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**SHOW CAUSE NOTICE**

**(ISSUED UNDER SECTION 124 READ WITH SECTION 28(4) OF THE  
CUSTOMS ACT, 1962)**

Whereas, intelligence gathered by the Officers of P&I Section, KASEZ indicates that certain SEZ Units situated in KASEZ, are importing Flat Rolled products of Stainless Steel from People's Republic of China (PRC) and not paying the applicable Countervailing Duty (CVD) on the imported goods at the time of DTA clearance from KASEZ as payable under the CBIC Notification No. 01/2017-Customs (CVD) dated 07.09.2017(RUD-01).

**1.1.** Whereas, specific intelligence received by the officers of P&I Section, KASEZ indicated that certain SEZ Units were importing Flat rolled products of Stainless Steel falling under CTH 7219, 7220 and 7323, from ASEAN countries especially Malaysia in contravention to Rules meant for Determination of Origin of Goods under India ASEAN FTA in order to avail exemption from payment of Basic Customs Duty. Further, the Intelligence suggested that exporters in Malaysia were providing Certificates of Origin to said SEZ Units, mentioning Origin Criteria as either WO (Wholly Obtained) or as the Regional Value Content (hereinafter also referred to as 'RVC') to be above 35%, whereas the same were not actually qualifying the minimum requirement of 35% value addition as per the Notification No. 189/2009-Cus (N.T.) dated 31.12.2009. In view of the above mis-declarations by the said SEZ Units, undue benefits, on the basis of the preferential certificates of origin, were being availed which resulted in misuse of the FTA and evasion of Customs duty.

**1.2.** Whereas, this office has received a letter F. No. K-43017(16)/1/2021-SEZ dated 13.07.2021 from the Ministry of Commerce and Industry along with DRI letter F. No. DRI/AZU/CI/INT-02/2021/494 dated 09.06.2021(RUD-02). Vide said letters, it is informed that during the course of inquiry proceedings by the Directorate of Revenue Intelligence (here-in-after referred to as "DRI"), it appeared that certain importers have cleared subject goods from SEZ to DTA without payment of applicable CVD. Further, it has been informed that the said importers have also indulged in other violations like mis-classification, wrong availment of benefit of exemption under Preferential Trade Agreement by producing fake Certificates of Country of Origin, clearance without mandatory SIMS registration etc. Further, DRI has informed that since the inquiry on the same matter had already been initiated by KASEZ customs, in the interest of revenue, DRI transferred all the files and documents related to the case to KASEZ Customs for further investigation.

**1.3.** Whereas intelligence gathered by KASEZ Customs indicated that an Alert Circular No.: 02/2021-CI dated 10.09.2021 has been issued by DRI, Headquarters highlighting the use of non-authentic Certificates of Origin(COO) (RUD-03). During the course of verification of Certificates of Origin received from field formations of Indian Customs, through the Ministry of International Trade and Industry, Malaysia, it has been observed that COOs issued from certain Malaysia based suppliers are non-authentic. In fact, it has been informed that the said COOs were not issued by the Malaysian Customs and Malaysian Customs has never received any COO applications from the respective suppliers as listed in Annexure-A to the above-mentioned Alert Circular. Whereas, intelligence gathered by KASEZ Customs indicates that there have been several instances of imports of Steel products from Malaysia from such suppliers and therefore, as a matter of due diligence, KASEZ Customs has initiated an inquiry against all such consignments cleared by the units operating in KASEZ.

**1.4.** Whereas, during the test check of records for the period 2019-21, the Sr. Audit Officer (CRA-I) noticed that certain KASEZ units had cleared "Cold Rolled Stainless Steel Sheet in Coils(J3 Grade)" in DTA classifying them under CTH 72209022. Customs duty was paid on these DTA clearances at the rate of 23.35%. Whereas, the Audit team on scrutiny of their "Mill Test Certificate", noticed that these items contained "Chromium-Cr" (12.4% -12.5%) and "Manganese-Mn" (9.2 % -9.4%) in majority and only a small quantum of "Nickel Ni" (1.03% - 1.07%). Therefore, Audit team made an observation that the subject goods cleared in DTA were actually "chromium-manganese austenitic type" stainless steel and were correctly classifiable under CTH 72209090 and subsequently, benefit of Notification 50/2018-Cus was also not admissible for subject goods. The above said observations were communicated by the Audit team to KASEZ vide HM dated 27.09.2021 (**RUD-04**).

**1.5.** Acting on the intelligence gathered by the P&I Section, Audit observations, and input received from DRI Ahmedabad an inquiry was initiated against all such SEZ Units and subject DTA clients/ Importers. One such SEZ unit is M/s. Commodities Trading situated at Plot No. 4-A, Sector III, Kandla Special Economic Zone, Gandhidham, Kutch.

**1.6.** M/s. Commodities Trading (hereinafter also referred to as 'SEZ Unit'), is situated at Plot No. 4-A, Sector III, Kandla Special Economic Zone, Gandhidham, Kutch in Kandla SEZ. Letter of Approval (LoA) dated 19.08.2013 was granted to them vide F.No.KASEZ/IA/007/2013-14(**RUD-05**) by the Development Commissioner, Kandla SEZ under Section 15(9) of the Special Economic Zones Act, 2005 read with Rule 18 of the Special Economic Zones Rules, 2006 to operate as an SEZ unit and carry out authorized operations of warehousing and trading activity.

**1.7.** As per Notification No. 01/2017- Customs (CVD) dated 07.11.2017, goods having description "Certain Hot Rolled and Cold Rolled Stainless Steel Flat Products" falling under tariff heading 7219 or 7220 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in or exported from, People's Republic of China, and when imported into India, shall attract CVD @18.95 %. During the scrutiny of DTA Bills filed by M/s Commodities Trading, it was observed that aforesaid unit had not mentioned Countervailing duty (CVD) and/or not paid CVD duty, though same appears to be payable as per Notification No. 01/2017- Customs (CVD) dated 07.11.2017. Therefore, M/s Commodities Trading, vide letter dated 16.01.2021, was asked to pay applicable duty along with interest & necessary inquiry has been initiated against said SEZ Unit.

**1.8.** During the investigation, Statements of Proprietor/Director/Partner of M/s. Commodities Trading, KASEZ and its various DTA Clients/Importers were recorded under Section 108 of Customs Act, 1962 wherein they accepted the fact regarding non-payment of applicable CVD as per Notification No. 01/ 2017- Customs (CVD) dated 07.09.2017 and agreed to pay the same along with interest. The details of CVD duty including interest deposited so far has been detailed below:-

**Table-I**  
**Duty ,Interest and Penalty paid by the various DTA Client during Investigation.**

DTA Client/Importer	Duty Deposit	Interest	Penalty	Total
A D Enterprises	35,09,836	1,67,087	-	36,76,923
D S Trading	63,64,970	3,06,042	-	66,71,012
RMC Enterprise	84,29,359	1,85,749	-	86,15,108
Unique Steel	4,64,15,152	38,46,705	-	5,02,61,857
Om Sai Ram	5,94,911	11,155	-	6,06,066
A J Steel	63,41,913	6,11,410	-	69,53,323

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Gupta Steel	2,91,560	1,55,706	43,734	4,91,000
Priyal International	6,01,033	-	-	6,01,033
<b>Total</b>				<b>7,78,76,322</b>

## 2. Searches, Visits, Statements:

**2.1.** During the course of investigation, searches were conducted at office premises belonging to M/s. Commodities Trading, KASEZ. The details are mentioned in table below:

No.	Premises searched	Address of premises searched	Major action taken
1.	Office premises of M/s. Commodities Trading	Office No. 2, First Floor, Plot No. 25, 26 & 27, Sector 10B, Gandhidham.	Documents withdrawn by DRI Officers under panchnama proceedings dated 28.01.2021 (RUD-06)

**2.2.** Further, the statements of various persons were recorded under section 108 of Customs Act, 1962 which are discussed in later Paras of the Show Cause Notice. The names of the persons whose statements are relied upon in this notice are mentioned in table below:

No.	Statements of Persons	Date
1.	Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ	28.01.2021 (RUD- 07)
2.	Statement of Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency (CHA)	28.01.2021 (RUD-08) & 29.01.2021 (RUD- 09)
3.	Summons dated Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham (DTA Importer)	29.01.2021 (RUD-10)
4.	Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ	08.02.2021 (RUD- 11)
5.	Statement of Shri Sandeep Manuja, Proprietor of M/s. D. S. Trading Company, Gandhidham (DTA Importer)	17.02.2021 (RUD- 12)
6.	Statement of Shri Rahul Chavda, Proprietor of M/s. RMC Enterprises, Gandhidham (DTA Importer)	17.02.2021 (RUD-13)
7.	Statement of Shri Ankit Jhamb. Proprietor of M/s. A. J. Steel, New Delhi (DTA Importer)	04.03.2021 (RUD- 14)
8.	Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ	28.05.2021 (RUD- 15)
9.	Statement of Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency (CHA)	03.06.2021 (RUD- 16)
10	Statement of Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency (CHA)	20.02.2023 (RUD- 16A)
11.	Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ	22.02.2023 (RUD- 16B)
12.	Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ	10.04.2024 (RUD- 16C)
13.	Statement of Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency	10.04.2024 (RUD- 16D)

### 2.3. Outcome of IEC verification Reports from the Jurisdictional Commissionerates:

Further, Jurisdictional Customs Commissionerates were requested to carry out IEC verification for the subject DTA Importers. The outcome of the verification proceedings has been detailed below(RUD-17):

No.	Name of DTA Importer (M/s.)	Declared address of DTA Importer	Outcome of IEC verification proceedings
1	RMC Enterprise	Office No. 4, Plot No. 261, Shanti Prakash Market Building, Ward No. 12-B, Gandhidham	"Does not exist"
2	Priyal International	NavkarComplex, Shopno.2,Plot No.217,Ward-12/B, Gandhidham, Gujarat-370201.	
3	Unique Steel	104, 1st Floor, "Rishabh Arcade", Plot No. 83, Subhash Nagar, Ward 8/A, Gandhidham, Kutch-370205	Does not exist at the given address however after enquiry it came to be known that the said firm has changed their address and presently working at Plot No. 285, Duplex No. 6, Ward 8/A, Subhash Nagar, Gandhidham. Accordingly, verification has been made at the new address and Importer has submitted that the firm is doing business at the new place and he will change address in other documents shortly.
4	AD Enterprise	D-06,Plot No.285 Ward, 8-A, SubashNagar, Gandhidham-Kutch,Gujarat-370201,	"Exists"
5	D S Trading Company	Plot No. 46, Vithal Nagar, LS No. 122, MeghparBorichi, Anjar, Kutch	
6	Shree SalasarImpex	Basement Floor, D-1593, North West Delhi- 110040	Request made to Delhi Customs vide email dated 14.12.2021 and reminder dated 30.12.2021/31.12.2021& 30.01.2023. Outcome of IEC verification is awaited.
7	Jageshwar Plastic House	D-1593 DsidlIndustrial Area,Narela, Near Mangla Mall, Delhi	
8	AJ Steel	T-5, Sant Nagar, Shankurpur Basti, Rani Bagh, Pitampura, North West Delhi-110034	
9	Asha Steels & Papers	GF, KhasraNo- 30/8, Gali No -04, Master Mohalla,LibasPur,Delhi-110042	
10	Gupta Steel	B-47/2 Group WazirpurlIndustrial Area, Delhi-110052	
11	Gautam International	A-63,1stFloor,Wazirpur Industrial Area, New Delhi - 110052	
12	Om Sai Ram Trading	1/17, Rukmani Vatika,Main Rohtak Road,Nangloi, Delhi West, Delhi-110041	

### 3. Submission of documents from different Sources, Visit Reports

#### 3.1. Documents received from SEZ Unit:

Set of documents like Bills of Entry for Import as well as DTA Clearance, Copies of Commercial Invoices, Bills of Lading, Mill Test Certificates, Certificates of Origin, Email correspondences etc were called from the said SEZ units. Certain related documents have also been resumed as detailed in Panchnama during search proceedings at their declared office address in Gandhidham.

#### 3.2. Documents received from Banks:

KYC documents, copies of Account Opening Documents, Bank Account statements, Movable/Immovable property details etc. related to the said SEZ unit and subject DTA Importers were called from respective banks as declared before KASEZ customs. The details of the outcome of the request letters have been detailed below:

Sr. No.	Name of DTA Importer (M/)	Bank details	RUD details/ Bank statements
1	RMC Enterprise	Indusind Bank, Gandhidham Bank, Gandhidham Bank Ltd., Gandhidham	RUD-18
2	Priyal International	ICICI Bank Ltd., Gandhidham	RUD-19
3	Unique Steel	Indusind Bank, Gandhidham ICICI Bank Ltd., Gandhidham	RUD-20
4	AD Enterprise	Indusind Bank, Gandhidham	RUD- 21
5	D S Trading Company	Indusind Bank, Gandhidham ICICI Bank Ltd., Gandhidham	RUD- 22
6	Shree Salasar Impex	Kotak Mahindra Bank Ltd., Delhi	Not Submitted
7	Jageshwar Plastic House	Kotak Mahindra Bank Ltd., Delhi	Not Submitted
8	AJ Steel	Axis Bank, Delhi State Bank of India	RUD-23
9	Asha Steels & Papers	HDFC Bank Ltd., Delhi	Not Submitted
10	Gupta Steel	ICICI Bank Limited, Delhi	Not Submitted
	Gautam International	ICICI Bank Limited, Delhi	Not Submitted

### 4. Details of letters/emails not responded for various reasons

#### 4.1. Whereas, subject DTA importers were requested to provide the following documents to KASEZ Customs for further scrutiny and investigation (RUD-24).

1. Details of clearance of goods with Country of Origin declared as Malaysia.
2. Details of all communications, emails, correspondence with the overseas suppliers
3. Details of all communications, emails, correspondence with the SEZ units.
4. KYC Details, Copy of Rent Agreement and Electricity Bills for last 3 years.
5. Copy of Purchase Order/Sales Contract and BRCs
6. Purchase and Sales Registers/Printouts thereof in respect of the imported goods/trading Activities.
7. Balance sheets for last 3 years along with copies of Schedules and Annexure.
8. Copy of ITRs and Bank statement for last 3 years.
9. Transportation documents including Vehicle number, Invoices, details of e-way bills, name of transporters engaged in clearance of subject goods into DTA.

10. Details of persons (PAN Card, Aadhar Card, Gate Pass issued by competent authority etc.) involved in presentation of goods before Custom Officer at the time of DTA Clearance.
11. Details of persons (PAN Card, Aadhar Card, Gate Pass issued by competent authority etc.) involved in dealing with processing of DTA BEs at KASEZ and person maintaining accounts.
12. Mode of receipt of COOs/Imported documents and documents/ details of payments made thereof.
13. Details of Clearing Agents/Forwarders/Indentors along with copy of authorization/agreement with them
14. Details of Warehousing Charges paid to SEZ Units, invoices, and expenditure incurred in respect of loading/ unloading of goods, documents related to Insurance etc for past 3 years.
15. End Use of Imported goods
16. Details of proceedings initiated under the Customs Act, 1962/SEZ Act 2005 in last 5 years along with documents.

**4.2. The outcome of request letters has been detailed below: -**

Sr. No.	Name of the Unit (M/s.)	Letter/email details (F. No./Date)	Remarks
1	Commodities Trading	Letter dated 02.12.2021	Reply received vide letter dated 03.01.22.
2	RMC Enterprise	Letter dated 02.12.2021 & reminder dated 14.12.2021, 30.01.2023	Left
3	Priyal International		Left
4	Unique Steel		Not responded
5	AD Enterprise		Not responded
6	D S Trading Company		Not responded
7	Shree Salasar Impex		Not responded
8	Jageshwar Plastic House		Not responded
9	AJ Steel		Left without address
10	Asha Steels Papers		Puchtachmeipatanahichala
11	Gupta Steel		Not responded
12	Gautam International	Letter dated 02.12.2021 & 30.01.2023	No such person at this address
13	Om Sai Ram Trading	Letter dated 14.12.2021 & 30.01.2023	Reply received vide letter/email dated 18.12.2021.

**5. Verification of Certificate of Origin used for availing duty benefits under APTA:-**

During the course of Investigation, Certificate of Origin used by the SEZ unit for clearing the goods into the DTA after availing the benefit of concessional rate of duty under Asean Free Trade Agreement were sent to International Customs Division for verification of the COO in terms of the CAROTAR Rules, 2020. The FTA Cell, CBIC vide letter dated 15.04.2021 (**RUD-35**) informed that they have never received a COO application from **Artfransi International SDN BHD**.

Further vide email dated 08.06.2021(**RUD-35**)the Office of the Development Commissioner was informed that *"Ministry of International Trade and Industry (MITI), Malaysia vide its emails dated 19.04.2021 & 18.05.2021 has already informed that they have never received any COO applications from the companies i.e. **Jentayu Industries & MH Megah Maju Enterprises** mentioned in the subject COOs (09 COOs) as the same are not*

available in their ePCO system. Report for exporter Megah Maju Enterprises was communicated to your office vide email dated 29.04.2021".

In view of the above it appears that the certificate of origin submitted by the Malaysian Suppliers **Jentayu Industries, MH Megah Maju Enterprises and Artfransi International SDN BHD** and produced during clearance of the subject goods from SEZ are non-authentic.

