कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
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A. File No.	:	**GEN/ADJ/ADC/804/2026-Adjn-O/o Pr. Commr-Cus-Mundra**
B. SCN No.	:	**49/2026-27/ADC/ZDC/MCH**
C. Passed by	:	**Dipak Zala,** **Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.**
D. Noticess(s)/Importer	:	1.**Shri Barma Nand Goel** 2.**Shri Mohammad Saleem, Proprietor of M/s. Azhaan Traders** 3.**Shri Mohammad Shan, Proprietor of M/s. Shan Enterprises**
E. DIN	:	**20260571MO0000222BF9**

SHOW CAUSE NOTICE UNDER SECTION 124 & SECTION 28(4) OF THE CUSTOMS ACT, 1962

Whereas it appears that:

1.1. M/s. Azhaan Traders having registered place of business located at Rafeek Ke Hotel Ke Pass, Manpur, Muradabad, Uttar Pradesh-244001, and holding IEC No. IMDPS2730E [hereinafter referred as "importer" for the sake of brevity] is engaged in the import of Cold Rolled Stainless Steel Coil Grade J3 through Mundra Port.

1.2. Intelligence was developed by this office indicating that M/s. Azhaan Traders (IEC: IMDPS2730E), having registered address at Rafeek Ke Hotel Ke Pass, Manpur, Muradabad, Uttar Pradesh-244001 was involved in the diversion of duty-free goods i.e. Cold Rolled Stainless Steel Coil Grade J3 under CTI: 72199090 after claiming exemption of Customs Duties based on Advance Authorizations issued in their name. The said diversion was being done to evade the applicable Basic Customs Duty and IGST on the import of Cold Rolled Stainless Steel Coil Grade J3, the effective rate of BCD, SWS and IGST being 7.5 %, 10 % and 18% respectively. **Intelligence specifically indicated that the said firms had no storage/manufacturing facility at their declared premises and hence advance licences were procured fraudulently through mis-representation to the DGFT.**

1.3. Based on the above intelligence, the following import consignments of M/s. Azhaan Traders were intercepted and put on hold vide hold letter dated 24.11.2025, and the imported goods were examined by the officers of DRI on 28.11.2025.

Table "1"

BE No. & Date	Bill of Lading No.	Container No.	Description of goods as per BE	Advance Authorization License No. and Date
5896848 dated 24.11.2025	025F823212 dated 11.11.2025	DFSU3027992	Cold Rolled Stainless Steel Coil Grade J3	0511035559 dated 07.10.2025
		WHSU2471351	Cold Rolled Stainless Steel Coil Grade J3	
5896207 dated 24.11.2025	025F823211 dated 11.11.2025	TGBU3270453	Cold Rolled Stainless Steel Coil Grade J3	0511035559 dated 07.10.2025
		WHSU2421350	Cold Rolled Stainless Steel Coil Grade J3	

1.4 Subsequently containers imported by M/s. Azhaan Traders as detailed below, were also put on hold vide this office letter dated 04.12.2025 & 05.12.2025, which were then examined by the officers of Customs on 10.01.2026.

BE No. & Date	Bill of Lading No.	Container No.	Description of goods	Advance Authorizatio

			as per BE	**n License No. and Date**
6054391 dated 02.12.2025	JJCSKMUY500321 A dated 21.11.2025	TWCU2145237	Cold Rolled Stainless Steel Coil Grade J3	511035221 dated 18.09.2025
		TWCU2171616	Cold Rolled Stainless Steel Coil Grade J3	
6071526 dated 03.12.2025	JJCSKMUY500321 dated 21.11.2025	TWCU2140699	Cold Rolled Stainless Steel Coil Grade J3	0511035559 dated 07.10.2025
		FTAU1966766	Cold Rolled Stainless Steel Coil Grade J3	

1.5. The above consignments were imported from China with import goods declared as ***"Cold Rolled Stainless Steel Coil Grade J3"*** under CTI 72199090. These imports were made after claiming duty exemption from Basic Customs duty & IGST under Advance Authorisation Licenses, in terms of Notification No. 21/2023-Cus dated 01.04.2023.

2. Examination of Goods

2.1.1 Physical examination of the goods mentioned under the above Bills of Entry No. 5896848 dated 24.11.2025 and 5896207 dated 24.11.2025, filled at Mundra Port was conducted under panchnama dated 28.11.2025**(RUD-01)**. Further, samples were drawn under panchnama dated 23.12.2025**(RUD-02).**

2.1.2 Physical examination of the goods mentioned under the Bills of Entries No. 6054391 dated 02.12.2025 and 6071526 dated 03.12.2025 filed at Mundra Port was conducted by the officers of customs under Panchanama dated 10.01.2026 (**RUD-03**).

2.2. During the examination of goods, copies of documents such as Bill of Entry, Bill of Lading, Packing List, Invoice, etc., were obtained. Based on such documents, the details found is summarized as below:

Table – "2"

S.N.	Particulars	Details			
1	Name of Importer	M/s. Azhaan Traders (IEC No. IMDPS2730E), Rafeek Ke Hotel Ke Pass, Manpur, Muradabad, Uttar Pradesh-244001, and holding			
2	GST No.	09IMDPS2730E1ZY			
3	Email ID	asif.salimpasha@gmail.com			
4	Bill of Entry No. & Date	5896848 dated 24.11.2025	5896207 dated 24.11.2025	6054391 dated 02.12.2025	6071526 dated 03.12.2025
5	Bill of Lading No.	025F823212 dated 11.11.2025	025F823211 dated 11.11.2025	JJCSKMUY500321A dated 21.11.2025	JJCSKMUY500321 dated 21.11.2025
6	Name of Exporter	M/s. JBL METAL LIMITED	M/s. JBL METAL LIMITED	M/s. JBL METAL LIMITED	M/s. JBL METAL LIMITED
7	Description of goods	Cold Rolled Stainless Steel Coil Grade J3	Cold Rolled Stainless Steel Coil Grade J3	Cold Rolled Stainless Steel Coil Grade J3	Cold Rolled Stainless Steel Coil Grade J3
8	Declared CTI	72199090	72199090	72199090	72199090
9	Total Number of Coils	12	12	13	12
10	Quantity of Goods declared	53074 kgs	52892 kgs	52992 Kgs	53738 Kgs
11	Total Declared Price	57455.09 USD	57257.62 USD	57355.27 USD	58175.53 USD
	Total Assessable Value (INR)	6206548	6185216	5741249	6284373
1	Country of consignme				

2.3. During Examination of the containers, weighment was done and the weight was found matching with the declared weight of cargo. After opening the containers, it was found that Coils were imported in those containers. Further, representative samples of imported Coils were drawn under the Panchnama dated 23.12.2025 & 10.01.2026 and the same were sent for laboratory testing and analysis to ascertain their exact identity. The said sealed samples were forwarded to the CRCL Delhi for testing (details of samples is enclosed as **Annexure-1**).

