

	<p>कार्यालय: प्रधानआयुक्तसीमाशुल्क, मुन्द्रा, सीमाशुल्कभवन, मुन्द्राबंदरगाह, कच्छ, गुजरात- 370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS: CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421. PHONE : 02838-271426/271163 FAX :02838- 271425</p>	
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F.No. CUS/APR/SCN/616/2026
SCN-5/2026-27/ADC/ZDC/MCH
DIN- 20260471MO000000BC99

Dt. .04.2026

Show Cause Notice under section 28(1) of the Customs Act, 1962

M/s. **MANOJ TRADING COMPANY** (IEC: 3716902845) having registered address at Plot No. 22, Sector No. 11, GIDC, Gandhidham, Kachchh, Gujarat - 370201 (hereinafter referred to as “the Importer”) filed 55 Bills of Entry for the clearance of the goods having description as mentioned in Annexure - A under various CTH’s as mentioned in the Annexure and paid BCD @ 7.5 % and IGST @ 18%.

2. During the course of Post Clearance Audit, it has been observed that the value declared by the importer is significantly lower than the contemporaneous international prices prevailing during the relevant period. On comparison with internationally recognized price publications, namely PLATT (Platts) price data for the region CFR South East Asia, for the relevant period, it appears that the declared transaction value is substantially lower.

3. In view of the above, reasonable doubt arises regarding the truth and accuracy of the declared transaction value in terms of Rule 12(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

4. A consultative letter was issued to M/s. Manoj Trading Company in terms of the proviso to Section 28(1) of the Customs Act, 1962, wherein it was, inter alia, indicated that during the course of Post Clearance Audit, the value declared in respect of the imported goods appeared to be significantly lower when compared with contemporaneous import price which was in line with the

internationally recognized PLATT (Platts) price data for the relevant period, giving rise to reasonable doubt regarding the truth and accuracy of the declared transaction value. In the said letter, it was conveyed that the declared value appeared liable for rejection under Rule 12 of the Customs Valuation Rules, 2007, and that the value was proposed to be re-determined after suitable adjustments based on PLATT benchmarks. The importer was accordingly requested to explain the basis of the declared value and to pay the differential duty along with applicable interest. The said consultative letter also clearly indicated that the Department reserves the right to initiate appropriate proceedings, including issuance of a Show Cause Notice under Section 28 of the Customs Act, 1962

5. Another Consultative cum Pre-Notice Consultation Letter was issued to the importer, informing that the valuation of the subject goods would be undertaken on the basis of PLATT (Platts) price benchmarks in accordance with the provisions of the Customs Valuation Rules, 2007. It was also clarified that comparison with contemporaneous import data was not being relied upon due to the non-availability of such data. The importer was accordingly afforded an opportunity to submit a written reply and to indicate their willingness for a personal hearing.

6. In this regard, reliance is placed on the judgment of the Hon'ble Supreme Court in Varsha Plastics Pvt. Ltd. vs. Union of India [2009 (235) E.L.T. 193 (S.C.)], wherein it was held that internationally accepted price publications such as PLATT can be relied upon as a guiding factor for valuation, provided the same is applied in a reasonable and judicious manner. It is further settled law that transaction value can be rejected where contemporaneous evidence indicates significant undervaluation, and valuation can be determined on the basis of reliable external data, including international price bulletins, subject to necessary adjustments.

7. Accordingly, the PLATT prices for PET material published for CFR South East Asia region during the relevant period have been adopted as the most reliable and contemporaneous benchmark for determining the value of the imported goods. Further, necessary adjustments have been made to align the PLATT prices with the facts of the present imports, including:

- (i) Adjustment for freight and insurance, wherever required
- (ii) Allowance of appropriate trade discount

8. The assessable value is required to be determined in terms of the Customs Valuation Rules, 2007 in a sequential manner. In the present case, the declared transaction value has been rejected under Rule 12 due to reasonable doubt regarding its truth and accuracy; hence, Rule 3 is not applicable. Rule 4 and Rule 5, relating to transaction value of identical and similar goods respectively, are also not applicable as no reliable and verifiable contemporaneous import data of identical or similar goods, satisfying the criteria of comparability in terms of quality, grade, country of origin, quantity, and commercial level, is available on record. Rule 7 (deductive value method) cannot be applied as there is no dependable data regarding subsequent sale of the imported goods in India to determine the deductive value. Rule 8 (computed value method) is also inapplicable due to the absence of requisite information regarding cost of production, profit, and general expenses from the foreign supplier. Accordingly, in the absence of applicability of Rules 3 to 8, the value is required to be determined under Rule 9 (Residual Method) using reasonable means consistent with the principles and general provisions of the Rules and Section 14 of the Customs Act, 1962. In the present case, internationally recognized PLATT prices have been adopted as a reasonable and reliable benchmark for determining the assessable value, as they reflect prevailing global market trends for comparable goods. Necessary adjustments towards freight, insurance, and appropriate trade discount have been duly made to align such benchmark prices with the facts and circumstances of the present imports. Accordingly, the assessable value has been determined under

Rule 9 on the basis of PLATT price, being the most appropriate and reasonable method available in the given circumstances.