## 6. Statements recorded of concerned persons

6.1. During the course of investigation, **Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ was recorded on 28.01.2021 and 08.02.2021** under Section 108 of Customs Act, 1962 wherein he, inter alia, stated:

- that he is one of the partners of M/s Commodities Trading and all the day-to-day work related to administration, marketing, accounting, finance and warehousing are looked after by him as his father, Shri Pramod Bansal, another partner in the said firm, does not involve himself in any activities of the company.
- that M/s Commodities Trading is engaged in providing services related to warehousing of imported goods as M/s Commodities Trading is registered for Warehousing and Trading Services Activities since 2013 in KASEZ as per Letter of Approval No. KASEZ/IA/007/2013-14 dated 19.08.2013 and informed that at present, same has been renewed up to 03.10.2023 by the Joint Development Commissioner vide letter F. No. KASEZ/1A/007/2013-14/6856 dated 07.09.2018.
- that when any importer/customer approach them for warehousing of goods, they offer them warehousing charges and additionally offer them composite charges which includes Customs clearing, transportation, loading, unloading, re-packing on customized basis and also offer them choice to either go with their offer or nominate their own Customs broker, transporter, handling agent and labour contracts. Thereafter, if any importer/customer accepts their customised package, then they provide all services, which include Customs clearing, transportation, loading, unloading, re-packing on customised basis.
- that for customs clearance work related to import/export & DTA clearance of all goods, M/s A. D. Mehta Clearing Agency is solely nominated as CHA/Customs broker and transporter from port to KASEZ. He also stated that they took the responsibility of transport of goods from Mundra port to KASEZ only and they do not transport any goods after clearance from KASEZ.
- that in respect of import of Flat rolled products of Stainless Steel Cold Rolled Coils/Hot Rolled Stainless Steel Coil falling under CTH 7219 & 7220 of Customs Tariff Act, they have warehoused the goods falling under CTH 7219 & 7220 of Customs Tariff Act for five customers viz. (a) M/s Unique Steel, Gandhidham, (b) M/s AD Enterprises, Gandhidham, (c) M/s AJ Steel, New Delhi, (d) M/s D.S. Trading Company, Gandhidham and (e) M/s RMC Enterprise, Gandhidham, which were introduced by M/s A.D. Mehta Clearing Agency.
- that he does not know any of the above said five importers/customers and M/s. Commodities Trading has not taken any charges directly from any of the above five customers. They have taken only Rs. 5000/- per container as warehousing charges for 30 days from M/s A. D. Mehta Clearing Agency.
- that all the activities except warehousing, related to above referred five importers were looked after by M/s A. D. Mehta Clearing Agency. On being asked regarding KYC of importers, Shri Devendra Bansal further stated that KYC was done by the person of M/s A. D. Mehta Clearing Agency and documents viz. GST Registration

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certificate, GST return, IEC copy and copy of PAN etc. were given by Shri Devang Mehta of M/s A.D. Mehta Clearing Agency.

- that M/s. DSTD Industries Pvt. Ltd. is private limited company wherein his mother, Smt. Sharda Devi Bansal and his wife, Smt. Shalini Bansal are the directors but all the activities are looked after by him; that M/s. DSTD Industries Pvt. Ltd. is a forwarding company, providing warehousing activities outside SEZ and M/s. Commodities Trading have raised bills to M/s. A. D. Mehta Clearing Agency through M/s. DSTD Industries Pvt. Ltd., who take service charges in Indian currency from M/s. A. D. Mehta Clearing Agency and give in USD to M/s Commodities Trading.
- that bills of entry for import of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil falling under CTH 7219 & 7220 of Customs Tariff Act, were filled by M/s Commodities Trading on behalf of importer being SEZ registered Warehousing unit but the same were prepared by M/s A. D. Mehta Clearing Agency after directly consulting the importers/customers as these importers were brought by M/s A. D. Mehta Clearing Agency and M/s. Commodities Trading provided warehousing services only.
- that id and password provided to M/s Commodities Trading by SEZ online system for filling of documents was given to M/s A. D. Clearing Agency by them for filling documents at SEZ online for clearance of imported/export goods. On being asked, Shri Devendra Bansal further stated that they do not have knowledge in respect of classification of goods, payment of Custom duties, CVD, GST and Anti-dumping duties etc. and as stated earlier, they have nominated M/s A. D. Clearing Agency for looking Custom clearance.
- that, they take the KYC of the party such as copy of IEC, Details of Firm, GST registration certificate, PAN card, Aadhar card and a photograph for identification.
- that, they verify the company registered with GST from GST portal and further verify the credentials from Aadhar card portal also. Moreover, even after due diligence, they have trust-based relation with my clients that not any of my clients is involved in any wrong practice in the matter of Govt. revenue related to my warehouse. That, they have all the authorization from our respective clients to file Bills of entry on our behalf as per SEZ rule.
- that, they deal in all types of plastic granules, grindings and agglomerates, Steel coils and various types of chemicals for re-export purpose that they have started to warehouse goods falling under CTH 72 from September-2019. That, they do not have such technical knowledge regarding the procedure of KASEZ that how bills of entry is filled for DTA Clearance and other details like rate of applicable duty on various commodities, however as they are in this business they just have overview of all the general activities in his firm. Moreover, all technical matters related to Customs clearance is handled by M/s. A D Mehta Clearing Agency.
- that, due to lack of knowledge about applicability of CVD on the goods falling under CTH 72 coupled with the fact that neither the CVD provision was reflected nor was calculated at the time of filing of Bills of entry at SEZ online system. Since the time KASEZ customs has informed them regarding the non-payment of applicable CVD on the goods falling under CTH 72, they have already paid full differential duty i.e. 18.95 % of the Landed Value as required by KASEZ Customs letter dated 16.01.2021 regarding recovery of Short Paid duty.

**6.2.** During the course of investigation, statement of **Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency was recorded on 28.01.2021** under Section 108 of the Customs Act, 1962 wherein he, inter alia, stated that:

- that he is one of the partners of M/s AD Mehta Clearing Agency and he is responsible for all the day today work related to administration, clearance of import consignments in the KASEZ and further clearance in the DTA as another partner of the company i.e., Shri Dhiren Mehta is his father and not involved in any activities of the company;
- that M/s. AD Mehta Clearing Agency is CHA firm engaged in clearance of import and export consignments at KASEZ, Mundra, Kandla and Hazira Ports; that as far as KASEZ is concerned, they file the bills of entry for import of goods on behalf of SEZ unit for warehousing on the basis of import documents provided by the various importers and when importers want to clear the goods in DTA, they file the DTA Bill of Entry for home consumption and goods are cleared into DTA on payment of applicable duties; that at the same time some goods are also exported by various firms.
- that in respect of the goods imported under CTH 72 for warehousing in KASEZ and cleared into DTA, total five importers i.e. (a) M/s Unique Steel, Gandhidham, (b) M/s AD Enterprises, Gandhidham, (c) M/s AJ Steel, New Delhi, (d) M/s D.S. Trading Company, Gandhidham and (e) M/s RMC Enterprise, Gandhidham have imported goods in the name of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle; that the said imported goods were at first warehoused at the warehousing unit, M/s Commodities Trading and after that these goods were cleared into DTA.
- that as far as KYC of above said five firms is concerned, it is informed that (a) M/s. AD Enterprises is a proprietorship firm, wherein Smt. Shivani Juyal is the proprietor, (b) M/s. DS Company is a proprietorship firm, wherein Shri Sandeep Manuja is the proprietor (c) M/s. Unique Steel is the proprietorship firm, wherein Shri Deepak Kishanlal Manuja is the proprietor (d) M/s. AJ Steel is the proprietorship firm, wherein Shri Ankit Jhamb is the Proprietor and (e) M/s. RMC Enterprise is a proprietorship firm, wherein Shri Rahul MavjibhaiChavda is proprietor.
- that he already knew Shri Deepak Manuja as Shri Deepak Manuja had already been working in KASEZ unit; that Shri Deepak Manuja informed that he intended to import the goods for warehousing and there after clear it into DTA; that he contacted M/s. Commodities Trading for warehousing of said imported goods; that Shri Deepak Manuja further also introduced proprietors for other firms and informed that they also intended to import the same goods.
- that when any importer/customer approaches them for clearance, unit establishment or warehousing of goods in KASEZ, they offer them composite charges which includes Customs clearing, transportation, loading, unloading, re-packing on customized basis. Thereafter, if any customer accepts their customized package, then they provide all services, which include Customs clearing, transportation, loading, unloading, re-packing on a customized basis.
- that for customs clearance work related to import/export & DTA clearance and transportation of all goods pertaining to M/s Commodities Trading is looked after by M/s. A. D. Mehta Clearing Agency as M/s Commodities Trading has nominated them as consultant and transporter from port to KASEZ; that they took the responsibility of transportation of goods from Mundra port to KASEZ and sometimes they also transport goods after clearance from KASEZ.
- that in respect of warehousing of Flat rolled products of Stainless SteelCold Rolled Coils/ Hot Rolled Stainless Steel Coil falling under CTH 7219 & 7220 of Customs Tariff Act, they have filed warehouse Bill of Entry of the goods falling under CTH 7219 & 7220 of Customs Tariff Act for five customers viz. (a) M/s. Unique Steel,

Gandhidham, (b) M/s. AD Enterprises, Gandhidham, (c) M/s. AJ Steel, New Delhi, (d) M/s D.S. Trading Company, Gandhidham and (e) M/s RMC Enterprise, Gandhidham and the said goods were warehoused at the warehouse of M/s Commodities Trading in KASEZ.

- that they have taken charges for agency, warehouse, transportation, insurance, container lift on and lift up etc.; that M/s A.D. Mehta Clearing Agency has paid warehouse charges to M/s Commodities Trading through M/s DSTD Industries Pvt. Ltd. for warehousing of goods; that KYC of M/s Unique Steel, Gandhidham, M/s AD Enterprises, Gandhidham, M/s AJ Steel, New Delhi, M/s D.S. Trading Company, Gandhidham and M/s RMC Enterprise, Gandhidham, was done by them and documents viz. GST Registration certificate, GST return, IEC copy and copy of PAN etc. were taken.
- that bill of entry for import of Flat rolled products of Stainless SteelCold Rolled Coils/ Hot Rolled Stainless Steel Coil falling under CTH 7219 & 7220 of Customs Tariff Act, were filled by M/s Commodities Trading being SEZ registered Warehousing unit on behalf of importer but same were prepared by M/s. A. D. Mehta Clearing Agency as consultant after direct consultation with importer/customer as these importers were known to M/s. A. D. Mehta Clearing Agency; that user-id and password provided to M/s Commodities Trading by SEZ online system for filing of documents was given to M/s. A. D. Mehta Clearing Agency by M/s Commodities Trading for filing bills of Entry for in-bond and DTA clearance and accordingly M/s. A. D. Mehta Clearing Agency filed the documents.
- that they filed the Bills of entry based on the documents produced by the importer in respect of classification of goods, availment of any exemption viz. Asian Pacific Trade Agreement (APTA), payment of Customs Duty, GST and other Anti-dumping duties and CVD etc.; that they have knowledge of customs, therefore they also discussed with importers and finally as per clarification of importer, they filed the Bill of Entry.

**6.3.** During the course of investigation, statement of **Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham was recorded on 29.01.2021** under Section 108 of Customs Act, 1962 wherein he, inter alia, stated that:

- that he is the proprietor of M/s Unique Steel, his wife, Smt. Shivani Manuja is the proprietor of M/s AD Enterprises and his elder brother, Shri Sandeep Manuja is the proprietor of M/s D.S. Trading Company. That, all the companies were established by himself only and his wife as well as his brother were not involved in any activities of the companies. That, all the day today work related to all the activities like sales, purchase etc. was looked after by him only.
- that, M/s Unique Steel, M/s AD Enterprises and M/s D.S. Trading Company, are engaged in trading of Flat rolled products of Stainless SteelCold Rolled Coils/Hot Rolled Coil/ Circles. That, first they purchased Flat rolled products of Stainless SteelCold Rolled Coils/Hot Rolled Coil/Circle from overseas supplier based in China and Malaysia and further imported the consignments in bulk and warehoused the same in KASEZ. That, thereafter, from KASEZ, they cleared in DTA on payment of applicable duties and sold to various Importers in Domestic market.
- that, initially he contacted Shri Devang Mehta of M/s AD Mehta Clearing Agency as he had been knowing Shri Devang Mehta since he was working in KASEZ unit and informed him that he wanted to import the goods i.e. Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle for warehousing in KASEZ and then after cleared it in DTA. That, thereafter, Shri Devang Mehta gave him rates of the composite charges which include Customs clearing, transportation, warehousing, loading, unloading, re-packing on customized basis. Based on the rates given by Shri Devang Mehta, he accepted his customized package for providing all services stated above and also filling of BoE for DTA clearance. That, after, purchase of goods, he

started to give all documents to Shri Devang Mehta for all the formalities. That, on being asked, he further stated that he knew Shri Devendra Bansal of M/s Commodities Trading by name only as he did not meet him personally and he gave all the documents required for warehousing in respect of all the firms to Shri Devang Mehta for KYC.

- that Shri Rahul Chavda met him and asked for assistance in respect of import and warehousing of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle in KASEZ. That, accordingly, he introduced Shri Rahul Chavda to Shri Devang Mehta for assistance.
- that, Shri Ankit Jhamb was introduced to him by his maternal uncle, Shri Ankit Jhamb met him and asked for assistance/help in respect of import/warehousing of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle in KASEZ. That, accordingly, he introduced Shri Ankit Jhamb to Shri Devang Mehta for assistance.
- that, on being asked regarding warehousing of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil falling under CTH 7219 & 7220 of Customs Tariff Act., he stated that M/s Commodities Trading being SEZ registered Warehousing unit have filled warehouse Bill of Entry of the goods falling under CTH 7219 & 7220 of Customs Tariff Act on behalf of M/s Unique Steel, M/s AD Enterprises and M/s D.S. Trading Company and the said goods were warehoused in KASEZ at warehouse of M/s Commodities Trading and further, M/s Commodities Trading filed Bills of entry for DTA clearance on behalf of DTA Importers. That, charges for agency, warehousing, transportation, insurance, container lift on and lift up etc, were given by them to M/s A.D. Mehta Clearing Agency who had arranged all the above services.
- that, regarding classification of goods, availability of any exemption viz. Asian Pacific Trade Agreement (APTA), payment of Customs Duty, GST and other Anti-dumping duties and CVD etc. he stated that he has some knowledge of customs and accordingly, based on the documents received from the overseas suppliers, they filed the Bill of entry.
- that, he contacted overseas suppliers for supply of Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle and did not issue any purchase order but they received proforma Invoice and accordingly they made the advance payment through banks as no credit limit or time was given by overseas supplier.
- that, on being asked about the operation of the bank accounts, he informed that his brother, Sandeep Manuja operated the accounts of all the three firms viz. M/s Unique Steel, M/s AD Enterprises and M/s D.S. Trading Company and they did not operate the account of M/s RMC Enterprise and M/s AJ Steel.
- that, their main importers are M/s AJ Steel, Delhi, M/s Arifransi International Pvt. Ltd. Gandhidham, M/s RJ Enterprise, Delhi and M/s Karthik Kitchen, Rajkot. No sales or purchase orders were issued. That, they do not know the end use of product viz. Flat rolled products of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle and they do not have any end-use certificate also.
- that, on perusal of ledger of M/s Unique Steel, it was seen that from October-2019 to January, 2021, M/s AJ Steel has given payment of Rs. 3.22 Crore as the amount received was for sale of goods to M/s AJ Steel.

- that, on perusal of ledgers of M/s. AD Enterprises and M/s. D.S. Trading Company produced, it was seen that in similar manner, M/s. AJ Steel has given large amount to M/s. AD Enterprises and M/s. D.S. Trading Company for sale of goods to M/s. AJ Steel.
- that, under CTH 72 goods mainly steel product i.e., S.S. Coil/pipe are classified. That, there are two types of coils i.e., HRC (Hot Rolled Coil) and CRC (Cold Rolled Coil). That, as far as difference between HRC and CRC is concerned, it is depend on the rolling mechanism, temperature used on it, and CRC is made from HRC after finishing of it. That, they have imported both types of coils. That, under CTH 7219, Flat-rolled products of stainless steel of a width of 600mm or more have been classified whereas under CTH 7220, Flat-rolled products of stainless steel of a width of less than 600mm have been classified.
- that, they have filed the Bills of Entry for the goods with description of Cold Rolled Coils under CTH 72209022 'Nickel Chromium Austenitic Type' and for the goods with description of Hot Rolled Coils under CTH 72201222 with description 'Nickel Chromium Austenitic Type'. That, they filed the Bills of Entry under said CTH for taking benefit of SAPTA Notification under the description of 'Nickel Chromium Austenitic Type'.
- that, they classified the imported goods under said CTH for taking benefit of SAFTA and further, he accepted that it does not fall under category of Nickel Chromium Austenitic Type.
- that, on being asked to go through the CTH 7220, he found that the correct classification of imported goods with description of Hot Rolled Stainless Steel have to be classified under CTH 72201290 and imported goods with description of Hot Rolled Stainless Steel have to be classified under 72209090.
- that, SIMS (Steel Import Monitoring System) registration is required for the import of steel. Importer has to register it. As far as goods imported by M/s Unique Steel, M/s AD Enterprises and M/s D.S. Trading Company, we have not had SIMS registration.
- that, on being asked to peruse BE 1010752 dated 30.10.2020 and corresponding invoice No. 20UN0924 dated 24.09.2020 wherein width of imported Coils is more than 600 mm, he found that it was an error at the time of filling the Bill of Entry under the CTH 7220 however correct classification of this imported goods would be under CTH 7219.
- that, on being gone through tariff heading CTH 7219 and its description as well as the item shown in the invoice No. 20UN0924 dated 24.09.2020 for BE 1010752 dated 30.10.2020 where the width of the products is shown more than 600mm, he accepted that it was their mistake that said imported goods should be classified under CTH 7219. That, the correct CTH under which imported CRC having width more than 600 mm should be classified is 72193590.
- that, on being gone another BE 1011871 dated 23.11.2020 and corresponding invoice No. AFI20-031 dated 10.11.2020 wherein width of some imported Coils is more than 600mm, he accepted that they had filed Bills of Entry under wrong classification and it is a mistake from their side.
- that, Initially, they received the documents from their overseas supplier with HS code or CTH mentioned in 6 digits i.e. 7220.90 but as the CTH mentioned in SAPTA Notification no. 50/2018 the eligible HS code to claim benefit on BCD is mentioned as 72209022 therefore, they asked their suppliers to mention HS code 72209022 on the import documents where as their goods imported are of HS Code 72209090.

- that, as said imported goods are not falling under category of Nickel Chromium Austenitic, therefore, it appears that SAFTA benefit is not applicable on the said products by M/s Unique Steel, M/s AD Enterprises and M/s D.S. Trading Company.