3. <u>RELEVANT PROVISIONS OF THE FTP OUTLINING BENEFITS OF ADVANCE AUTHORIZATION</u>:

3.1 Under the FTP 2023, the Advance Authorisation Scheme allows duty-free import of inputs required for the manufacture of export products. The inputs imported under this scheme are required to be physically incorporated in the resultant export goods, and exports of such goods are to be used for fulfilment of the prescribed export obligation within the stipulated period. Policy relating to the Advance Authorisation Scheme is contained in Chapter 4 of the FTP 2023 which is summarized as below:

(a) As per the eligibility laid down in Chapter 4 of FTP 2023, *Advance Authorisation can be issued to manufacturer-exporters or merchant-exporters tied to supporting manufacturers for physical exports, intermediate supplies and specified deemed exports,* ***subject to actual-user conditions*** and other prescribed conditions.

(b) The export obligation under Advance Authorisation is required to be fulfilled by export of goods **manufactured by using the duty-free imported inputs**, within the period prescribed (18 months from the date of issue of authorisation), with export proceeds to be realized in freely convertible foreign currency, unless otherwise permitted.

3.2 The Directorate General of Foreign Trade vide Notification No. 71/2023 dated 11.03.2024 clarified that Import of inputs under Advance Authorisation is allowed without compliance to the mandatory QCO, when import is done under conditions mentioned below:

i) For Advance Authorisation:

a) *Import of inputs under the Advance authorisation without compliance to the mandatory QCOs shall be with pre-import condition. Such inputs shall be utilised in the manufacturing of the export product* *(making normal allowance for wastage) and shall be exported under the same authorisation.*

b) *Exemption from mandatory QCOs shall be specifically endorsed in the Advance authorisation, upon the request of the authorisation holder. Imports under Authorisation without specific endorsement of exemption shall be made in accordance with mandatory QCOs.*

c) *Any unutilised imports or the products manufactured with inputs imported without compliance to the mandatory QCOs, shall not be transferred to DTA, even after regularisation of default in fulfilment of export obligation. For the purpose of this para, unutilised imports means imported inputs (without compliance of mandatory QCOs) which have not been accounted for, as per SION/Ad-hoc Norms, in the product exported under the same authorisation.*

d) *The unutilised imports shall be regularised as follows:*

   i. *The unutilised material shall be destroyed in the presence of jurisdictional GST/Customs authorities who shall certify the destruction of the goods or same may be re-exported;*

   ii. *In addition, such unutilised imports, irrespective of origin of goods, shall be liable to payment of effective duty on MFN basis along with interest on the exempted material, to Customs Authorities plus composition fee of an amount equivalent to 10% of the CIF value of unutilized imported inputs to DGFT. Proof thereof shall be submitted to the RA concerned before grant of EODC.*

e) *The exemption from QCO will be available for physical exports only and such exemption will not be allowed for deemed exports for Advance Authorisation Holders.*

f) *The facility of clubbing under para 4.36 of Handbook of Procedures (HBP), 2023 shall not be available.*

g) *The Export Obligation period for such authorizations shall be as per para 4.40 of Handbook of Procedures. However, EO period is restricted to 180 days from the date of clearance of import consignment in respect of QCO exemption for textile products.*

h) *Import of Inputs without compliance to the mandatory QCOs under DFIA scheme is not allowed.*

i) *This exemption is further subject to para 2.03 (c) of FTP.*

3.3 In the present case, exemption from the Steel and Steel products (Quality Control) Order, 2024 was specifically mentioned on the Advance Authorisation's and the imports were hence allowed subject to the condition that the resultant product will be re-exported after manufacturing activity.

3.4 During the year 2025, imports of steel coils by M/s. Azhaan Traders were claimed to be under the Advance Authorisation Scheme governed by FTP 2023.

The duty-free import benefit under this scheme and exemption to mandatory quality control order is admissible only if the **imported inputs are used in the manufacture of specified resultant export products and corresponding export obligation is duly fulfilled and evidenced**. The governing policy for such imports by M/s. Azhaan Traders is contained in Chapter 4 of the FTP 2023.

4. Sample Test Reports

4.1. In respect of Coils imported under Bill of Entry no. 5896848 dated 24.11.2025 and 5896207 dated 24.11.2025, CRCL Delhi vide their Test reports dated 27.01.2026 & 28.01.2026 informed this office that said Coils are composed of Stainless Steel (Non-Magnetic). Test Reports are enclosed Annexure-2**(RUD-04).**

4.2 In respect of Coils imported under Bill of Entry **6071526 dated 03.12.2025 and 6054391 dated 02.12.2025** CRCL Delhi vide their Test reports dated 07.04.2026 & 21.04.2026 informed this office that said Coils are composed of Stainless Steel (Non-Magnetic). Test Reports are enclosed Annexure-2**(RUD-04).**

4.3 Stainless-steel by definition contains less than 1.2% of carbon and 10.5% or more of chromium, from the test reports it is clear that the product falls under the definition of Stainless steel.

4.4 From the test reports, it is evident that the importer has not mis-declared the goods in terms of classification or description, as the imported “Cold Rolled Stainless Steel Coils of Grade J3” correctly fall under Customs Tariff Item 72199090; however, in light of the *Steel and Steel Products (Quality Control) Order, 2024*, these coils attract the applicability of IS 5522:2014 (Stainless Steel Sheets and Strips for Utensils – Specification), though given that the importer intended to sale the goods in the local market without control over their end-use, IS 6911:2017 (Stainless Steel Plate, Sheet and Strip – Specification) appears more appropriate, and in either case, it is clear that the importer effected imports without mandatory BIS certification by fraudulently availing Advance Authorisation without any intention or capacity to cause further manufacturing as mandated, thereby misusing the facilitation extended by the Government of India to promote exports. Since the importer failed to adhere to the mandatory conditions stipulated under the Advance Authorisation, the goods in question assume the status of restricted goods, and in the absence of BIS compliance, such goods further become prohibited in nature under the prevailing regulatory framework. The details of both BIS standards with scope is given as below:

Sr No.	IS Number	IS Title	Scope of the IS
1	IS 5522: 2014	Stainless steel sheets and strips for utensils – Specification.	This standard covers the requirements for stainless steel in the form of sheets and strips for manufacture of utensils.
2	IS 6911: 2017	Stainless steel plate, sheet and strip – Specification.	1.1 This standard covers the requirements for stainless and commonly used heat resisting steel plate, sheet and strip. 1.2 This requirement of stainless steel and strips for the manufacture of utensils have been covered in IS 5522 and IS 15997.