9. RELEVANT LEGAL PROVISIONS

Provisions of Customs Act, 1962

i. In terms of section 28(1) of the Customs Act, 1962, where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason of collusions or any wilful mis-statement or suppression of facts,-

(a) the proper officer shall, within two years from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied or paid or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice:

PROVIDED that before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed.

(b) the person chargeable with the duty or interest, may pay, before service of notice under clause (a) on the basis of,-

(i) his own ascertainment of such duty; or

(ii) the duty ascertained by the proper officer,

the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid:

PROVIDED that the proper officer shall not serve such show cause notice, where the amount involved is less than rupees one hundred.

ii. In terms of section 28(4) of the Customs Act, 1962, where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously

refunded, or interest payable has not been paid, part-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of,-

- (a) collusion; or*
- (b) any wilful mis-statement; or*
- (c) suppression of facts,*

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

iii. In terms of section 28(5) of the Customs Act, 1962, where the duty has not been levied or not paid or has been short-levied or short-paid or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person thereon under section 28AA and the penalty equal to fifteen percent of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

iv. In terms of section 28AA(1) of the Customs Act, 1962, notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with the provisions of section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section.

v. In terms of section 46(4) of the Customs Act, 1962, the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.

vi. In terms of section 46(4A) of the Customs Act, 1962, the importer who presents a bill of entry shall ensure the following, namely:—

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

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

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

vii. In terms of section 111 of the Customs Act, 1962- Confiscation of improperly imported goods, etc.-

The following goods brought from a place outside India shall be liable to confiscation:

(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;

viii. In terms of section 112 of the Customs Act, 1962: - Penalty for improper importation of goods, etc.-

Any person, -

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

(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 to penalty...

(ii) In the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten percent of the duty sought to be evaded or five thousand rupees, whichever is the higher:

...

10. Thus, the relevant PLATT price published for the Region CFR SE ASIA has been taken for valuation purpose of these goods. After loading correct Freight Charges and allowing % discount on the PLATT Price, the unit value of the goods imported has been re-determined as per **annexure-A**.

11. Now, therefore, M/s Manoj Trading Company (IEC: 3716902845) having registered address at Plot No. 22, Sector No. 11, GIDC, Gandhidham, Kachchh , Gujarat - 370201, are hereby called upon to show cause to the Additional Commissioner of Customs (Import), Custom House, Mundra having office at 1st Floor, PUB Building 5B, Adani Port, Mundra, as to why:

(i) the declared value in respect of the Bills of Entry detailed in **Annexure-A** should not be rejected under Rule 12 of the Customs Valuation Rules, 2007, on account of being not true and correct, and why the same should not be re-determined under Rule 9 of the said Rules, as detailed in Annexure-A, based on reasonable and reliable valuation methodology.

(ii) The short payment of Customs Duty amounting to **Rs. 23,73,523/-** (Rupees Twenty-Three Lakhs Seventy-Three Thousand Five Hundred Twenty-Three only) should not be demanded and recovered from them under Section 28(1) of the Customs Act, 1962;

(iii) Interest should not be recovered from them under Section 28AA of the Customs Act, 1962;

12. The Noticee is further 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 called upon to inform in writing to the Commissioner of Customs, Customs House, Mundra, as to whether they desire to be heard in person before the case is adjudicated. If no cause is shown within 30 days from the date of receipt of this notice or if they fail to appear for personal hearing when the case is posted for hearing the case will be decided ex-parte on the basis of evidences available on record. The noticee(s) are required to state in their written reply whether they wish to appear for personal hearing before the case is adjudicated. In case they fail to reply within the period stipulated above or do not appear when the case is posted for hearing, the case may be decided ex-parte, on facts and evidences on record and without any further reference to them.

13. The Department reserves its right to amend, modify or supplement this notice at any time on the basis of available/further evidences prior to the adjudication of the case.

14. This Show Cause Notice is issued without prejudice to any other action that may be taken against the notice or any other person(s) under the Customs Act, 1962, or under any other law for the time being in force in India.

