

	<p>सीमाशुल्कआयुक्तकाकार्यालय OFFICE OF THE COMMISSIONER OF CUSTOMS नवीनसीमाशुल्कभवन, बालाजीमंदिरकेपास, नयाकांडला NEW CUSTOM HOUSE, NEAR BALAJI TEMPLE, NEW KANDLA E-mail: commr-cuskandla@nic.in</p>
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F. No.: GEN/ADJ/COMM/144/2026-Adjn-O/o Commr-Cus-Kandla

SHOW CAUSE NOTICE

(Issued under Section 124 of the Customs Act, 1962)

M/s M N R Enterprises, (IEC-BVKPB3379P) A-604, Bhardwaj Bldg, Saptarshi Park, Swapna Nagri, Mulund West, Mumbai-400080 (hereinafter referred to as “Importer” for the sake of brevity), was engaged in import of *Cotton Woven Fabrics (HS Code-5208 2290)* from China for home consumption. M/s. M N R Enterprises used to clear their import goods for DTA clearance through M/s Shriji overseas Warehouse, KASEZ, Gandhidham.

2. Whereas, the Directorate of Revenue Intelligence gathered intelligence that M/s. M N R Enterprises was indulged in evasion of Customs duty by way of mis-declaration of description and value of the imported goods and by way of mis-classification thereof vide Warehouse Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025. The intelligence further indicated that M/s. M N R Enterprises has imported 02 consignments from China and mis-declared the same as ‘*Cotton Woven Fabrics (HS Code-5208 2290)*’ and ‘*Cotton Woven Fabrics (Cotton more than 85 %) (HS Code-5208 2290)*’ through container no. KMTU9295467 and UETU7364726. As per the details available on the Bills of Lading, the said import consignments were to be cleared through M/s. Shriji Overseas, (IEC-AKFPJ4349C) Shed No. 302 and 332, A-1 Type, Phase-1, Kandla Special Economic Zone. Consignment wise brief details and declared description/classification of the import consignments of M/s. M N R Enterprises are given as under;

Table-1

Sr. No.	BE No.	Container No.	Name of the importer	Bill of Lading No. and date	IGM No. and Date	Declared Description and HS Code
1	2962594 dated 30.06.2025 (RUD No. 1)	KMTU9295467	M/s. M N R Enterprises	KMTCNBO 8853676 (RUD No. 2)	1142308 dated 17.06.2025	Cotton Woven Fabric (5208 2290)

2	3091762 dated 05.07.2025 (RUD No. 3)	UETU736 4726		WSZ25060 490 (RUD No. 4)	1143460 dated 25.06.2025	Cotton Woven Fabric (Cotton more than 85%) (5208 2290)
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3. Whereas, Acting upon the intelligence, above import consignments were put on hold vide e-mail dated 17.07.2025 and examination of the said import consignments was conducted by the officers of DRI under panchnama dated 25.07.2025(**RUD No.5**) drawn at the warehouse of M/s Shriji Overseas, Shed No. 332, A-1 type, Phase-1, Kandla SEZ, Kutch, Gujarat-370230.

4. Whereas, during examination, it was noticed that most of the import goods pertaining to all the above 02 import consignments prima facie appeared to be fabric rolls packed in transparent Plastic bags. Brief details of the goods found during examination are as under;

Table-2

Sr. No.	Container no.	Description of goods appears	Total No. of Rolls	Width of fabric roll approx. (in meter)	Average weight of one roll (approx.) in kgs.	Net wight of goods as per weighment slip
1	KMTU92 95467	Multicolor Fabric Rolls packed in transparent Plastic Bag	1400	1.48	19.80	28230 Kgs
2	UETU73 64726	Multicolor Fabric Rolls packed in transparent Plastic Bag	962	1.52	26.40	25480 Kgs

5. Whereas, Representative samples from the import goods were further drawn during examination under Panchnama dated 25.07.2025. The said representative samples were sent to the Customs House Laboratory vide letter dated 01.08.2025 (**RUD No.6**) for necessary testing thereof under Test Memo No. 126/2025 and 129/2025 (total-02). In response, the Customs House Laboratory provided the Test Reports of the representative samples of the subject import goods to the DRI (**RUD No.7**). Brief details of Test Reports of the representative samples (container wise) suggested the actual description of the subject goods as under;