SEARCH AND VISIT AT THE REGISTERED MANUFACTURING ADDRESS OF THE FIRM M/S AZHAAN TRADERS.

Whereas, during the course of investigation, Search/visits was conducted by the officers of DRI:

5.1 The Manufacturing facility of M/s Azhaan Traders as declared in Advance Authorization licenses located at Rafeek Ka Hotel Ke Pass, Manpur, Moradabad, Uttar Pradesh-244001 was visited by the Officers of DRI, Lucknow Zonal Unit under Authorization for search bearing DIN: 202511DDZ8000000E607 on 28.11.2025. During the visit to the premises, no name plate or sign board of M/s. Azhaan Traders was found and on being inquired, it was found that no firm in the name of M/s. Azhaan Traders was in existence at that location. Accordingly, search could not be executed due to non-availability of registered manufacturing address and visit note dated 28.11.2025 **(RUD- 05)** was drawn at the premises.

6. SUMMONS ISSUED TO SHRI MOHD. SALEEM, PROPRIETOR OF M/S. AZHAAN TRADERS (IEC: IMDPS2730E) AND HIS STATEMENT:

6.1 Summons (CBIC-DIN-202512DDZ1000000CF99) dated 01.12.2025, was issued to M/s. Azhaan Traders. Consequent to the Summons (CBIC-DIN-202512DDZ1000000CF99) dated 01.12.2025, a statement of ***Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders*** (IEC: IMDPS2730E)**,** was recorded under Section 108 of the Customs Act, 1962 on 03.12.2025**(RUD-06)**, wherein ***Shri Mohd. Saleem interalia*** stated that:

i. He is the proprietor of the firm M/s. Azhaan Traders and that he has completed BBA from TMU University, Moradabad. The firm M/s. Azhaan Traders has been registered under GST since November 2022; however, no business has been conducted in this firm till date, as he had obtained the GST registration with the intention of starting a trading business, but could not commence any business activity.

ii. There is no manufacturing facility at the address “Rafeek Ka Hotel ke paas, Manpur, Moradabad, Uttar Pradesh – 244001.” He clarified that the said premises is a rented residential premises where he was residing.

iii. He had obtained the Importer Exporter Code (IEC) in the month of July 2025. He further stated that, on being contacted by a person on WhatsApp and as per the directions of his vakil, Shri Mohd. Nadeem, he obtained the IEC. He was informed about a so-called “Pradhan Mantri scheme” under which steel coils could be imported from China without payment of duty and utensils such as bowls, plates, pots, tasla, channi, etc., manufactured from the same, were to be exported.

iv. He had visited office at Lajpat Nagar, Moradabad, for obtaining IEC registration, where he submitted his PAN card, Voter ID card and also provided his biometric details.

v. The imported material was steel coil imported from China, but he was not the person who placed the orders and he is not aware of the names of the foreign suppliers. He further stated that only his vakil, Shri Mohd. Nadeem, can provide details of the person who actually placed the orders.

vi. The total value of the imported goods was approximately Rs. 55 lakhs.

vii. He does not know the name of the Customs Broker/CHA handling the imports of M/s. Azhaan Traders and that the entire process is being handled by his vakil, Shri Mohd. Nadeem.

viii. He has never heard of the firm M/s. Oriental Tradelink. He further stated that he has never met the CHA or any representative of the CHA, nor has he had any telephonic conversation with them.

ix. He does not know how payments to the foreign suppliers were made on behalf of his firm. He received certain details on WhatsApp and, accordingly, visited the bank around 9–10 times, where he signed documents relating to bank guarantees and remittances.

x. He received funds in his bank accounts for making payments to the foreign suppliers and he does not know the source of these funds. He further stated that he received instructions on WhatsApp regarding such payments and, as per the directions of Shri Mohd. Nadeem (vakil), he shared the OTP received on his phone with Shri Mohd. Nadeem for effecting the payments.

xi. Shri Mohd. Nadeem resides on the second floor, above a barber shop, in front of Sai Medical Store, Tadikhana Choraha, near Gurudwara, Moradabad, and his contact number is 8218751939.

xii. He does not know the whereabouts of the previously imported goods, as he was not aware of when the goods were imported. He was only told to share OTPs received on his phone and he provided the same to Shri Mohd. Nadeem whenever he received them. He further stated that, prior to coming for recording of his statement, he was told by Shri Mohd. Nadeem to state that the previous goods are lying at Karola, Moradabad.

xiii. He is not aware of the process of obtaining Advance Authorisation and that he had merely provided his documents on WhatsApp to some person, as directed.

xiv. He has perused the visit note dated 27.11.2025 drawn during the execution of the Search Authorisation issued for the premises of M/s. Azhaan Traders at "Rafeek Ka Hotel ke paas, Manpur, Moradabad, Uttar Pradesh – 244001," and informed that the location shown in the photographs is his residence.

xv. He voluntarily showed the email communications of the email ID **asif.salimpasha @gmail.com**, which he opened in his mobile phone for verification by the officers and further stated that Shri Mohd. Nadeem also has access to the said email ID.

xvi. On being shown the email conversation between "**asif.salimpasha@gmail.com**" and "**otl.docs@gmail.com**," he stated that he has never heard of the email ID "**otl.docs@gmail.com**." He further stated that, although "**asif.salimpasha@gmail.com**" is his email ID, he does not use it and that he had provided the login credentials to one person, as per the directions of Shri Mohd. Nadeem, who handles this email ID for import purposes. He also stated that he has voluntarily submitted his mobile phone for verification by the officers and has signed the chain-of-custody form.

