Kuksal, Manager of M/s A V Joshi, CFS, Gandhidham, the total Gross weight of the Cargo was **4270 Kg** whereas the gross weight of cargo as per Shipping Bills was 4292 Kg. Therefore, 22 Kg was short received in the CFS, Gandhidham in respect of the M/s MPS Enterprises as detailed under:

Table: III

Exporter Name	Gross Weight in Kg as per Weighment Slips	Gross Weight in Kg as per Shipping Bill	Difference (Kg.)
M/s MPS Enterprises	4270	4292	22

Valuation of cargo by Chartered Engineer:

8. Accordingly, as per Rule 3(3) of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, since the value of the impugned goods could not be determined under the provisions of sub-rule (1), the value was required to be re-determined by proceeding sequentially through Rules 4 to 6 of the said Rules.

9. Since the export goods were not standard goods, the export data in the Export Commodity Data Base (ECDB) could not be used for comparing transaction values of goods of like kind and quality as required under Rule 4. Further, the subject goods were not identified specifically with any brand, mark, style or other distinguishing specifications. Therefore, goods of like kind and quality exported could not be reliably identified for comparison. Accordingly, value could not be determined under Rule 4 of the said Rules.

10. The exporter did not produce cost of production details, manufacturing or processing details, correct transportation details, design/brand-related information, or amount towards profit, etc., required to arrive at computed value. In the absence of complete cost data, value could not be determined as per Rule 5 of the said Rules.

11. Since Rules 4 and 5 were not applicable in the instant case, the value was required to be determined under Rule 6 (Residual Method) of the said Rules. Rule 6 reads as under:

“RULE 6. Residual Method — Subject to the provisions of rule 3, where the value of the export goods cannot be determined under the provisions of rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and the general provisions of these rules; provided that local market price of the export goods may not be the only basis for determining the value of export goods.”

12. Accordingly, the assessable value of the impugned goods has been re-determined under Rule 6 (Residual Method) using reasonable means consistent with the principles and general provisions of the said Rules. For this purpose, the goods were subjected to detailed physical examination, including verification of dimensions, quality, thickness, GSM and print. Valuation was carried out by a Government-approved Chartered Engineer, who assessed the fair FOB value on the basis of actual measurable parameters of the goods, prevailing wholesale trade practices and comparable market indicators, and not merely on local market price.

13. In compliance of letter bearing F. No. CUS/SIIB/HOC/21/2025-SIIB-O/o Commr-Cus-Kandla dated 04.04.2025 (**RUD-2**) issued by the Assistant Commissioner SIIB CH Kandla, the valuation report submitted by the Government-approved Chartered Engineer and registered valuer as per the Public Notice No. 01/2025 dated 31.01.2025 issued by the Kandla Commissionerate. Shri Ajayrajsing B. Jhala Chartered Engineer and registered valuer submitted report cum opinion certificate vide letter bearing No. ABJ: INSP:CE:SIIB:KAN:25-26:01 dated 14.04.2025 (digitally signed on 15.04.2025) (**RUD-3**). Further, he was also present at the time of examination for assessing the fair value of the above goods.

14. Shri Ajayrajsing B. Jhala, Chartered Engineer submitted his valuation report vide dated 14.04.2025 with the following observations:

a) Details of goods:

The goods have been examined visually in presence of SIIB Kandla Customs & CHA Representative; and verification of the export documents and ascertained with the following observation;

Table: IV (as per Chartered Engineer Report)

Sr No.	Description of Goods – As they appear visually	Total Rolls	Quantity in SQF.	Net Weight in Kgs.
1	Mix irregular Fabric rolls for curtains	50	46200	1400
2	Mix irregular Fabric rolls for curtains	49	45276	1372
3	Mix irregular Fabric rolls for curtains	49	45276	1372
	Total	148 Rolls	136752 SQF.	4144 KGS.

Valuation:

- *Based on the physical and visual examination of the goods; these goods are not standard fabric roll lengths, such as 50 metres or 100 metres, but rather left-over cut pieces of varying lengths from different fabric rolls and these cut pieces are wrapped on one another to make a fabric roll of irregular lengths and widths. The valuation also has been considered accordingly.*
- *Item Description – As they appear visually: Mix Irregular Fabric rolls for curtains.*
- *Based on the market survey and analysis: Per Unit Average Market Price of the Goods Assessed by CE in INR (approx.): 60 INR / METRE.*

Re-determination of Valuation and Re-Examination of the Cargo:

15. In the course of investigation into the export consignments of fabric rolls declared as “Textile Material Blind Fabric Rolls”, this office sought technical assistance from the Textile Committee, Ahmedabad vide letter bearing F. No. CUS/SIIB/HOC/24/2025-SIIB dated 16.09.2025 (**RUD-4**) for physical examination, quality assessment, specification verification, and determination of the prevailing market value of the goods. In compliance to the above, a representative from the Textile Committee, Ahmedabad, Shri Shyamlal Saini, Quality Assurance Officer, Textiles Committee, Ahmedabad appeared for re-testing/inspection of the fabrics for composition, quality, and conformity to declared specifications. The proceedings were duly recorded in Panchnama dated 30.12.2025 (**RUD-5**).