Table-3

Sr. No	Container No.	Sample and Test Report no.	Actual description of goods	Notes/Comments
1	KMTU929546 7	A1/409 1	The sample is in the form of a cut piece of dyed (Maroon colour) woven fabric. It is mainly composed of Polyester filament yarns together with lycra on both sides and GSM is 123.19, Width (selvedge to selvedge)-148 cm, % composition: Polyester=94.70%, Lycra-balance	It is other than cotton fabric
2	UETU736472 6	D1/409 4	The sample is in the form of a cut piece of dyed (greyish colour) woven fabric. It is mainly composed of Polyester filament yarns together with lycra on both sides and GSM is 164.95, Width (selvedge to selvedge)-147 cm, % composition: Polyester=95.68%, Lycra-balance	It is other than cotton fabric

6. Whereas, The test reports have been examined with respect to the declaration made by the importer in the import documents. From the above, it appears that the importer has mis-declared the material facts such as description, classification, value etc. The importer has declared the goods as ‘*Cotton Woven Fabric (5208 2290)*’ in Bill of Entry 2962594 dated 30.06.2025 and as ‘*Cotton Woven Fabrics (Cotton more than 85 %)*’ in Bill of Entry 3091762 dated 05.07.2025 whereas the test reports have concluded that the “*It is other than cotton fabric*”. The most appropriate CTHs based on the test reports are tabulated as under:

Table-4

Sr. no.	Bill of Entry	Container	Declared description and CTH in BE	CTH as per the Test reports
1	2962594 dated 30.06.2025	KMTU929546 7	Cotton Woven Fabric (5208 2290)	5407 5290

2	3091762 dated 05.07.2025	UETU7364726	Cotton Woven Fabric (Cotton more than 85%) (5208 2290)	5407 5290
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7. Whereas, during investigation, it was noticed that M/s. M N R Enterprises arranged mis-declaration of the description and classification of the subject goods pertaining to both the above said 02 Containers as 'Cotton Woven Fabric (5208 2290)'. However, after the hold by DRI, the examination of the above said containers was carried out and samples were drawn. The sample report as mentioned in Table-4 suggested that the importer incorrectly declared the description and classification of imported goods. Therefore, the goods pertain to above said containers were seized vide Seizure Memo dated 17.12.2025. **(RUD No.8)**

8. Whereas, as per the test reports, GSM of the fabrics imported by container nos. KMTU9295467 and UETU7364726 are 123.19 and 164.95. There were 1400 and 962 rolls of fabric and net weight of all the rolls was 28230 Kgs and 25480 Kgs. Whereas the importer has declared the quantity of fabric as 2,01,230 SQM, and 1,95,354 SQM respectively however, as per the GSM given in test reports, quantity of fabric comes to 2,29,158 SQM and 1,54,471 respectively as detailed in Table-A below: -

Table-5

Container number	No. of rolls	Net Weight found during examination	GSM of fabric	Qty in SQM
KMTU9295467	1400	28230	123.19	2,29,158
UETU7364726	962	25480	164.95	1,54,471

9. Whereas, The test reports received from the CRCL Kandla have been examined with respect to the declaration made by the importer in the import documents. The test reports of the above subject import consignments indicated that the goods pertaining to the subject import consignments were Cut piece of dyed (Maroon colour) woven fabric made of polyester filament yarns and Cut piece of dyed (Greyish colour) woven fabric made of polyester filament yarns. The goods were classified by the importer in the said BEs in CTH 5208 2290 (attracting BCD at the rate of 10%). Customs Tariff Heading CTH 5208 pertains to 'woven fabric of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m²' while the lab has reported the goods as 'Cut piece of dyed (Maroon colour) woven fabric made of polyester filament yarns having polyester as 94.70% and Cut piece of dyed (Greyish colour) woven fabric made of polyester yarns having

polyester as 95.68%'. Hence, it appears that, the imported goods do not qualify to be classified under CTH 5208. Furthermore, as per the test reports received from the CRCL, Kandla, the imported goods are other than cotton woven Fabric. As per test results, most appropriate CTH for the goods appears to be 5407 5290. The goods were of prime quality and deserve higher rate i.e. assessable value for calculation of applicable Customs Duty. However, it appears that the importer in connivance of the supplier had intentionally mis-declared the value of the goods at the time of filing Warehouse Bills of Entry with deliberate intention of evasion of Customs Duty.