- that, as per Customs Notification no. 01/2017(CVD), CVD is applicable on the imported goods by them. However, Systems of SEZ online did not show the applicable CVD therefore, we have not paid CVD since 2019.

**6.4.** During the course of investigation, **statement of Shri Sandeep Manuja, Proprietor of M/s. D. S. Trading Company, Gandhidham was recorded on 17.02.2021** under Section 108 of the Customs Act, 1962 wherein he, inter alia, stated:

- that M/s D.S. Trading Company is engaged in trading of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle. That M/s D.S. Trading Company was established by my brother, Shri Deepak Manuja. That, he does not involve in any day today activities of the companies and all the day today activities like sales, purchase, customs clearance, finance etc., were looked after by his brother, Shri Deepak Manuja only.

- that, on being asked, he stated that as he was looking accounting of all firms of Shri Deepak, he knew that Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle were imported from China and Malaysia purchased by Shri Deepak Manuja.

- that his duty was to sign cheques, make RTGS from account of M/s D.S. Trading Company to the name of parties, whose names were given by Shri Deepak. Sometimes, he also withdrew the amount as per direction of Shri Deepak Manuja and handed over to the person, as per details provided by Shri Deepak Manuja.

- that account no. of M/s D.S. Trading Company is 025905006446 maintained in ICICI Bank Ltd., Gandhidham and whatever the amount had been received in the bank account of his firm, M/s D.S. Trading Company, these were arranged by Shri Deepak against sales of goods. That he has also sent money to overseas supplier from the account of M/s D.S. Trading Company against goods imported.

- that, he did not know the types/quality of material imported, applicable rate of duty, warehousing charges etc. as same were looked after by Shri Deepak only and he (Shri Sandeep) had no role in import of goods but being proprietor of the importing firm, he is responsible for duty liability, that whenever, he will be called by the department, he will present himself to give statement.

**6.5.** During the course of investigation, **statement of Shri Rahul Chavda, Proprietor of M/s. RMC Enterprises, Gandhidham was recorded on 17.02.2021** under section 108 of the Customs Act, 1962 wherein he, inter alia, stated:

- that in the month of November, 2020, Shri Deepak Manuja met him in KASEZ and informed about his business of trading of Stainless-Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle. Thereafter, Shri Deepak informed him that he wants to use the IEC of his firm for import of goods viz, Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle and agreed to give monetary benefit i.e. Rs. 15,000/- per month. As, he was in need of money, he gave documents and permission to use IEC of his firm to Shri Deepak to import of goods.

- that all the trading of Stainless-Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle has been done by Shri Deepak in M/s RMC enterprise. That, as he (Shri Rahul Chavda) was working in shipping company; he knew that Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle are imported into India from China, Indonesia, and Malaysia etc.

- that he did not know name of any person of supplier and Importer firms as all the activities related to purchase, import, clearance of goods, sale to DTA units, arrangement of funds etc. were looked by Shri Deepak and he can explain the same. That, he (Shri Rahul Chavda) has handed over signed cheques to Shri Deepak, to make RTGS from account of M/s RMC Enterprise to the name of various parties, whose name were given by Shri Deepak. Sometimes, he (Shri Rahul Chavda) also withdrawn the amount as per direction of Shri Deepak and handed over to the person, as per details provided by Shri Deepak.
- that account no. of M/s RMC Enterprise is 50200052423052 maintained in ICICI Bank Ltd., Gandhidham and whatever the amount had been received in the bank account of his firm i.e. M/s RMC Enterprise, were arranged by Shri Deepak against sale of goods in domestic market. That he has also sent money to overseas supplier from the said account of M/s RMC Enterprise against goods imported M/s RMC Enterprise.
- that he did not know the types/quality of mater imported, applicable rate of duty, warehousing charges etc. as same were looked after by Shri Deepak only and he had no role in import of goods but being proprietor of the importing firm, he is responsible for duty liability.

**6.6.** During the course of investigation, **statement of Shri Ankit Jhamb, Proprietor of M/s. A. J. Steel, New Delhi was recorded on 04.03.2021** under section 108 of the Customs Act, 1962 wherein he, inter alia, stated:

- that M/s. AJ Steel is engaged in trading of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle. That, firstly they purchased Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle from overseas supplier based in China and Malaysia and imported the consignments in bulk and warehoused the same in KASEZ. Thereafter, from KASEZ, they cleared in DTA on payment of applicable duties and sell to various Importers in Domestic market.
- that initially he met Shri Deepak Manuja and Shri Deepak Manuja informed that he was familiar with steel business and also planning to start the business of trading of coils by importing the same in KASEZ. Thereafter, he introduced with Shri Devang Mehta of M/s A D Mehta Clearing Agency, and who informed that he is the clearing agent in KASEZ and he will look after all the work related to clearance from KASEZ to DTA. Further, Shri Deepak has informed that they are availing the services of M/s. Commodities Trading for warehousing purpose in KASEZ and he will also get the warehousing facility in the same warehouse at KASEZ. Thereafter, Shri Devang Mehta gave rates of the composite charges which include Customs clearing, transportation, warehousing, loading, unloading, re-packing on customized basis. Based on the rates given by Shri Devang Mehta, he accepted his customized package for providing all services, which includes Customs clearing, transportation, warehousing, loading, unloading, re-packing on customized basis and filling BoE for DTA clearance also. After, purchase of goods, he started to give all documents to Shri Devang Mehta for all the formalities. That he knew Shri Devendra Bansal of M/s Commodities Trading by name only and never met him personally. That, he gave all the documents required for warehousing in respect of all the firms to Shri Devang Mehta for KYC.
- that, he contacted with overseas supplier on WhatsApp and their contact numbers for supply of Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle. That, they did not issue any purchase but they received Commercial Invoice and accordingly we made the full and final payment through banks. No credit limit or time was given by overseas supplier.

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- that, he himself maintains the accounts related to M/s AJ Steel.
- that, he did not know the end use of product viz. Stainless Steel Cold Rolled Coils/ Hot Rolled Stainless Steel Coil/ Stainless Steel Circle and they did not have any end use certificate also.
- that, they had no knowledge about the CTH headings of the customs, they had worked as per the clearance agent, Shri Devang Mehta of M/s. A.D. Mehta clearing agency.
- that, on being gone through the Bill of Entry for Home Consumption (SEZ to DTA unit) No.2007689 dated 28/09/2020 filed for the clearance of goods declared as Stainless Steel Cold Rolled Coils Grade- J3 and CTH 72209022, they had no idea of CTH of the goods but as other importers were filing the coils of J3 grade under CTH 72209022 to claim benefit of Notification No. 50/2018 dated 30th June, 2018 under the description of 'NickelChromium Austenitic Type', they also filed the BE under CTH 72200022.
- That, they filed the Bills of Entry under said CTH as all other importers were filing under CTH 72209022 to claim benefit of Notification No 50/2018 dated 30th June, 2018 under the description of Nickel Chromium Austenitic Type'. That, upon going through the mill test report for the goods imported in the name of Stainless Steel Strips Rolled Coils Grade J3 under DTA BE No.2007689 dated 28/09/2020, classified under CTH 72209022, he found that the percentage of Nickel is from 1.2 and percentage of Chromium is from 13.69.
- that, on being gone through the printout taken from the internet wherein explanation about Chromium Nickel Austenitic type is given, he agreed Characteristics of Chromium Nickel Austenitic is Nickel is 8 to 10 percent whereas percentage of Chromium is 18 percentages. That, in the light of said print out, above mentioned Bills of Entry which is classified under category of Nickel Chromium Austenitic Type under said CTH for taking benefit of Notification No 50/2018 dated 30.06.2018, he accepted that it does not fall under category of Nickel Chromium Austenitic Type.
- that, the correct classification of imported goods with description of Cold Rolled Coils has to be done under CTH 72209090.
- that, Steel Import Monitoring System (SIMS) registration is required for the import of steel. As far as goods imported by M/s AJ steel, they have not taken SIMS registration.
- That, initially, they received the documents from our overseas supplier with HS code or CTH mentioned in 6 digits i.e. 7220.90 but as the CTH mentioned in SAFTA Notification 50/2018 the eligible HS code to claim benefit on BCD is mentioned as 72209022 therefore, they asked their suppliers to mentioned HS code 72209022 on the import documents where as our goods imported are of HS Code 72209090.
- that, as per the documents shown to him, as said by him, imported goods are not falling under category of Nickel Chromium Austenitic, therefore, it appears that benefit of Notification No. 50/2018 dated 30.06.2018 is not applicable on this product as already mentioned earlier.
- that, as per Customs Notification no 01/2017(CVD), Countervailing Duty is applicable on the imported goods by them, but as the systems of SEZ online did not show the applicable CVD, therefore, they had not paid CVD since 2019.

**6.7** During the course of investigation, **statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZwas recorded on 28.05.2021** under section 108 of the Customs Act, 1962 wherein he, inter alia, stated:

- that, they have authorization from their respective DTA clients to file Bills of entries on their behalf as per SEZ rule.
- that, they didn't know any DTA clients of goods dealing in CTH 72 and all the DTA Clients were basic client of M/s AD Mehta and they had only warehoused the goods in their warehouse on request of M/s AD Mehta and even raised the bill of warehousing charges only to M/s AD Mehta and had received the payment from them. They had collected directly all the original Import invoices, B/L and other documents from the clients and given us the copy of all documents after the consignment is cleared as a normal practice.
- That, as far as the Authenticity of these shipments, warehoused in their warehouse is concerned, they had seen physical inward movement of goods falling under CTH 72 in their warehouse via import containers and had also seen moving them out physically after payment of duty as per the Assessed BoE and they were doing business with M/s AD Mehta from last 7 years since inception of their LoA, they had trust based relation with them and did not doubt the integrity of these transaction but as they did not have the technical knowledge of the transaction, hence they did not go deep into the technical aspects of the same.
- that, the details of the parties which warehoused goods falling under CTH 72 in their warehouse are: i) M/s AD Enterprises, Gandhidham ii) M/s AJ Steel, Delhi (m) M/s Unique Steel, Gandhidham (iv) M/s DS Trading Co., Gandhidham (v) M/s RMC Enterprise, Gandhidham (vi) M/s Om Sai Ram Trading, Delhi
- that, all the said DTA Clients filing BoE under CTH 72 were coming through M/s AD Mehta, Gandhidham and they knew M/s AD Mehta since last seven years personally. However, the verification of sub-clients of M/s AD Mehta, they after receiving the concerned documents, have done the basic verification as stated earlier and also, they had all the KYC documents of M/s AD Mehta, which is their main client.
- that, they had no idea about the authenticity of Country of Origin (COO) certificate of Malaysia for the imported goods warehoused in their warehouse as these were submitted and verified by AD Mehta.
- that, they didn't have any direct relation with their DTA clients. M/s AD Mehta had introduced these DTA clients to them and M/s AD Mehta was directly dealing with them on our behalf and they have seen them first time during the DRI Raid in my office at Gandhidham. That, M/s AD Mehta has been filing BoE on their behalf for warehousing of said goods in our Warehouse since Sept-19.
- that, M/s AD Mehta was receiving all the documents from the clients directly and filing the Import/DTA BoE and they had not verified the genuineness of the documents of the same as M/s. AD Mehta is their client as well as consultant.
- that, after the DRI case and KASEZ notice, we had approximately 20 containers of cargo falling under CTH 72 lying in their warehouse and to be on a safer side, they took notarised undertaking/affidavit on bond paper along with blank cheque from all the parties giving them the guarantee that all the Customs liabilities regarding the consignment cleared from their warehouse shall be paid by them and in case if they don't honour their statement they will hand over the blank signed cheque to the Customs Authorities for recovery of the dues.

**6.8.** During the course of investigation, statement of **Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency was recorded on 03.06.2021** under Section 108 of the Customs Act, 1962 wherein he, inter alia, stated that:

- that they take the KYC of the party such as copy of IEC, Details of Firm, GST registration certificate, PAN card, Aadhar card and photographs for identification which is generally supplied by clients/SEZ Units or Forwarders or the representatives.;
- that they work as a consultant and submit documentation in SEZ Online System on behalf of our SEZ units duly digitally signed by them and regarding DTA clients, they take the KYC of the party such as copy of IEC, Details of Firm, GST registration certificate, PAN card, Aadhar card and photographs for identification which is generally supplied by clients/SEZ Units or Forwarders or the representatives. They also verify the company registered with GST from GST portal. They further verify the credentials from Aadhar card portal also. Moreover, even after due diligence, they have trust based relation with our clients or other clients introduced by our existing clients.
- that they have all the authorization for entry and exit of vehicles and filing of documents in SEZ online system through maker and approver ID of respective SEZ units on their behalf as per SEZ rule.
- That they deal in all types of plastic granules, grindings and agglomerates, Steel coils and various types of chemicals for re-export purpose/DTA Clearances. That, they have started to warehouse goods falling under CTH 72 from September 2019.
- That, they file DTA bills of entry of goods falling under CTH 72 on behalf of our DTA on behalf of M/s Commodities Trading, KASEZ and M/s. AJD Industries Pvt. Ltd., KASEZ.
- That, the DTA importers in respect of M/s Commodities Trading, KASEZ are - (i) M/s AD Enterprises, Gandhidham ii) M/s AJ Steel, Delhi (iii) M/s Unique Steel, Gandhidham (iv) M/s DS Trading Co., Gandhidham Enterprise, Gandhidham (vi) M/s Om Sai Ram Trading, Delhi (vii) M/s Atmiya (v) M/s RMC Enterprise, Gandhidham (viii) M/s. Jageshwar Plastic House (ix) M/s. Gautam International (x) M/s. Asha Steel (xi) M/s. Shree Salasar Impex (xi) M/s. Priyal International (xii) M/s. Gupta Steel.
- That, out of the above DTA importers, the DTA importers who imported steel from Malaysia warehoused in M/s Commodities Trading, KASEZ are - (i) M/s AD Enterprises, Gandhidham ii) M/s AJ Steel, Delhi (iii) M/s Unique Steel, Gandhidham (iv) M/s RMC Enterprise, Gandhidham (v) M/s. Jageshwar Plastic House (vi) M/s. Gautam International (vii) M/s. Asha Steel (viii) M/s. Shree Salasar Impex (ix) M/s. Priyal International (x) M/s. Gupta Steel
- That, that all the DTA importers mentioned above i.e. DTA importers importing from Malaysia were introduced by Mr. Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham and all the documents along with KYC as well as import related documents such as B/L, Packing List/Invoice/COO (Country of Origin) Certificate etc. in respect of all the DTA importers except M/s. Atmiya Enterprise, Gandhidham, were received on their email id and hard copy in original was received to their office from Mr. Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham.
- That, they normally received original documents provided by the clients and they don't have any other means to verify the genuineness/authenticity of the documents.

**6.9.** During the course of investigation, statement of **Shri Devang Mehta, Partner of M/s. AD Mehta Clearing Agency was recorded on 20.02.2023 and 12.04.2024** under Section 108 of the Customs Act, 1962 wherein he, inter alia, stated that:

- That he has been shown the sheet mentioning the goods, which were declared to be originated from Malaysia and cleared into DTA from M/s Commodities Trading, Kandla SEZ. He also stated that the benefits of the Preferential Certificate of Origin under ASEAN-India Free Trade Area, Agreement was availed by the DTA clients based on the original documents which were produced by the importer or through their person Mr Deepak Manuja at the time of Customs clearance.
- that as per the above-mentioned sheet the suppliers of Malaysian Origin, SS Steel Coils in total 60 Bills of Entry and cleared from the said SEZ Unit after availing the preferential benefits are 1. Jentayu Industry 2. Excelvantage Global Ltd 3. Arfransi International SDN BHD, 4. Future Metal Enterprise and 5. MhMegahMaju Enterprise.
- that he has been informed that the KASEZ, Customs had sent the Certificates of Origin issued by the Ministry of International Trade and Industry of Malaysia for verification of the authenticity of the said COO(s) through proper channel and shown the various letters dated 30.04.2021, 09.06.2021 and email dated 08.06.2021 received by them. Further he stated that as per the above-mentioned letters received from FTA Cell, CBIC, Delhi, the subject certificates utilized by the DTA clients and provided M/s Arfransi International SDN BHD, M/s Future Metal Enterprise and MH MegahMaju Enterprises are non-authentic.
- that he has been shown the DRI alert Circular no 02/2021 dated 10.09.2021 running into 03 pages, on the subject matter "Import of Steel Products availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement". Further he stated that as per the DRI alert circular also, the certificates provided by the suppliers M/s Arfransi International SDN BHD, M/s Future Metal Enterprise and MH MegahMaju Enterprises and Jentayu Industry are non-authentic. However, the said alert was not available at the time of import.
- that he has been informed that the letters were written to all the DTA clients of M/s Commodities Trading by the KASEZ, Customs, but none of the DTA clients have reverted, even few of the letters have remained undelivered and returned back to KASEZ Customs. On being asked about the genuineness of the DTA Clients, he stated that at the time of the Customs Clearance, all the DTA clients appeared to be genuine as they have appeared for taking the delivery of the goods, however, after the investigation done by the DRI and the verification report of the COO(s) received from FTA cell, it could be said that the DTA clients are not genuine. Had they been genuine, they would have replied to the letter promptly. Further, he stated that Mr Deepak Manuja partner of M/s Unique introduced all clients and also submitted their KYC related documents to the KASEZ unit. Also, the DTA clients have taken delivery into DTA. But obtaining KYC and its verification is not his role or responsibility in instant matter. It is the primary role of importer to prove their genuineness at the time of Import or DTA for Customs clearance.
- that all the documents for clearance of the goods, including the Certificate of Origin were provided to them by Mr Deepak Manuja physically or through email on the basis of which they filed the Bills of Entry for clearance of the goods.
- that as per previous statements and details accepted by Mr Deepak Manuja, they were in no way beneficiary or had any mens rea to any benefits or preferential duty availed by the DTA clients.