16. Vide their lab reports dated 06.02.2026 (**RUD-6**), the Textile Committee, Ahmedabad reported that the fabrics are predominantly woven from polyester filament yarns, with Sample B1 showing 88.7% Polyester and 11.3% Adhesive (weight 314.7 g/m², printed, non-texturised, filament yarn); Sample B2 exhibiting 75.2% Polyvinylchloride (PVC) coating and 24.8% Polyester (weight 611.6 g/m², dyed, non-texturised filament yarn); Sample B3 comprising 100% Polyester (weight 233.9 g/m², yarns of different colours, filament yarn, partially texturised at 82.4% non-texturised). It was also reported that no elastomeric or high-tenacity yarns are present across samples; all are woven (not knitted, crocheted, bonded, or non-woven) and further they have also declared the HS code for the Sample B1 under 5901.90, Sample B2 under 5903.10 and for the sample B3 HS code under 5407, whereby the exporter have declared under CTH 63039990 for the said goods i.e. Other Textile Material Blind fabrics rolls for curtain.

Clarification in respect of Valuation the Cargo:

17. For further clarification in the instant matter, a letter dated 21.11.2025 (**RUD-7**) was issued to Emplaned Chartered Engineer for seeking detailed clarifications on his valuation opinion certificates dated 14.04.2025 wherein Emplaned Chartered Engineer has opined that after visually examination export consignment in respect of M/s MPS Enterprise consists of

irregular leftover cut pieces of non-standard lengths and widths wrapped together of fabric rolls for curtains and were valued at approximately ₹60 per meter based on market surveys without supporting documentation. In response, the Chartered Engineer submitted the clarification vide his letter dated 12.02.2026 (**RUD-8**) as detailed under:

A. Material composition of the fabrics inspected, whether woven or knitted:

- Majority woven fabrics and few knitted.

B. Please specify whether the fabrics are 100% polyester, polyester-cotton blend, 100% cotton, viscose, or any other fiber?

- Mostly 100% polyester.

C. Basis of valuation at ₹60 per meter?

- Based on the physical and visual examination of the goods; these goods are not standard fabric roll lengths, such as 50 metres or 100 metres, but rather left over cut pieces of varying lengths from different fabric rolls and these cut pieces are wrapped on one another to make a fabric roll of irregular lengths and widths. The goods are in very poor condition with one fabric roll consist of many different variety / types of fabric cut pieces in it. In actual it has no much commercial value – as they are sold in bulk. The valuation also has been considered accordingly by considering all the aspects and in higher side.
- Random physical and visual examination, present condition, quality and status of the goods – Irregular leftover mix fabric rolls.
- Based on telephonic conversations with the various suppliers, general inspection available on the internet and the market survey of the similar /identical goods in Bulk Quantity.
- Market survey and analysis of the similar / identical goods in the market.

D. Kindly provide the supporting evidence on which you have arrived at the figure of “approx. 60 INR / METRE” Specifically.

- Physical and visual examination, present condition, quality, status of the goods – Irregular leftover cut pieces mix fabric rolls – the goods are in very poor condition with one fabric roll consist of many different variety / types of fabric cut pieces in it. In actual it has no much commercial value – as they are sold in bulk. In actual it has no much commercial value – as they are sold in bulk. The valuation also has been considered accordingly by considering all the aspects and in higher side.
- **Market Survey of the goods in the market. Few of them are listed below:**
 - i. Shrinathji Cloth Traders, Rajkot: 7/12 Bhaktinagar Station Plot, Rajkot, Gujarat 360002.
 - ii. Mahesh Foam N Fabrics, Rajkot: 20/25, new jagnath corner, opp. harmony hospital, near dr.mori's clinic, Rajkot, Gujarat.

iii. A One Furnishings, Adipur: Shop No 86\87, Shop No 01, Ward 5A, Adipur, Kutch, Gujarat.

iv. Shree Dwarka Furniture, Adipur& their contacts: Plot No. 566, Rambagh road, Adipur - 370205.

v. Other Various Wholesalers & Dealers.

vi. Internet / Web various sources use such as: Artificial Intelligence, Google, Indiamart, Tradeindia, etc.