xvii. On being shown the bank-signed letterhead available in the email communication with "**otl.docs@gmail.com**," he stated that he had signed blank letterheads and had sent the same on WhatsApp.

xviii. He has no idea regarding the actual users of the previously imported goods. He was promised an amount of about Rs. 5 lakhs post-imports and mainly received WhatsApp communications from the concerned person. He further stated that as per directions, he has deleted the WhatsApp communications and apart from this, he does not know much about the imports or the whereabouts of the goods.

xix. He signed the letterheads for authorizing Shri Ratan Kumar Jha during the examination of goods imported vide Bills of Entry No. 5896207 dated 24.11.2025 and 5896848 dated 24.11.2025.

xx. On being asked regarding imports allegedly made in violation of the licence conditions of Advance Licence No. 0511035221 dated 18.09.2025, 0511034855 dated 03.09.2025 and 0511035559 dated 07.10.2025, by importing goods and not utilizing the same in the manufacture of export goods, he stated that he was only aware that M/s. Azhaan Traders held one Advance Licence for import of steel coils and was not aware of the other licences. He further stated that he is not aware of the licence conditions as he has never seen the licences and had only sent his documents as per the directions of Shri Mohd. Nadeem.

6.2 On the basis of statement of Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders where he stated that Shri Mohd. Nadeem has handled the whole import process (CBIC-DIN-202601DDZ1000000B8D4) Summons dated 02.01.2026, were issued to Mohd. Nadeem. Consequent to the Summons (CBIC-DIN-202601DDZ 1000000B8D4) dated 02.01.2026, statement of ***Shri Shakeeb Choudhary, Person Authorized by Mohd. Nadeem, (RUD-07)*** was recorded under Section 108 of the Customs Act, 1962 on 09.01.2026, wherein ***Shri Shakeeb Choudhary interalia*** stated that:

i. He is a lawyer by profession and is practicing at Moradabad in the City and Civil Court. His educational qualifications are B. Com and M. Com from M.J.P. Rohilkhand University (M.J.P.R.U.).

ii. He has presented himself as the authorised representative of Shri Mohd. Nadeem in response to the summons dated 02.01.2026, as Shri Mohd. Nadeem could not appear in person due to a marriage function at his home.

iii. He had met a person named Shan through Shri Mohd. Nadeem, who introduced Shan as a friend of Shri Mohd. Saleem, proprietor of M/s. Azhaan Traders, and further informed him that M/s. Shankara Industry, Delhi, is the actual beneficiary of the goods imported in the name/IEC of M/s. Azhaan Traders.

iv. Contact number of Shan, who is a resident of Muradabad U.P is 8923726234 and Shri Shan has told him that Shankara Industry of Delhi is using IECs of other importers also for such imports. Shankara Industry pay money to such importers for letting use their IECs for such imports. The IEC holders are not much aware of the imported material in these cases.

v. He has never met Mohd. Saleem the proprietor of M/s. Azhaan Traders.

vi. He produced the GSTN registration of M/s. Shankara Industry, as available on his whatsapp chat with Mohd. Shan.

vii. After calling Mr. Shan during the statement, he stated the name of other firms/IECs, which were used by M/s. Shankara Industry. Name of such firms are M/s. S R India proprietorship of Mohd. Azeem and M/s. Shan Enterprisers, Proprietorship of Shan. They were told about the cheap import of coils from China and export of manufactured goods by M/s. Shankara Industry.

viii. He was contacted by Mr. Shan when summons were issued to Mohammad Nadeem and, Shan informed him about the present matter. Mr. Shan further told him that earlier 6 containers were imported and all are with M/s. Shankara Industry. In return Mohd. Saleem got money from M/s. Shankara Industry. Further he is not aware of the transaction details between them.

6.3 On the basis of Statement of Shri Sakeeb Choudhary where he stated that M/s. Shankara Industry (GSTN-07AAOPG3647B1ZW) is the actual importer/beneficiary of imported Steel Coils on the IEC of M/s. Azhaan Traders. Searches were conducted on Manufacturing and Residencial premises of M/s. Shankara Industry (GSTN-07AAOPG3647B1ZW) and the residence of Proprietor Shri Barma Nand Goel and the proceedings were recorded under panchama dated 13.01.2026 **(RUD-08).**

i. Search proceedings were conducted at Residencial Address of Shri Barma Nand Goel: H. No. 112 B U and V Block, Mandir Road, West Shalimar, Bagh Dist North west Delhi, 110088, Manufacturing facility located at N-175, Sector-1, DSIIC, Bawana, Industrial Area

ii. The premises H. No. 112 B U and V Block, Mandir Road, West Shalimar, Bagh Dist North west Delhi, 110088 was searched on 13.01.2026 by the officer of DRI, Zonal Unit, Ahmedabad and Officers of DRI, Delhi Zonal Unit under Authorization for search bearing DIN-202601DDZ10000111C9A dated 13.01.2026 issued by Deputy Director, Directorate of Revenue Intelligence, Zonal Unit Ahmedabad. During the search proceedings Shri Barma Nand Goel Proprietor of M/s. Shankara Industry informed the officers that M/s. Shankara Industry is involved in manufacturing of Spoons and fork and its manufacturing facility is located at N-175, Sector-1, DSIIC, Bawana, Industrial Area and documents are also maintained at the said premises only. The residential premises was thoroughly searched by officers but no documents related to business was found.

iii. During search Shri Barma Nand Goel requested for verification of documents maintained at Manufacturing facility of M/s. Shankara Industry located at N-175, Sector-1, DSIIC, Bawana, Industrial Area.

iii. Search of manufacturing facility located at N-175, Sector-1, DSIIC, Bawana, Industrial Area was conducted in the presence of panchas and Shri Barma Nand Goel. During the Search of premises officers observed that few machines were installed in the premises and Raw material in the form of cut piece of Steel Sheet and finished products were lying in the premises.

iv. During the search of the said premise no documents other than those related to M/s. Shankara industry were found. The whole proceedings were recorded in the panchnama dated 13.01.2026.

