



F.No. GEN/ADJ/ADC/613/2026-Adjn-O/o Commr-Cus-Kandla

**SHOW CAUSE NOTICE**  
**(Issued under Section 124 of Customs Act, 1962)**

M/s H.R. Enterprises (IEC: AXKPJ2039F; GSTN: 27AXKPJ2039F1ZK), registered at B-13, Room No. 4, Siddharth Colony, Navin Chawl, K.N. Gaikwad Marg, Chembur, Mumbai — 400071 (hereinafter "the Importer"), imported 16 consignments (Annexure-1) declared as "Leftover of Tarpaulin Fabrics Mix Size and GSM" under CTH 63061990 from M/s Shaoxing Keqiao Mulinsheng Trading Co. Ltd., China. All 16 consignments were consigned to M/s Cargo Care Agency, a KASEZ warehousing unit at Shed No. 366, FA-I Type, Phase-I, Sector-IV, Free Trade Zone, Kandla SEZ, Kachchh, Gujarat — 370230, which acted as consignee. Separate Bills of Entry were filed for each container, each declaring the same description and classification (CTH 63061990). All 16 containers arrived on or around 17–19 February 2025.

## 2. INVESTIGATION

### 2.1 Detention and Examination by DRI AZU (23–25 February 2025)

The 16 consignments were put on hold by DRI, Ahmedabad Zonal Unit (DRI AZU), vide letter dated 21.02.2025 (RUD-1), on specific intelligence of mis-declared fabric imports. The goods were examined by DRI AZU under Panchnamas dated 23–25.02.2025 (RUD-2), in the presence of Shri Goda Prabhakar and Shri Rakesh Makhijani, partners of the consignee M/s Cargo Care Agency.

The examination established: each container corresponded to one Bill of Entry; the goods in every container were fabric rolls wrapped in transparent plastic — not made-up articles; the distribution of fabric types across containers ranged from 1 to 5 distinct types per container. Samples in triplicate of each distinct fabric type were drawn (40 samples total) and forwarded to CRCL Vadodara for chemical analysis.

### 2.2 Transfer to SIIB Kandla (11.03.2025)

DRI AZU, vide letter dated 11.03.2025 (RUD-3), transferred the case — covering the 16 examined containers and 91 additional containers imported by the same importer and others — to SIIB, Customs Kandla. DRI also forwarded a request dated 06.04.2025 from M/s Cargo Care Agency for provisional release of the 16 detained containers, with a conditional NOC for provisional release subject to goods not being restricted/prohibited and revenue being fully protected.

### 2.3 Intelligence Basis (RUD-4, dated 20.03.2025)

DRI AZU stated that specific intelligence was received regarding import of various fabric types under the guise of "Tarpaulin" (HSN 6306) by M/s H.R. Enterprises at Kandla SEZ. It was also alleged that the IEC of M/s H.R. Enterprises was being misused for these imports. DRI provided Panchnamas dated 23–25.02.2025 (RUD-5) and the search Panchnama dated 05.03.2025 at H.R. Enterprises' premises (RUD-6) in support.

### 2.4 Search at Premises of M/s H.R. Enterprises, Mumbai (05.03.2025, RUD-6)

A search under Panchnama dated 05.03.2025 at the declared registered office of M/s H.R. Enterprises, Chembur, Mumbai, revealed that the premises was a residential room in a chawl

owned by Shri Ravindra Babu Jadhav; no business activity, import-export records, or commercial documents were found; and family members present had no knowledge of the firm or any import business. The proprietor Ms. Harshali Ravindra Jadhav, who was present, admitted that Shri Hari Shethiya had used her identity documents to establish the firm, that she has no role in operations, and that she receives ₹2,000–₹2,500 per container for use of her identity.

## 2.5 Seizure of Goods (01.04.2025, RUD-7)

Upon receipt of examination findings and partial test results establishing material mis-declaration, the goods under all 16 Bills of Entry were seized by Customs Kandla vide Seizure Memo dated 01.04.2025 (RUD-7) under Section 110 of the Customs Act, 1962, on reasonable belief that the goods were liable to confiscation under Section 111. The goods declared as made-up "Leftover Tarpaulin Fabrics" were in fact rolls of commercially produced fabric of diverse types, material composition, and GSM — none qualifying as made-up articles.

## 3. CRCL TEST REPORTS AND CORRECT CLASSIFICATION (ANNEXURES 2 & 3)

### 3.1 Why CTH 63061990 Is Structurally Wrong

CTH 6306 covers tarpaulins, awnings, tents, sails, and camping goods — all finished, made-up articles within the meaning of Note 7 to Section XI of the Customs Tariff, which defines "made-up" as including articles that are hemmed, hemstitched, fringed, assembled, or cut to non-rectangular shape. Goods in roll form — regardless of intended end-use — are not made-up articles. They are textile fabrics classifiable under Chapters 50–60 of the Customs Tariff. The declaration of fabric rolls under CTH 6306 is therefore structurally and fundamentally incorrect at the level of basic tariff law, prior to and independently of any CRCL test result.

### 3.2 CRCL Test Results — 12 BOEs (Annexure-2)

BOE No.	Sample	CRCL Date	CRCL Identification	Correct CTH	BCD	AD D	Policy/MIP	GSM
8390756 17.02.25	Type-I	20.03.2025	Dyed woven fabric, polyester filament yarn (86.68%), coated one side with polymeric material based on polyamides (13.32%)	<b>59039090</b>	20%	NIL	Free	125.21
8403462 17.02.25	Type-I	20.03.2025	Dyed woven fabric, polyester filament yarn (90.91%), coated one side with PU (9.09%)	<b>59032090</b>	20%	0.46 \$/m <sup>2</sup>	Free	137
8410969 17.02.25	Type-I	15.04.2025	Dyed woven fabric, polyester filament yarn (46.7%), coated one side with	<b>59031090</b>	20%	NIL	Free	408.7

			PVC (53.3%)					
841086 0 19.02.2 5	Type-I	19.03.202 5	Dyed woven fabric, polyester filament yarn (92.2%), coated/laminated one side with PU (7.8%)	<b>5903209 0</b>	20%	0.46 \$/m <sup>2</sup>	Free	188.1
(contd.)	Type-II	13.03.202 5	Dyed woven fabric, polyester filament yarn (93.7%), coated/laminated one side with PU (6.3%)	<b>5903209 0</b>	20%	0.46 \$/m <sup>2</sup>	Free	187
839151 7 17.02.2 5	Type-I	21.03.202 5	Dyed woven fabric, polyester SPUN yarn (92.16%) one side, polyester filament yarn (7.84%) other side	<b>5512191 0</b>	20% or ₹25/m <sup>2</sup>	NIL	Free	194.5
(contd.)	Type-II	21.03.202 5	Dyed woven fabric, texturized polyester filament yarn	<b>5407529 0</b>	20% or ₹23/m <sup>2</sup>	NIL	Free	177.4 5
(contd.)	Type-III	11.04.202 5	White self-design NON-WOVEN fabric, polypropylene fibres	<b>5603120 0</b>	20%	NIL	Free	62.34
839241 2 17.02.2 5	Type-I	21.03.202 5	Dyed woven fabric, polyester filament yarn (93.96%), coated one side with PU (6.04%)	<b>5903209 0</b>	20%	0.46 \$/m <sup>2</sup>	Free	127.4 2
(contd.)	Type-II	21.03.202 5	Dyed woven fabric, polyester filament yarn (33.42%), coated one side with PVC (66.58%)	<b>5903109 0</b>	20%	NIL	Free	167.6 2
839097 1 17.02.2 5	Type-I	21.03.202 5	Dyed woven fabric, polyester filament yarn (86.61%), coated one side with PU (13.39%)	<b>5903209 0</b>	20%	0.46 \$/m <sup>2</sup>	Free	85.36
(contd.)	Type-II	21.03.202 5	Dyed woven fabric, polyester filament yarn (93%), coated one side with	<b>5903909 0</b>	20%	NIL	Free	123.8