- In actual it has no much commercial value – as it is in poor condition, leftover cut pieces of fabrics and they are sold in bulk. The valuation also has been considered accordingly by considering all the aspects and keeping at higher side. Hence, the value provided is very much fair & justifiable.

18. The valuation report submitted by the Government-approved Chartered Engineer vide report No. ABJ:INSP:CE:SIIB:KAN:25-26:01 dated 14.04.2025 and subsequent clarification dated 12.02.2026 are based on visually examination and professional assessment using reasonable and recognised valuation principles and therefore constitutes a reliable basis for determination of value under Rule 6.

19. Further, the comparative details of Shipping Bills Nos. 8510775, 8510777 & 8510796 all dated 26.05.2025 vis-à-vis Chartered Engineer report having reference no. ABJ:INSP:CE:SIIB:KAN:25-26:01 dated 14.04.2025 and further clarification report dated 12.02.2026 are summarized hereunder:

Table- V (attached as Annexure 'A' to this SCN)

Sr. No.	S/B No. all are dated 26.02.2025	Qty. (Kg.)		Qty. in Meter as per SB	Assessable Value (INR)		Difference (+ means excess/- means short)	
		As per S/B	As per Examination		As per S/B	As per CE report@60/Meter	Qty (Kg)	Value (in Rs.)
1	8510775	1400	3866	4294	13914285	257621	278	40423725
2	8510777	1372		4208	13635999	252468		
3	8510796	1372		4208	13635999	252468		
		4144	3866	12709	41186283	762558	278	40423725

MPS Enterprises Actual Weight for calculation:				
Weight of Packaging Material	Gross Weight received in CFS	Net weight of the Cargo	Net weight of the cargo as per SB	Excess or short
404	4270	3866	4144	278

20. So, the total FOB value of the impugned goods has been re-determined as Rs. 7,62,558/- for all the 03 Shipping Bills as shown in Table-V above, under Rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, as against the declared FOB value of Rs. 4,11,86,283/-.

21. The fair value assessed by the Govt. Empanelled Chartered Engineer is far less than the FOB value declared in Three shipping bills which are as:

- Rs. 1,39,14,285/- under SB No. 8510775 dtd. 26.02.2025,
- Rs. 1,36,35,999/- under SB No. 8510777 dtd. 26.02.2025,
- Rs. 1,36,35,999/- under SB No. 8510796 dtd. 26.02.2025,
- Total declared value amounting to Rs. 4,11,86,283/-.

The said export was being made with payment of IGST amounting to Rs. 49,42,354/- (Rs. 16,69,714/- in case of SB No. 8510775, Rs. 16,36,320/- in case of SB No. 8510777 and Rs. 16,36,320/- in case of SB No. 8510796). It appears that the exporter has overvalued the export goods in order to claim export benefits amounting to Rs 77,43,022/- (IGST of Rs. 49,42,354/-, Drawback of Rs 6,17,794/- and RosCTL of Rs. 21,82,874/-) against the Three shipping bills mentioned above.

Seizure Memo and Supratnama:

22. From the above comparative data, it was noticed that quantity of the cargo was short by **278 kg** and value of the same also comes to short by **Rs. 4,04,23,725/-**. Therefore, it is clear that quantity and value both were mis-declared and hence the above export consignments of M/s MPS Enterprises appeared to be liable for confiscation under Section 113 the Customs Act, 1962. Therefore, in exercise of the powers conferred vide Sub Section (1) of Section 110 of Customs Act, 1962, the cargo covered under the above said Shipping Bills was put under seizure vide Seizure Memo dated 17.04.2025 (**RUD-9**). Custody of the goods was handed over to Shri Mahesh Kuksal, Manager Operations, M/s AV Joshi & Company, Container Freight Station, Gandhidham, Kutch vide Supratnama dated 17.04.2025 and further investigation in the matter was initiated.

23. Whereas, as the investigation could not be completed within due period of 06 months from the date of seizure i.e. 17.04.2025, as stipulated in Customs Act, 1962, the competent authority granted extension for a period of 06 month for completion of investigation on 05.09.2025.

Verification of existence of M/s MPS Enterprises:

24. Further, during the investigation, to verify the genuineness of the exporter, letters dated 19.07.2025 & 08.08.2025 were issued to the jurisdictional Additional Commissioner, CGST (Preventive), CGST Commissionerate Faridabad(**RUD-10**). Further, CGST Commissionerate Faridabad, vide letter F.no.-GEXCOM/AE/VRFN/225/2025-AE-O/O COMMR-CGST-FARIDABAD dated 25.07.2025 (**RUD-11**), informed that the registered address of M/s MPS Enterprise i.e.- First Floor, Gali No. 1, Sheikhpura, Kithwari Chowk, Palwal, Haryana – 121102 was found fully vacant & non-functional and letter has been issued to jurisdiction range officer (superintendent, Range-25, Divisional Palwal) for initiating cancellation of registration proceeding under section 29 of the CGST Act, 2017 for cancellation of GST registration of M/s MPS Enterprise.