6.3.1 Search proceedings were conducted at Registered Manufacturing facility of M/s. Shankara Industry located at 12/6/3, Pipal Wali Gali No. 9, Samaypur Badli, New Delhi-110042 on 13.01.2026 and same were recorded under Panchnama dated 13.01.2026 **(RUD-09).**

i. The premises 12/6/3, Pipal Wali Gali No. 9, Samaypur Badli, New Delhi-110042 was visited on 13.01.2026 by the officer of DRI, Zonal Unit, Ahmedabad and Officers of DRI, Delhi Zonal Unit under Authorization for search bearing DIN- 202601DDZ10000444A4B dated 13.01.2026 issued by Deputy Director, Directorate of Revenue Intelligence, Zonal Unit Ahmedabad.

ii. In the premises, many machines were installed for manufacturing of spoons and forks and raw material in the form of SS sheet and manufactured spoons were found in the premises.

iii. During the search no documents related to any entity/firm were found and whole proceedings were recorded in Panchama dated 13.01.2026.

6.4 During the search at the premises Summons (CBIC-DIN-202601DDZ1000000BA16) dated 13.01.2026, was issued to Shri Barma Nand Goel. Consequent to the Summons (CBIC-DIN-202601DDZ1000000BA16) dated 13.01.2026, a statement of ***Shri Barma Nand Goel, Proprietor of M/s. Shankara Industry (RUD-10),*** was recorded under Section 108 of the Customs Act, 1962 on 13.01.2026, wherein ***Shri Barma Nand Goel interalia*** stated that:

i. His name is Shri Barma Nand Goel (Age-47 Years), S/o Shri Ramesh Chand Goel, U & V Block, Mandir Road, 112B, Shalimar Bagh, Delhi-110088, Proprietor of M/s Shankara Industry (IEC AAOPG3647B), located at 12/6/3, Pipal Wali Gali No. 9, Samaypur Badli, New Delhi-110042

ii. M/s. Shankara Industry is a proprietorship firm incorporated in the year 2016, which is registered in GST with GST No. 07AAOPG3647B1ZW. M/s Shankara Industry is engaged in manufacturing of stainless-steel cutlery from stainless steel coils.

iii. M/s Shankara Industry has its manufacturing setup at 12/6/3, Pipal Wali Gali No. 9, Samaypur Badli, New Delhi-110042 and at Gata Sankhya 518, Moradabad Road, Royal Enfield Shivani Enterprises, Takht Gosayan, Sambhal, Uttar Pradesh, 244302 both of these addresses are mentioned in GST Registration certificates. He has one more manufacturing facility at N-175, Sector-1, DSIIC, Bawana Industrial Area, Bawana, Delhi, for which he has already made application for amendment with the GST department, which is still pending for approval.

iv. He had no information regarding the firm's M/s Azhaan Traders, M/s Shan Enterprises and M/s SR India. He affirmed that he had not heard about these firms. Further, he clarified that he has no relation whatsoever with any of these firms.

v. He had perused the statement of Mr. Shakeeb Chaudhary dated 09.01.2026. He stated that he does not know Mr. Shakeeb Chaudhary or what his designation is in any of these firms, and that he is not able to understand why his name has been taken as the mastermind in this case, as he does not know anything about the matter. Further, he stated that, in respect of his previous transactions with Mr. Shan, an amount of approximately Rs. 77 lakh was receivable by him from Mr. Shan, and for this reason he has also filed a case against Mr. Shan before the MSME authorities; he suspects that, in order to take revenge, Mr. Shan might have told Mr. Shakeeb Chaudhary that he is the mastermind of these transactions.

6.5 Summons (CBIC-DIN-**202601DDZ10000000A11**) dated 30.01.2026, was issued to M/s. Azhaan Traders. Consequent to the Summons (CBIC-DIN-**202601DDZ10000000A11**) dated 30.01.2026, another statement of ***Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders*** (IEC: IMDPS2730E)**,** was recorded under Section 108 of the Customs Act, 1962 on 12.02.2026**(RUD-11)**, wherein ***Shri Mohd. Saleem interalia*** stated that:

i. He is the proprietor of the firm M/s. Azhaan Traders. The firm M/s. Azhaan Traders is registered under GST at the address "Rafeek ka Hotel ke paas, Manpur, Moradabad, Uttar Pradesh – 244001," which was his residential premises where he, along with his wife and two children, used to reside. The area of the said premises is around 60 square yards, and he has recently shifted, in the month of January 2026, to another address at the house of Shri Babu Bhai in Thathera Mohalla, Moradabad.

ii. The registered premises was a residential house and, after he vacated the same, no one has been residing there, as the owner intended to renovate the property and the premises was vacated for that purpose.

iii. He stated that his friend, Mr. Mohammad Shan, informed him about a government scheme under which goods would be imported under the Advance Licence of M/s. Azhaan Traders and the manufactured products would be exported within a period of two years. He further stated that his friends, Mr. Mohammad Shan and Mr. Azeem, were already engaged in similar work in their respective firms, M/s. Shan Enterprises and M/s. S R India, in association with a certain party/person, wherein they were only required to provide their documents, such as GST registration, Aadhaar card, PAN card, etc., and in return they were receiving monthly payments. Mr. Mohammad Shan insisted that he also provide his aforesaid documents and assured him of monthly payments of about Rs. 20,000 to Rs. 25,000, along with a further lump-sum payment of about Rs. 5 to 10 lakhs at the end of two years. Relying upon these assurances and commitments given by Mr. Mohammad Shan, he left his job and handed over his documents to Mr. Mohammad Shan. He didn't know the process of obtaining Import Export Certificate.

iv. Mohd. Shan informed him that he was conducting this business with a person in Delhi known as Shri Chintu Lala. He further stated that he, along with Shan and Azeem, had gone to Delhi to deliver his documents to Shri Chintu Lala; however, he could not meet that person. He clarified that he has never personally met Shri Chintu Lala and that all communications with that person were made by Shan, who also handed over his documents.

v. He has never met Shri Barma Nand Goel or Chintu Lala and he has only heard about him from Mr. Shan. Only after the first summons of DRI, he had received a call from a person who introduced himself as Chintu Lala and directed him to go to DRI Ahmedabad office to tender his statement.

vi. He has never met Mr. Barma Nand Goel in person. He has received payments from Mr. Shan only. Mr. Shan used to provide him cash of Rs. 1000-2000 or in his account. He has received around Rupees 15000-20000 per month from Mr. Shan.

vii. He was not aware about the benefits, Mr. Shan was getting in lieu of arranging IEC for import of cold rolled stainless steel under advance authorization. He stated that only Shan or Azeem can tell more about it.