(Dipak Zala)
Addl. Commissioner of Customs (Import),
Customs House, Mundra

To,

Manoj Trading Company
Plot No. 22, Sector No. 11,
GIDC, Gandhidham, Kachchh,

Gujarat - 370201

Copy to:-

1. The Deputy/Assistant Commissioner (PCA/EDI), Customs House, Mundra.
2. Guard File.

Annexure – A

Sr · No.	BE No	BE Date	CTH	Item Desc	Qty	Unit	Total Value (CIF)	As per plate rate	Value after Disco unt on platt rate	Difference	Total duty short paid (BCD+IG ST)
1	29183 39	06- 04- 20 24	39019 000	PLASTIC LUMPS	27 .2	mts	323 .3	789. 0	434.0	-110.7	68,724.3
2	29184 40	06- 04- 20 24	39019 000	PLASTIC LUMPS	18 .5	mts	328 .3	789. 0	434.0	-105.6	44,599.2
3	30326 90	15- 04- 20 24	39019 000	PLASTIC LUMPS	13 .1	mts	328 .3	789. 0	434.0	-105.6	31,653.4
4	32079 22	26- 04- 20 24	39019 000	PLASTIC LUMPS	13 .6	mts	323 .3	779. 0	428.5	-105.2	32,600.7
5	32410 43	27- 04- 20 24	39019 000	PLASTIC LUMPS	14 .3	mts	318 .2	779. 0	428.5	-110.2	35,863.6
6	34077 62	09- 05- 20 24	39019 000	PLASTIC LUMPS	27 .7	mts	318 .2	779. 0	428.5	-110.2	69,669.1
7	34470 18	11- 05- 20 24	39019 000	PLASTIC LUMPS	13 .5	mts	323 .3	779. 0	428.5	-105.2	32,298.2
8	34982 32	15- 05- 20 24	39019 000	PLASTIC LUMPS	14 .8	mts	293 .3	779. 0	428.5	-135.2	45,570.1
9	36077 80	22- 05- 20 24	39019 000	PLASTIC LUMPS	17 .5	mts	328 .3	779. 0	428.5	-100.1	39,877.5
10	36079 04	22- 05- 20 24	39019 000	PLASTIC LUMPS	14 .3	mts	318 .2	779. 0	428.5	-110.2	35,878.7
11	36704 61	25- 05-	39019 000	PLASTIC LUMPS	11 .7	mts	318 .2	779. 0	428.5	-110.2	29,437.6

		20 24									
1 2	38997 70	08- 06- 20 24	39019 000	PLASTIC LUMPS	17 .6	mt s	323 .3	809. 0	445.0	-121.7	48,878.9
1 3	39244 14	10- 06- 20 24	39021 000	PLASTIC LUMPS & REGRINDS	8. 0	mt s	394 .1	809. 0	445.0	-50.9	9,316.6
1 4	42636 35	30- 06- 20 24	39019 000	PLASTIC LUMPS	13 .2	mt s	318 .2	834. 0	458.7	-140.5	42,196.5
1 5	43653 55	06- 07- 20 24	39019 000	PLASTIC LUMPS	16 .2	mt s	308 .1	834. 0	458.7	-150.6	55,572.8
1 6	45338 10	16- 07- 20 24	39019 000	PLASTIC LUMPS	17 .6	mt s	333 .4	834. 0	458.7	-125.3	50,454.5
1 7	46489 80	22- 07- 20 24	39019 000	PLASTIC LUMPS	14 .7	mt s	333 .4	824. 0	453.2	-119.8	40,090.8
1 8	46560 58	24- 07- 20 24	39021 000	PLASTIC REGRIND	16 .9	mt s	333 .4	819. 0	450.5	-117.1	45,155.9
1 9	47934 05	31- 07- 20 24	39011 020	Plastic granules/po wder off grade	25 .1	mt s	449 .7	804. 0	683.4	-233.7	1,33,891 .7
2 0	47931 65	31- 07- 20 24	39019 000	PLASTIC LUMPS	17 .6	mt s	333 .4	804. 0	442.2	-108.8	43,737.2
2 1	48857 43	05- 08- 20 24	39019 000	Plastic lumps	28 .3	mt s	308 .1	804. 0	442.2	-134.1	86,646.7
2 2	50156 99	12- 08- 20 24	39019 000	Plastic lumps	33 .5	mt s	308 .1	789. 0	434.0	-125.9	96,109.0
2 3	50170 11	12- 08- 20 24	39019 000	Plastic lumps	17 .9	mt s	333 .4	789. 0	434.0	-100.6	41,087.2