Summons & Statement

25. Summons dated 17.04.2025 to the exporter, M/s MPS Enterprise, Summons dated 17.04.2025 followed by summons dated 24.04.2025, 29.04.25, 07.05.2025, 19.05.2025 and 04.06.2025 to CHA M/s Madhav Workland and summons dated 20.06.2025 to M/s Success

Cargo Trans Private Limited were issued and sent through Speed Post to their registered address.

26. In compliance to the summons dated 17.04.2025, Shri Pradeep Kumar Soni, Partner in M/s MPS Enterprises appeared before the officials of SIIB, CH Kandla and statement of Shri Pradeep Kumar Soni, Partner in M/s MPS Enterprises was recorded on 05.05.2025 under section 108 of the Customs Act, 1962. Shri Pradeep Kumar Soni Partner of M/s MPS Enterprises showed his agreement with the examination and panchanama proceeding dated 19.03.2025 and also stated that Shipping Bills 8510775, 8510777 and 8510796 all dated 26.02.2025 were filed by M/s Madhav Workland, CHA on their behalf. Further, Shri Pradeep Kumar Soni, Partner in M/s MPS Enterprises in his statement dated 05.05.2025, showed their dis-agreement with the valuation conducted by the Chartered Engineer, referenced under Ref. No. ABJ: INSP: CE: SIIB: KAN:25-26:01 dated 14.04.2025, in respect of M/s MPS Enterprises wherein the average per-unit market price is Rs. 60/meter. In the said statement dated 05.05.2025 (**RUD-12**), Shri Pradeep Kumar Soni, Partner in M/s MPS Enterprises has further inter-alia stated that:

- *M/s MPS Enterprises having GSTIN 06ABUFM6306Q1ZG is situated at FIRST FLOOR, GALI NO. 1, SHEIKHPURA, KITHWARI CHOWK, Palwal, Palwal, Haryana, 121102 which was incorporated in Dec'22. M/s MPS Enterprises is a partnership firm and engaged in trading of sanitaryware, readymade garments, furnishing fabrics and also engaged in import and export. Further, M/s MPS Enterprises is rented premises on the above-mentioned address and he hereby is submitting the copy of the Rent agreement which is undertaken at the time of the GST Registration.*
- *Since GST Registration, in Nov'24, their first supply is export and they exported Sanitary Items Ceramic Western Commode vide Shipping Bill No. 5676053, 5676082 and 5676101 all dated 17.11.2024.*
- *This is their Second supply of Fabrics Rolls for Curtains vide Shipping Bills 8510775, 8510777 and 8510796 all dated 26.02.2025 which were against the Export Invoice No. MPS/15/2024-25 dated 11.02.2025, MPS/16/2024-25 dated 21.02.2025 and MPS/17/2024-25 dated 11.02.2025 issued to M/s Amit Kumar General Trading LLC, Office No. 1805, Burjman Business Tower, Dubai, UAE.*
- *The cargo of M/s MPS is blinds fabrics rolls for curtains and mostly rolls are not standard fabric roll lengths, such as 50 meters or 100 meters, but rather left-over cut pieces of varying lengths from different fabric rolls and these cut pieces are wrapped on one another to make fabric roll of irregular lengths.*
- *The Shipping Bills 8510775, 8510777 and 8510796 all dated 26.02.2025 were filed by M/s. Madhav Workland, CHA. The details including KYC documents was provided by him by hands to Shri Ishwar Singh.*
- *He has perused the Export Invoices No. MPS/15/2024-25 & MPS/15/2024-25 both dated 11.02.2025, MPS/17/2024-25 dated 21.02.2025 along with packing list to the said invoices and in token of having perused the same and agreement with its contents. In this regard, he wants to state that the above export invoices as well as packing list were signed by the other partner Shri Satyapal Singh.*
- *He doesn't have any purchase order in the above export consignments as all the discussion were made over telephone only.*
- *He has perused the Valuation Report submitted by Chartered Engineer vide Ref. No. ABJ: INSP:CE:SIIB:KAN:25-26:01 dated 14.04.2025 in respect of M/s. MPS Enterprises and in token of having perused the same and agreement with its contents, he put my dated signature on its last page of Valuation Report. Further, in this regard, he states that the goods were purchased at prevailing market rates, and prima*

facie, they do not agree with the valuation conducted by the Chartered Engineer, referenced under Ref. No. ABJ: INSP: CE: SIIB: KAN:25-26:01 dated 14.04.2025, in respect of M/s. MPS Enterprises wherein the average per-unit market price is Rs. 60/meter. However, they have already applied for "Back to Town" permission for the said goods.