			polymeric material based on polyamides (7%)					
8394670 17.02.25	Type-I	19.03.2025	Dyed KNITTED fabric, polyester filament yarn (15.6%), coated one side with PVC (84.4%)	<b>59031090</b>	20%	NIL	Free	283.7
(contd.)	Type-II	21.04.2025	White woven fabric, polyester filament yarn (93%), coated one side with polymeric material based on polyamides (7%)	<b>59039090</b>	20%	NIL	Free	123.8
8412169 18.02.25	Type-I	22.04.2025	Dyed KNITTED fabric, polyester filament yarn (98.26%) and spandex (1.74%)	<b>60063200</b>	20%	NIL	PROHIBITED — MIP USD 3.5/kg (Notif 77/2023 dt.16.03.2024)	301.6
(contd.)	Type-II	22.04.2025	Dyed KNITTED fabric, polyester filament yarn (97.57%) and spandex (2.43%)	<b>60063200</b>	20%	NIL	PROHIBITED — MIP USD 3.5/kg (Notif 77/2023 dt.16.03.2024)	369.7
8396001 17.02.25	Type-I	25.03.2025	Printed woven fabric, texturized polyester filament yarn (100%)	<b>54075490</b>	20% or ₹20/m <sup>2</sup>	NIL	Free	127.14
(contd.)	Type-II	25.03.2025	Printed woven fabric, texturized polyester filament yarn (100%)	<b>54075490</b>	20% or ₹20/m <sup>2</sup>	NIL	Free	132.67
(contd.)	Type-III	20.03.2025	Printed woven fabric, Viscose SPUN yarn (100%)	<b>55161490</b>	20% or ₹12/m <sup>2</sup>	NIL	Free	144.8
8431416 19.02.25	Type-I	03.04.2025	White self-design NON-WOVEN fabric, polypropylene fibres	<b>56031200</b>	20%	NIL	Free	61.7
(contd.)	Type-II	04.04.2025	Dyed woven fabric, polyester filament yarn (94.7%), coated one side with PU (5.3%)	<b>59032090</b>	20%	0.46 \$/m <sup>2</sup>	Free	134.6
(contd.)	Type-III	08.04.2025	Dyed woven	<b>59032090</b>	20%	0.46	Free	162.7

		5	fabric, polyester filament yarn (91.9%), coated one side with PU (8.1%)	0		\$/m <sup>2</sup>		
8394214 17.02.25	Type-I	15.04.2025	Dyed KNITTED fabric, polyester filament yarn (96.14%) and spandex (3.86%)	60063200	20%	NIL	MIP USD 3.5/kg (Notif 77/2023 dt.16.03.2024)	321.6
(contd.)	Type-II	15.04.2025	Dyed KNITTED fabric, polyester filament yarn (96.8%) and spandex (3.2%)	60063200	20%	NIL	MIP USD 3.5/kg (Notif 77/2023 dt.16.03.2024)	317.8
(contd.)	Type-III	15.04.2025	White KNITTED fabric, polyester filament yarn (95.4%) and spandex (4.6%)	60063100	20%	NIL	MIP USD 3.5/kg (Notif 77/2023 dt.16.03.2024)	152.2

### 3.3 CRCL Test Results — Remaining 4 BOEs (Annexure-3)

BOE No.	Identification	Correct CTH	Fibre	GSM	Policy/ MIP	BCD	AD D	IGS T
8398577 WHSU52156 04	Dyed woven fabric, texturized polyester filament yarn	54075290	Polyester fil.	266.95	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	White self-design knitted fabric printed on one side, polyester filament yarns	60063400	Polyester fil.	126.47	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
(contd.)	Yarn dyed woven fabric, mercerised cotton (70.58%) + nylon yarns	52105190	Cotton-Nylon	95.31	Free	20%	NIL	5%
(contd.)	Creamish woven fabric, texturised polyester filament yarns	54075290	Polyester fil.	140.21	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	Dyed woven fabric, polyester (81.80%) and cotton blended spun yarn	54075290	Poly-Cotton	67.7	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	Dyed NET fabric with glass beads, polyester (89.10%) + spandex — FASHION/GARMENT FABRIC	58041090	Polyester-Spandex	202.9	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
(contd.)	Yarn dyed NET	5804299	Nylon-	162.9	MIP USD	20%	NIL	12%

	fabric with metallized yarns, Nylon (60%) + polyester (39%) — FASHION/GARMENT FABRIC	0	Poly-Metal		3.5/kg (Notif 77/2023)			
8390814 WHSU69040 22	Dyed woven fabric, texturized polyester filament yarns (both sides)	5407529 0	Polyester fil.	142.7	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	Yarn dyed self-designed knitted fabric, polyester filament yarn (98.24%) + spandex	6006320 0	Polyester-Spandex	161.2	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
(contd.)	Dyed woven fabric with embroidery at one end, polyester (88.90%) + cotton blended spun yarn	5810100 0	Polyester-Cotton	109.7	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
(contd.)	Two-layered dyed knitted fabric, polyester filament (92%) + spandex	6004900 0	Polyester-Spandex	367.6 6	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
(contd.)	Dyed knitted self-designed fabric, polyester filament yarns	6006320 0	Polyester fil.	144.3	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
8431408 EGSU148465 2	Printed woven fabric, texturized polyester filament yarns (100%)	5407529 0	Polyester fil.	132.2 5	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	Printed woven fabric, mercerised cotton (70.02%) + nylon filament yarn	5210519 0	Cotton-Nylon	77.4	Free	20%	NIL	5%
(contd.)	Yarn dyed woven fabric printed on one side, spun viscose (52.90%) + filament viscose	5510111 0	Viscose	145.7 8	Free	20%	NIL	5%
(contd.)	White loose knitted fabric embroidered with plastic sequins, cotton (91.97%) + nylon	6006210 0	Cotton-Nylon	350.9 2	MIP USD 3.5/kg (Notif 77/2023)	20%	NIL	12%
8431417 EGSU144346 3	Printed woven fabric, texturized polyester filament yarns	5407529 0	Polyester fil.	—	Free	20% or ₹23/m <sup>2</sup>	NIL	5%
(contd.)	Yarn dyed woven fabric printed on one side, spun yarns of viscose	5510111 0	Viscose	—	Free	20%	NIL	5%

For the purpose of quantifying the duty for the remaining 4 Bills of Entry (viz. 8398577 and 8390814 dated 17.02.2025; 8431417 and 8431408 dated 19.02.2025), a joint visit was conducted on 06.03.2026 at the premises of the consignee, M/s Cargo Care Agency, Kandla SEZ. The visit, carried out by the Government Approved Valuer along with the SIIB Kandla team, was necessitated by the need to determine the correct technical specifications and market value of the diverse fabrics mis-declared as "Tarpaulin" (CTH 6306) by the importer, M/s H.R. Enterprises. The proceedings, including the identification of fabric types for valuation purposes, were recorded under **Panchnama dated 06.03.2026 (RUD-11)**. The Government Approved Valuer provided the Valuation report dated 20.03.2026 (**RUD-12**). The findings of this report form the basis for the differential duty quantification detailed in **Annexure-3**.

### 3.4 What the Test Results Collectively Prove

The 40 CRCL test results and the Govt. Approved Valuer report together establish the following beyond reasonable dispute:

1. The goods span at least 16 distinct CTH headings across Chapters 52, 54, 55, 56, 58, 59, and 60 of the Customs Tariff. Not a single sample falls under Chapter 63. This variety is wholly inconsistent with a consignment of "leftover tarpaulin fabric" from a single supplier.
2. Several fabric types — knitted polyester-spandex fabrics (CTH 6006), two-layer knitted fabrics (CTH 6004), net fabrics with glass beads (CTH 5804), metallized yarn net fabrics (CTH 5804), embroidered fabric with polyester-cotton base (CTH 5810), and sequin-embellished knitted cotton fabric (CTH 6006) — are premium fashion and garment industry fabrics. They bear MIP restrictions under Notification 77/2023 precisely because they are garment fabrics with sensitive import policy implications. No tarpaulin manufacturer generates such items as production leftovers.
3. The buyer of these goods, M/s Honeydew Fibre and Fabric, is by its own admission a supplier to the garment industry — not to the tarpaulin or tent-making trade. The commercial destination of the goods independently corroborates their true character as garment fabrics.
4. The MIP-attracting goods (CTH 6006, 6004, 5810, 5804) were systematically routed under CTH 6306, which bears no MIP restriction, in a calculated attempt to circumvent the import policy. This is not an innocent classification error — it is a deliberate tariff engineering scheme.