- That M/s Unique Steel have cleared the goods falling under Chapter 73 of the CTH and they filed the import and DTA Bills of Entry based on the documents provided by Mr Deepak Manuja, proprietor of M/s Unique Steel the DTA Clients of the said KASEZ unit.
- That he has been shown the sheet mentioning the goods falling under CTH 73, which were declared to be originated from Malaysia and cleared into DTA from M/s Commodities Trading, Kandla SEZ. In token of being seen, he put his dated signature on the said sheet running in 03 pages containing details of 10 Bills of Entry. Further, he stated that the benefits of the Preferential Certificate of Origin under ASEAN-India Free Trade Area, Agreement was taken by the DTA client M/s Unique Steel based on the original documents which were produced by Mr Deepak Manuja at the time of Customs clearance. They just only filed the Bills of entry in the NSDL system for the Customs Clearance based on the documents submitted by M/s Unique Steel.
- that as per the above-mentioned sheet the supplier of Malaysian Origin, SS Steel Coil is M/s MH Megah Maju Enterprises.
- that he has been informed that the KASEZ, Customs had sent the Certificates of Origin issued by the Ministry of International Trade and Industry of Malaysia for verification of the authenticity of the said COO(s) through proper channel and shown him the email dated 08.06.2021 received by the Customs from the FTA Cell, CBIC, New Delhi. On being asked, he stated that as per the above-mentioned email received from FTA Cell, CBIC, Delhi, the subject certificate utilized by the DTA client and provided M/s MH Megah Maju Enterprises are non-authentic.
- that he has been shown the DRI alert Circular no 02/2021 dated 10.09.2021 running into 03 pages, on the subject matter "Import of Steel Products availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement". He put his dated signature on the same in token of being seen. On being asked, he stated that as per the DRI alert circular also, the certificates provided by the suppliers M/s MH Megah Maju Enterprises are non-authentic. However, the said alert was not available at the time of import.
- On being asked about the actual Origin of the goods, he stated that as per the Bill of lading of the import Bill of Entry, Invoice and other documents submitted during the warehousing and clearance of the goods is Malaysia. However, the Certificate of Origin used to clear the goods for availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement is non-authentic.
- On being asked he stated that all the documents for clearance of the goods, including the Certificate of Origin were provided to them by Mr Deepak Manuja physically or through email on the basis of which they filed the Bills of Entry for clearance of the goods.
- that as per previous statements and details accepted by Mr Deepak Manuja, we were in no way beneficiary or had any mens rea to avail any benefits or preferential duty availed by the DTA clients.

**6.10.** Further, statement of **Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ was recorded on 22.02.2023 and 10.04.2023** under Section 108 of the Customs Act, 1962 wherein he, inter alia, stated that:

- that he has been shown the sheet mentioning the goods, which were declared to be originated from Malaysia and cleared into DTA from their warehouse, M/s Commodities Trading, Kandla SEZ. Further, he stated that the benefits of the Preferential Certificate of Origin under ASEAN-India Free Trade Area, Agreement was availed by the DTA clients based on the original documents which were produced by the DTA Clients at the time of Customs clearance.

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- that as per the above-mentioned sheet the suppliers of Malaysian Origin, SS Steel Coils in total 60 Bills of Entry and cleared from our SEZ warehouse after availing the preferential benefits are 1. Jentayu Industry 2. Excelvantage Global Ltd 3. Artfransi International SDN BHD, 4. Future Metal Enterprise and 5. MH Megah Maju Enterprise.
- that he has been informed that the KASEZ, Customs had sent the Certificates of Origin issued by the Ministry of International Trade and Industry of Malaysia for verification of the authenticity of the said COO(s) through proper channel and shown him the various letters dated 30.04.2021, 09.06.2021 and email dated 08.06.2021 received by the Customs. On being asked, he stated that as per the above-mentioned letters received from FTA Cell, CBIC, Delhi, the subject certificates utilized by the DTA client and provided M/s Artfransi International SDN BHD, M/s Future Metal Enterprise and MH Megah Maju Enterprises are non-authentic.
- that I have been shown the DRI alert Circular no 02/2021 dated 10.09.2021 running into 03 pages, on the subject matter "Import of Steel Products availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement". I hereby put my dated signature on the same in token of being seen. On being asked, I state that as per the DRI alert circular also, the certificates provided the suppliers M/s Artfransi International SDN BHD, M/s Future Metal Enterprise and MH MegahMaju Enterprises and Jentayu Industry are non-authentic.
- that he has been informed that letters were written to all their DTA clients, but none of the DTA clients have reverted, and most of the letters have remained undelivered and returned back to KASEZ Customs. On being asked about the genuineness of the DTA Clients, he stated that at the time of the Customs Clearance, all the DTA clients appeared to be genuine as they have appeared for taking the delivery of the goods. Also, when the documents of the DTA Clients were produced before us such as PAN Card, IEC, GST Registration etc, they verified the same on the respective government websites and all found to be verified, therefore at the time they did not have any reason to doubt about their genuineness. However, after the investigation done by the DRI and the verification report of the COO(s) received from FTA cell, it could be said that the DTA clients are not genuine. Had they been genuine, they would have never used the non -authentic COO and replied to the letter by KASEZ Customs promptly.
- that all the documents for clearance of the goods, including the Certificate of Origin were provided directly to M/s AD Mehta by the DTA Clients. They have never received the documents directly from the DTA Clients.
- that all the clients were brought to their unit by M/s AD Mehta and they were never in direct contact with them. They used to raise bill directly to M/s AD Mehta and receive the payment in the bank. They have never received any payment directly from the DTA Clients. They were purely acting as a warehousing unit.
- state that M/s Unique Steel have cleared the goods falling under Chapter 73 of the CTH and they filed the import and DTA Bills of Entry based on the documents provided by Mr Deepak Manjua, proprietor of M/s Unique Steel.
- He has been shown the sheet mentioning the goods falling under CTH 73, which were declared to be originated from Malaysia and cleared into DTA from M/s Commodities Trading, Kandla SEZ. In token of being seen, he put dated signature on the said sheet running in 03 pages containing details of 10 Bills of Entry. Further, he stated that the benefits of the Preferential Certificate of Origin under ASEAN-India Free Trade Area, Agreement was taken by the DTA client M/s Unique Steel based on the original documents which were produced

by the Mr Deepak Manuja at the time of Customs clearance. They have just warehoused the goods on behalf of their DTA Client.

- that as per the above-mentioned sheet the supplier of Malaysian Origin, SS Steel products are M/s MH Megah Maju Enterprises.
- that I has been informed that the KASEZ, Customs had sent the Certificates of Origin issued by the Ministry of International Trade and Industry of Malaysia for verification of the authenticity of the said COO(s) through proper channel and shown me the email dated 08.06.2021 received by the Customs from the FTA Cell, CBIC, New Delhi. On being asked, he stated that as per the above-mentioned email received from FTA Cell, CBIC, Delhi, the subject certificate utilized by the DTA client and provided M/s MH Megah Maju Enterprises are non-authentic.
- that he has been shown the DRI alert Circular no 02/2021 dated 10.09.2021 running into 03 pages, on the subject matter "Import of Steel Products availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement . He put his dated signature on the same in token of being seen. On being asked, he stated that as per the DRI alert circular also, the certificates provided the suppliers M/s MH Megah Maju Enterprises are non-authentic. However, the said alert was not available at the time of import.
- the actual Origin of the goods, he stated that as per the Bill of lading of the import Bill of Entry, Invoice and other documents submitted during the warehousing and clearance of the goods is Malaysia. However the Certificate of Origin used to clear the goods for availing the concessional rate of duty under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement is non-authentic.
- that all the documents for clearance of the goods, including the Certificate of Origin were provided by Mr Deepak Manuja physically or through email on the basis of which Bills of Entry for clearance of the goods were filed in NSDL system.
- that as per previous statements and details accepted by Mr Deepak Manuja, they were in no way beneficiary or had any *mens rea* to any benefits or preferential duty availed by the DTA clients.

5.11 Further Summons dated 05.04.2024, 15.04.2024 and 02.05.2024 (**RUD-10A**) were issued to Mr Deepak Manuja under Section 108 of the Customs Act 1962, to record the statement and provide his comments on the reply received from FTA Cell New Delhi regarding non authenticity of the certificate of origin used to avail the benefits under ASEAN- India Preferential Trade Agreement and India- Malaysia Preferential Trade Agreement with regard to goods covered under Chapter 72 and Chapter 73,, however Mr Deepak Manuja refrained from attending the summons to record the statement.

## 7. Scrutiny of documents and analysis of evidences gathered during investigation.

7.1. On scrutiny of the documents pertaining to subject bills, the major issues/contraventions made by the SEZ Unit and their DTA Clients appears to be as under-

(i) **Mis-classification of imported goods:** The said SEZ Unit along with DTA Importers have mis-classified the goods imported under CTH 72209022 to claim the benefit of Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018 dated 30.06.2018, wherein benefit/ exemption on BCD which is @45% of the BCD on the goods imported from China. The actual classification of these goods should be 7220 9090 which

has been corroborated as per the Mill test reports and also the admissions in the statements recorded under Section 108 of the Customs Act, 1962.

(ii) **Non-payment of CVD:** it is observed that the said SEZ Unit along with DTA importers have not paid applicable CVD as per Notification No. 01/2017-Cus(CVD) dated 07.09.2017 on the subject goods.

(iii) **Wrong availment of benefit of exemption using non-authentic COO:** The said SEZ Unit along with DTA importers have wrongly availed the benefit of BCD Duty exemption on goods imported from Malaysia by producing non-authentic Country of origin certificate at the time of assessment of DTA bills of entry, under Notification No. 18/2018-Customs dated 31.12.2018.

(iv) **Import without SIMS registration:** Whereas, DGFT vide notification no. 33/2015-2020 dated 28.09.2020 has amended the import policy for goods falling under Chapter 72 from "Free" to "Free subject to compulsory registration under Steel Import Monitoring System (SIMS)". During the course of investigation, it emerged that subject SEZ unit in connivance with DTA importers have imported subject goods without compulsory registration under SIMS as mandated by prevailing import policy notified by DGFT.

(v) **Use of dummy importer/fake IECs:** During the course of investigation, IEC verification report received from jurisdictional Commissionerate indicates the use of dummy importers/fake IEC for the subject DTA clearances of the goods by the said SEZ Unit in connivance with DTA importers. Further, it emerges that all these acts appear to have been done with well and pre-planned strategy so as to illegally enrich the said SEZ unit and DTA importers through evasion of Customs duty.

## 8. Legal Provisions:

The following are the legal provisions, which are in general applicable in the present case. The list given herein is indicative and not exhaustive, as the context of legal provisions may otherwise require reference of other legal provisions, reference of which are also to be invited, as and when required:

### 8.1. The Customs Act, 1962:

- Section 46 of the Customs Act, 1962
- Section 11 of the Customs Act, 1962
- Section 2(33) of the Customs Act, 1962
- Section 2(39) of the Customs Act, 1962
- Section 111(d), (m) and (o) of the Customs Act, 1962.
- Section 112 of the Customs Act, 1962
- Section 114AA of the Customs Act, 1962
- Notification No. 01/2017-Cus (CVD) dated 07.09.2017

### 8.2. SEZ Act, 2005 and SEZ Rules, 2006

- Rule 15(9) of the SEZ Rules, 2006.
- Rule 18 of the SEZ Rules, 2006.
- Rule 27(10) of the SEZ Rules, 2006.
- Rule 29(1) of the SEZ Rules, 2006.
- Rule 29(2) of the SEZ Rules, 2006.
- Rule 47 of the SEZ Rules, 2006.
- Rule 48 of the SEZ Rules, 2006.

### 8.3. Foreign Trade (Development and Regulation) Act, 1992

- Section 3(2) and (3) of the FTDR Act, 1992

Section 5 of the FTDR Act, 1992  
 Section 11 (1), (2), (3), (8) of the FTDR Act, 1992  
 Section 12 of the FTDR Act, 1992

**8.4. Foreign Trade (Regulation) Rules, 1993**

Rule 11 of the FTR, 1993  
 Rule 14 of the FTR, 1993  
 .  
 Rule 15(3)(a) of the FTR, 1993  
 Rule 17 of the FTR, 1993

**8.5. Foreign Trade Policy 2015-2020**

Para 2.01 of the FTP  
 Para 2.03(a) of the FTP  
 Para 2.20 of the FTP  
 Para 9.41 of the FTP

**8.6. DGFT Notification No. 33/2015-2020 dated 28.09.2020**

**9. Discussions related to legal contraventions:**

**9.1.** Whereas, Section 17 of the Customs Act, 1962 provides for self-assessment of duty on imported and export goods by the importer and exporter himself by filing a bill of entry or shipping bill, as the case may be. Under self-assessment the importer or exporter has to ensure correct classification, applicable rate of duty, value and exemption notifications, if any, in respect of imported /export goods while presenting a bill of entry or shipping bill. Further, Rule 75 of the SEZ Rules, 2006 also provides that unless and otherwise specified in these rules, all inward or outward movements of the goods into or from SEZ by the Unit/Developer shall be based on self-declaration made by the Unit/Developer. While importing subject goods, the said SEZ unit and DTA importers were bound for true and correct declaration and assessment. As the said SEZ unit engaged in business of providing warehousing services in respect of subject goods, they were fully aware of specifications, characteristics, nature and description of the goods imported and warehoused on behalf of the DTA client. Whereas, Section 46(4A) of the Customs Act, 1962, the importer, who is presenting the bill of entry should ensure the accuracy and completeness of the information given therein, the authenticity and validity of any document supporting it; and compliance with the restriction or prohibition, if any, relating to the goods under the Customs Act, 1962 or under any other law for the time being in force. The legal contraventions caused out of acts of omissions and commission, like issues of misclassification, use of non-authentic/fake COOs, use of dummy DTA Importers/fake IECs and non-payment of applicable CVD, resulted in evasion of Customs duty to the tune of **Rs. 16,97,91,581/- (Rupees Sixteen Crore Ninety-Seven Lakh Ninety-One Thousand Five Hundred Eighty One Rs only)**, would have not come to the notice of Customs authorities except for intelligence gathering, inputs from reliable sources and further investigation by Customs.

**9.2** From the verification letters received by the KASEZ Customs and the said DRI Alert Circular regarding the non-authenticity of the Country-of-Origin Certificate by Malaysia, and using these non-authentic certificates with an intent to evade customs duty by way of availing non-eligible benefits of connectional rate of duty under India-ASEAN FTA, appears to be a clear case of willful mis-statement and suppression of facts and thereby attracts the invocation of extended period of demand of duty under Section 28(4) of the Customs Act, 1962. During the course of investigation, IEC verification report received from jurisdictional Commissionerates indicates the use of dummy importers/fake IEC for the subject DTA clearances of the goods by the said SEZ Unit

in connivance with DTA importers. Further, it emerges that all these acts had been done with intent to illegally enrich the said SEZ unit and DTA importers through evasion of Customs duty.

**9.3.** During the course of Investigation, it emerges that the said SEZ Unit along with DTA Importers have mis-classified the goods imported under CTH 72209022 to claim the benefit of Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018 dated 30.06.2018, wherein benefit/ exemption on BCD which is @45% of the BCD on the goods imported from China. The actual classification of these goods should be 7220 9090 which has been corroborated as per the Mill test reports and also the admissions in the statements recorded under Section 108 of the Customs Act, 1962. Such indulgence and endeavor on the part of said SEZ Unit and DTA importers are in violation of the provisions of Section 46 of the Customs Act, 1962, irrespective of the importability of the impugned goods and other aspects involved in the case, which makes the impugned goods liable for confiscation in terms of Section 111(m) and Section 111(o) of the Customs Act, 1962 and said SEZ unit and their DTA importers liable for penalty under Section 112, Section 114A and Section 114AA of the Customs Act, 1962.

**9.4.** During the course of Investigation, it emerges that the said SEZ Unit along with DTA importers have not paid applicable CVD as per Notification No. 01/2017-Cus(CVD) dated 07.09.2017 on the subject goods. Such indulgence and endeavor on the part of said SEZ Unit and DTA importers are in violation of the provisions of Section 46 of the Customs Act, 1962, irrespective of the importability of the impugned goods and other aspects involved in the case, which makes the impugned goods liable for confiscation in terms of Section 111(m) of the Customs Act, 1962 and said SEZ unit and their DTA importers liable for penalty under Section 112, Section 114A and section 114AA of the Customs Act, 1962.

**9.5.** During the course of Investigation, it emerges that the said SEZ Unit along with DTA importers have wrongly availed the benefit of exemption on goods imported from Malaysia by producing non-authentic Country of origin certificate at the time of assessment of DTA Bills of Entry, under Notification No. 18/2018-Customs dated 31.12.2018. Such indulgence and endeavor on the part of said SEZ Unit and DTA importers are in violation of the provisions of Section 46 of the Customs Act, 1962, irrespective of the importability of the impugned goods and other aspects involved in the case, which makes the impugned goods liable for confiscation in terms of Section 111(m) and Section 111(o) of the Customs Act, 1962 and said SEZ unit and their DTA importers liable for penalty under Section 112, Section 114A and section 114AA of the Customs Act, 1962.

**9.6.** Whereas, DGFT vide notification no. 33/2015-2020 dated 28.09.2020 has amended the import policy for goods falling under Chapter 72 from "Free" to "Free subject to compulsory registration under Steel Import Monitoring System (SIMS)". During the course of investigation, it emerged that subject SEZ unit in connivance with DTA importers have imported subject goods without compulsory registration under SIMS as mandated by prevailing import policy notified by DGFT. Such indulgence and endeavor on the part of said SEZ Unit and DTA importers are in violation of the provisions of Section 46 of the Customs Act, 1962, irrespective of the importability of the impugned goods and other aspects involved in the case, which makes the impugned goods liable for confiscation in terms of Section 111(d) and Section 111(o) of the Customs Act, 1962 and said SEZ unit and their DTA importers liable for penalty under Section 112, Section 114A and section 114AA of the Customs Act, 1962.