- *He has seen Shipping Bill No. 8510775, 8510777 and 8510796 all dated 26.02.2025 as well as Export Invoices in respect of M/s MPS Enterprises wherein the description of goods "Other Textile Material Blind Fabric Rolls for Curtains" under CTH 63039990 and accordingly the incentive has been claimed on the basis of the said CTH and in token of having seen, he put my dated signature on its last page of each shipping Bill. Further, in this regard, he states that as per his knowledge, the correct CTH for the Blind fabric Rolls for curtains is 63039990 and the rate of the drawback is 1.5% of the assessable value and rate of RoSCTL is 5.3% with the certain Cap per Unit price. Further, I also state that the calculation of the incentives was calculate by CHA during filing of the above Shipping Bills.*
- *He doesn't have enough knowledge about the separate levies of RoSCTL for State and Centre along with certain Cap per Unit. As per general trade practice, the measurement of the Blind Fabric Rolls for Curtains is being done in "SQF" or "SQM". Due to lack of knowledge of customs formalities & provisions and time constraints, they generally approach Custom House Agents for Custom Clearance and filing of the documents before customs. The Said calculations of RoSCTL were done by the CHA i.e. M/s. Madhav Workland.*

27. In compliance to the Summons issued to the Custom Broker M/s Madhav Workland, Shri Manish Naresh Agarwal S/o Sh. Naresh Agarwal (Mobile No. 9979797090), Partner in M/s Madhav Workland appeared before the officials of SIIB CH Kandla and accordingly, statement dated 18.06.2025 was recorded under Section 108 of the Customs Act, 1962. During the statement dated 18.06.2025 (**RUD-13**), the CB showed his agreement with the examination and CE report and agreed with the mis-declaration of the quantity and value of the cargo. In the said statement dated 18.06.2025, the CB has further inter-alia stated that:

- *They have been authorized by the exporter M/s MPS Enterprise for customs clearance of their export consignments at Kandla Port.*
- *They have filed Shipping Bills on the basis of the documents provided by the Sh. Tanmay Singh of M/s. Success Cargo Trans Private Limited through email docs@successcargotrans.com.*
- *After receiving of the custom KYC documents, they have prepared checklist and forwarded the same email for approval. After getting approval from the M/s Success Cargo Trans Private Limited, they filed the above-mentioned shipping bills in respect of M/s MPS Enterprises.*
- *Neither him nor anybody from M/s. Madhav Workland have ever met or talked to proprietor or partners of M/s MPS Enterprises.*
- *They have talked to Sh. Upendra Singh only who is Director in M/s Success Cargo Trans Private Limited for filling of shipping bill as they are not registered at Kandla, therefore, they requested to them for filling of the shipping bill in case of M/s MPS Enterprise.*

28. In compliance to the Summons issued to M/s Success Cargo Trans Private Limited, Shri Mukesh Dhaka, authorised person of M/s Success Cargo Trans Private Limited appeared before the officials of SIIB CH Kandla and accordingly, statement dated 03.07.2025 was recorded under Section 108 of the Customs Act, 1962. In the said statement dated 03.07.2025 (**RUD-14**), Shri Mukesh Dhaka has further inter-alia stated that:

- *M/s Roxy Enterprises, M/s MPS Enterprises and M/s Bhagwati Enterprises contacted or approached to M/s Success Cargo Trans Private Limited for clearance and forwarding of the export cargo. Further, since They handled only transportation and freight forwarder related works so M/s Success Cargo Trans Private Limited contacted to M/s Madhav Workland for customs related works including filling of the above shipping bills. M/s Madhav Workland agreed for custom related work and for filling of shipping bills in respect of M/s Roxy Enterprises, M/s MPS Enterprises and M/s Bhagwati Enterprises and sought the documents from M/s Success Cargo Trans Private Limited. After agreement and on request of the M/s Madhav Workland, M/s Success Cargo Trans Private Limited had sent the documents or KYC details of the above exporter to M/s Madhav Workland vide email docs@successcargotrans.com for filling of the shipping bills.*
- *M/s Success Cargo Trans Private Limited had received the documents by hand from the exporters and the same had sent to the M/s Madhav Workland for filling of the shipping bills as M/s Success Cargo Trans Private Limited has neither CB firm nor registered at any port as a CB firm but handling only freight forwarder and logistics related work.*
 - *M/s Success Cargo Trans Private Limited had not handled the logistics or transport related work of the above exporters.*
- *M/s Success Cargo Trans Private Limited had received the KYC documents along with export invoice, packing list, E-way bill, purchase invoices in respect of the above exporters and the same were sent to M/s Madhav Workland for filling of the shipping bills. After receipt of the checklist from M/s Madhav Workland, M/s Success Cargo Trans Private Limited gave approval for filling of the Shipping Bills vide email docs@successcargotrans.com. Further, they had sought the approval for checklist from the exporters.*
- *M/s Success Cargo Trans Private Limited play only a mediator role between CB M/s Madhav Workland and exporters.*
- *They have not informed to the exporter regarding mismatch of the signature on PAN and Authorisation Letter dated 01.02.2025 because They had forwarded the KYC details to the CB M/s Madhav Workland.*