## 4. QUANTIFICATION OF DIFFERENTIAL DUTY

### 4.1 Duty — 12 Bills of Entry (Annexure-2)

Sr.	BOE No.	Container	Ass. Value ₹	BCD ₹	SWS ₹	ADD ₹	IGST ₹	Total Duty ₹
1	8390756/17.02 .25	TGBU98427 04	7,69,230	1,53,84 6	15,385	0	1,12,6 15	2,81,846
2	8403462/17.02 .25	CARU52837 03	7,66,303	1,53,26 1	15,326	54,61,1 75	7,67,5 28	63,97,29 0
3	8410969/17.02 .25	UETU50308 01	7,68,085	1,53,61 7	15,362	0	1,12,4 48	2,81,426
4	8410860/19.02 .25	EITU115226 0	3,94,237	78,847	7,885	26,14,6 95	3,71,4 80	30,72,90 7

5	8391517/17.02 .25	EITU122711 6	6,41,170	40,06,8 00	0	0	2,64,4 57	42,71,25 7
6	8392412/17.02 .25	EGHU82738 69	7,77,491	1,55,49 8	15,550	16,46,8 92	3,11,4 52	21,29,39 2
7	8390971/17.02 .25	BMOU58014 89	7,52,151	1,50,43 0	15,043	47,00,7 58	6,74,2 06	55,40,43 7
8	8394670/17.02 .25	IAAU183669 0	7,32,628	1,46,52 6	14,653	0	1,07,2 57	2,68,435
9	8412169/18.02 .25	IAAU179604 7	61,12,81 6	12,22,5 63	1,22,2 56	0	3,72,8 82	17,17,70 1
10	8396001/17.02 .25	WHSU6640 892	7,53,080	38,85,3 00	0	0	2,31,9 19	41,17,21 9
11	8431416/19.02 .25	EGSU14581 70	3,35,544	67,109	6,711	20,12,8 68	2,90,6 68	23,77,35 5
12	8394214/17.02 .25	TRHU52551 48	65,74,75 0	13,14,9 50	1,31,4 95	0	4,01,0 60	18,47,50 5
<b>TOTAL</b>			<b>1,93,77,4 85</b>					<b>3,23,02,7 70</b>

Duty declared: ₹19,35,553/- | Duty payable: ₹3,23,02,770/- | **Differential Duty: ₹3,03,67,218/-**

#### 4.2 Duty — Remaining 4 Bills of Entry (Annexure-3)

Sr.	BOE No.	Container	Ass. Value ₹	BCD ₹	SWS ₹	AD D ₹	IGST ₹	Total Duty ₹
1	8398577/17.02. 25	WHSU52156 04	60,78,340	32,54,81 4	3,25,48 1	0	4,82,93 2	40,63,227
2	8390814/17.02. 25	WHSU69040 22	75,34,553	8,48,810	84,881	0	6,98,14 6	16,31,837
3	8431408/19.02. 25	EGSU14846 52	59,12,943	13,50,21 1	1,35,02 1	0	4,56,43 0	19,41,662
4	8431417/19.02. 25	EGSU14434 63	60,59,687	47,97,62 8	4,79,76 3	0	5,83,67 5	58,61,066
<b>TOTAL</b>			<b>2,55,85,5 23</b>					<b>1,34,97,7 92</b>

Duty declared: ₹6,06,596/- | Duty payable: ₹1,34,97,792/- | **Differential Duty: ₹1,28,91,196/-**

TOTAL DIFFERENTIAL DUTY (ALL 16 BOEs): **₹4,32,58,414/-** (subject to interest under Section 28AA of the Customs Act, 1962)

## 5. STATEMENTS RECORDED — GIST, ANALYSIS, AND REJECTION OF EXPLANATIONS

The following section sets out, for each noticee, the gist of their statements, the explanation or defence advanced by them, and the reasons why such explanation is found unacceptable and insufficient to rebut the evidence. This analysis forms the basis for the proposed show cause notice.

## **5.1 Shri Goda Prabhakar, Partner, M/s Cargo Care Agency**

Statements recorded on 02.04.2025 (RUD-8) and 28.04.2025.

### **Gist of Statements**

In his statement dated 02.04.2025, Shri Goda Prabhakar was the only person among all the noticees who tendered a substantive explanation on the merits of the classification. He advanced the following positions: that the variety of fabric types noted by the examining officers was merely a difference in GSM and colour, not a difference in kind; that the term "leftover" in the declared description refers to dead-stock and stock-clearance fabric cleared by the manufacturer, and is not confined to cut-pieces arising during manufacturing; that the goods are intended for use as tarpaulin/tent material of different sizes and that fabrics of varying length and GSM are legitimately imported together for this purpose; that some made-up articles for pavilion (shamiana) preparation with stitching were also present in the containers alongside rolls; that the rolls themselves are raw material for preparation of large pavilions used at marriages, political gatherings, and religious functions; that to his knowledge the goods cannot be used for any purpose other than the declared one; and that previous test reports were never obtained as testing had never been required.

In his statement of 28.04.2025, Shri Goda Prabhakar admitted that he was responsible for handling all aspects of import of goods by clients at the KASEZ unit, including the filing of import documents, issue of supply invoices and e-way bills in the name of M/s H.R. Enterprises, and arrangement of transportation of goods to buyers.

### **Analysis and Rejection of Explanation**

The explanations tendered by Shri Goda Prabhakar have been examined against the CRCL test results (Annexure-2 and 3) and the examination findings, and are found to be wholly unacceptable for the following reasons:

First, on the claim that the variety of fabrics is merely a difference in GSM and colour: The CRCL test results definitively disprove this. The 40 samples drawn from the 16 containers span 16 distinct CTH headings across Chapters 52, 54, 55, 56, 58, 59, and 60 of the Customs Tariff. The differences are not of weight or colour — they are differences of fundamental fibre composition, construction method (woven, knitted, non-woven), surface treatment (PVC-coated, PU-coated, uncoated), and end-use category. A white self-design non-woven polypropylene fabric (CTH 5603) and a dyed net fabric with glass beads (CTH 5804) are not the same fabric in different colours — they are entirely different commodities. A knitted polyester-spandex fabric with MIP applicability (CTH 6006) and a plain woven PVC-coated polyester fabric (CTH 5903) are not the same fabric in different GSM. This explanation is not supported by any evidence and is contradicted by laboratory-tested scientific facts.

Second, on the claim that "leftover" means dead-stock or stock-clearance fabric: Even accepting this definition for argument's sake, it does not advance his case. "Leftover" is a description of the commercial origin or condition of the goods. Classification under the Customs Tariff is determined by the character, composition, and construction of the goods as they exist at the time of importation — not by the circumstances in which the seller decided to sell them. Stock-clearance polyester filament woven fabric remains woven polyester fabric classifiable under

Chapter 54. Dead-stock knitted polyester-spandex fabric remains a knitted fabric classifiable under Chapter 60. The word "leftover" does not transform any of these fabrics into a made-up article classifiable under Chapter 63. The claimed definition of "leftover" is therefore irrelevant to the classification question and does not constitute a valid explanation.

Third, on the claim that the goods are intended for use as tarpaulin/shamiana raw material: This explanation fails on both law and fact. As a matter of law, classification under the Customs Tariff is governed by the condition of the goods at the time of importation, not by their intended subsequent use. This principle is well settled in tariff jurisprudence and flows directly from the General Rules of Interpretation under the Customs Tariff. At the time of importation, the goods were fabric rolls — greige or processed textile fabrics. Their intended conversion into shamianas or pavilions at some future point does not alter their nature at the time of import and does not make them classifiable under CTH 6306. As a matter of fact, several fabric types found in the consignments — including net fabric with glass beads (CTH 5804), metallized yarn net fabric (CTH 5804), embroidered polyester-cotton fabric (CTH 5810), and knitted fabric embellished with plastic sequins (CTH 6006) — are premium fashion and garment-industry inputs. It is not credible that these fabrics are procured as raw material for industrial tarpaulins or even for shamianas/pavilions. A glass-bead-encrusted net fabric and a metallized yarn net fabric are not structural materials for marriage pavilions. Their presence in what is claimed to be a consignment of tarpaulin raw material is inexplicable on the claimed end-use theory and strongly suggests these are garment fabrics concealed within a consignment deliberately mis-described to avoid MIP restrictions.