## **10. Quantification of Duty Evasion**

**10.1.** Whereas, from the investigation carried out so far, it appears that M/s. Commodities Trading, KASEZ and their DTA clients/Importers with respect to goods falling under CTH 72 and 73 have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD to DTA clients/Importers, which in many cases

were dummy importers. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 76,07,08,624/- (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred Twenty Four)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-A(RUD-29)** to this SCN. Further, the total differential customs duty amounting to **Rs. 16,97,91,581/- (Rupees Sixteen Crore Ninety Seven Lakh Ninety One Thousand Five Hundred Eighty One only)** on the said goods imported, as shown in the **Annexure-A** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.2.** Whereas, from the investigation carried out so far, it appears that the DTA importers and the said SEZ Unit contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD and cleared goods to DTA clients/Importers which in many cases were dummy importers. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 76,07,08,624/- (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred Twenty Four)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-A** to this SCN. All these acts had been done with well and pre-planned strategy so as to illegally enrich the DTA Clients through evasion of Customs duty amounting to **Rs. 16,97,91,581/- (Rupees Sixteen Crore Ninety Seven Lakh Ninety One Thousand Five Hundred Eighty One only)** as detailed in the aforesaid **Annexure-A**, attached to this Show Cause Notice.

**10.3.** Whereas, from the investigation carried out so far, it appears that **M/s. Unique Steel**, Gandhidham has contravened the provisions of Section 46(4) of the Customs Act, 1962 inasmuch as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 42, 67, 03,151/- (Rupees forty two crore sixty seven lakh three thousand one hundred fifty one only)** are liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-B (RUD-30)** to this SCN. Further, the total differential customs duty amounting to **Rs. 10,65,40,005/- (Rupees Ten crore sixty five lakh forty thousand and five only)**, on the said goods imported, as shown in the **Annexure-B** to this Show Cause Notice on the subject goods, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.4.** Whereas, from the investigation carried out so far, it appears that **M/s. A. J. Steel** has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 8,05,00,563/- (Rupees eight crore five lakh five hundred and sixty-three only)** are liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-C (RUD-31)** to this SCN. Further, the total differential customs duty amounting to **Rs. 1,74,82,554/- (Rupees one crore seventy-four lakh eighty two thousand five hundred fifty four only)**, on the said goods imported, as shown in the **Annexure-C** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.5.** Whereas, from the investigation carried out so far, it appears that **M/s. D.S. Trading** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods liable **Rs. 3,58,28,465/-** (Rupees three crore fifty-eight lakh twenty-eight thousand four hundred and sixty-five only) to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-D (RUD-32)** to this SCN. Therefore, the total differential customs duty amounting to **Rs. 1,01,80,927/-** (Rupees one crore one lakh eighty thousand nine hundred twenty seven only), on the said goods imported, as shown in the Annexure-D to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.6.** Whereas, from the investigation carried out so far, it appears that **M/s. RMC Enterprises** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 5,99,01,762/-** (Rupees five crore ninety-nine lakh one thousand seven hundred and sixty-two only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-E (RUD-33)** to this SCN. Further, the total differential customs duty amounting to **Rs. 1,48,72,010/-** (Rupees one crore forty-eight lakh seventy-two thousand and ten only), on the said goods imported, as shown in the Annexure-E to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.7.** Whereas, from the investigation carried out so far, it appears that **M/s. AD Enterprises** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 6,98,49,921/-** (Rupees six crore ninety eight lakh forty nine thousand nine hundred and twenty one only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-F (RUD-34)** to this SCN. Further, the total differential customs duty amounting to **Rs. 1,15,97,630/-** (Rupees one crore fifteen lakh ninety seven thousand six hundred and thirty only), on the said goods imported, as shown in the **Annexure-F** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.8.** Whereas, from the investigation carried out so far, it appears that **M/s. Gupta Steel** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 30,13,697/-** (Rupees thirty lakh thirteen thousand six hundred and ninety-seven only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **“Table-1 to Annexure-G”** to this SCN. Further, the total differential customs duty amounting to **Rs. 2,93,233** (Rupees two lakh ninety-three thousand two hundred and thirty three only), which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.9.** Whereas, from the investigation carried out so far, it appears that **M/s. Om Sai Ram Trading** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods having assessable value of **Rs 30,15,002/-** (Rupees thirty lakh fifteen thousand and two only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Table-2 to Annexure-G**' to this SCN. Further, the total differential customs duty amounting to **Rs. 8,56,735/-** (Rupees eight lakh fifty-six thousand seven hundred and thirty-five only), on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.10.** Whereas, from the investigation carried out so far, it appears that **M/s. Shree Salasar Impex** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs.39,20,285/-** (Rupees thirty-nine lakh twenty thousand two hundred and eighty-five only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Table-3 to Annexure-G**' to this SCN. Further, the total differential customs duty amounting to **Rs. 3,81,444/-** (Rupees three lakh eighty one thousand four hundred and forty four only), on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.11.** Whereas, from the investigation carried out so far, it appears that **M/s. Gautam International** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 29,38,959/-** (Rupees twenty-nine lakh thirty-eight thousand nine hundred and fifty-nine only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Table-4 to Annexure-G**' to this SCN. Further, the total differential customs duty amounting **Rs. 2,85,961/-** (Rupees two lakh eighty-five thousand nine hundred and sixty one only), on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.12.** Whereas, from the investigation carried out so far, it appears that **M/s. Asha Steels Papers** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 30,27,790/-** (Rupees thirty lakh twenty-seven thousand seven hundred and ninety only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Table-5 to Annexure-G**' to this SCN. Further, the total differential customs duty amounting to **Rs. 2,94,604/-** (Rupees two lakh ninety-four thousand six hundred and four only), on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.13.** Whereas, from the investigation carried out so far, it appears that **M/s. Jageshwar Plastic House** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 2,45,12,369/-** (Rupees two crore forty-five lakh twelve thousand three hundred and sixty-nine only) liable to confiscation

under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-6 to Annexure-G** to this SCN. Further, the total differential customs duty amounting to **Rs. 23,85,054/- (Rupees twenty-three lakh eighty-five thousand and fifty-four only)**, on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

**10.14.** Whereas, from the investigation carried out so far, it appears that **M/s. Priyal International House** have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having assessable value of **Rs. 4,74,96,661/-** (Rupees Four Crore Seventy-Four Lakh Ninety-Six Thousand Six Hundred Sixty One Only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Annexure-H**' to this SCN. Further, the total differential customs duty amounting to **Rs. 46,21,425/-** (Rupees forty-six lakh twenty-one thousand four hundred twenty five only), on the said goods imported, which was lawfully payable by them is liable to be recovered from the said respective DTA importers under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

#### 11. **Role played by various persons and entities.**

##### **11.1 Role played by SEZ Unit i.e. M/s. Commodities Trading, KASEZ and Shri Devendra Bansal, Partner of M/s. Commodities Trading.**

**11.1.1.** From the investigation carried out, the role played by M/s. Commodities Trading, KASEZ and Shri Devendra Bansal, Partner of M/s. Commodities Trading, appear to emerge asunder:

- Whereas, the said SEZ unit has filed Bill of Entry for warehousing and DTA clearance of subject goods through SEZ Online System.
- Whereas, the said SEZ unit has accepted customise package from said DTA Importers and provided them services like Customs clearing, Transportation, Loading and Unloading of Subject goods.
- Whereas, ID and Password provided to unit by SEZ Online System for filing the documents were shared to M/s. A. D. Mehta Clearing Agency.
- Whereas, the partner of the said SEZ unit has accepted the fact about non-payment of CVD due lack of his knowledge.
- Whereas, the partner of the said SEZ unit has accepted that they do not know any of their DTA clients of the goods under CTH 72 and all the DTA clients are basically clients of M/s. A. D. Mehta Clearing Agency.

**11.1.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Commodities Trading, KASEZ, Shri Devendra Bansal, Partner of M/s. Commodities Trading and their DTA clients/Importers have contravened the provisions of Section 46(4) of the Customs Act, 1962 inasmuch as they intentionally mis-classified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD and cleared goods to DTA clients/Importers which in many cases were dummy importers. All these acts and omissions on their part have rendered the goods liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as

detailed in **Annexure-A** to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.1.3.** It also appears that M/s. Commodities Trading, KASEZ, Shri Devendra Bansal, Partner of M/s. Commodities Trading and the said DTA importers of CTH 72 and CTH 73 had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, misclassifying the goods under different CTH and did not mention the proper duty leivable in the subject bills of entry thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs 16,97,91,581/- (Rupees Sixteen Crore Ninety Seven Lakh Ninety One Thousand Five Hundred Eighty One only)** on the said goods imported, as shown in the **Annexure-A** to this Show Cause Notice on the subject goods, which was lawfully payable by their DTA Clients is liable to be recovered from the said respective DTA importers, under Section 28(4) of the Customs Act, 1962 as shown against their names in the said **Annexure-A**, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The commission of above acts has rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A and 114AA of the Customs Act, 1962.

**11.1.4.** From the above it appears that the said SEZ Unit started their SEZ operations with preplanned intent of defrauding the Government Exchequer by facilitating DTA importers in evasion of Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration, non-payment of CVD have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of origin to evade Customs duty has been confirmed based on Alert Circular No. 02/2021-CI dated 10.09.2021 and various verification letters/emails from the FTA Cell, CBIC, and New-Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. Further, IEC verification report received from jurisdictional Commissionerate indicates the use of many dummy importers/fake IEC for the subject DTA clearances of the goods by the said SEZ Unit. All these acts had been done with an intent to enrich the DTA Clients through evasion of Customs duty, which resulted in evasion of Customs duty amounting to **Rs 16,97,91,581/- (Rupees Sixteen Crore Ninety Seven Lakh Ninety One Thousand Five Hundred Eighty One only)** as detailed in the aforesaid Annexure-A, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of said SEZ Unit have rendered the impugned goods having assessable value of **Rs. 76,07,08,624/- (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred Twenty Four)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, Shri Devendra Bansal, partner of said SEZ Unit, had consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, the said SEZ Unit and Shri Devendra Bansal, Partner of the said SEZ Unit appear to have rendered themselves liable for penalty, under Section 112(a) and 112(b) of the Customs Act, 1962. Also, the said SEZ Unit and Shri Devendra Bansal, Partner of the said SEZ Unit, had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. Both of them were presenting false and fabricated documents at the time of the clearance of the said imported goods from their SEZ Unit to DTA importers. Hence, the said acts on

the part of SEZ Unit and Shri Devendra Bansal, Partner of the SEZ Unit has rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

### **11.2 Role played by M/s. A. D. Mehta Clearing Agency and Shri Devang Mehta, Partner of M/s. A.D.Mehta Clearing Agency.**

**11.2.1.** From the investigation carried out, the role played by M/s. A.D.Mehta Clearing Agency and Shri Devang Mehta, partner of M/s. A.D.Mehta Clearing Agency, appear to emerge as under:

- Whereas, the Customs clearance work related to import and DTA clearance of all goods has been dealt by M/s. A.D.Mehta Clearing Agency as a solely nominated CHA/ Custom Broker and transporter of subject goods from port to KASEZ.
- Whereas, the said SEZ unit has collected the warehousing charges for the subject goods from M/s. A.D. Mehta Clearing Agency.
- Whereas, the said SEZ Unit has admitted that all the activities related to subject goods except warehousing, looked after by M/s. A.D. Mehta Clearing Agency and even the KYC was done by the person of M/s. A.D. Mehta Clearing Agency.
- Whereas, investigation revealed that Bills of Entry for subject goods were filed by the SEZ Unit but the same were prepared by M/s. A.D. Mehta Clearing Agency after directly consulting the said DTA importers. The login ID and password provided to said SEZ Unit for filing of documents were shared to M/s. A.D. Mehta Clearing Agency.
- Whereas, the said SEZ Unit stated that they don't have knowledge in respect of classification of goods, payment of Customs duty, CVD, ADD and IGST and they had nominated M/s. A.D. Mehta Clearing Agency for looking after their Customs clearance related work.
- Whereas, Shri Devang Mehta, partner of M/s. A.D. Mehta Clearing Agency has provided customized package to DTA importers in respect of services like Custom clearing, transportation, loading, unloading and repacking.
- Whereas, the said SEZ Unit has nominated them as consultant to look after custom clearance related work and transporter for the subject goods from port to KASEZ.
- Whereas, they have admitted that they have knowledge of Customs and have bills of entry after discussion and receiving clarification from the DTA importers.
- Whereas, Shri Devang Mehta gave the SEZ Unit the rates of the composite charges which included Custom Clearing, Transportation, Warehousing, loading, unloading and repacking on customized basis and gave to SEZ Unit the KYC documents for the said IECs including those of dummy IECs.
- Whereas, the DTA importers in the course of investigation stated that they had little knowledge of Customs related work like classification of goods and use of exemption notifications etc. and they appointed clearing agent i.e. M/s. A.D. Mehta Clearing Agency for filing bill of entry for subject goods. Further, they have admitted the mis-classification of the goods with sole intent of taking benefit of notification no. 50/2018 dated 30.06.2018 and non-payment of CVD.

**11.2.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. A.D.Mehta Clearing Agency and Shri Devang Mehta, partner of M/s. A.D.Mehta Clearing Agency have assisted DTA importers and the said SEZ Unit in contravening the provisions of Section 46(4) of the Customs Act, 1962 in as much as they misclassified the subject goods and used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration and cleared the goods without payment of applicable CVD to the DTA clients/Importers, which in many cases were dummy importers. All these acts had been done with an intent to enrich the DTA Clients through evasion of Customs duty, which resulted in evasion of Customs duty amounting to **Rs 16,97,91,581/- (Rupees Sixteen Crore Ninety Seven Lakh Ninety One Thousand Five Hundred Eighty One only)** as detailed in the aforesaid Annexure-A, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of said SEZ Unit have rendered the impugned goods having assessable value of **Rs. 76,07,08,624/- (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred Twenty Four)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.2.3.** It also appears that M/s. A.D.Mehta Clearing Agency and Shri Devang Mehta, partner of M/s. A.D.Mehta Clearing Agency have assisted DTA importers in availing the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. A.D.Mehta Clearing Agency and Shri Devang Mehta, partner of M/s. A.D.Mehta Clearing Agency along with the said SEZ Unit and their DTA Importers have rendered them liable for penalty under the provisions of Section 112a, 112b, 114A, 114AA of the Customs Act, 1962.

### **11.3 Role played by M/s. Unique Steel, Gandhidham and Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham.**

**11.3.1** From the investigation carried out, the role played by M/s. Unique Steel, Gandhidham and Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham, appear to emerge as under:

- Whereas, Shri Deepak Manuja informed Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency that he has been working in KASEZ unit and intends to import the goods for warehousing and thereafter the same into DTA. Further, he contacted the said SEZ Unit for warehousing and also introduced other four proprietors and informed that they also intend to import the same goods.
- Whereas, Shri Deepak Manuja stated that all the companies like M/s. Unique Steel, M/s. A.D. Enterprises and M/s. D.S. Trading have been established by him and he looks after the day-to-day work related to all the activities like sales, purchases etc.
- Whereas, he stated that Shri Devang Mehta has given him rates of composite charges which included Customs clearing, transportation, warehousing, loading, unloading, repacking on customized basis and he accepted the customized package. He has given all documents to Shri Devang Mehta for all formalities and knows Shri Devendra Bansal of M/s. Commodities Trading by name only and has never met him personally. Further, he stated that he introduced Shri Rahul Chawda of M/s. RMC Enterprises and Shri Ankit Jhamb of M/s. AJ Steel to Shri Devang Mehta. He stated that he has given charges for the subject goods like agency charges,

warehousing charges, transportation services to M/s. A.D.Mehta Clearing Agency. He stated that he has received documents from the overseas supplier and made payments

- Whereas, he stated that he has filed Bills of entry and mis-classified the subject goods with sole intent to claim benefit of the SAPTA notification and admitted the correct classification as re-determined during the course of investigation.
- Whereas, he stated that although SIMS registrations is mandatory for the import of the steel but in their case the subject DTA clients failed to register the same.
- Whereas, he has admitted that he has filed bills of entry under wrong classification and admits mistake on his part.
- Whereas, he has admitted that he has not paid the applicable CVD and has stated during the course of investigation that he has started paying past duty liabilities along with applicable interest.

**11.3.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Unique Steel, Gandhidham and Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration, cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-B** to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.3.3.** It also appears that Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham had deliberately availing the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 10,65,40,005/- (Rupees Ten crore Sixty Five lakh Forty thousand and five only)** in total, on the said goods imported, as shown in the **Annexure-B** to this Show Cause Notice on the subject goods, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. Whereas, the said SEZ unit has informed Customs vide letter dated 03.01.2022, that they have taken affidavit and blank cheques for differential duty payments from DTA importer's representative Shri Deepak Manuja at the time of DRI Investigation (**RUD-25**). Whereas, Shri Deepak Manuja has submitted undertaking/affidavit to M/s. Commodities Trading, KASEZ to the effect in case, any levy is being detected by Customs or DRI then the same shall be paid by them and the role of the M/s. Commodities Trading is the warehousing of goods and liability of duty shall be solely on the importer. However, the complete liability has not been fulfilled till date. From the above, it appears that Mr Deepak Manuja was already aware of the modus operandi and deliberately acted as a facilitator and abettor for the evasion of duty. Further Shri Deepak Manuja did not attend the summons dated 05.04.2024, 15.04.2024 and 02.05.2024 and attempted to escape the investigation proceedings which appears to reinforce the allegations of deliberate attempt to evade the Customs Duty by using the non -authentic

Certificate of Origin for goods covered under Chapter 72 and Chapter 73. The said acts of omission and commission on the part of Shri Deepak Manuja, Proprietor of M/s. Unique Steel, Gandhidham, appears to have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A and 114AA of the Customs Act, 1962.

**11.3.4.** From the above it appears that the M/s. Unique Steel, Gandhidham started their operations in SEZ with pre-planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration, non-payment of CVD and use of non-authentic Certificate of Origin, have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various verification letters/emails from the FTA Cell, CBIC, and New-Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre-planned strategy so as to illegally enrich M/s. Unique Steel through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the aforesaid **Annexure-B**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Unique Steel and Shri Deepak Manuja have rendered the impugned goods having assessable value of **Rs.42,67,03,151/- (Rupees forty two crore sixty seven lakh three thousand one hundred fifty one)** liable for confiscation under Section 111(d), 111(m), (o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Unique Steel and Shri Deepak Manuja had consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Further Shri Deepak Manuja did not attend the summons dated 05.04.2024, 15.04.2024 and 02.05.2024 and attempted to escape the investigation proceedings which appears to reinforce the allegations of deliberate attempt to evade the Customs Duty by using the non-authentic Certificate of Origin for goods covered under Chapter 72 and Chapter 73. Thus, Shri Deepak Manuja, proprietor of M/s. Unique Steel appears to have rendered themselves to penalty under Section 112(a) and 112(b) of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, Shri Deepak Manuja, proprietor of M/s. Unique Steel and M/s. Unique Steel, Gandhidham appears to have knowingly and intentionally presented the said non-authentic documents before the Customs Authorities.. Hence, the said acts on the part of Shri Deepak Manuja, proprietor of M/s. Unique Steel Gandhidham and M/s. Unique Steel, Gandhidham appears to have rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962.