10. Valuation of the goods imported by M/s. M N R Enterprises covered under Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 imported through Container Nos. KMTU9295467, and UETU7364726: -

Whereas, it was noticed that the importer had mis-declared the value of the goods at the time of filing the Warehouse Bills of Entry. The present import consignments were imported from Chinese suppliers. Further scrutiny revealed that the importer had also mis-declared the description, classification, quantity, and value of the goods in the said Warehouse Bills of Entry.

The test reports in respect of the subject import consignments indicated that the goods consisted predominantly of cut pieces of dyed woven fabric made of polyester filament yarns of varying GSM, in maximum quantity. The goods were found to be of prime quality and therefore merited a higher assessable value for the purpose of calculation of applicable Customs Duty. However, it appears that the importer, in connivance with the overseas supplier, had intentionally mis-declared the value of the goods at the time of filing the Warehouse Bills of Entry with a deliberate intent to evade Customs Duty.

Accordingly, the assessable value of ₹35,16,686/- declared by the importer at the time of filing Warehouse Bills of Entry No. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, as there has been significant mis-declaration with respect to the description, classification, quantity, and value of the goods. Therefore, the declared assessable value of the goods covered under the said Warehouse Bills of Entry is liable to be rejected under Rule 12 of the Customs Valuation Rules, 2007 and re-determined under Section 14 of the Customs Act, 1962 read with Rule 5 of the Customs Valuation Rules, 2007.

Whereas, the assessable value of the cargo is required to be re-determined as per the contemporary import data available on NIDB, in respect of the identical/ similar goods sold for export to India (from China) and imported at or about the same time in view of Rule 4 and 5 of the CVR, 2007. Whereas, it further appears that, the value of the imported goods could not be determined under Rule 4 ibid since the value of contemporaneous imports of identical goods of same nature, composition and description could not be found on NIDB. Proceeding sequentially, to Rule 5 ibid, as per contemporaneous import data available on NIDB, the rate of Polyester Woven Fabric having similar commercial

quantity is ranging from Rs 25.41 to Rs 36.77 per sqm. Further, sub-rule (3) of the said Rule-4 of CVR, 2007 states that, in applying these rules, if more than one transaction value of similar goods is found, the lowest such value shall be used to determine the value of imported goods. Accordingly, one eligible Bill of Entry No. 3549965 dated 29.07.2025 filed at INNSA1 port, containing similar goods was found be assessed at Rs 25.41 per sqm. Further, sub-rule (2) of the said Rule-5 of CVR, 2007 states that, the provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods. Accordingly, the assessable value of the goods imported vide Bill of Entry No- 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 of the imported goods is re-determined as per below Table:

Table-6

Sr. no.	Bill of Entry & Container No.	Quantity ascertained	Unit Price declared (Rs)	Unit Price as per the NIDB data (Rs)	Redetermined Assessable value(in Rs)
1	2962594 dated 30.06.2025 & KMTU9295467	2,29,158	8.94	25.41	58,22,905
2	3091762 dated 05.07.2025 & UETU7364726	1,54,471	8.79	25.41	39,25,108
				Total	97,48,013

From the above, it appears that M/s. M N R Enterprises also indulged in the evasion of Customs Duty by way of undervaluation of import goods. It is noticed that M/s. M N R Enterprises while filing Bills of Entry for the subject import consignments declared total assessable value for all the import consignments as Rs. 35,16,686/-, whereas considering the GSM and prime quality nature of the goods the appropriate total assessable value of all these import consignments comes to Rs. 97,48,013/-.

11. Applicable Duties on the subject goods imported by M/s. M N R Enterprises covered under SEZ Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 imported through Container Nos. KMTU9295467 and UETU7364726, respectively: -

11.1. Whereas, from forgoing paras, it is revealed that the importer intentionally mis-declared the polyester Woven fabric as ‘Cotton Woven Fabric (5208 2290)’ and ‘Cotton Woven Fabric (Cotton more than 85%) (5208 2290)’ in the corresponding Bills of Entry with deliberate intention of evasion of Customs duty. Further, it was noticed that the importer was also found indulged in gross undervaluation of the other goods. M/s. M N R Enterprises had declared total assessable value of all Fabrics as Rs. 35,16,686/- at the time of filing of Warehouse Bills of Entry. Total declared Customs duty was of Rs. 5,82, 011/-. However, the goods have been found misclassified and therefore, the duty on the imported goods is required to be re-determined on the basis of applicable rates. For CTH 5407 5290, applicable customs duty on the goods imported vide Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 have been calculated as under:

Table-7

Container No.	Declared Assessable value of the goods by the importer (in Rs.)	Total duty declared (in Rs.)	CTH as per Test Reports	Appropriate assessable value of the goods (in Rs.)	BCD @Rs 23 per sq mtr	IGST @5% (Rs)	Total duty payable (BCD+IGST) (in Rs.)
KMTU 929546 7	1799056	297745	5407 5290	58, 22,905	5270634	554677	5825311
UETU7 364726	1717630.5 1	284268	5407 5290	39,25,10 8	3552833	373897	3926730
	35,16,686. 51	5,82,013		97,48,01 3	88,23,467	9,28,574	97,52,041

12. During investigation, the Statement of Shri Fair Harish Bhanushali, Proprietor of M/s M N R Enterprises was recorded on 12.12.2025 and 13.12.2025 under Section 108 of the Customs Act, 1962 (RUD No.9).

- The importer stated that in earlier imports no variation was noticed between the goods ordered and supplied. He has never visited China, though goods are sometimes tested at the load port.
- On being shown Test Report Nos. 4091/DRI and 4094/DRI dated 26.08.2025 relating to Bills of Entry 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025, he acknowledged the reports and signed them. The reports indicate that the goods were not cotton woven fabric. He stated that incorrect goods were dispatched by the suppliers in both consignments.

- He stated that orders for cotton woven fabric were placed orally through telephonic communication with Shri Harry Kataria and no documentary evidence such as emails, chats, or written purchase orders is available.
- He stated that after being informed of discrepancies by M/s Shreeji Overseas, he informed Shri Harry Kataria via WhatsApp, who in turn informed him that the suppliers admitted to mistakenly dispatching dyed textured polyester woven fabric instead of cotton woven fabric.
- He was unable to produce WhatsApp chats or other records of communication as his mobile phone was damaged and replaced recently.
- Despite the consignments being sourced from two different suppliers, he maintained that the error occurred at the suppliers' end and did not provide any further explanation.
- He stated that no remittance was made for either consignment as the transactions were conducted on a credit basis, with payment to be made after receipt of goods.
- He explained that no written purchase orders, contracts, proforma invoices, or email correspondence exist due to the trust-based nature of the business arrangement.
- He admitted that, as per the test reports, the goods were classifiable under CTH 54075290, whereas they were declared under CTH 52082290, and acknowledged misclassification in both Bills of Entry.
- He submitted the duly signed bank account statement of M/s M N R Enterprise maintained with Kotak Mahindra Bank, Mumbai Branch.
- He stated that he had nothing further to add in the matter.

13. RELEVANT LEGAL PROVISIONS:

(A) RELEVANT PROVISIONS OF SEZ ACT, 2005:

2. Definitions.— In this Act, unless the context otherwise requires,—

.....

(o) “**import**” means—

- (i) *bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or*
- (ii) *receiving goods, or services by a Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;*

Section 21: Single enforcement officer or agency for notified offences.—

1. *The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government may, by general or special order, authorise any officer or agency to be the enforcement officer or agency in respect of any notified offence or offences committed in a Special Economic Zone.*

3. *Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizure as is provided under the relevant Central Act in respect of the notified offences.*

Section 22: Investigation, inspection, search or seizure.—

The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation, inspection, search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:

Provided that no investigation, inspection, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section (3) of section 21 without prior approval of the Development Commissioner concerned:

Provided further that any officer or agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner

Notification Nos. 2665(E) and 2667(E) dated 05.08.2016:

1. *In exercise of the powers conferred by section 22 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government by Notification No. 2667(E) dated 05.08.2016 issued by the Ministry of Commerce & Industry, has authorized the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 (52 of 1962) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned. Under Section 21(1) of the SEZ Act, 2005, the Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for the purposes of this Act.*
2. *The Central Government, by the Notification 2665(E) dated 05.08.2016 has notified offences contained in Sections 28, 28AA, 28AAA, 74, 75, 111, 113, 115, 124, 135 and 104 of the Customs Act, 1962 (52 of 1962) as offences under the SEZ Act, 2005.*

47 (5) *Refund, Demand, Adjudication, Review and Appeal with regard to matters relating to authorise operations under Special Economic Zones Act, 2005, transactions, and goods and services related thereto, shall be made by the Jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, Central Excise Act, 1944, and the*

Finance Act, 1994 and the rules made thereunder or the notifications issued thereunder.