Fourth, on the claim that some made-up articles with stitching were also present in the containers: This oral assertion cannot be accepted for the following reasons. The Panchnamas dated 23–25.02.2025, drawn in the presence of Shri Goda Prabhakar himself and signed by him, describe the goods as fabric rolls and do not record the presence of any stitched or made-up articles. A contemporaneous panchnama executed by government officers in the presence of and signed by the same person who is now making this claim is far stronger evidence than a subsequent oral assertion in a statement. Shri Goda Prabhakar did not dispute the Panchnama findings at any point during examination, did not request re-examination or re-opening of containers, and did not submit any inventory, count, or description of such alleged stitched articles. If stitched made-up articles were genuinely present, they would have been identified in the panchnama. The absence of any such record, and the failure to raise this during examination, renders the subsequent claim an afterthought designed to create a partial justification for the CTH 6306 declaration.

Fifth, on the claim that testing was never required before: Shri Goda Prabhakar is a partner of an established KASEZ warehousing unit that handled, by the department's own count, at least 107 containers (16 under investigation plus 91 others) in a single financial year from the same importer. A firm of this scale and experience has an obligation under Section 46(4A) of the Customs Act, 1962, to ensure that declarations in Bills of Entry are accurate and that goods comply with applicable import restrictions. The claim that it never occurred to the firm to verify the nature and classification of goods it was repeatedly importing and warehousing — particularly when the goods were subject to MIP restrictions which the firm was effectively evading — is not a defence. It is evidence of deliberate wilful negligence of a degree that amounts to conscious abetment.

The overall role of Shri Goda Prabhakar's is therefore as follows. He was present during the examination. He witnessed the drawing of samples. He signed the Panchnamas. He then tendered an explanation that collapses on every material point when tested against the chemical analysis results. He admitted in his second statement to full operational control over the import transactions. He prepared and submitted official correspondence in the name of the dummy

importer. He filed all import documents, issued supply invoices and e-way bills, and arranged sale and dispatch of the goods. Subsequently, as examined in Section 7 below, he submitted a deliberately defective Bank Guarantee to Customs and then failed to appear before the investigating authority. No innocent consignee who genuinely believed the goods were tarpaulin leftovers would have done any of these things. Thus, it appears that Shri Goda Prabhakar was not merely a facilitating consignee — he was the operative brain of the importation scheme at the Indian end.

## 5.2 Smt. Harshali Ravindra Jadhav, Proprietor, M/s H.R. Enterprises

Statements recorded on 29.05.2025 (RUD-9) and Panchnama dated 05.03.2025 (RUD-6).

### Gist of Statements

Smt. Harshali Ravindra Jadhav did not advance any substantive defence on the merits of the classification or the description of the goods.

She met Shri Haresh Shethiya in 2018 at a local shop in Mumbai while she was selling sarees at railway stations and local markets. He offered her ₹2,000 per container if she allowed him to open an IEC in her name, which she agreed to on account of financial need, without making any enquiry about him or his business. He took her PAN card and Aadhaar card and, with the help of CA Shri Vishal Shethiya, registered M/s H.R. Enterprises as a proprietorship firm with IEC and GSTN in her name. She has never done a course in import-export and has no knowledge of import-export operations. She does not know the GST registration number of the firm, does not operate the firm's email ID (harshalirjadhav@gmail.com), does not know who operates it, and has never been to Haresh Shethiya's office or residence. All purchase, sale, and banking transactions are conducted exclusively by Shri Haresh Shethiya. A cheque book in the name of M/s H.R. Enterprises was signed by her in 2018 on Shethiya's request; after that no further cheque was signed.

She confirmed that Shri Hari Shethiya used to meet her at VT railway station and take her signatures on official letters addressed to Customs Kandla (dated 07.03.2025, 08.03.2025, 21.03.2025, and 10.04.2025). She acknowledged the signatures on those letters as hers but stated she did not know the contents. She believed Haresh Shethiya then sent them from the firm's email ID. She has not received any bank or GST notifications on her own mobile number. She received ₹2,000–₹2,500 per container in cash. During 2018, about 22 containers were imported; there was a gap due to COVID-19; imports resumed in 2024-25. She was not aware how many containers had been imported in 2024-25 and no payment has been made to her for the 2024-25 imports. She clarified that she does not own the goods and cannot afford such large imports.

### Analysis and Rejection of Explanation

The implicit plea of Smt. Harshali Jadhav, based on her statements, is that she is a victim of exploitation by a more sophisticated operator and had no knowledge of, or control over, what was being imported in her name. This may have some bearing on the quantum of penalty but does not constitute a legal defence to liability for the following reasons.

First, Section 114AA of the Customs Act, 1962 imposes liability on any person who 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 the Customs Act. Smt. Harshali Jadhav has expressly admitted that she signed official letters addressed to Customs Kandla at the request of Shri Haresh Shethiya without reading their contents. Signing a document addressed to a government authority, knowing it relates to an import business conducted in your name, and handing it to a

third party for transmission to that authority, constitutes intentionally causing a document to be signed and used in the transaction of business under the Customs Act. The fact that she did not read the letters does not absolve her — a person who delegates the reading of official Customs correspondence while retaining the signing authority cannot claim ignorance of what was signed.

Second, regarding her claim that she was acting under financial compulsion: Financial need at the time of lending identity documents in 2018 may be a mitigating circumstance. However, the arrangement was not a one-time act — it was a continuing one. She signed cheques in 2018, collected payments per container in 2018, resumed collecting payments when imports resumed in 2024-25, and continued to sign official Customs correspondence in 2025, meeting Shethiya at VT station for the purpose. This repeated, continuing participation over seven years, with financial consideration for each batch of imports, establishes that this was not a single act of compelled acquiescence but a sustained commercial arrangement entered into consciously.

Third, on the question of Section 112(a)/(b) liability: Smt. Harshali Jadhav provided her PAN and Aadhaar — the very identity credentials used to obtain the IEC — knowingly and for the declared purpose of "importing fabrics." She was therefore aware that fabrics would be imported in her name. The fact that the imported fabrics were mis-declared and subject to MIP restrictions is a consequence of the fraud she facilitated by lending her identity. The statutory importer of record on 16 Bills of Entry is M/s H.R. Enterprises — her firm. The obligation to ensure accurate and lawful declarations in Bills of Entry under Section 46(4A) of the Customs Act, 1962 falls upon the importer of record. By allowing her IEC to be operated without any oversight, she abdicated this statutory responsibility entirely.

Thus it appears that while Smt. Harshali Jadhav's culpability is lower in degree than that of Shri Haresh Shethiya or Shri Goda Prabhakar — given her limited education, financial vulnerability, and absence of direct operational involvement — she is not absolved of liability. Her explanation does not satisfy the legal requirements for exculpation under Section 112 or Section 114AA of the Customs Act, 1962.

### **5.3 Shri Haresh (Hari) Shethiya, Handler of M/s H.R. Enterprises**

Statement recorded on 09.06.2025 (RUD-10).

#### **Gist of Statement**

Shri Haresh Shethiya appeared once, on 09.06.2025, in response to summons dated 04.06.2025. He confirmed that he is the "Hari Shethiya" referred to in Ms. Harshali Jadhav's statement.

He admitted that he obtained Ms. Harshali Jadhav's documents to create the dummy firm M/s H.R. Enterprises, with the assistance of CA Shri Vishal Shethiya. He admitted that the goods are sent by his cousin brother Shri Manoj Shethiya, who has been living in Guangzhou, China for the past 15 years, and that he receives commercial invoices from Manoj Shethiya via WeChat. He admitted that banking transactions of M/s H.R. Enterprises are handled by him. He admitted that he passes on commercial invoices to Shri Goda Prabhakar for filing import documents.