viii. He was not aware of the process of obtaining Advance Authorization and he had provided copy of Adhaar card/Pan card/Signed letter head/GST Registration and his proprietor stamp to Mr. Shan and he also gave the access of his email id to Mr. Shan, which was then used in the import related work of M/s. Azhaan Traders.

ix. No purchase order has ever been placed by him and that he does not know any of the Chinese suppliers. He further submitted that he is not well acquainted with the import procedures and that he had provided his documents, his proprietor stamp, duly signed letterheads and the ID/password of his email ID "asif.salimpasha@gmail.com" to Shri Mohd. Shan. Further the access to the said email ID was provided to Shri Mohd. Shan in June 2025 and that, thereafter, the control and use of this email ID remained with Shri Mohd. Shan.

x. He stated that the payment-related process was handled by Shri Mohammad Shan and that he personally never had any direct communication of any kind with Shri Chintu Lala. He further clarified that payment-related communications were received by Shri Mohammad Shan on WhatsApp from a person named Shri Chintu

Lala. The general practice, as explained by him, was that RTGS credits were received in his bank account from unknown accounts and, thereafter, as per the directions of Shri Mohammad Shan, (or in his absence Shri Mohd. Azeem), the payments were managed. He used to transfer the funds to the accounts of other parties by issuing cheques for RTGS, with the assistance of Shri Mohammad Shan or Shri Mohd. Azeem. In respect of foreign remittances, he stated that he had visited the bank a few times along with Shri Mohammad Shan and Shri Mohd. Azeem to make payments to the concerned parties.

xi. He had never received the goods imported on the IEC of M/s. Azhaan Traders, further, he had never visited any port. He further stated that he was in contact with Mr. Shan and as per his directions he had made the payments to few parties in respect of imports from the funds received in his bank account. He had also visited bank a few times for confirming the Bank Guarantees and for making payment to foreign suppliers.

xii. He is not aware of any exports from his firm M/s. Azhaan traders.

xiii. He stated that before coming to the DRI for tendering his statement he had received a call from an unknown number, the person on the call introduced himself as Chintu Lala. The said person informed him to be present at DRI, Ahmedabad office for tendering statement.

xiv. He came to DRI Office with some documents (copy of Advance Licenses) as provided to him by Mohammad Nadeem and Mohammad Shan. He further stated that Mohammad Shan has arranged vehicle for commutation to Ahmedabad from Muradabad and also provided him rupees 30,000/- for expenses. As he did not want to reveal the name of Mohammad Shan, he had taken the name of Mohammad Nadeem in his statement dated 03.12.2025.

xv. He stated that as per his knowledge Mohammad Nadeem had no active role in the import process of M/s. Azhaan Traders.

xvi. He had perused the Affidavit as received on email of driazu-ci1@gov.in, which was signed by him at the house of Advocate Shakib Choudhary. He had briefed the matter to Advocate Shakib Choudhary. The facts stated in affidavit regarding giving documents to Chintu Lala and meeting Chintu Lala in Delhi are not true as he had never met Chintu Lala. He stated that he had given his documents to Shan and went to Delhi with Shan to meet Chintu Lala but only Shan met Chintu Lala.

xvii. He agreed that **the things stated in the affidavit are factually incorrect (RUD-12).** He further stated that he had given his documents to Mr. Shan when they went to Delhi to meet a person known as Chintu Lala. However, neither he met Chintu Lala nor he had ever received any money from Chintu Lala. He had received money from Mohammad Shan as per the direction of Chintu lala. He only received one call from a person named Chintu Lala and that too just before coming to DRI Office before his first statement.

xviii. Mohd Saleem had deposited cash amount of around 12-13 lakh in his account. Out of this amounts, Rupees 1 lakh cash was received from Mr. Shan and Rs. 10 lakhs were withdrawn from the account of Mohammad Azeem, which was then deposited to his (Mohd. Saleem) account for making payments to few parties as per the direction of Mohammad Shan who informed that same is being directed by Chintu lala.

xix. He doesn't know any of the parties, which were depositing the funds to his account as he only received direction from Mr. Shan and he had to work as per the directions of Mr. Shan only.

xx. He had withdrawn money as per the direction of Mr. Shan of M/s. Shan Enterprises. These funds were transferred by Mr. Chintu Lala as informed by Mr. Shan. He used to give cash withdrawn from his account to Shan and Shan was the one who used to manage these funds. Shan used to give him and Azeem the money in cash or in their accounts as per their requirements. However, He does not know the exact amount withdrawn by him but he had received money for 2-3 months only.

xxi. He stated that as per his knowledge M/s. Azhaan Traders holds only one Advance license for import of steel coil and he is not aware of the other licenses. He further stated that he is not aware of the license conditions as he had never seen one. He has only given his documents to Mohammad Shan.

xxii. He is not aware that, for imports to be made under advance license, all the conditions of the advance license have to be met, and these imported goods cannot be sold in local market. He further stated that he had never seen copy of any advance licenses issued in the name of Firm M/s. Azhaan Traders (IEC- IMDPS2730E).

xxiii. He had perused the details of total imports of M/s. Azhaan Traders and the customs duty evaded by misuse of Advance license in import of Cold rolled Steel coil on the IEC of M/s. Azhaan Traders. He signed the same and agreed that M/s. Azhaan Traders by doing so has evaded total duty amounting to Rs. 1,41,73,530/- which included Basic Custom duty amounting to Rs. 56,73,951/-, SWS amounting to Rs. 567395/- and IGST amounting to Rs. 79,32,184/-.

xxiv. He had perused the Bill of Lading no. A33FY15736 dated 03.12.2025 and Bill of Lading no. A33FY15735 dated 03.12.2025 issued in the name of M/s. Azhaan Traders, and the same was signed by him. He further stated that he is not aware of any such imports and He is not the owner of the said goods. Also, he had never made any payment to M/s. JBL Metal Limited in respect of above-mentioned bill of lading.

xxv. He had perused the Show Cause Notice dated 21.01.2026 issued by the DGFT in case of M/s. Azhaan Traders (IEC- IMDPS2730E) for cancellation of Advance Authorization, imposition of penalty on account of misdeclaration of non-existent Manufacturing unit. He agreed that there is no manufacturing facility of M/s. Azhaan Traders and that these imports were not made by him and he has no issue even if DGFT cancels the IEC- IMDPS2730E of M/s. Azhaan Traders**.**