Findings:

29. An intelligence was developed indicating possible overvaluation of export consignments declared as "Other textile material blind fabrics rolls for curtains" by exporters including M/s. MPS Enterprises. Based on data mining and suspiciously high incentives (Drawback, RoSCTL, IGST) exceeding ₹77 Lakh, the consignments were put on hold and examined on 19.03.2025. A total of 148 fabric rolls from M/s MPS Enterprises were examined under panchanama proceedings. It was found that the rolls consisted of irregular, nonstandard cut pieces wrapped together.

30. All 03 Shipping Bills dated 26.02.2025 declared a net weight of 4144 kg, but the actual weight as per examination was only 3866 kg indicating a shortage of 278 kg. The Chartered Engineer, Shri Ajayrajsing

B. Jhala, submitted a valuation report and further clarification report estimating the actual value of goods at ₹7,62,558/-, whereas the declared FOB value was ₹4,11,86,283/-, leading to overvaluation by ₹4,04,23,725/-.

31. Thus, the goods are mis declared in terms of both quantity and value. Therefore, the goods were put under Seizure vide seizure memo vide dated 17.04.2025 and the custody of the goods transfer to M/s. A V Joshi, CFS, Gandhidham. Accordingly, the goods were put under seizure vide seizure memo dated 17.04.2025. Custody of the goods was handed over to Shri Mahesh Kuksal, Manager Operations, M/s AV Joshi & Company, Container Freight Station, Gandhidham, Kutch vide Supartnama dated 17.04.2024.

32. Further clarification was sought from the Emplaned Chartered Engineer vide letter dated 21.11.2025 on the valuation opinion certificates dated 14.04.2025. In response, the Chartered Engineer, vide his letter dated 12.02.2026, clarified that material composition of the majority of the fabrics inspected is woven fabrics and the fabrics are 100% polyester and based on the physical and visual examination of the goods, condition, quality, status of the goods, it appeared that the goods are in very poor condition with one fabric roll consist of many different variety / types of fabric cut pieces in it. In actual it has no much commercial value – as they are sold in bulk. The valuation of Rs. 60 per meter also has been considered accordingly by considering all the aspects and in higher side.

33. In the course of investigation, technical assistance was sought from the Textile Committee, Ahmedabad vide letter bearing F. No. CUS/SIIB/HOC/24/2025-SIIB dated 16.09.2025 for physical examination, quality assessment, specification verification, and determination of the prevailing market value of the goods. Vide their lab reports dated 06.02.2026, the Textile Committee, Ahmedabad reported that the fabrics are predominantly woven from polyester filament yarns and all are woven (not knitted, crocheted, bonded, or non-woven). Further, they have also informed that the HS code for the Sample B1, Sample B2 and B3 is **5901.90**, **5903.10** and **5407** respectively, whereas the exporter has declared under CTH 63039990 for the said goods i.e. Other Textile Material Blind fabrics rolls for curtain.

34. Further, during the investigation, to verify the genuineness of the exporter, letters dated 19.07.2025 & 08.08.2025 were issued to the jurisdictional Additional Commissioner, CGST (Preventive), CGST Commissionerate Faridabad. Further, CGST Commissionerate Faridabad, vide letter F.no.-GEXCOM/AE/VRFN/225/2025-AE-O/O COMMR-CGST-FARIDABAD dated 25.07.2025, informed that the registered address of M/s MPS Enterprise i.e.- First Floor, Gali No. 1, Sheikhpura, Kithwari Chowk, Palwal, Haryana – 121102 was found fully vacant & non-functional and letter has been issued to jurisdiction range officer (superintendent, Range-25, Divisional Palwal) for initiating cancellation of registration proceeding under section 29 of the CGST Act, 2017 for cancellation of GST registration of M/s MPS Enterprise.

35. The Exporter has violated the provisions of Rule 11 of the Foreign Trade (Regulations), 1993 in as much, as they did not make a correct declaration of value of goods in the Shipping Bill filed by them to the Customs authorities.