24	5190932	22-08-2024	39021000	PLASTIC REGRIND	33.1	mts	323.3	734.0	403.7	-80.4	60,691.0
25	5416703	04-09-2024	39019000	PLASTIC LUMPS	16.8	mts	323.3	739.0	406.5	-83.2	31,899.4
26	5493963	09-09-2024	39019000	PLASTIC LUMPS	15.8	mts	323.3	739.0	406.5	-83.2	29,997.0
27	5494328	09-09-2024	39019000	PLASTIC LUMPS	14.9	mts	323.3	739.0	406.5	-83.2	28,212.4
28	6191168	18-10-2024	39019000	PLASTIC LUMPS	30.1	mts	338.4	739.0	406.5	-68.0	46,795.8
29	6191320	18-10-2024	39019000	PLASTIC LUMPS	14.2	mts	338.4	739.0	406.5	-68.0	22,049.7
30	6621616	11-11-2024	39019000	PLASTIC LUMPS	39.0	mts	338.4	759.0	417.5	-79.0	70,404.9
31	6729084	18-11-2024	39019000	PLASTIC LUMPS	27.9	mts	338.4	759.0	417.5	-79.0	50,387.1
32	6732092	18-11-2024	39019000	PLASTIC LUMPS	13.7	mts	309.1	759.0	417.5	-108.3	33,772.5
33	7011274	02-12-2024	39019000	PLASTIC LUMPS	29.4	mts	338.4	759.0	417.5	-79.0	52,984.1
34	7126851	09-12-2024	39019000	PLASTIC LUMPS	18.4	mts	310.1	754.0	414.7	-104.6	43,825.2
35	7387598	21-12-2024	39021000	PLASTIC REGRIND	43.0	mts	394.1	749.0	412.0	-17.9	17,574.6
36	7417767	23-12-20	39019000	PLASTIC LUMPS	14.6	mts	394.1	749.0	412.0	-17.9	5,945.6

		24									
37	7418963	23-12-2024	39019000	PLASTIC LUMPS	16.0	mts	333.4	749.0	412.0	-78.5	28,624.6
38	7522422	30-12-2024	39019000	PLASTIC LUMPS	19.3	mts	404.2	749.0	412.0	-7.8	3,436.1
39	7613583	04-01-2025	39011090	PLASTIC LUMPS	14.6	mts	282.8	749.0	412.0	-129.1	43,056.2
40	7975770	24-01-2025	39019000	PLASTIC LUMPS	23.7	mts	363.7	719.0	395.5	-31.7	17,137.6
41	8133740	02-02-2025	39019000	PLASTIC LUMPS LDPE	5.8	mts	394.1	1,149.0	632.0	-237.9	31,219.5
42	8155606	03-02-2025	39019000	PLASTIC LUMPS (LDPE)	34.8	mts	394.1	1,149.0	632.0	-237.9	1,88,690.5
43	8363244	14-02-2025	39019000	PLASTIC LUMPS (LDPE)	13.6	mts	515.4	1,149.0	632.0	-116.6	36,260.6
44	8410826	17-02-2025	39019000	PLASTIC LUMPS (LDPE)	7.2	mts	434.5	1,149.0	632.0	-197.5	32,341.7
45	8676528	03-03-2025	39019000	PLASTIC LUMPS (LDPE)	18.3	mts	404.2	1,149.0	632.0	-227.8	94,927.9
46	8676546	03-03-2025	39019000	PLASTIC LUMPS (LDPE)	13.6	mts	515.4	1,149.0	632.0	-116.6	36,196.8
47	8676674	03-03-2025	39019000	PLASTIC LUMPS (LDPE)	32.5	mts	505.3	1,149.0	632.0	-126.7	94,076.7
48	8790911	09-03-2025	39019000	PLASTIC LUMPS (LDPE)	19.5	mts	505.3	1,159.0	637.5	-132.2	58,898.9
49	8881900	14-03-	39012000	PLASTIC REGRIND	11.2	mts	454.7	1,159.0	637.5	-182.7	46,602.4

		20 25		(LDPE)							
5 0	89290 29	17- 03- 20 25	39011 090	PLASTIC LUMPS (LDPE)	17 .3	mt s	404 .2	1,15 9.0	637.5	-233.3	92,162.0
5 1	89335 36	17- 03- 20 25	39019 000	PLASTIC LUMPS (LDPE)	2. 2	mt s	505 .3	1,15 9.0	637.5	-132.2	6,702.2
5 2	93258 63	06- 04- 20 25	39012 000	HDPE REGRINDS (NON - HAZARDOUS)	24 .2	mt s	494 .2	924. 0	508.2	-14.0	7,746.5
5 3	93583 38	08- 04- 20 25	39011 090	PLASTIC LUMPS	20 .1	mt s	333 .4	674. 0	370.7	-37.3	17,079.6
5 4	99415 12	08- 05- 20 25	39019 000	LDPE LUMPS (NON - HAZARDOUS)	17 .7	mt s	525 .5	1,12 4.0	618.2	-92.7	37,427.1
5 5	20336 75	13- 05- 20 25	39011 090	PLASTIC LUMPS	14 .1	mt s	333 .4	669. 0	368.0	-34.6	11,086.7
											25,37,52 3.4