At the same time, he denied using the firm's email ID (harshalirjadhav@gmail.com or harshalijadhav@gmail.com) through which Customs communications were made. He denied receiving or sending the official letters dated 07.03.2025, 08.03.2025, 21.03.2025, and 10.04.2025 signed by Ms. Harshali Jadhav. He sought to deflect full operational responsibility onto Shri Goda Prabhakar by stating that it is Goda Prabhakar who directly contacts the Chinese supplier, arranges all supply, and issues supply bills and e-way bills in the name of M/s

H.R. Enterprises. He promised to provide banking transaction details of M/s H.R. Enterprises but never did so. He could not provide any details — address or mobile number — of CA Shri Vishal Shethiya. After this one appearance, he failed to respond to Summons dated 20.02.2026 and 12.03.2026 (**RUD-14**) and has not cooperated with the investigation.

### **Analysis and Rejection of Explanation**

The position tendered by Shri Haresh Shethiya through his statement is, in substance, that he was a mere financial intermediary and invoice-passer who had no knowledge of or control over what was actually imported — and that the real operator was Goda Prabhakar. This position is self-defeating and cannot be accepted for the following reasons.

First, Shri Haresh Shethiya's own admissions establish the core elements of his liability independently of anything else. He admits he created the dummy firm specifically to facilitate imports. He admits he manages the banking of the dummy importer. He admits he receives commercial invoices from the overseas supplier (his cousin in China) and passes them to Goda Prabhakar for filing. A person who controls the financial artery of an import enterprise, communicates with the overseas supplier, and created the very legal entity through which the import is routed is not a peripheral figure. He is the architect. The label "handler" does not dilute his liability — it confirms it.

Second, the attempt to deflect responsibility onto Shri Goda Prabhakar actually incriminates both of them rather than exculpating either. Shri Shethiya's claim is that Goda Prabhakar "directly contacts the Chinese supplier." This statement is inconsistent with his earlier admission that commercial invoices come from his cousin Manoj Shethiya in China to him via WeChat and are then passed to Goda Prabhakar. The two admissions together establish a supply chain in which Shethiya is the link between the Chinese supplier and Goda Prabhakar — not a disinterested bystander. His claim of Goda Prabhakar's direct contact with the Chinese supplier appears to be a post-hoc attempt to reduce his own apparent role.

Third, his denial of knowledge of the official letters signed by Ms. Harshali Jadhav at VT railway station is contradicted by her own statement, which specifically names him as the person who took signatures from her and must have sent the letters. Ms. Jadhav's statement on this point is internally consistent, specific as to location and occasion, and corroborated by the fact that the letters are signed in her name and were received by Customs Kandla from the firm's email ID. Shri Shethiya's blanket denial — unsupported by any contrary evidence — is not believable.

Fourth, the non-furnishing of promised banking details is a significant adverse circumstance. Shri Shethiya expressly assured the investigating officer that he would provide all banking transaction details of M/s H.R. Enterprises. He never did. The banking records of M/s H.R. Enterprises at Kotak Bank would likely reveal the full picture of who funded the imports and who received the sale proceeds. His failure to furnish these records — after having promised to do so — warrants an adverse inference that the banking records, if produced, would demonstrate his financial interest in and control over the entire importation scheme.

Fifth, his post-statement non-cooperation — failure to appear in response to Summons dated 20.02.2026 and 12.03.2026, and failure to appear to collect the bond as directed by the Commissioner — is consistent with a calculated strategy to remain outside the adjudication process while benefiting from the delay it creates. The Hon'ble CESTAT itself directed the importer to join the investigation. That direction has been ignored. Non-compliance with a direction of a judicial authority, when taken together with the evidence of his central role in the importation scheme, reinforces the inference of guilty knowledge and mala fide intent.

Thus, it appears that Shri Haresh Shethiya is the beneficial owner of M/s H.R. Enterprises within the meaning of Section 2(3A) of the Customs Act, 1962 and bears liability for the mis-declaration of the 16 consignments. His attempt to characterise himself as a minor functionary who merely handled paperwork and banking is not supported by the evidence and is rejected.

#### **5.4 Shri Rakesh Makhijani, Partner, M/s Cargo Care Agency**

Statement recorded on 26.03.2026 in response to Summons dated 25.03.2026 (RUD-18).

##### **Gist of Statement**

Shri Rakesh Makhijani appeared on 26.03.2026 and stated, in its entirety, that he has no knowledge of import-export matters and that all import-export related work is handled by Shri Goda Prabhakar, partner of M/s Cargo Care Agency. He further assured the investigating officer that Shri Goda Prabhakar would appear on 27.03.2026 for recording of statement. Shri Goda Prabhakar did not appear.

##### **Analysis and Rejection of Explanation**

Shri Rakesh Makhijani's sole plea is that he is a passive partner with no involvement in, or knowledge of, the import transactions conducted by M/s Cargo Care Agency. This plea is examined and rejected for the following reasons.

First, M/s Cargo Care Agency is a KASEZ warehousing unit operating under specific licences, permissions, and authorisations from KASEZ authorities and Customs. The firm's Shed No. 366 physically housed all 16 containers of mis-declared goods for an extended period. As a partner of the firm, Shri Rakesh Makhijani shares in the obligations and liabilities of the firm. The Indian Partnership Act, 1932, and the law of agency as it applies to partners, make each partner jointly and severally liable for the wrongful acts of co-partners done in the ordinary course of the firm's business. The handling of import consignments at KASEZ is unquestionably the ordinary course of business of M/s Cargo Care Agency. The fact that Shri Rakesh Makhijani chose to leave this to Goda Prabhakar does not extinguish his legal liability for the firm's conduct.

Second, Shri Rakesh Makhijani was personally present during the DRI AZU examination conducted on 23–25.02.2025. He was identified as a panch/witness to those proceedings. The examination, conducted in his presence, revealed 16 containers of fabric rolls of diverse types being stored in his firm's warehouse under a mis-declared consignment description. A person present during examination proceedings who witnesses the diversity of goods found — and who subsequently claims to know nothing about his firm's import activities — is not credible. His presence during the examination gives him personal knowledge of the discrepancy between the declared and actual goods.

Third, the assurance given by Shri Rakesh Makhijani that Shri Goda Prabhakar would appear on 27.03.2026, followed by Goda Prabhakar's deliberate non-appearance, is consistent with a coordinated strategy of non-cooperation between the partners of M/s Cargo Care Agency. Partners who have nothing to hide do not systematically default on assurances given to investigating authorities. The pattern of Makhijani appearing only to disclaim knowledge, and then Goda Prabhakar not appearing at all, suggests a deliberate division of roles in the obstructive conduct.

## **5.5 Shri Yogesh, Authorised Representative, M/s Honeydew Fibre and Fabric (25.08.2025)**

### **Gist of Statement**

Shri Yogesh, Authorised Representative of M/s Honeydew Fibre and Fabric, stated that his firm deals in import of fabrics from China and Dubai for the garment industry, and also procures fabrics from the domestic market. The firm is a partnership of Shri Vikas Dubey and Shri Pawan Kumar. The firm has been procuring goods from M/s H.R. Enterprises since December 2024, ordering "Leftover Tarpaulin Fabrics Mix" telephonically. He clarified that the 16 BOE consignments under DRI investigation and the other consignments yet to be examined by SIIB do not pertain to his firm, and that M/s H.R. Enterprises would bear the demurrage costs. He submitted ledger and sale invoices and stated he would provide bank statements later.

## **6. SUBMISSIONS BY IMPORTER / WAREHOUSING UNIT**

### **6.1 Request for Provisional Release (06.04.2025)**

Following DRI's detention of the 16 containers, M/s Cargo Care Agency — not the importer M/s H.R. Enterprises — filed the provisional release request on 06.04.2025. This substitution of the consignee for the importer in the very first procedural step is consistent with Goda Prabhakar's actual operational control. The provisional release request was held in abeyance until test results were received.

### **6.2 Provisional Release Order (08.05.2025, RUD-13)**

Upon receipt of CRCL test results, provisional release was granted in respect of 12 out of 16 seized containers (those for which duty had been quantified), subject to: (A) Bond equivalent to value of goods — ₹1,93,77,485/-; and (B) Bank Guarantee of ₹3,12,34,336/-. The remaining 4 containers, for which type-wise duty calculation required a Government Approved Valuer's assessment, were excluded from provisional release.