36. As the Exporter had not made declaration truthfully in the said Shipping Bills, they have violated the conditions of Section 50(2) read with Section 34 of the Customs Act, 1962. Hence, it appears that there was a deliberate mis-declaration, mis-statement and suppression of facts regarding the actual value of the impugned goods, on the part of the Exporter with

mala- fide intention to claim undue export benefits not legitimately payable to them. The exporter had declared the FOB value in the shipping bill as Rs. 4,11,86,283/- whereas the re-determined FOB value was Rs. 7,62,558/- only and hence higher Drawback, RosCTL & other export incentives were claimed. Thus, it appeared that the said goods were attempted to be exported in violation of Section 50(2) read with Section 34 of the Customs Act, 1962 and Section 11(1) of Foreign Trade (Development & Regulation) Act 1992 & Rules 11 of Foreign Trade Rules 1993, as exporter had furnished wrong declaration to the Custom Authorities. Hence, the goods are liable for confiscation under section 113 of the Customs Act, 1962.

37. The description of the goods found were not in consonance with the Exporter's declaration with respect to value, as the Exporter had overvalued the goods on the basis of fake invoices. Hence, the declared value appeared to be rejected as per Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

38. The value of the impugned goods is, therefore, proposed to be re-determined under the residual Rule 6 of CVR (Export) Rules, 2007, as detailed supra.

39. As can be seen from the above, based on the Government-Empanelled Valuer's valuation report vide No. ABJ: INSP:CE:SIIB:KAN:25-26:01 dated 14.04.2025 and subsequent clarification vide even No. dated 12.02.2026, it appears that the goods declared by the exporter in Shipping Bill Nos. 8510775, 8510777 & 8510796, all dated 26.02.2025, were mis-declared in terms of their value. During the course of investigation, it was found that the value of the items filed under the aforesaid Shipping Bills had been inflated and, therefore, required re-determination under Rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. It is thus evident that the goods were mis-declared with the intention of availing undue export incentives by claiming an excess amount of Drawback and other export benefits, thereby rendering the said goods liable for confiscation under Sections 113(i), 113(ia), and 113(ja) of the Customs Act, 1962. Accordingly, M/s MPS Enterprises (IEC-ABUFM6306Q) mis-declared the impugned goods in terms of value and attempted to defraud the Government, attracting liability for confiscation of the goods covered under the above-mentioned Shipping Bills under the said provisions of the Customs Act, 1962.

40. It further appears that the exporter M/s MPS Enterprises [IEC: ABUFM6306Q] have rendered themselves liable to penalty in terms of Section 114(iii) of the Customs Act, 1962 on account of mis-declaration of value of the impugned goods. The exporter has knowingly & intentionally caused to sign & used the documents (like invoices) to provide the undue advantage to the exporter with malafide intent to avail undue/excess export benefits in form of Drawback, RosCTL and other export benefits and the real picture of the goods revealed during valuation process. Therefore, the exporter also liable for penalty u/s 114 AA of Customs Act, 1962 for this intentional mis-declaration.

Regarding the export incentives: -

41. In terms of Section 76(b) of the Customs Act, 1962, no drawback shall be allowed where the export value is not correctly declared or where the claim becomes inadmissible upon redetermination of value. As the re-determined value renders the drawback claim inadmissible, the drawback amounting to Rs. **6,17,794/-** is liable for rejection under Section 76(b) of the Customs Act, 1962.

42. RosCTL benefit is granted subject to fulfillment of eligibility conditions prescribed under the Foreign Trade Policy and relevant notifications. The exporter has inflated the FOB

value in the Shipping Bills with intent to avail higher RoSCTL benefit, which is contrary to the objective and eligibility conditions prescribed under Para 4.01 of the Foreign Trade Policy 2023. Since the declaration made in the Shipping Bills is not true and correct, the exporter has failed to fulfil the mandatory conditions prescribed under the FTP and the notifications issued thereunder. Since the FOB value has been redetermined and the original declaration is found incorrect, the exporter becomes ineligible for the claimed RoSCTL benefit of Rs. **21,82,874/-**.