6.6 Summons (CBIC-DIN-202601DDZ1000021742C) dated 19.01.2026, and Summons (CBIC-DIN-202601DDZ10000123513) dated 30.01.2026 were issued to Shri Mohd. Shan. Consequent to the Summons (CBIC-DIN-202601DDZ10000123513) dated 30.01.2026, a statement of ***Shri Mohd. Shan, Proprietor M/s. Shan Enterprises,*** **(RUD-13)** was recorded under Section 108 of the Customs Act, 1962 on 09.02.2026, wherein ***Shri Mohd. Shan, interalia*** stated that:

i. His name is Mohammad Shan, Proprietor of M/s. Shan Enterprises (IEC-GUPPS7653C), located Near J P Tondon, Thathera Street, Moradabad, Uttar Pradesh-244001, His Aadhar Number is 301264587459.

ii. He is doing business with Shri Chintu ji of M/s. Raghav Rolling Mill since 2019, and that Raghav Rolling Mill subsequently shut down its operations during the lockdown period. Thereafter, he worked with Shri Sushil ji and Shri Gopal ji of Moradabad, where he incurred losses and consequently winded up the business. In 2023–24, he again started business with M/s. Shankara Industry of Shri Chintu ji, wherein he used to purchase steel sheets from Shri Chintu ji on credit, manufacture spoons under the brand name “Royal King” and sell the same to his buyers. Subsequently, Shri Chintu ji started supplying goods to other buyers and stopped supplying goods to him, resulting in an outstanding credit of about Rs. 80 lakhs payable by him to Shri Chintu ji, due to which he stopped the business.

iii. He stated that he had started a restaurant in Moradabad in August 2024, which he ran for about nine months. As he started receiving payments from his creditors, he cleared a substantial part of the outstanding dues of Shri Chintu Lala, and now only an amount of approximately Rs. 26 lakh remains outstanding and payable by him to Shri Chintu ji.

iv. He stated that he had a verbal altercation with Shri Chintu Lala regarding the said outstanding amount of Rs. 26 lakhs payable by him to Shri Chintu ji, and that thereafter they lodged complaints against each other.

v. He stated that Shri Chintu ji contacted him and informed him that, in M/s. Shankara Industry, they were carrying out duty-free import of steel coils under Advance Licence. Shri Chintu ji proposed to effect imports in the name of M/s. Shan Enterprises and assured him that the manufactured utensils would be exported within a period of two years.

vi. He further stated that he was receiving an amount of about Rs. 35,000 to Rs. 40,000 per month from Shri Chintu Lala and that Shri Chintu Lala had also promised to set off the remaining outstanding credit of Rs. 26 lakhs payable by him to Shri Chintu ji.

vii. He stated that till date he had received Rs. 3,00,000/- from Shri Chintu (Barma Nand Goel).

viii. He stated that M/s. Azhaan Traders is the proprietorship firm of his friend Mohammad Saleem and M/s. S R India is the proprietorship firm of his friend Mohammad Azeem. He used to go to the office of Shri Barma Nand Goel in Delhi with Mohammad Azeem and Mohammad Saleem even before they got into business with Shri Barma Nand Goel.

ix. He stated that Shri Chintu Lala has imported goods in M/s. Azhaan Traders, which is the proprietorship firm of Mohammad Saleem and M/s. S R India which is the proprietorship firm of Mohammad Azeem.

6.7 From the above, it is evident that M/s. Azhaan Traders obtained an IEC and Advance Authorisation solely to evade applicable customs duties. In his statement dated 12.02.2026, Shri Mohd. Saleem inter alia accepted that he furnished his documents to Mohd. Shan and was unaware of the whereabouts of the previously imported goods. He acted solely on Mohd. Shan's directions in leu of monthly payments from Mohd. Shan. Mohd. Shan, who in nexus with Shri Chintu Lala (Barma Nand Goel) of M/s. Shankara Industry, orchestrated the imports under M/s. Azhaan Traders solely to evade the applicable customs duties.

7. Investigation and Cancellation of Advance Authorizations by Directorate General of Foreign Trade:

7.1 During investigation, this office wrote to The Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Delhi on 10.12.2025**(RUD-14)** requesting Ab-Initio Cancellation of Advance Authorization No. 0511034855 dated 03.09.2025, Advance Authorization No. 0511035221 dated 18.09.2025 and Advance Authorization No. 0511035559 dated 07.10.2025 issued to M/s. Azhaan Traders.

7.2 Show Cause Notice ECA File No. DLIECAAPPLY00003138AM26 dated 21.01.2026 **(RUD-15)** was issued to M/s. Azhaan Traders under section 9(4) and Section 11(2) read with Section 13 and 14 of the Foreign trade (Development & Regulation) Act, 1992 and Rule 10 of the Foreign Trade (Regulation) Rules, 1993 for ab-initio Cancellation of Advance Authorization (s), imposition of penalty and continuation of the firm in Denied Entity List (DEL) on account of misdeclaration of non- existent manufacturing unit at Rafeek ka Hotel ke pass, Manpur, Moradabad, Uttar Pradesh-244001.

8. Seizure of Goods

8.1. The importer's act of **attempting to import Cold Rolled stainless steel coil Under Advance Authorization scheme without having any manufacturing facility** appeared to be a deliberate attempt to evade applicable customs duty and to circumvent the mandatory compliances on the goods vide Steel and Steel products (Quality Control) Order, 2024. Consequently, the consignments imported under **Bill of Entry No. 5896848 dated 24.11.2025**, **Bill of Entry No. 5896207 dated 24.11.2025, 6071526 dated 03.12.2025 and 6054391 dated 02.12.2025** were seized vide **Seizure Memo dated 10.03.2026 (RUD-16)**, as the goods were found liable to be confiscation under the provisions of **Section 111 of the Customs Act, 1962**. The particulars of the seized goods are as follows:

Table – "3"

Sr.No.	Bill of Entry No. & Date	Declared Goods Description	Container No	Declared CTI
1	5896848 dated 24.11.2025	Cold rolled Stainless Steel Coil Grade J3	DFSU3027992 WHSU2471351	72199090
2	5896207 dated 24.11.2025	Cold rolled Stainless Steel Coil Grade J3	TGBU3270453 WHSU2421350	72199090
3	6071526 dated 03.12.2025	Cold rolled Stainless Steel Coil Grade J3	FTAU1966766 TWCU2140699	72199090
4	6054391 dated 02.12.2025	Cold rolled Stainless Steel Coil Grade J3	TWCU2171616 TWCU2145237	72199090

8.2 From the above, it is evident that the goods with declared description "Cold rolled Stainless Steel Coil Grade J3" imported under CTI 72199090 vide Bills of Entry No. 5896848 dated 24.11.2025, 5896207 dated 24.11.2025, 6071526 dated 03.12.2025 and 6054391 dated 02.12.2025 by M/s. Azhaan Traders were imported in violation of condition of Advance Authorization issued by DGFT for import of duty free Cold rolled stainless Steel coil for export of Kitchen & other household articles made of Stainless Steel or Non-Magnetic stainless Steel Grade J3, thereby rendering them liable to confiscation under Section 111 of the Customs Act, 1962.