#### **11.4      Role played by M/s. A. J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel**

**11.4.1.** From the investigation carried out, the role played by M/s. A. J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel, appears to emerge as under:

- Whereas, Shri Deepak Manuja informed Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency that he has been working in KASEZ unit and intends to import the goods for warehousing and thereafter the same into DTA. Further, he contacted the said SEZ Unit for warehousing and also introduced Shri Ankit Jhamb, proprietor of M/s. A.J. Steel and informed that they also intend to import the steel products. Whereas, he stated that he met Shri Deepak Manuja, and Shri Deepak Manuja informed him that they are availing the services of said SEZ Unit and Shri Devang Mehta gave him the rates of composite charges on customized basis.

- Whereas, he stated that he has given the documents required for warehousing including KYC documents to Shri Devang Mehta.
- Whereas, he stated that he has given agreed upon composite charges on customized basis to M/s. A.D.Mehta Clearing Agency.
- Whereas, he stated that he contacted overseas suppliers and has given advance payments to overseas suppliers. He stated that he maintains accounts related to M/s. AJ Steel. He admitted that he mis-classified the subject goods for taking the benefit of Notification No., 50/2018 dated 30.06.2018 and agreed about the correct classification of the imported goods.
- Whereas, he stated that he agreed that SIMS registration is mandatory for the subject imports and he has not taken the same. He admitted the non-payment of the applicable CVD and stated that he will discharge duty liabilities along with interests.

**11.4.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. A. J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in Annexure-C to the SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.4.3.** It also appears that of M/s. A. J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel had deliberately availing the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 1,74,82,554/- (Rupees one crore seventy-four lakh eighty two thousand five hundred and fifty four only)**, on the said goods imported, as shown in the **Annexure-C** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial aspects in the course of imports into KASEZ and DTA. Whereas, the said SEZ unit has informed Customs vide letter dated 03.01.2022, that they have taken affidavit and blank cheques for differential duty payments from DTA importer's representative Shri Ankit Jhamb at the time of DRI Investigation (**RUD-26**). Whereas, the Shri Ankit Jhamb has submitted undertaking/affidavit to M/s. Commodities Trading, KASEZ to the effect in case, any levy is being detected by Customs or DRI then the same shall be paid by them and the role of the M/s. Commodities Trading is the warehousing of goods and liability of duty shall be solely on the importer. The said acts of omission and commission on part of M/s. A. J. Steel and Sh. Ankit Jhamb, proprietor of M/s. A. J. Steel has rendered them liable for penalty under the provisions of Section 112(a), 112(b), 114A & 114AA of the Customs Act, 1962.

**11.4.4.** From the above, it appears that the M/s. A. J. Steel started their operations in SEZ with pre-planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related

to mis-classification, import without mandatory SIMS registration, non-payment of CVD have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various verification letters/emails from the FTA Cell, CBIC, and New-Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. A. J. Steel through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the aforesaid **Annexure-C**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. A.J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel have rendered the impugned goods having assessable value of **Rs 8,05,00,563/- (Rupees Eight crore five lakh five hundred sixty-three)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. A. J. Steel and Shri Ankit Jhamb, proprietor of M/s. A. J. Steel appear to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, Shri Ankit Jhamb, proprietor of M/s. A. J. Steel and M/s. A. J. Steel appears to have rendered themselves for penalty under Section 112(a) and 112(b) of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, Shri Ankit Jhamb, proprietor of M/s. A. J. Steel and M/s. A. J. Steel had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. Hence, the said acts on the part of Shri Ankit Jhamb, proprietor of M/s. A. J. Steel and M/s. A. J. Steel appears to have rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962.

### **11.5 Role played by Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company.**

**11.5.1.** From the investigation carried out, the role played by Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company appears to emerge as under:

- Whereas, Shri Deepak Manuja informed Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency that he has been working in the KASEZ unit and intends to import the goods for warehousing and thereafter the same into DTA. Further, he contacted the said SEZ Unit for warehousing and also introduced Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading and informed that they also intend to import the steel products. Whereas, he stated that he is elder brother of Shri Deepak Manuja and Shri Deepak Manuja informed him that they are availing the services of said SEZ Unit and Shri Devang Mehta gave him the rates of composite charges on customized basis. Although he is proprietor of the subject firm, he stated that he does not know the name of any person of overseas supplier and DTA Importer firms. He stated that all the activities related to purchase, import, clearance of the goods, sale to DTAunits, arrangement of funds etc. were looked after by Shri Deepak Manuja.
- Whereas, he stated that his duty was to sign cheques, make RTGS from the accounts of company M/s. D.S. Trading to the name of parties whose names were given by Shri Deepak Manuja.

**11.5.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. D.S. Trading Company and Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company had contravened the provisions of Section 46(4) of the Customs Act, 1962 inasmuch as they intentionally mis-classified the subject goods, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD. All these acts and omissions on their part have rendered the goods liable to confiscation under the provisions of

Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in Annexure-D to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.5.3.** It also appears that M/s. D.S. Trading Company and Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company had deliberately mis-classified the subject goods and did not pay the correct duty i.e. CVD on the goods cleared in DTA, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 1,01,80,927/- (Rupees one crore one lakh eighty thousand nine hundred twenty-seven only)**, on the said goods imported, as shown in the **Annexure-D** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. Whereas, the said SEZ unit has informed Customs vide letter dated 03.01.2022, that they have taken affidavit and blank cheques for differential duty payments from DTA importer's representative Shri Sandeep Manuja at the time of DRI Investigation. Whereas, the Shri Sandeep Manuja has submitted undertaking/affidavit to M/s. Commodities Trading, KASEZ to the effect in case, any levy is being detected by Customs or DRI then the same shall be paid by them and the role of the M/s. Commodities Trading is the warehousing of goods and liability of duty shall be solely on the importer. The said acts of omission and commission on the part of M/s. D.S. Trading Company and Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company has rendered them liable for penalty under the provisions of Section 112(a), 112(b), 114A & 114AA of the Customs Act, 1962.

**11.5.4.** From the above it appears that the said DTA Importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration, non-payment of CVD have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various verification letters/emails from the FTA Cell, CBIC, and New-Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. D.S. Trading Company and Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the aforesaid Annexure-D, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company appear to have rendered the impugned goods having assessable value of **Rs. 3,58,28,465/- (Rupees three crore fifty-eight lakh twenty eight thousand four hundred and sixty-five only)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company appears to have rendered themselves liable for penalty under Section 112(a) and 112(b) of the Customs Act, 1962 read

with Section 11(2) of FTDR Act, 1992. Also, Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. Hence, the said acts on the part of Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company and M/s. D.S. Trading Company have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### **11.6 Role played by M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises**

**11.6.1.** From the investigation carried out, the role played by M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises appears to emerge as under:

- Whereas, Shri Deepak Manuja informed Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency that he has been working in KASEZ unit and intends to import the goods for warehousing and thereafter the same into DTA. Further, he contacted the said SEZ Unit for warehousing and also introduced Shri Rahul Chavda, proprietor of M/s. RMC Enterprises and informed that they also intend to import the steel products.
- Whereas, he stated that he met Shri Deepak Manuja, and Shri Deepak Manuja informed him that they are availing the services of said SEZ Unit and Shri Devang Mehta gave him the rates of composite charges on customized basis.
- Whereas, he stated that he has handed over signed cheques to Shri Deepak Manuja, he has made RTGS from the account of M/s. RMS Enterprises to the name of various parties, whose names were given by Shri Deepak Manuja. He stated, sometimes, he has also withdrawn the amounts as per the directions of Shri Deepak Manuja and handed over to the person whose details were provided by Shri Deepak. Further, he stated that whatever the amount that has been received in the account of M/s. RMC enterprises maintained in ICICI Bank were arranged by Shri Deepak Manuja only and same are against the sale of goods in Domestic market.
- Whereas, he stated that he has sent money to overseas suppliers from the said ICICI account against the goods imported by M/s. RMC Enterprises.
- Whereas, he admitted during the course of investigation that he has no role in import of goods but being proprietor of the importing firm, he is responsible for the duty liabilities.

**11.6.2.** In view of the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD . All these acts and omissions on their part appears to have rendered the goods liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-E** to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.6.3.** It also appears that Shri Rahul Chavda, proprietor of M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the

foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 1,48,72,010/- (Rupees one crore forty eight lakh seventy two thousand and ten only)**, on the said goods imported, as shown in the Annexure-E to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Whereas, the said SEZ unit has informed Customs vide letter dated 03.01.2022, that they have taken affidavit and blank cheques for differential duty payments from DTA importer's representative Shri Rahul Chavda at the time of DRI Investigation (**RUD-27**). Whereas, the Shri Rahul Chavda has submitted undertaking/affidavit to M/s. Commodities Trading, KASEZ to the effect in case, any levy is being detected by Customs or DRI then the same shall be paid by them and the role of the M/s. Commodities Trading is the warehousing of goods and liability of duty shall be solely on the importer. The said acts of omission and commission on the part of M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises have rendered them liable for penalty under the provisions of Section 112(a), 112(b), 114A and 114AA of the Customs Act, 1962.

**11.6.4.** From the above it appears that the M/s. RMC Enterprises started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration, non-payment of CVD have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various verification letters/emails from the FTA Cell, CBIC, and New-Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre-planned strategy so as to illegally enrich M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises, through evasion of Customs duty, which resulted in evasion of Customs duty amounting to as detailed in the aforesaid Annexure-E, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of Shri Rahul Chavda, proprietor and M/s. RMC Enterprises appears to have rendered the impugned goods having assessable value of **Rs. 5,99,01,762/- (Rupees five crore ninety-nine lakh one thousand seven hundred and sixty-two only)** liable for confiscation under Section 111(d), 111(m), (o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises had consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises appear to have rendered themselves for penalty under Section 112A, 112B and 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. Hence, the said acts on the part of M/s. RMC Enterprises and Shri Rahul Chavda, proprietor of M/s. RMC Enterprises has rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### **11.7 Role played by M/s. AD Enterprises, Gandhidham and Ms Shivani Juyal, proprietor of M/s AD Enterprises.**

**11.7.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s AD Enterprises have contravened the provisions of Section

46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD. All these acts and omissions on their part appears to have rendered the goods having total assessable value of **Rs. 6,98,49,921/- (Rupees six crore ninety-eight lakh forty nine thousand nine hundred and twenty one only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Annexure-F** to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.7.2.** It also appears that M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s AD Enterprises had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 1,15,97,630/- (Rupees one crore fifteen lakh ninety seven thousand and six hundred thirty only)**, on the said goods imported, as shown in the **Annexure-F** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. Whereas, the said SEZ unit has informed Customs vide letter dated 03.01.2022, that they have taken affidavit and blank cheques for differential duty payments from DTA importer's representative Ms. Shivani Juyal at the time of DRI Investigation (**RUD-28**). Whereas, Ms. Shivani Juyal has submitted undertaking/affidavit to M/s. Commodities Trading, KASEZ to the effect in case, any levy is being detected by Customs or DRI then the same shall be paid by them and the role of the M/s. Commodities Trading is the warehousing of goods and liability of duty shall be solely on the importer. The said acts of omission and commission on the part of M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s. AD Enterprises appear to have rendered themselves liable for penalty, under the provisions of Section 112A, 112B, 114A, 114AA of the Customs Act, 1962.

**11.7.3.** From the above it appears that M/s. AD Enterprises started their operations in SEZ with preplanned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to misclassification, import without mandatory SIMS registration, non-payment of CVD have categorically been admitted by the concerned persons in their respective statements recorded under Section 108 of the Customs Act, 1962, duly corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic..All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. AD Enterprises through evasion of Customs duty, which resulted in evasion of Customs duty amounting to **Rs. 1,13,60,390/- (Rupees one crore thirteen lakh sixty thousand three hundred and ninety only)** as detailed in the aforesaid **Annexure-F**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. AD Enterprises have rendered the impugned goods having assessable value of **Rs. 6,98,49,921/- (Rupees six crore ninety-eight lakh forty-nine thousand nine hundred and twenty one only)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s. AD Enterprises had consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with

the SEZ Act, 2005 and rules made thereunder. Thus, M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s. AD Enterprises appear to have rendered themselves for penalty, under Section 112A, 112B, 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s. AD Enterprises had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. They were presenting false and fabricated documents even at the time of DTA clearance of the said imported goods. Hence, the said acts on the part of M/s. AD Enterprises and Ms Shivani Juyal, proprietor of M/s. AD Enterprises appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### **11.8 Role played by M/s. Gupta Steel, Delhi**

**11.8.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Gupta Steel has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they used non-authentic certificates of origin and filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs 30,13,696/- (Rupees thirty lakh thirteen thousand six hundred and ninety-six only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-1 to Annexure-G** to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.8.2.** It also appears that M/s. Gupta Steel had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 2,93,233/-** (Rupees two lakh ninety-three thousand two hundred and thirty-three only), on the said goods imported, as shown in the **Table-1 to Annexure-G** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them, under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Gupta Steel appears to have rendered them liable for penalty, under the provisions of Section 112A, 112B, 114A, 114AA of the Customs Act, 1962 read with Section 11(2) of the FTDR Act, 1992.

**11.8.3.** From the above it appears that the said DTA importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to use of forged/fabricate/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters and emails received from the FTA Cell, New Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Gupta Steel through evasion of Customs duty, which resulted in evasion of Customs duty amounting to **Rs. 2,93,233/- (Rupees two lakh ninety-three thousand two hundred and thirty-three only)** as detailed in the **Table-1 to Annexure-G**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Gupta Steel have rendered the impugned goods having assessable value of **Rs 30,13,696/- (Rupees thirty lakh thirteen thousand six hundred and ninety-six only)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Gupta Steel appears to have consciously dealt with the said imported goods which

they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Gupta Steel appears to have rendered themselves for penalty, under Section 112A, 112B, 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Gupta Steel had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. They were presenting false and fabricated documents even at the time of the clearance of the said imported goods. Hence, the said acts on the part of M/s. Gupta Steel appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

### 11.9      Role played by M/s. Om Sai Ram Trading, Delhi

**11.9.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Om Sai Ram Trading has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally misclassified the subject goods, filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods without payment of applicable CVD . All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 30,15,002/- (Rupees thirty lakh fifteen thousand and two only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-2 to Annexure-G** attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.9.2.** It also appears that M/s. Om Sai Ram Trading had deliberately availed the Customs Duty exemptions by means mis-classification of goods and did not levy the correct applicable duty, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 8,56,735/- (Rupees eight lakh fifty-six thousand seven hundred and thirty five only)**, on the said goods imported, as shown in the **Table-2 to Annexure-G** attached to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Om Sai Ram Trading have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A and 114AA of the Customs Act, 1962 read.

**11.9.3.** From the above it appears that the said DTA Importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration, non-payment of CVD are corroborated by the material/documentary evidences available on record, confirming the legal contraventions in the subject imports, as discussed above. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Om Sai Ram Trading through evasion of Customs duty, which resulted in evasion of Customs duty amounting to **Rs. 8,56,828/- (Rupees eight lakh fifty-six thousand eight hundred and twenty-eight only)** as detailed in the **Table-2 to Annexure-G**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Om Sai Ram Trading have rendered the impugned goods having assessable value of **Rs. 30,15,002/- (Rupees thirty lakh fifteen thousand and two only)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Om Sai Ram Trading appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with

the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Om Sai Ram Trading appears to have rendered themselves for penalty, under Section 112(a), 112(b)&114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Om Sai Ram Trading had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities which were false and incorrect. They were presenting false and fabricated documents even at the time of DTA clearance of the said imported goods. Hence, the said acts on the part of M/s. Om Sai Ram Trading appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### 11.10 Role played by M/s. Shree Salasar Impex, Delhi

**11.10.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Shree Salasar Impex has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 39,20,285/- (Rupees thirty-nine lakh twenty thousand two hundred and eighty-five only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-3 to Annexure-G** attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.10.2.** It also appears that M/s. Shree Salasar Impex had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 3,81,444/- (Rupees three lakh eighty one thousand four hundred and forty four only)**, on the said goods imported, as shown in the **Table-3 to Annexure-G** attached to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Shree Salasar Impex have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A, 114AA of the Customs Act, 1962.

**11.10.3.** From the above it appears that the said DTA Importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration are corroborated by the material/documentary evidence available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricate/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters/emails received from the FTA Cell, New Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Shree Salasar Impex through evasion of Customs duty, which resulted in evasion of Customs duty amounting to Rs. 3,81,444/- (Rupees three lakh eighty one thousand six hundred and forty only) as detailed in the aforesaid **Table-3 to Annexure-G**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Shree Salasar Impex appears to have rendered the impugned goods having assessable value of Rs. 39,20,285/- (Rupees thirty-nine lakh twenty

thousand two hundred and eighty-five only) liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Shree Salasar Impex appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Shree Salasar Impex appears to have rendered themselves liable for penalty, under Section 112(a), 112(b), 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Shree Salasar Impex appears to have knowingly and intentionally presented the said non-authentic documents before the Customs Authorities. Hence, the said acts on the part of M/s. Shree Salasar Impex appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### 11.11 Role played by M/s. Gautam International, Delhi

11.11.1. From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Gautam International has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 29,38,959/- (Rupees twenty-nine lakh thirty-eight thousand nine hundred and fifty-nine only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-4 to Annexure-G**, attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

11.11.2. It also appears that M/s. Gautam International had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to Rs. 2,85,961-(Rupees two lakh eighty-five thousand nine hundred and sixty one only), on the said goods imported, as shown in the **Table-4 to Annexure-G**, attached to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Gautam International has rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A, 114AA of the Customs Act, 1962.