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

Section 2(22): "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

Section 2(23): "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

Section 2(25): "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

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

Section 2(39): "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113.

Section 11A: "illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.

Section 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.

Section 46. Entry of goods on importation:

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.

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

- (a) The accuracy and completeness of the information given therein;
- (b) The authenticity and validity of any document supporting it; and

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

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

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(l) *any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

(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 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;*

Section 112. *Penalty for improper importation of goods, etc. –*

Any person,-

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

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

shall be liable,-

i.

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:*

114AA. Penalty for use of false and incorrect material.—

If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

(C) Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

“Rule 4. Transaction value of identical goods. - (1) (a) Subject to the provisions of rule 3, 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;

.....

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

“Rule 5. Transaction value of similar goods . - *(1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

Provided that

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 12. Rejection of declared value . - *(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

14. Mis-declaration and liability to confiscation of imported goods imported by M/s. M N R Enterprises covered under Warehouse Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 imported through Container Nos. KMTU9295467 and UETU7364726:

14.1. Whereas, M/s. M N R Enterprises has declared the description of the goods pertaining to the 02 subject import consignments as ‘Cotton Woven Fabric (5208 2290)’ and ‘Cotton Woven Fabric (Cotton more than 85%) (5208 2290)’ whereas the cargo in the import consignments were of dyed woven fabric composed of polyester filament yarns of different GSMs. During examination and consequently as Test Reports thereof, it was noticed that 2,29,158 SQM of dyed woven fabric made of Polyester filament yarns of GSM-123.19, and 1,54,471 SQM of dyed woven fabric made of Polyester filament yarns of GSM- 164.95 were found therein. Therefore, it appears that import consignments covered under Bills of Entry no. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 were found mis-declared in respect of description, classification, quantity and valuation thereof, therefore the same appears to be liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

14.2 Whereas, the Directorate of Revenue Intelligence (DRI), Gandhidham Regional Unit, gathered specific intelligence that M/s. M N R, was engaged in evasion of Customs duty by way of mis-declaration of description, classification and value of imported goods; and whereas, acting upon the said intelligence, the officers of DRI examined two import consignments imported vide Warehouse Bills of Entry No. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025 through Container Nos. KMTU9295467 and UETU7364726 under Panchnama dated 25.07.2025; and whereas, the said importer had declared the imported goods as "Cotton Woven Fabric" and "Cotton Woven Fabric (Cotton more than 85%)" classifiable under CTH 5208 2290 with declared assessable value of ₹35,16,686/-; and representative samples drawn during examination were sent to Customs House Laboratory for testing, which conclusively established vide Test Report Nos. 4091/DRI and 4094/DRI dated 26.08.2025 that the imported goods were in fact dyed woven fabric made of polyester filament yarns containing 94.70% and 95.68% polyester respectively, and not cotton woven fabric as declared.

14.3 Whereas, it further appears that the said M/s. M N R Enterprises has willfully and deliberately mis-declared the description, classification, quantity and value of the imported goods with intent to evade payment of lawful Customs duty; and , the correct classification of the imported goods is CTH 5407 5290 and not CTH 5208 2290 as declared in the Bills of Entry; Further, the declared total assessable value of ₹35,16,686/- is liable to be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and the value is required to be re-determined under Section 14 of the Customs Act, 1962 read with Rule 5 of the Customs Valuation Rules, 2007 at ₹97,48,013/- based on contemporaneous import data available on NIDB; Furthermore, Shri Fair Harish Bhanushali, Proprietor of M/s M N R Enterprises, in his statement recorded under Section 108 of the Customs Act, 1962 on 13.12.2025, admitted the mis-classification of the imported goods. The goods imported vide Bills of Entry No. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025, seized vide Seizure Memo dated 17.12.2025 appear liable for confiscation under Section 111(m) of the Customs Act, 1962 for being goods which do not correspond in respect of description, classification, etc with the entry made in the Bills of Entry.