### **6.3 CESTAT Appeal and Final Order (FO/C/A/10636/2025-CU(DB) dated 11.08.2025) (RUD-15)**

M/s H.R. Enterprises (filing through Cargo Care Agency) appealed against the conditions. The CESTAT upheld Condition A in full (Bond ₹1,93,77,485/- is mandatory and non-discretionary), modified Condition B to require a 10% Bank Guarantee (₹19,37,750/-) for re-export, and directed 50% of differential duty to be deposited for DTA clearance. The CESTAT also expressly directed the importer to join the investigation for expeditious completion — a direction that was subsequently ignored.

## **7. THE RE-EXPORT EPISODE — A PATTERN OF DELIBERATE OBSTRUCTION**

The sequence of events from the CESTAT order (11.08.2025) to the date of this report reveals a sustained pattern of calculated non-compliance by M/s Cargo Care Agency and Shri Goda Prabhakar, designed to maintain an appearance of engagement with the process while ensuring the conditions for re-export are never actually fulfilled. This pattern is itself an aggravating circumstance and evidence of continuing mala fide conduct.

### **7.1 Re-export Request — 40 Days After CESTAT Order**

The CESTAT order was dated 11.08.2025. M/s Cargo Care Agency filed its re-export request only on 20.09.2025 — over five weeks later — despite having argued before CESTAT that the goods were seasonal (rainy season demand) and would deteriorate. The claimed urgency was not reflected in the speed of compliance.

## **7.2 Re-export Permission Granted — Compliance Reminders Required**

Re-export permission was granted on 22.12.2025 (RUD-16) in respect of 12 containers. No compliance action was taken for over six weeks thereafter, necessitating Reminder-I dated 30.01.2026 and Reminder-II dated 05.02.2026 from the department to the importer/CHA.

## **7.3 First Bank Guarantee — Deliberately Defective (11.02.2026)**

A Bank Guarantee dated 11.02.2026 (BG No. 240GT01251010002, HDFC Bank, Santacruz West, Mumbai) for ₹26,13,227/- was submitted on 13.02.2026. Upon scrutiny and bank confirmation via email (three reminders dated 13.02.2026, 16.02.2026, and 18.02.2026 to bgconfirmation@hdfc.bank.in), the BG was found to contain dual fundamental defects: the beneficiary was stated as "The Assistant/Deputy Commissioner of Customs, KASEZ Township, Shinai, Gandhidham" — the wrong jurisdictional authority — instead of the Commissioner of Customs, Kandla; and the stated purpose was "Provisional Release" — the wrong purpose — instead of "Re-export."

Bank Guarantees are issued by banks on the specific written instructions of the applicant. The beneficiary name and purpose are elements that Cargo Care Agency/Shri Goda Prabhakar would have expressly specified when instructing HDFC Bank to issue the guarantee. These are not typographical errors or bank oversights — they are the product of instructions given by the party. A BG in favour of Customs KASEZ for "Provisional Release" is, in terms of legal enforceability against Customs Kandla for the purposes of the re-export permission, worthless. It creates the appearance of compliance while being designed to be rejected. This conduct is consistent with a strategy of delaying adjudication while keeping the goods in custody and the investigation open.

## **7.4 Second Bank Guarantee — Conditionally Compliant, But Bond Still Not Filed (16.03.2026)**

After the first defective BG was rejected, M/s Cargo Care Agency submitted a corrected Bank Guarantee (BG No. 240GT01260750002 dated 16.03.2026, ₹19,37,750/-) (**RUD-17**) in favour of "The Commissioner of Customs, Kandla" for the purpose of "Re-export" on 20.03.2026. This BG satisfies Condition B (Modified). However, Condition A — the Bond of ₹1,93,77,485/- upheld by CESTAT as mandatory — remains entirely unmet as of the date of this report. Without the Bond, no re-export can be permitted. Notably, even this second BG was filed only after a full five weeks had elapsed from the rejection of the first defective BG.

## **7.5 Non-Appearance of Goda Prabhakar — Final Act of Non-Cooperation**

On 25.03.2026, Summons (RUD-18) were issued to M/s Cargo Care Agency to explain the non-submission of the Bond. Shri Rakesh Makhijani appeared on 26.03.2026 and disclaimed knowledge of import matters, directing all questions to Goda Prabhakar. He assured the investigating officer that Goda Prabhakar would appear on 27.03.2026. Goda Prabhakar did not appear. This failure, occurring immediately after the technically compliant second BG had been filed, appears designed to create a record of token compliance (BG filed) while avoiding the substantive reckoning (the Bond, and the investigation) entirely.

## 7.6 Cumulative Assessment

Taken together, the following is established: permission for re-export was sought and obtained; the conditions set by both the department and the CESTAT were not fulfilled in substance for over four months; one Bank Guarantee submitted during this period was deliberately defective in a manner that required specific wrong instructions to the bank; the Bond — the most financially significant condition — has not been submitted at all; and the person with operational knowledge (Goda Prabhakar) has avoided appearing before the investigating authority throughout this period. This is not procedural delay or administrative difficulty. It is a calculated course of conduct designed to secure the benefits of a re-export permission while ensuring the conditions that would make re-export operationally real — and that would compel the importer to personally appear before Customs — are never fulfilled. This conduct constitutes a continuing and independent aggravating circumstance to be taken into account at the time of adjudication.

## 8. GROUNDS FOR CONFISCATION

### 8.1 Section 111(m) — Mis-declaration of Description and Classification

The goods declared as "Leftover Tarpaulin Fabrics Mix Size and GSM" under CTH 63061990 do not correspond in description, classification, or any material particular with the actual goods found during examination. CRCL test results establish that the goods are commercially produced fabric rolls across 16 distinct CTH headings in Chapters 52, 54, 55, 56, 58, 59, and 60. The mis-declaration is both of description (fabric rolls are not made-up tarpaulin articles) and of classification (CTH 6306 is structurally inapplicable to fabric rolls). The goods are liable to confiscation under Section 111(m).

### 8.2 Section 111(d) — Import Contrary to Prohibition

The MIP restrictions under Notification No. 77/2023 dated 16.03.2024 apply to CTH headings 60063200, 60063400, 60063100, 60049000, 60062100, 58041090, 58042990, and 58101000 at USD 3.5 per kg. Goods in all these headings were found in the subject consignments. By declaring them under CTH 6306 — which carries no MIP — the importers circumvented the mandatory MIP condition. Import of goods in violation of MIP constitutes import contrary to prohibition under the Foreign Trade Policy, attracting confiscation under Section 111(d).

### 8.3 Section 111(l) — Incorrect Entry

The Bills of Entry for all 16 consignments contained false and incorrect declarations as to the description, form, and classification of goods. The actual dutiable goods (diverse fabric rolls) were not included as such in the entry. The goods are liable to confiscation under Section 111(l).

### 8.4 Section 111(o) — Violation of Conditions of Import

The goods were admitted into the KASEZ warehousing unit on the basis of a false classification under CTH 6306. The MIP conditions applicable to the correctly classified fabric headings were not complied with. The goods are liable to confiscation under Section 111(o).

## 9. ROLES AND CULPABILITY

### 9.1 M/s H.R. Enterprises and Smt. Harshali Ravindra Jadhav

M/s H.R. Enterprises is a shell entity created for the sole purpose of providing a fictitious IEC to facilitate fabric imports without genuine importer accountability. Smt. Harshali Jadhav knowingly

lent her identity, signed official Customs correspondence without verification, and received monetary consideration per container. As the statutory importer of record, the firm bears primary liability for the mis-declaration. Smt. Harshali Jadhav is liable under Section 112(a)/(b) and Section 114AA. Her financial vulnerability and limited education are noted as mitigating factors for consideration at the stage of penalty quantification but do not extinguish liability.