11.11.3. From the above it appears that the said DTA Importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration are corroborated by the material/documentary evidence available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricate/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters/emails received from the FTA Cell, New Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Gautam International through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in **Table-4 to Annexure-G**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Gautam International have

rendered the impugned goods having assessable value of **Rs. 29,38,959/- (Rupees twenty-nine lakh thirty-eight thousand nine hundred and fifty-nine only)** liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Gautam International appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Gautam International appears to have rendered themselves for penalty under Section 112(a), 112(b), 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Gautam International had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities. Hence, the said acts on the part of M/s. Gautam International appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### **11.12 Role played by M/s. Asha Steels Papers, Delhi.**

**11.12.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Asha Steels Papers has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 30,27,790/- (Rupees thirty lakh twenty-seven thousand seven hundred and ninety only)** liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-5 to Annexure-G**, attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.12.2.** It also appears that M/s. Asha Steels Papers had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to **Rs. 2,94,604/- (Rupees two lakh ninety-four thousand six hundred and four only)**, on the said goods imported, as shown in the **Table-5 to Annexure-G** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Asha Steels Papers have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A, 114AA of the Customs Act, 1962.

**11.12.3.** From the above it appears that the said DTA Importer started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration are corroborated by the material/documentary evidence available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricate/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters/emails received from the FTA Cell, New Delhi.. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Asha Steels Papers through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the **Table-5 to Annexure-G**, attached to this Show

Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Asha Steels Papers have rendered the impugned goods having assessable value of **Rs. 30,27,790/-** (Rupees thirty lakh twenty-seven thousand seven hundred and ninety only) liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Asha Steels Papers appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Asha Steels Papers appears to have rendered themselves for penalty, under Section 112(a), 112(b), 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Asha Steels Papers had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities. Hence, the said acts on the part of M/s. Asha Steels Papers appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

#### **11.13 Role played by M/s. Jageshwar Plastic House, Delhi**

**11.13.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Jageshwar Plastic House has contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they intentionally used non-authentic certificates of origin, filed Bills of Entry for import of subject goods without SIMS Registration. All these acts and omissions on their part have rendered the goods having total assessable value of Rs. 2,45,12,369/- (Rupees two crore forty-five lakh twelve thousand three hundred and sixty-nine only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in **Table-6 to Annexure-G** attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.13.2.** It also appears that M/s. Jageshwar Plastic House had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to Rs. 23,85,054/- (Rupees twenty-three lakh eighty-five thousand and fifty-four), on the said goods imported, as shown in the **Table-6 to Annexure-G** to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Jageshwar Plastic House have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A and 114AA of the Customs Act, 1962.

**11.13.3.** From the above it appears that the said DTA Importer started their operations in SEZ with preplanned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration are corroborated by the material/documentary evidence available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricate/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters and emails received from the FTA cell, New Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well

and pre planned strategy so as to illegally enrich M/s. Jageshwar Plastic House through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the **Table-6 to Annexure-G'**, attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Jageshwar Plastic House have rendered the impugned goods having assessable value of Rs. 2,45,12,369/- (Rupees two crore forty-five lakh twelve thousand three hundred and sixty-nine only) liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Jageshwar Plastic House appears to have consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Jageshwar Plastic House had rendered themselves liable for penalty under Section 112(a), 112(b), 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Jageshwar Plastic House appears to have knowingly and intentionally presented the said non-authentic documents before the Customs Authorities. Hence, the said acts on the part of M/s. Jageshwar Plastic House appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962.

**11.14 Role played by M/s. Priyal International, Gandhidham and Shri Nilesh Thakkar, Proprietor of M/s. Priyal International.**

**11.14.1.** From the investigation carried out, the facts discussed in the foregoing paras and the material evidence available on the record and the deposition of the concerned person involved, it appears that M/s. Priyal International and Shri Nilesh Thakkar, Proprietor of M/s. Priyal International have contravened the provisions of Section 46(4) of the Customs Act, 1962 in as much as they used non-authentic certificates of origin and filed Bills of Entry for import of subject goods without SIMS Registration and cleared goods to dummy importers. All these acts and omissions on their part have rendered the goods having total assessable value of **Rs. 4,74,96,661/-** (Rupees four crore seventy-four lakh ninety-six thousand six hundred and sixty-one only) liable to confiscation under the provisions of Section 111(d), 111(m) & 111(o) of the Customs Act, 1962 as detailed in '**Annexure-H'** attached to this SCN and is tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962.

**11.14.2.** It also appears that M/s. Priyal International and Shri Nilesh Thakkar, Proprietor of M/s. Priyal International had deliberately availed the Customs Duty exemptions by means of non-authentic Certificates of origin, thereby indulging in willful mis-statement and suppression of facts and contravened various provisions of the Customs Act, 1962 and rules made thereunder, as discussed in the foregoing paras above, with intent to evade payment of Customs duty at the time of DTA clearance from the SEZ. Therefore, the total differential customs duty amounting to Rs. 46,21,425/- (Rupees forty six lakh twenty one thousand four hundred twenty five only), on the said goods imported, as shown in the '**Annexure-H'** attached to this Show Cause Notice, which was lawfully payable by them is liable to be recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962. Also, they intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations and other statements which they knew were false and incorrect in crucial/ aspects in the course of imports into KASEZ and DTA. The said acts of omission and commission on the part of M/s. Priyal International and Shri Nilesh Thakkar, Proprietor of M/s. Priyal International appears to have rendered them liable for penalty, under the provisions of Section 112(a), 112(b), 114A, 114AA of the Customs Act, 1962 .

**11.14.3.** From the above it appears that M/s. Priyal International started their operations in SEZ with pre planned intent of defrauding the Government Exchequer and evading Customs Duty. To carry out their intent, they committed various acts of commission and omission, as discussed in detail, in foregoing paras above, which were in violation of the SEZ Act, 2005 and rules made thereunder and the Customs Act, 1962. The facts related to mis-classification, import without mandatory SIMS registration are corroborated by the material/documentary

evidence available on record, confirming the legal contraventions in the subject imports, as discussed above. Further, it is pertinent to note that the use of forged/fabricated/non-authentic Certificates of Origin to evade Customs duty has been confirmed based on Alert Circular no. 02/2021-CI dated 10.09.2021 and various letters and emails received from the FTA Cell, New Delhi. Investigation revealed that the subject Certificates of origin were not issued by the competent authority and they are not authentic. All these acts had been done with a well and pre planned strategy so as to illegally enrich M/s. Priyal International through evasion of Customs duty, which resulted in evasion of Customs duty as detailed in the aforesaid '**Annexure-H**', attached to this Show Cause Notice. All the aforesaid acts of omissions and commissions on the part of M/s. Priyal International and Shri Nilesh Thakkar , proprietor of M/s. Priyal International appears to have rendered the impugned goods having assessable value of Rs. 4,74,96,661/- (Rupees four crore seventy-four lakh ninety-six thousand six hundred and sixty-one only) liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962 read with the SEZ Act, 2005 and the rules made thereunder. Further, M/s. Priyal International and Shri Nilesh Thakkar, proprietor of M/s. Priyal International had consciously dealt with the said imported goods which they knew or had reasons to believe, were liable to confiscation under the Customs Act, 1962 read with the SEZ Act, 2005 and rules made thereunder. Thus, M/s. Priyal International and Shri Nilesh Thakkar, proprietor of M/s. Priyal International appears to have rendered themselves for penalty, under Section 112(a), 112(b), 114A of the Customs Act, 1962 read with Section 11(2) of FTDR Act, 1992. Also, M/s. Priyal International and Shri Nilesh Thakkar, Proprietor of M/s. Priyal International had knowingly and intentionally presented the said non-authentic documents before the Customs Authorities. Hence, the said acts on the part of M/s. Priyal International and Shri Nilesh Thakkar, proprietor of M/s. Priyal International appears to have rendered them liable for penalty under Section 114AA of the Customs Act, 1962 .

## 12. Statement of charges and Authority to adjudicate the subject charges

**12.1.** Now, therefore, **M/s. Commodities Trading, KASEZ** (IEC No.: 3799001069) having Letter of Approval F. No. KASEZ/IA/04/2015-16 dated 18.05.2015 is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 57,51,53,769/-** (Rupees Fifty Seven Crore Eighty Fifty One lakh Fifty Three thousand Seven Hundred Sixty Nine only) should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of **Rs 2,06,14,427** (Rs Two Crore Six Lakh Fourteen Thousand Four Hundred Twenty Seven only) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why the said goods should not be confiscated under section 111 (m) of the Customs Act, 1962 for the said act of mis-classification.

ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **Rs. 51,55,85,564/-** (Rupees fifty-one crore fifty-five lakh eighty-five thousand five hundred sixty-four only) should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 14,61,61,858/-** (Rupees fourteen crore sixty-one lakh sixty-one thousand eight hundred fifty-eight only) including short paid duty due to misclassification as above, should not be demanded and recovered from their respective DTA Clients/Importers under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The goods imported from Malaysia and further cleared into DTA vide Bills of Entry as detailed in '**Annexure-J (Malaysia)**' having declared assessable value of **Rs. 24,51,23,060/-** (Rupees Twenty-Four Crore Fifty-One lakh twenty-three thousand and sixty only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in '**Annexure-J (Malaysia)**' to the show cause notice should not be denied and the differential duty amount of **Rs. 2,36,29,723/-** (Rupees two crore thirty-six lakh twenty-nine thousand seven hundred twenty-three only) should not be demanded and recovered from their respective DTA Clients/Importers under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iv) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-A**' having declared assessable value of **Rs. 76,07,08,624/-** (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred twenty-four only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

v) The total amount paid of **Rs. 7,78,76,322** paid by their respective DTA clients/importers during the time of investigation should not be appropriated against the demands as mentioned in above paras.

vi) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.2.** Now, therefore, **Shri Devendra Bansal, partner of M/s. Commodities Trading** is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-A**' having declared assessable value of **Rs. 76,07,08,624/-** (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred twenty-four only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

ii) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.3.** Now, therefore, **M/s. A.D. Mehta Clearing Agency** is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-A**' having declared assessable value of **Rs. 76,07,08,624/-** (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred twenty-four only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

ii) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods.

**12.4.** Now, therefore, Shri Devang Mehta, partner of M/s. A.D.Mehta Clearing Agency is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-A**' having declared assessable value of **Rs. 76,07,08,624/-** (Rupees Seventy-Six Crore Seven Lakh Eight Thousand Six Hundred twenty-four only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

ii) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.5.** Now, therefore, the DTA importer, namely, **M/s Unique Steel, Gandhidham** (IEC: APKPM0221L) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 35,73,02,950/-** (Rupees Thirty Five Crore Seventy Three Lakh Two Thousand Nine Hundred Fifty Only) should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of **Rs 1,33,92,368/-** (Rs One Crore Thirty Three Lakh Ninety Two Thousand Three Hundred Sixty Eight only) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act , 1962 for the said act of mis-classification.

ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **Rs. 34,97,87,445/-** (Rupees thirty-four crore ninety seven lakh eighty seven thousand four hundred forty five only) should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 9,91,78,734/-** (Rupees nine crore ninety-one lakh seventy-eight thousand seven hundred thirty-four only) including short paid duty due to misclassification as above, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The goods imported from Malaysia and cleared into DTA vide Bills of Entry as detailed in '**Annexure J Malaysia**' having declared assessable value of **Rs. 7,69,15,706/-** (Rupees Seven crore Sixty Nine lakh fifteen thousand seven hundred six only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in 'Annexure-J (Malaysia)' to the show cause notice should not be denied and the differential duty amount of **Rs. 73,61,271/-** (Rupees Seventy three lakh Sixty-one thousand Two hundred and seventy one only) as detailed in '**Annexure-J Malaysia**' to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iv) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-B**' having declared assessable value of **Rs. 42,67,03,151/-** (Rupees forty two crore sixty-seven lakh three thousand one hundred fifty one only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-

compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

vii) The total amount paid of **Rs 5,02,61,857** should not be appropriated against the above mentioned demands.

v) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.6.** Now, therefore, **Shri Deepak Manuja, Proprietor of M/s Unique Steel, Gandhidham** is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

iii) The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-B**' having declared assessable value of **Rs. 42,67,03,151/-** (Rupees forty two crore sixty-seven lakh three thousand one hundred fifty one only) should not be confiscated under Section 111(d), 111(m) and 111(o) of the Customs Act, 1962;

iv) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.7.** Now, therefore, the DTA importer, namely, **M/s. AJ Steel** (IEC No.: AKXPJ1231H) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 5,16,42,827/- Rupees five crore Sixteen Lakh eighty Two thousand eight hundred Twenty Seven only** should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of Rs. **22,64,538 (Rs Twenty Two Lakh Sixty Four Thousand Five Hundred Thirty Eight only)** by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act , 1962 for the said act of mis-classification.

ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **Rs. 5,16,42,827/-** (Rupees Five crore Sixteen lakh forty-two thousand eight hundred and twenty seven only) should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to Rs. **1,46,74,696/-** (Rupees one crore forty-Six lakh seventy-four thousand Six hundred and ninety-six only), including short paid duty due to misclassification as above, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The goods imported from Malaysia and further cleared into DTA vide Bills of Entry as detailed in '**Annexure J Malaysia**' having declared assessable value of **Rs. 2,88,57,736/-** (Rupees two crore eighty-eight lakh fifty-seven thousand seven hundred and thirty-six only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in '**Annexure J Malaysia**' to the show

cause notice should not be denied and the differential duty amount of Rs. **28,07,858/-** (Rupees twenty-eight lakh Seven thousand Eight hundred and fifty Eight only) as detailed in '**Annexure J Malaysia**' to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iv) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-C**' having declared assessable value of **Rs. 8,05,00,563/-** (Rupees Eight crore five lakh five hundred sixty three only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

v) The total amount paid of **Rs 69,53,323/-** should not be appropriated against the above mentioned demands.

vi) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.8.** Now, therefore, **Shri Ankit Jhamb, Proprietor of M/s AJ Steel Steel**, is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

v) The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-C**' having declared assessable value of **Rs. 8,05,00,563/-** (Rupees Eight crore five lakh five hundred sixty three only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

vi) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.9.** Now, therefore, the DTA importer, namely, **M/s. D.S. Trading Company** (IEC: DSAPM8374Q) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 3,58,28,465/-** (Rupees Three Crore Fifty Eight Lakh Twenty Eight Thousand Four Hundred Sixty Five only) should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of **Rs 15,72,550** (Rs Fifteen Lakh Seventy Two Thousand Five Hundred Fifty only) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act, 1962 for the said act of mis-classification.

ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **Rs. 3,58,28,465/-** (Rupees three crore fifty-eight lakh twenty-eight thousand four hundred and sixty-five only) should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 1,01,80,927/-** (Rupees one crore one lakh eighty thousand nine hundred twenty seven only) including short paid duty due to misclassification as above, to the

Show Cause Notice, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-D**' having declared assessable value of **Rs. 3,58,28,465/-** (Rupees three crore fifty-eight lakh twenty-eight thousand four hundred and sixty-five only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iv) The total amount paid of Rs **66,71,012/-** should not be appropriated against the above mentioned demands.

v) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.10** Now, therefore, **Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company**, is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

vii) The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-D**' having declared assessable value of **Rs. 3,58,28,465/-** (Rupees three crore fifty-eight lakh twenty-eight thousand four hundred and sixty-five only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

viii) Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.11.** Now, therefore, the DTA importer, namely, **M/s RMC Enterprise (IEC: AYIPC1522H)**is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 5,75,14,604/-** (Rupees Five Crore Seventy Five Lakh Fourteen Thousand Six Hundred Four only) should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of **Rs 21,22,261** (Rs Twenty One Lakh Twenty Two Thousand Two Hundred Sixty one only ) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act , 1962 for the said act of mis-classification.

ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **4,83,98,208/-** (Rupees four crore eighty-three lakh ninety-eight thousand two hundred and eight only) should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 1,37,52,714/-** (Rupees one crore thirty-seven lakh fifty-two thousand seven hundred fourteen only) including short paid duty due to misclassification as above, to the Show Cause Notice, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The goods imported from Malaysia and further cleared into DTA vide Bills of Entry as detailed in '**Annexure J Malaysia**' having declared assessable value of **Rs. 1,15,03,553/-** (Rupees one crore fifteen lakh three thousand five hundred and fifty-three only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in '**Annexure J Malaysia**' to the show cause notice should not be denied and the differential duty amount of **Rs. 11,19,296/-** (Rupees Eleven lakh nineteen thousand two hundred and ninety-six only) as detailed in '**Annexure J Malaysia**' to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iv) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-E**' having declared assessable value of **Rs. 5,99,01,762/-** (Rupees five crore ninety-nine lakh one thousand seven hundred and sixty-two only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

v) The total amount paid of **Rs 86, 15,108/-** should not be appropriated against the above mentioned demands.

vi) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.12** Now, therefore, **Shri Rahul Chavda, Proprietor of M/s.RMC Enterprise**, is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i. The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-E**' having declared assessable value of **Rs. 5,99,01,762/-** (Rupees five crore ninety-nine lakh one thousand seven hundred and sixty-two only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

ii. Penalty under section 112, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.13.** Now, therefore, the DTA importer, namely, M/s AD Enterprises (IEC: ANXPJ0043L) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Annexure-L** having declared an assessable value of **Rs 6,98,49,921 /-** (Rupees Six Crore Ninety Eight Lakh Forty Nine Thousand Nine Hundred Twenty One only) should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of **Rs 11,30,502** (Rs Eleven Lakh Thirty Thousand Five Hundred Two only) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act , 1962 for the said act of mis-classification.