15. Role and culpability on the importer/person/firm involved: -

15.1. Role and culpability of Shri Fair Harish Bhanushali, proprietor of M/s. M N R Enterprises, A-604, Bhardwaj Bldg, Saptarshi Park, Swapna Nagri, Mulund West, Mumbai-400080

15.1.1. Whereas, M/s. M N R Enterprises (IEC-BVKPB3379P), A-604, Bhardwaj Bldg, Saptarshi Park, Swapna Nagri, Mulund West, Mumbai-400080, being the importer of the subject goods imported vide Warehouse Bills of Entry No. 2962594 dated 30.06.2025 and 3091762 dated 05.07.2025, had the primary responsibility and statutory obligation under Section 46(4) and 46(4A) of the Customs Act, 1962 to ensure the accuracy and

completeness of information declared in the Bills of Entry, the authenticity and validity of documents supporting the same, and compliance with all applicable laws and regulations; and whereas, the said importer has deliberately and knowingly mis-declared the description of the imported goods as "Cotton Woven Fabric" and "Cotton Woven Fabric (Cotton more than 85%)" classifiable under CTH 5208 2290, when in fact the goods were dyed woven fabric made of polyester filament yarns containing 94.70% to 95.68% polyester, correctly classifiable under CTH 5407 5290; and whereas, the said importer has also grossly undervalued the imported goods by declaring the total assessable value as Rs 35,16,686/- against the actual assessable value of Rs 97,48,013/- as determined based on contemporaneous import data; The above mentioned attempt of deliberate mis-declaration of description, classification, quantity and value was done with the clear intent and motive to evade payment of Customs duty and to gain undue benefit by importing higher value polyester fabric while paying duty applicable to lower value cotton fabric.

15.1.2 Whereas, the said M/s. M N R Enterprises, through its Proprietor Shri Fair Harish Bhanushali, has admitted in his statement recorded under Section 108 of the Customs Act, 1962 on 13.12.2025 that the goods were mis-classified and should have been declared under CTH 5407 5290 instead of CTH 5208 2290 as declared in the Bills of Entry; and whereas, despite such admission, the importer has failed to provide any credible evidence, documentation or reasonable explanation to substantiate his claim that the wrong goods were mistakenly dispatched by the suppliers in China. Further, the importer has admitted that no written purchase orders, proforma invoices, email correspondence or any documentary evidence exists in support of the alleged orders for cotton woven fabric, claiming that transactions were conducted on trust basis through oral telephonic communication; and whereas, the importer during his Statement expressed his inability to produce WhatsApp chats or communication records allegedly exchanged with the supplier's representative Shri Harry Kataria on the ground that his mobile phone was damaged and replaced, thereby destroying the evidence. Such lack of basic commercial documentation, and the identical pattern of mis-declaration in two separate consignments sourced from two different Chinese suppliers, clearly demonstrates the deliberate and systematic nature of the modus operandi adopted by the importer to evade Customs duty.

15.1.3 Whereas, It further appears that M/s. M N R Enterprises has committed acts and omissions which have rendered the imported goods liable to confiscation under Section 111(m) of the Customs Act, 1962, being goods which do not correspond in respect of description, classification, quantity and value with the entry made in the Bills of Entry; and whereas, by virtue of Section 112(a) of the Customs Act, 1962, any person 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, shall be liable to penalty; and whereas, by virtue of Section 112(b) of the Customs Act, 1962, any person 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 to penalty; and M/s. M N R Enterprises, being the importer and having acquired possession of the subject goods with full knowledge of the mis-declaration of description, classification, quantity and value thereof, has rendered itself liable to penalty under Section 112(a) and 112 (b) of the Customs Act, 1962 .

15.1.4 Further, it appears that M/s. M N R Enterprises has knowingly and intentionally made, signed and used false and incorrect declarations and statements in material particulars in the transaction of business for the purposes of the Customs Act, 1962 by filing Warehouse Bills of Entry containing false and incorrect information regarding description, classification, quantity and value of the imported goods. M/s. M N R Enterprises has clearly and deliberately made and used false and incorrect declarations in the Bills of Entry and supporting documents regarding critical material particulars such as description (declaring polyester fabric as cotton fabric), classification (CTH 5208 2290 instead of CTH 5407 5290), thereby rendering itself liable to penalty under Section 114AA of the Customs Act, 1962.