## 9.2 Shri Haresh (Hari) Shethiya — Beneficial Owner

Shri Haresh Shethiya is the architect and beneficial owner of the scheme. He created the dummy entity, controls its banking, coordinates with the overseas supplier, and channelled commercial invoices for filing. As the "beneficial owner" within Section 2(3A) of the Customs Act, 1962, he bears full liability for the acts of the entity he controls. His deflection of responsibility onto Goda Prabhakar is rejected as self-serving and contradicted by his own admissions. His post-statement non-cooperation reinforces the inference of guilty knowledge. He is liable under Sections 112(a), 112(b), and 114AA.

## 9.3 Shri Goda Prabhakar and M/s Cargo Care Agency — The Operative Handler

Shri Goda Prabhakar is the most operationally central figure in this fraud. His role is not that of a passive consignee — it is that of the operative manager of the entire import-to-sale chain. He was present during examination and signed the Panchnamas. He was the only person who attempted a substantive defence of the classification, and that defence has been rejected in full in Section 5.1 above. He prepared fraudulent official correspondence in the name of the dummy importer. He filed all import documents, issued supply invoices and e-way bills, arranged sale and dispatch to garment-industry buyers. He submitted a deliberately defective Bank Guarantee and then avoided appearing before the investigating authority. His co-partner Rakesh Makhijani confirmed, in his own statement, that all import-export work is handled by Goda Prabhakar. Shri Goda Prabhakar and M/s Cargo Care Agency are liable under Sections 112(a), 112(b), 114AA, and (as to M/s Cargo Care Agency) Section 117.

## 9.4 Shri Rakesh Makhijani — Partner, M/s Cargo Care Agency

Shri Rakesh Makhijani is liable as a partner of the warehousing unit that physically housed and handled the 16 mis-declared containers. His plea of being a "passive partner" with no knowledge of import-export matters is rejected for the following reasons. First, under the Indian Partnership Act, 1932, he shares joint and several liability for the wrongful acts of his co-partner, Shri Goda Prabhakar, committed in the ordinary course of the firm's business. Second, he was personally present during the DRI AZU examination (23–25.02.2025) and witnessed the diversity of fabric rolls found, giving him direct personal knowledge of the discrepancy between the declared and actual goods. Third, his conduct—appearing only to disclaim knowledge and then providing a failed assurance that Goda Prabhakar would appear on 27.03.2026—is consistent with a coordinated strategy of non-cooperation designed to obstruct the investigation. He is therefore liable under **Sections 112(a), 112(b), and 114AA** of the Customs Act, 1962.

## 10. CONCLUSION ON WHO IS IMPORTER

### Smt. Harshali Ravindra Jadhav — Importer of Record but Not Beneficial Owner

She is the nominal importer — the person holding herself out as the importer — and therefore falls within Section 2(26) by the third limb of that definition ("any person holding himself out to be the importer"). She does not own the goods. She has never seen the goods. She receives ₹2,000–₹2,500 per container, which is a fee for identity lending, not a share of the commercial benefit of the importation. She explicitly disclaimed ownership of the goods in her statement. Her

position as "importer" arises from the legal fiction created by Shethiya's scheme — it is an imposed identity, not a claimed one. But she cannot escape the statutory liabilities of an importer on that basis. She qualifies under Section 2(26) as the person who held herself out as importer.

### **Shri Haresh (Hari) Shethiya — Beneficial Owner under Section 2(3A), and therefore Importer under Section 2(26)**

He is the clearest and most unambiguous beneficial owner in the case. His own admissions establish every element. He created the dummy firm. He controls the banking of M/s H.R. Enterprises. He coordinates with the overseas supplier through his cousin in Guangzhou. He receives commercial invoices from China. He provides those invoices for filing of Bills of Entry. He arranges buyers in Delhi and Mumbai. The entire commercial benefit of the importation — the spread between the under-declared import value and the actual domestic sale price — flows to him or through him. Ms. Harshali Jadhav has explicitly confirmed she neither owns the goods nor received payment for the 2024-25 imports. The goods belong to Shethiya in every meaningful commercial sense. He is therefore the beneficial owner under Section 2(3A) and consequently an "importer" under Section 2(26) with full statutory liability for the correctness of declarations, payment of duty, and compliance with import restrictions.

### **Shri Goda Prabhakar and M/s Cargo Care Agency**

Section 2(3A) does not require that a person be the sole beneficiary or even the primary financial beneficiary. It says "any person on whose behalf the goods are being imported." Shri Goda Prabhakar's admitted conduct — filing import documents, issuing supply invoices and e-way bills in M/s H.R. Enterprises' name, arranging dispatch to buyers, collecting sale proceeds — goes well beyond the role of a warehouse operator or CHA. He is running the domestic leg of the import transaction. The goods, once imported into KASEZ, are effectively under his operational custody and control. He issues the documents that move the goods out of the warehouse. He collects the commercial consideration from the buyers. He is, in substance, importing goods on his own behalf using the dummy IEC of M/s H.R. Enterprises as the legal front. He is thus a beneficial owner under Section 2(3A) and therefore an importer under Section 2(26) in his own right.

### **M/s Cargo Care Agency (as a firm) — Beneficial Owner under Section 2(3A)**

For the same reasons as Goda Prabhakar, the firm itself — which is the operative entity through which the import-to-sale chain was run — qualifies as a beneficial owner under Section 2(3A) and consequently as an importer under Section 2(26). The firm's shed was the warehouse. The firm's partner filed the documents. The firm issued the commercial instruments that enabled the goods to move. The firm collected the proceeds. The firm is the economic engine of the entire operation.

Thus, on the facts of this case, the evidence establishes one nominal importer and three beneficial owners operating at different levels of the same scheme: Shri Haresh Shethiya at the financial and supply chain level; Shri Goda Prabhakar at the operational and documentation level; and M/s Cargo Care Agency as the institutional vehicle through which the domestic leg of the importation was conducted. All three were importing goods on their own behalf — using M/s H.R. Enterprises as nothing more than a borrowed legal name. The liabilities are therefore recoverable from all three jointly and severally as co-importers, in addition to the nominal importer M/s H.R. Enterprise.

**11.** Now therefore, M/s H.R. Enterprises (Prop. Smt. Harshali Ravindra Jadhav), Shri Haresh (Hari) Shethiya, M/s Cargo Care Agency (KASEZ), and Shri Goda Prabhakar (Partner, M/s

Cargo Care Agency), are hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:

**(i) CONFISCATION:**

The goods covered under the 16 Bills of Entry listed in Annexure-1, having been imported through wilful mis-declaration of description, classification, and nature — specifically, fabric rolls correctly classifiable across CTH headings 59039090, 59032090, 59031090, 55121910, 54075290, 54075490, 55161490, 56031200, 60063200, 60063400, 60063100, 60049000, 60062100, 58041090, 58042990, 58101000, 52105190, and 55101110 (as applicable to each consignment per the CRCL test results and Govt. Approved Valuer's report at **Annexures-2 and 3**) — declared as "Leftover Tarpaulin Fabrics Mix Size and GSM" under CTH 63061990 in contravention of the Foreign Trade Policy and applicable import restrictions including Minimum Import Price under Notification No. 77/2023 dated 16.03.2024, should not be confiscated under:

- Section 111(d) — goods imported contrary to prohibition under Foreign Trade Policy and MIP restrictions applicable to CTH headings 60063200, 60063400, 60063100, 60049000, 60062100, 58041090, 58042990, and 58101000 at the prescribed MIP of USD 3.5 per kg under Notification 77/2023 dated 16.03.2024;
- Section 111(l) — dutiable goods not corresponding to the entry made in the Bills of Entry;
- Section 111(m) — goods not corresponding in description, classification, or any material particular with the entry made in the Bills of Entry; and
- Section 111(o) — goods imported in contravention of conditions governing their import.

**(ii) RE-ASSESSMENT AND INTEREST:**

The goods covered under the 16 Bills of Entry, having been wrongly self-assessed under CTH 63061990 by reason of wilful mis-declaration, should not be re-assessed to duty under their correct Customs Tariff headings as detailed in Annexures-2 and 3 to this report, under Section 17 read with Section 46 of the Customs Act, 1962 and why interest under Section 28AA of the Customs Act, 1962 at the applicable rate should not be demanded and recovered in addition thereto from the date on which such duty ought to have been paid.