43. Show Cause Notice:

Now, therefore, M/s MPS Enterprises [IEC: ABUFM6306Q] having GST Registration 06ABUFM6306Q1ZG located First Floor, Gali No. 1, Sheikhpura, Kithwari Chowk, Palwal, Haryana - 121102 are hereby called upon to show cause to the Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh, Gujarat as to why:

[1] The declared FOB value of Rs. **4,11,86,283/-** in respect of the impugned export goods covered under Shipping Bill Nos. 8510775, 8510777 & 8510796 all dated 26.02.2025, should not be rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962, and re-determined as Rs. **7,62,558/-** under Rule 6 (Residual Method) of the said Rules, as detailed in Table-V above;

[2] The said impugned export goods covered under the Shipping bill nos. 8510775, 8510777 & 8510796 all dated 26.02.2025 as per Table-V above, having been mis-declared in terms of quantity and value, should not be held liable for confiscation under the provisions of Section 113(i), 113(ia) and 113 (ja) of the Customs Act, 1962;

[3] Since the declared FOB value has been found incorrect and is proposed to be rejected and re-determined, the drawback amounting to **Rs. 6,17,794/-** (in respect of Shipping Bill Nos. 8510775, 8510777 & 8510796 all dated 26.02.2025) should not be rejected/disallowed under section 76 of the Customs Act, 1962 read with the Customs and Central Excise Duties Drawback Rules, 2017;

[4] Since the declaration made in the Shipping Bills is not true and correct and the FOB value is proposed to be re-determined and further since the RoSCTL benefit is granted subject to fulfilment of eligibility conditions prescribed under Para 4.01 of the Foreign Trade Policy 2023 and the notifications issued thereunder, the claimed RoSCTL benefit of **Rs. 21,82,874/-** (in respect of the aforesaid Shipping Bills) should not be rejected.

[5] Penalty should not be imposed upon them under Section 114(iii) of the Customs Act, 1962 for attempt to export goods improperly by mis-declaration of quantity and value;

[6] Penalty should not be imposed upon them under Section 114AA of the Customs Act, 1962 for knowingly and intentionally using false and incorrect declarations and documents in connection with the export of the impugned goods.

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

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

46. The aforesaid noticees are directed to submit their written replies within 30 (thirty) days from the date of receipt of this notice. In their replies, they should clearly indicate whether they desire to be heard in person or otherwise.

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

48. All relied upon documents (RUDs) have been enclosed with this Show Cause Notice attached as Annexure R.

(Vishwajeet Singh)
Commissioner (in-situ),
Custom House, Kandla

BY REGISTERED/SPEED POST/By email

F. No. GEN/ADJ/ADC/423/2026-Adjn-O/o Commr-Cus-Kandla

DIN: 20260371ML0000884558

To,

M/s MPS Enterprises [IEC: ABUFM6306Q]
GST Registration 06ABUFM6306Q1ZG
First Floor, Gali No. 1,
Sheikhpura, Kithwari Chowk,
Palwal, Haryana - 121102

COPY TO:

1. The Assistant Commissioner, SIIB, Custom House Kandla.
2. The Superintendent, EDI Section, Custom House Kandla for uploading on website.
3. Guard File.

Annexure-R

Attached to Show Cause Notice issued vide F. No to M/s MPS Enterprises [IEC: ABUFM6306Q] having GST Registration 06ABUFM6306Q1ZG located First Floor, Gali No. 1, Sheikhpura, Kithwari Chowk, Palwal, Haryana - 121102

(List of Relied upon Documents)

RUD - 1A	Copy of shipping bill Nos. 8510775, 8510777 & 8510796, all dated 26.02.2025
RUD -1B	Copy of Panchnama dated 19.03.2025
RUD -2	letter F. No. CUS/SIIB/HOC/21/2025-SIIB-O/o Commr-Cus-Kandla dated 04.04.2025 issued by the Assistant Commissioner SIIB CH Kandla
RUD -3	Valuation Report submitted by Shri Ajayrajsing B. Jhala, Chartered Engineer
RUD -4	Letter F. No. CUS/SIIB/HOC/24/2025-SIIB dated 16.09.2025 to Textile Committee, Ahmedabad for physical examination, quality assessment, specification verification, and determination of the prevailing market value of the goods
RUD -5	Copy of Panchnama dated 30.12.2025
RUD - 6	Test Report dated 06.02.2026 by Textile Committee
RUD -7	Letter dated 21.11.2025 issued to Emplaned Chartered Engineer
RUD -8	Clarification letter dated 12.02.2026 from Chartered Engineer
RUD - 9	Seizure Memo dated 17.04.2025
RUD -10	Letters dated 19.07.2025 & 08.08.2025 issued to the jurisdictional Additional Commissioner, CGST (Preventive), CGST Commissionerate Faridabad to verify the genuineness of the exporter.
RUD -11	Verification report from CGST Commissionerate Faridabad, vide letter F.no.-GEXCOM/AE/VRFN/225/2025-AE-O/O COMMR-CGST-FARIDABAD dated 25.07.2025
RUD -12	Statement dated 05.05.2025 of Shri Pradeep Kumar Soni, Partner in M/s MPS Enterprises
RUD - 13	Statement of CHA (Sh. Manish Naresh Agarwal)
RUD -14	Statement of Sh. Mukesh Dhaka, Authorised Representative of M/s. Success Cargo Trans Private Limited