16. Show Cause Notice:

16.1. Now therefore, M/s. M N R Enterprises, (IEC-BVKPB3379P) A-604, Bhardwaj Bldg, Saptarshi Park, Swapna Nagri, Mulund West, Mumbai-400080, may be called upon to show cause in writing to the Additional/Joint Commissioner of Customs, Customs House, Kandla, having his office situated at Office of the Commissioner of Customs, Custom House, Near Balaji Temple, Kandla-370210 'within 30 days from the receipt of the Show Cause Notice as to why: -

(i) Since the goods are found to be mis-declared, the declared quantity, description and classification of the goods in the consignments covered under B.E No. 2962594 dated 30.06.2025(DTA B/E-3276810 dtd 15.07.2025) should not be rejected and re-quantified, re-described and re-classified as Qty-2,29,158 sqm of dyed woven fabric made of Polyester filament yarns under CTH 54075290;

(ii) Since the goods are found to be mis-declared, the declared quantity, description and classification of the goods in the consignments covered under B.E No. 3091762 dated 05.07.2025 (DTA B/E-3259811 dtd 14.07.2025) should not be rejected and re-quantified, re-described and re-classified as Qty- 1,54,471 sqm of dyed woven fabric made of Polyester filament yarns under CTH 54075290;

(iii) The declared in the B.E No. 2962594 dated 30.06.2025 (DTA B/E-3276810 dtd 15.07.2025) and under B.E No. 3091762 dated 05.07.2025 (DTA B/E-3259811 dtd 14.07.2025) should not be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and the same be re-determined as

Rs 97,48,013/- under Rule 5 of the Customs Valuation (Determination of value of imported goods) Rules, 2007, as mentioned in Table-6 above;

(iv) The goods covered under SEZ Bills of Entry no. 2962594 dated 30.06.2025 (DTA B/E-3276810 dtd 15.07.2025) and 3091762 dated 05.07.2025 (DTA B/E-3259811 dtd 14.07.2025) having redetermined value of 97,48,013/- should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

(v) The goods imported vide SEZ Bills of Entry no. 2962594 dated 30.06.2025 (DTA B/E-3276810 dtd 15.07.2025) and 3091762 dated 05.07.2025 (DTA B/E-3259811 dtd 14.07.2025) should not be re-assessed with applicable rates of duty as per Table-7 above;

(vi) Penalty should not be imposed on the importer M/s. M N R Enterprises under Section 112(a), Section 112(b) and Section 114AA of the Customs Act, 1962.

17. The noticee is hereby required to produce at the time of showing cause all the evidences upon which they intend to rely in support of their defense. They are further required to indicate in their written explanation as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written explanation, it will be presumed that they do not desire a personal hearing. If no cause is shown by them against the action proposed to be taken within 30 days of receipt of this notice or if they do not appear before the adjudicating authority when the case is posted for hearing, the case would be liable to be adjudicated on the basis of evidences on records.

18. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force. This Show Cause Notice has been issued covering only present 02 consignments seized by DRI.

19. The documents as listed at Annexure-R are relied upon and scanned copies of all relied upon documents along with Annexure-R is enclosed with this Show Cause notice.

Vishwajeet Singh
Commissioner (In-Situ)
Custom House, Kandla

F. No.: GEN/ADJ/COMM/144/2026-Adjn-O/o Commr-Cus-Kandla

List of Notices:-

- 1- M/s. M N R Enterprises, (IEC No.-BVKPB3379P) A-604, Bhardwaj Bldg, Saptarshi Park, Swapna Nagri, Mulund West, Mumbai-400080 (email-mnr.ent9@gmail.com)

Copy to:

- (1) The Joint Director, DRI, Gandhidham Regional Unit
- (2) The Deputy Commissioner of Customs (Kandla Special Economic Zone), Gandhidham (Kutch) – 370 230
- (3) Guard File.

Annexure-R- List of Relied upon Documents

Show Cause Notice in respect of consignment imported by M/s M N R ENTERPRISES

RUD No.	Details of the RUD	No. of Pages
RUD NO. 1	Bills of Entry No- 2962594 dated 30.06.2025	1-6
RUD NO. 2	Bill of Lading No. KMTCNBO8853676	1-6
RUD NO. 3	Bills of Entry No- 3091762 dated 05.07.2025	1-6
RUD NO. 4	Bill of Lading No. WSZ25060490	1-1
RUD NO. 5	Panchnama dated 25.07.2025	1-4
RUD NO. 6	Letter dated 01.08.2025 to CRCL, Kandla for testing of representative samples	1-1
RUD NO. 7	Test Reports provided by Custom Laboratory, Kandla	1-4
RUD NO. 8	Seizure Memo dated 17.12.2025	1-1
RUD NO. 9	Statement of Shri Fair Harish Bhanushali, Proprietor of M/s M N R Enterprises, was recorded under Section 108 of the Customs Act, 1962, on 12.12.2025 & 13.12.2025	1-5