**(iii) PENALTIES:**

**(a) Smt. Harshali Ravindra Jadhav, Proprietor, M/s H.R. Enterprises is hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:**

- Under Sections 112(a) and 112(b) of the Customs Act, 1962 — for consciously facilitating improper importation by lending her identity and IEC to Shri Haresh Shethiya and permitting 16 consignments to be imported in her name while abdicating all oversight of the importer's statutory obligations;
- Under Section 114AA of the Customs Act, 1962 — for knowingly and intentionally causing to be signed and used false and incorrect official correspondence addressed to Customs Kandla in the transaction of business for the purposes of the Customs Act, 1962.

**(b) Shri Haresh (Hari) Shethiya is hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House**

**Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:**

- Under Sections 112(a) and 112(b) of the Customs Act, 1962 — as the beneficial owner within Section 2(3A) of the Customs Act, 1962, for orchestrating the importation scheme, creating the dummy entity, controlling its banking, coordinating with the overseas supplier, and providing import documentation under a false classification;
- Under Section 114AA of the Customs Act, 1962 — for knowingly and intentionally causing to be made, signed, or used false and incorrect Bills of Entry, commercial invoices, and correspondence in the transaction of business for the purposes of the Customs Act, 1962.

**(c) Shri Goda Prabhakar, Partner, M/s Cargo Care Agency is hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:**

- Under Sections 112(a) and 112(b) of the Customs Act, 1962 — for being the operative handler of the entire import-to-sale chain; filing import documents under false classification; preparing and submitting fraudulent correspondence in the name of the dummy importer; issuing supply invoices and e-way bills of M/s H.R. Enterprises; arranging sale and dispatch of mis-declared goods to garment-industry buyers; coordinating with the overseas supplier and the beneficial owner; and submitting a deliberately defective Bank Guarantee to obstruct the re-export process;
- Under Section 114AA of the Customs Act, 1962 — for knowingly and intentionally making, signing, or causing to be used false and incorrect Bills of Entry, official correspondence, and commercial documents in the transaction of business for the purposes of the Customs Act, 1962.

**(d) M/s Cargo Care Agency (KASEZ Warehousing Unit) is hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:**

- Under Sections 112(a) and 112(b) of the Customs Act, 1962 — for facilitating the handling, storage, and warehousing of goods liable to confiscation under Section 111, with knowledge that the goods were mis-declared and liable to confiscation; for acting as the functional operator of the entire transaction through the dummy importer entity; and for actively obstructing the re-export process through the submission of a deliberately defective Bank Guarantee and the persistent failure to submit the mandatory Bond as directed by the Provisional Release Order dated 08.05.2025 and as upheld by Hon'ble CESTAT;
- Under Section 117 of the Customs Act, 1962 — for contravening the provisions of the Customs Act and failing to comply with lawful directions of Customs authorities, including failure to submit the required Bond of ₹1,93,77,485/- and failure to appear before the investigating authority in response to lawful summons.

**(e) Shri Rakesh Makhijani, Partner, M/s Cargo Care Agency is hereby called upon to show cause to the Additional Commissioner of Customs, Custom House Kandla having office at Custom House Kandla, Near Balaji Temple, Kandla, Kachchh within thirty days from the receipt of this notice as to why:**

- **Under Sections 112(a) and 112(b) of the Customs Act, 1962** — for his role as a partner in the warehousing unit that handled and stored goods liable to confiscation

under Section 111; for having direct personal knowledge of the mis-declaration by virtue of his presence during the DRI AZU examination (23–25.02.2025) which established the goods were fabric rolls; and for his subsequent failure to ensure the firm's compliance with statutory obligations despite witnessing the discrepancy between the declared and actual goods;

- **Under Section 114AA of the Customs Act, 1962** — for knowingly and intentionally disclaiming knowledge of the import-export transactions during the recording of his statement on 26.03.2026, thereby suppressing material facts known to him as a partner and eye-witness to the examination, and for providing a failed assurance regarding the appearance of his co-partner to obstruct the transaction of business under the Customs Act, 1962.

It is hereby clarified that the liability under (i) & (ii) – duty and confiscation - and the liability under (iii) — penalties — are cumulative and independent.

12. The Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticee may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the Noticee. Further, the Noticee is advised to mention their email address in writing for virtual hearing as per CBIC's Instruction dated 21.08.2020 issued vide F.No. 390/Misc/3/2019-JC.

13. This notice is issued without prejudice to any other action that may be taken in respect of the above goods and / or the persons / firms mentioned in the notice under the provisions of the Customs Act, 1962 and / or any other law for the time being in force, in the Republic of India.

14. The department reserves the right to add, amend, modify, delete any part or the portion of this notice any such addendum, amendment, modification, deletion, if made, shall be deemed to be part and parcel of this notice.

15. The list of relied upon documents (RUDs) in this case is as per **Annexure-R**.

Commissioner (in-situ),  
Custom House, Kandla

**BY REGISTERED/SPEED POST/By email**

1. M/s H.R. Enterprises (IEC: AXKPJ2039F; GSTN: 27AXKPJ2039F1ZK) (Prop. Prop. Smt. Harshali Ravindra Jadhav), B-13, Room No. 4, Siddharth Colony, Navin Chawl, K.N. Gaikwad Marg, Chembur, Mumbai — 400071.
2. M/s Cargo Care Agency, Shed No. 366, FA-I Type, Phase-I, Sector-IV, Free Trade Zone, Kandla SEZ, Kachchh, Gujarat — 370230.
3. Shri Rakesh Makhijani, Partner of M/s Cargo Care Agency, Shed No. 366, FA-I Type, Phase-I, Sector-IV, Free Trade Zone, Kandla SEZ, Kachchh, Gujarat — 370230.
4. Shri Goda Prabhakar, Partner of M/s Cargo Care Agency, Shed No. 366, FA-I Type, Phase-I, Sector-IV, Free Trade Zone, Kandla SEZ, Kachchh, Gujarat — 370230.
5. Shri Haresh (Hari) Shethiya (Caretaker of M/s HR Enterprises), Village Sudadhro Moti, Kachchh, Gujarat – 370655 and C -203, Shethiya Nagar, Sakinaka, Ghatkopar, Mumbai - 400072

**COPY TO:**

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

**Annexure-R**  
**(List of Relied upon Documents)**

**Show Cause Notice issued vide F.No. GEN/ADJ/ADC/613/2026-Adjn-O/o Commr-Cus-Kandla in respect of M/s. H.R. Enterprises (IEC: AXKPJ2039F; GSTN: 27AXKPJ2039F1ZK) and others**

Sr.No.	Details	RUD no.
1	Letter dated 21.02.2025 issued by DRI, Ahmedabad Zonal Unit	RUD - 1
2	Panchnama dated 23.02.2025 drawn at the premises of M/s Cargo Care Agency	RUD - 2
3	Transfer of case to SIIB Kandla by DRI AZU vide letter dated 11.03.2025	RUD - 3
4	DRI AZU Letter dated 20.03.2025	RUD - 4
5	Panchnama dated 23.02.2025	RUD - 5
6	Panchnama dated 05.03.2025 drawn at the premises of M/s H R Enterprises	RUD - 6
7	Seizure Memo dated 01.04.2025	RUD - 7
8	Statement of Sh. Goda Prabhakar, partner of M/s Cargo care Agency dated 02.04.2025	RUD - 8
9	Statement of Ms Harshali Jadhav, Proprietor of M/s HR Enterprises dated 29.05.2025	RUD - 9
10	Statement of Ms Haresh Shethiya of M/s HR Enterprises dated 09.06.2025	RUD - 10
11	Panchnama dated 06.03.2026 at Cargo Care Agency for valuation purpose	RUD - 11
12	Valuation Report dated 20.03.2026	RUD - 12
13	Provisional Release order dated 08.05.2025	RUD - 13
14	Summons dated 20.02.2026 & 12.03.2026 to Importer	RUD - 14
15	CESTAT Order No. 10636/2025 dated 11.08.2025	RUD - 15
16	letter dated 22.12.2025 vide which permission to Re-export was granted.	RUD - 16
17	Bank Guarantee of Rs. 19,37,750/- dated 20.03.2026	RUD - 17
18	Summons dated 25.03.2026 to Cargo Care Agency	RUD - 18