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ii) The goods imported from China and further cleared into DTA vide Bills of Entry as detailed in '**Annexure K China**' having declared assessable value of **Rs. 2,69,13,617/- (Rupees two crore sixty-nine lakh thirteen thousand six hundred and seventeen only)** should not be confiscated under Section 111 (m) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 75,18,051/-** (Rupees seventy-five lakh eighteen thousand and fifty-one only) including short paid duty due to misclassification as above, to the Show Cause Notice, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The goods imported from Malaysia and further cleared into DTA vide Bills of Entry as detailed in '**Annexure-J Malaysia**' having declared assessable value of **Rs. 4,29,36,304/-** (Rupees four crore twenty nine lakh thirty-six thousand three hundred and four only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in '**Annexure J Malaysia**' to the show cause notice should not be denied and the differential duty amount of **Rs. 40,79,579/-** (Rupees forty lakh seventy nine thousand five hundred seventy nine only) as detailed in '**Annexure J Malaysia**' to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iv) The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-F**' having declared assessable value of **6,98,49,921/-** (Rupees six crore ninety-eight lakh forty-nine lakh nine thousand nine hundred and twenty one only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

v) The total amount paid of **Rs 36,76,923/-** should not be appropriated against the above mentioned demands.

vi) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.14** Now, therefore, **Ms. Shivani Juyal, Proprietor of M/s.AD Enterprise**, is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i. The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-F**' having declared assessable value of **6,98,49,921/-** (Rupees six crore ninety-eight lakh forty-nine lakh nine thousand nine hundred and twenty one only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;

ii. Penalty under section 112, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.15.** Now, therefore, the DTA importer, namely, M/s Gupta Steel (IEC: 516983580) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported cleared into DTA vide Bills of Entry as detailed in '**Table-1 to Annexure-G**' having declared assessable value of **Rs. 30,13,697/- (Rupees thirty lakh thirteen thousand six hundred and ninety-seven only)** should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in **Table-1 to Annexure-G** to the show cause notice should not be denied and the differential duty amount of **Rs. 2,93,233 (Rupees two lakh ninety-three thousand two hundred and thirty three only)**, as detailed in **Table-1 to Annexure-G** to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Table-1 to Annexure-G**' having declared assessable value of **Rs. 30,13,697/- (Rupees thirty lakh thirteen thousand six hundred and ninety-seven only)** should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iii) The total amount paid of **Rs 4,91,000/-** should not be appropriated against the above mentioned demands.

iv) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.16.** Now, therefore, the DTA importer, namely, **M/s. Om Sai Ram Trading (IEC: 0512075778)** is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Table-2 to Annexure-G** having declared an assessable value of **Rs. 30,15,002/- (Rupees Thirty lakh Fifteen Thousand and two only)** should not be rejected and should not be re-classified under Custom tariff Item 7220 9090 and subsequently benefit of concessional rate of duty availed to the tune of Rs **1,32,208** (Rs One Lakh Thirty Two Thousand Two Hundred Eight only) by virtue of the SL no 729 of the table mentioned under Notification 50/2018-Cus dated 30.06.2018 should not be denied for the said goods and why such goods should not be confiscated under section 111 (m) of the Customs Act , 1962 for the said act of mis-classification.

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-2 to Annexure-G** having declared assessable value of **Rs. 30,15,002/- (Rupees thirty lakh fifteen thousand and two only)** should not be confiscated under Section 111 (m) and 111(o) of the Customs Act, 1962 for the non-payment of applicable CVD under Notification No. 01/2017-Cus (CVD) dated 07.09.2017. Thus, the total differential duty amounting to **Rs. 8,56,735/- (Rupees eight lakh fifty-six thousand seven hundred and thirty five only)** including short paid duty due to misclassification as above, to the Show Cause Notice, should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

iii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-2 to Annexure-G** having declared assessable value of **Rs. 30,15,002/- (Rupees thirty lakh fifteen thousand and two only)** should not be confiscated under Section 111(d), and 111(o) of the Customs Act, 1962 for non-compliance in respect of

mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iv) The total amount paid of Rs 6,06,066/- should not be appropriated against the above mentioned demands.

v) Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.17.** Now, therefore, the DTA importer, namely, **M/s Shree Salasar Impex** (IEC:CTZPG7156F) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-3 to Annexure-G** having declared assessable value of **Rs. 39,20,285/-** (Rupees thirty-nine lakh twenty thousand two hundred and eighty-five only) should not be confiscated under Section 111(d), 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in **Table-3 to Annexure-G** to the show cause notice should not be denied and the differential duty amount of **Rs. 3,81,444/-** (Rupees three lakh eighty-one thousand four hundred and forty four only) as detailed in **Table-3 to Annexure-G** to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-3 to Annexure-G** having declared assessable value of **Rs. 39,20,285/-** (Rupees thirty-nine lakh twenty thousand two hundred and eighty-five only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iii) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.18.** Now, therefore, the DTA importer, namely, **M/s Gautam International** (IEC: AHHPJ1154C) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-4 to Annexure-G** having declared assessable value of **Rs. 29,38,959/-** (Rupees twenty-nine lakh thirty-eight thousand nine hundred and fifty-nine only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in **Table-4 to Annexure-G** to the show cause notice should not be denied and the differential duty amount of **Rs. 2,85,961/-** (Rupees two lakh eighty-five thousand nine hundred and sixty one only), should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-4 to Annexure-G** having declared assessable value of **Rs. 29,38,959/-** (Rupees twenty-nine lakh thirty-eight thousand nine hundred and fifty-nine only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iii) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.19.** Now, therefore, the DTA importer, namely, **M/s Asha Steels Papers** (IEC: AJAPJ6481B) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-5 to Annexure-G** having declared assessable value of **Rs. 30,27,790/-** (Rupees thirty lakh twenty-seven thousand seven hundred and ninety only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in **Table-5 to Annexure-G** to the show cause notice should not be denied and the differential duty amount of **Rs 2,94,604/-** (Rupees two lakh ninety-four thousand six hundred and four only) as detailed in **Table-5 to Annexure-G** to the Show Cause Notice, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-5 to Annexure-G** having declared assessable value of **Rs. 30,27,790/-** (Rupees thirty lakh twenty-seven thousand seven hundred and ninety only) should not be confiscated under Section 111(d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iii) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.20.** Now, therefore, the DTA importer, namely, **M/s Jageshwar Plastic House** (IEC:515007358) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-6 to Annexure-G** having declared assessable value of **Rs. 2,45,12,369/-** (Rupees two crore forty-five lakh twelve thousand three hundred and sixty-nine only) should not be confiscated under Section 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in **Table-6 to Annexure-G** to the show cause notice should not be denied and the differential duty amount of **Rs. 23,85,054/-** (Rupees twenty-three lakh eighty-five thousand and fifty-four only), should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

ii) The imported goods cleared into DTA vide Bills of Entry as detailed in **Table-6 to Annexure-G** having declared assessable value of **Rs. 2,45,12,369/-** should not be confiscated under Section 111(d), and 111(o) of

the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

iii) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.21.** Now, therefore, the DTA importer, namely, **M/s Priyal International** (IEC: ADSPT9230A) is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

i) The imported goods cleared into DTA vide Bills of Entry as detailed in '**Annexure-H**' having declared assessable value of **Rs. 4,74,96,661/-** (Rupees four crore seventy-four lakh ninety-six thousand six hundred and sixty-one only) should not be confiscated under Section 111(d), 111 (m) & 111(o) of the Customs Act, 1962 for the use of non-authentic Certificates of Origin to evade Customs Duty. The duty exemption benefit of the Notification No. 46/2011-Cus. Dated 01.06.2011, as amended, claimed and extended at the time of assessment of aforesaid consignments as detailed in '**Annexure-H**' to the show cause notice should not be denied and the differential duty amount of **Rs. 46,21,425/-** (Rupees forty-six lakh twenty-one thousand four hundred twenty five only) should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962;

vi) The imported goods cleared into DTA vide Bills of Entry as detailed in "**Annexure-H**" having declared assessable value of **Rs. 4,74,96,661/-** (Rupees four crore seventy-four lakh ninety-six thousand six hundred and sixty-one only) should not be confiscated under Section 111 (d) and 111(o) of the Customs Act, 1962 for non-compliance in respect of mandatory SIMS registration as per prevailing Import policy and DGFT Notification No. 33/2015-2020 dated 28.09.2020;

vii) The total amount paid of **Rs 6,01,033/-** should not be appropriated against the above mentioned demands

viii) Penalty under Section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**12.22.** Now, therefore, **Shri Nilesh Thakkar, Proprietor of M/s Priyal International**, is hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

- i. The imported goods i.e., "Flat Rolled Products of Stainless Steel" cleared into DTA vide Bills of Entry as detailed in '**Annexure-H**' having declared assessable value of **Rs 4,74,96,661/-** (Rupees four crore seventy-four lakh ninety-six thousand six hundred and sixty-one only) should not be confiscated under Section 111(d), 111 (m) and 111(o) of the Customs Act, 1962;
- ii. Penalty under section 112, 114A, 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

**13.** Each of the above Noticees are required to submit their reply in writing, within 30 days from the date of receipt of this notice. In their written reply, the Noticees 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(s). Further, the Noticees are 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.

**14.** 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.

**15.** 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.

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

Commissioner,  
Custom House, Kandla

**By Speed Post/Courier.**

To,

- (i) M/s.Commodities Trading,Plot No. 31-B/32, Sector-I, KASEZ, Gandhidham.
- (ii) Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ R/o DBZ-S-143, Gandhidham, Opp. Om corner, Gandhidham.
- (iii) M/s. A.D.Mehta Clearing Agency, 21-22, KASEZIA building, Gandhidham.
- (iv) Shri Devang Mehta, Partner of M/s. A.D.Mehta Clearing Agency R/o Plot No. 312, Ward 3A, AdipurGandhidham.
- (v) M/s. Unique Steel, 104, 1st Floor, "Rishabh Arcade", Plot No. 83, Subhash Nagar, Ward 8/A, Gandhidham, Kutch-370205
- (vi) Shri Deepak Manuja,D-06, Plot no 285, Subhash Nagar, Ward 8/A,, Gandhidham, Kutch-370205.
- (vii) M/s. RMC Enterprise, Office No. 4, Plot No. 261, Shanti Prakash Market Building, Ward No. 12-B, Gandhidham.
- (viii) Shri Rahul Chavda, proprietor of M/s. RMC Enterprise R/o House No. 524, Block No. 50, Near Kandla Free Trade Zone, Gujarat Housing Board, Gandhidham.
- (ix) M/s. AJ Steel,T-5, Sant Nagar, Shankurpur Basti, Rani Bagh, Pitampura, North West Delhi-110034.
- (x) Shri Ankit Jhamb,T-5, Sant Nagar, Shankurpur Basti, Rani Bagh, Pitampura, North West Delhi-110034.
- (xi) M/s. A D Enterprise, D-06, Plot No.285 Ward, 8-A, Subash Nagar, Gandhidham-Kutch, Gujarat-370201
- (xii) M/s Shivani Juyal, D-06, Plot No.285 Ward, 8-A, Subash Nagar, Gandhidham-Kutch, Gujarat-370201
- (xiii) M/s. D S Trading Company, Plot No. 46, Vithal Nagar, LS No. 122, Meghparborichi, Anjar, Kutch
- (xiv) Shri Sandeep Manuja,Plot No. 46, Vithal Nagar, LS No. 122, Meghparborichi, Anjar, Kutch.
- (xv) M/s. Shree Salasar Impex, Basement Floor, D-1593, North West Delhi- 110040
- (xvi) M/s. Jageshwar Plastic House, D-1593 Dsidclndustrial Area, Narela, Near Mangla Mall, Delhi
- (xvii) M/s. Asha Steels & Papers,GF, Khasra No -30/8, Gali No -04, Master Mohalla, Libaspur, Delhi-110042
- (xviii) M/s. Gupta Steel, B-47/2 Group Wazirpur Industrial Area Delhi-110052.
- (xix) M/s. Gautam International, A-63, 1stFloor, Wazirpur industrial Area, New Delhi – 110052.
- (xx) M/s. Om Sai Ram Trading,1/17, Rukmani Vatika,Main Rohtak Road, Nangloi, Delhi West, Delhi-110041.
- (xxi) M/s. Priyal International, Navkar Complex, Shopno.2, Plot no.217, Ward-12/B, Gandhidham-370201.

(xxii) Shri Nilesh Thakkar, proprietor of M/s. Priyal International R/o Plot No. 191, Ward 9 AG, Bharat Nagar, Gandhidham.

**Copy to:**

1. The Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch.
2. The Principal ADG, DRI, Ahmedabad Zonal Unit, Ahmedabad for kind information.
3. DG, CEIB, New Delhi.
4. The Deputy/Assistant Commissioner of Customs, Adjudication Cell, Kandla Customs House, Kandla.
5. The Deputy Commissioner of Customs, KASEZ, Gandhidham.
6. Guard file.

**Annexure-R**

**Attached to Show Cause Notice issued vide F.No. GEN/ADJ/COMM/269/2024-Adjn-O/o Commr-Cus-Kandla to M/s. Commodities Trading, KASEZ and others  
(List of Relied upon Documents)**

RUD-1: CBIC Notification No. 1/2017-Customs (CVD) dated 07.09.2017

RUD-2: letter F. No. K-43017(16)/1/2021-SEZ dated 13.07.2021 from the Ministry of Commerce and Industry along with DRI letter F. No. DRI/AZU/CI/INT-02/2021/494 dated 09.06.2021

RUD-3: Copy of Alert Circular No. 02/2021-CI dated 09.09.2021 issued from the DRI Headquarter.

RUD-4: H.M. No. 18 dated 27.09.2021 vide No. CRA-I/Specified Officer\_KASEZ (2019-21)/HM No. 18.

RUD-5: Letter of Approval (LoA) F. No. KASEZ/IA/04/2015-16 dated 18.05.2015 and subsequent amendments and Bond-cum-Undertaking submitted by M/s. Commodities Trading.

RUD-6: Panchnama dated 28.01.2021 drawn at M/s. Commodities Trading, Office No. 02, First Floor, Plot No. 25, 26 & 27, Sector-10B, Gandhidham

RUD-7: Statement of Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ recorded on 28.01.2021.

RUD-8: Statement Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency recorded on 28.01.2021.

RUD-9: Statement Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency recorded on 29.01.2021

RUD-10: Statement Shri Deepak Manuja, Proprietor of M/s. Unique Steel recorded on 29.01.2021.

RUD-10A: Summons dated 05.04.2024, 15.04.2024 and 02.05.2024 issued to Mr Deepak Manuja for recording his statement.

RUD-11: Statement Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ recorded on 08.02.2021

RUD-12: Statement Shri Sandeep Manuja, Proprietor of M/s. D.S. Trading Company, Gandhidham recorded on 17.02.2021.

RUD-13: Statement Shri Rahul Chavda, Proprietor of M/s. RMC Enterprises recorded on 17.02.2021.

RUD-14: Statement Shri Ankit Jhamb, Proprietor of M/s. AJ Steel, New Delhi recorded on 04.03.2021.

RUD-15: Statement Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ recorded on 28.05.2021

RUD-16: Statement Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency recorded on 03.06.2021.

RUD-16A: Statement Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency recorded on 20.02.2023.

RUD-16B:Statement Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ recorded on 22.02.2023

RUD-16C:Statement Shri Devendra Bansal, Partner of M/s. Commodities Trading, KASEZ recorded on 10.04.2024

RUD-16D:Statement Shri Devang Mehta, Partner of M/s. A.D. Mehta Clearing Agency recorded on 10.04.2024

RUD-17: Request for IEC verification vide letters & emails 02.12.2021 and verification report received from jurisdictional Commissionerate and related correspondence.

RUD-18: Banks statements/details pertaining to M/s. RMC Enterprises, Gandhidham

RUD-19: Banks statements/details pertaining to M/s. Priyal International, Gandhidham

RUD-20: Banks statements/details pertaining to M/s. Unique Steel, Gandhidham

RUD-21: Banks statements/details pertaining to M/s. AD Enterprises

RUD-22: Banks statements/details pertaining to M/s. DS Trading Company

RUD-23: Banks statements/details pertaining to M/s. AJ Steel

RUD-24: Letters/emails dated 02.12.2021 issued to SEZ unit and DTA importers calling for certain documents and related correspondence.

RUD-25: Copy of Affidavit and blank cheques (for differential duty payments) submitted by Shri Deepak Manuja

RUD-26: Copy of Affidavit and blank cheques (for differential duty payments) submitted by Shri Ankit Jhamb

RUD-27: Copy of Affidavit and blank cheques (for differential duty payments) submitted by Shri Rahul Chavda

RUD-28: Copy of Affidavit and blank cheques (for differential duty payments) submitted by Ms. Shivani Juyal

RUD-29: Annexure-A: Differential Duty calculation sheet in respect of DTA Clearances of Flat products of Stainless Steel by M/s. Commodities Trading, KASEZ (Both Malaysia Origin and China Origin).

RUD-30: Annexure B Details of goods cleared by Ms Unique Steel.

RUD-31: Annexure C Details of the goods cleared by the DTA Client Ms AJ Steel.

RUD-32: Annexure D Details of the goods cleared by DTA Client Ms DS Trading.

RUD-33 Annexure-E Details of the goods cleared by the DTA Client Ms RMC Enterprise.

RUD-34 Annexure-F Details of the goods cleared by the DTA Client Ms A D Enterprise.

RUD-35: Email correspondence from FTA Cell regarding non authentic COO of Malaysia.

Annexure G: Duty calculation sheet in respect of DTA Clearances of Flat products of Stainless Steel by various DTA Clients of M/s. Commodities Trading, KASEZ.

Annexure H: Duty calculation sheet in respect of DTA Clearances of Flat products of Stainless Steel by M/s Priyal International, KASEZ.

Annexure J Malaysia: Differential Duty calculation sheet in respect of DTA Clearances of Flat products of Stainless Steel by M/s. Commodities Trading, KASEZ by use of non – authentic COO of Malaysia.

Annexure K China: Differential Duty calculation sheet in respect of DTA Clearances of Flat products of Stainless Steel by M/s. Commodities Trading, KASEZ for nonpayment of CVD in terms of Noti no 01/2017-Cus (CVD) dated 07.09.2017 (China Origin).

Annexure L: List of BEs where misclassification of goods is done and Calculation sheet (for China origin goods) where wrongly availed duty benefits for such misclassification in respect of DTA Clearances of Flat products of Stainless Steel by M/s. Commodities Trading, KASEZ under Notification 50/2018-Cus dated 30.06.2018