9. Investigation of Previous Imports

9.1 During the investigation, details/data of previously imported Containers were scrutinized. It was found that M/s. Azhaan Traders has previously imported Cold rolled stainless Steel coil under Bills of Entry No. 5051615 dated 11-10-2025, Bill of Entry No. 5656878 dated 12-11-2025 and 5656281 dated 12-11-2025 and diverted the said goods in violation of the license condition of Licenses issued under Advance Authorization. The details of such Bills of entry filed is detailed as below:

Table – "4"

Sr.No.	Bill of Entry No. & Date	Declared Goods Description	Declared CTI	Quantity Imported (In Kgs)	Assessable Value in Rs.	License No. and Date
1	5051615 dated 11-10-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53430	6206509	511034855 Dated 03.09.2025
2	5656878 dated 12-11-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53804	5393313	511035221 Dated 18.09.2025
3	5656281 dated 12-11-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53750	5387900	511035221 Dated 18.09.2025

10. Statements Recorded

10.1 Summons (CBIC -DIN-202602DDZ1000000C256) dated 23.02.2026, and Summons (CBIC -DIN-202603DDZ10000222C68) dated 12.03.2026 were issued to Shri Pinkle Rathi. Consequent to the Summons CBIC -DIN-202603DDZ10000222C68) dated 12.03.2026, a statement of ***Shri Pinkle Rathi, Partner of M/s. Oriental Tradelinks,*** **(RUD-17)** was recorded under Section 108 of the Customs Act, 1962 on 25.03.2026, wherein ***Shri Pinkle Rathi, interalia*** stated that:

i. He is 50% Partner/stake holder in M/s. Oriental Tradelinks which is a partnership firm. The other partner is Mr. Suresh Yadav who is F card holder.
ii. He had been working in customs clearance field since 2007-08. In the year 2013 he started partnership firm M/s. Oriental Tradelinks.
iii. M/s Oriental Tradelinks is engaged in customs clearance of steel coils for M/s. Pear light. They have also done the customs clearance of steel coils for firms such as M/s. Shankara Industry, M/s. Shan Enterprises and M/s. Azhaan Traders during the year 2024-25.
iv. M/s. Azhaan Traders is engaged in the import of steel coils from China for manufacturing of kitchen utensils. The imports made by the firm were under Advance Authorization.
v. He stated that Mr. Barma Nand Goel, who was his client had asked him to do the customs clearance work of other two firms i.e. M/s. Shan Enterprises and M/s. Azhaan Traders and since he have been doing work with Shri Barma Nand Goel since late 2024, he had done the clearance work for the import of cold rolled stainless Steel Coil in M/s. Shan Traders and M/s. Azhaan Traders.
vi. He had met Mr. Barma Nand Goel and was in regular touch with him in respect of all the documents and custom clearance work related to M/s. Azhaan Traders. Mr. Barma Nand Goel had provided him the KYC documents in respect of Azhaan Traders on email and that he (Barma Nand Goel) was the only point of contact in M/s. Azhaan Traders.
vii. He had never met Shri Mohammad Shan proprietor of Shan Enterprises or Mohammad Saleem Proprietor of M/s. Azhaan Traders. He had also not visited Moradabad. He was in contact with Shri Barma Nand Goel and used to communicate with Shri Barma Nand Goel, regarding all import related work/documents. Mr. Barma Nand Goel contacted him from mobile numbers 6396859824 and 9315295597.
viii. He stated that his staff members used to contact Shri Barma Nand Goel for all filling related work of M/s. Shankara Industry, M/s. Shan Enterprises and M/s. Azhaan Traders. Shri Barma Nand Goel was the one who provided the OTP for SIMS registration in some instances where SIMS Registration was done from his office.
ix. He stated that mostly, the documents of M/s. Azhaan Traders were received from asif.saleempasha@gmail.com.

x. He stated that Shri Barma Nand Goel was known to him as he had handled clearance work for M/s. Shankara Industry. Instructions were given by Shri Barma Nand Goel to manage import clearances for M/s. Shan Enterprises and M/s. Azhaan Traders, firms owned by Mr. Shan and Mr. Saleem. Due to established business relations, all import-related queries and documents for these firms were directed by Shri Barma Nand Goel. Instructions of filing import documents was also given by Shri Barma Nand Goel.

xi. They used to charge approx. Rs 50000/- per container which includes Agency Charges + SIMS Charges + CFS Charges + Handling + Shipping line Charges and other charges for customs clearance related work from M/s. Azhaan Traders.

xii. M/s Oriental Tradelinks provided customs clearing for import of J3 Grade Cold Rolled Steel Coil to M/s. Azhaan Traders.

xiii. He received payments from M/s. Azhaan Traders after clearance/out of charge of goods from port. He used to raise bills to the firm after clearance and thereafter received the payment in bank account.

xiv. The transportation was handled by the Importer himself.

xv. He only contacted by Shri Barma Nand Goel for import related work of M/s. Shankara Industry, M/s Shan Enterprises and M/s. Azhaan Traders.

xvi. He has perused the visit note dated 27.11.2025 of DRI, Lucknow drawn during the visit of the manufacturing premises of M/s. Azhaan Traders and further stated that he was told that M/s Azhaan Traders would import J3 grade Steel Coils under Advance Authorization from China for manufacturing kitchen utensil and as per the conditions of Advance Authorization M/s Azhaan Traders will export the kitchen utensils.

xvii. He had submitted import related documents of M/s. Azhaan Traders which includes bill of entry, Account Ledger of M/s Oriental Tradelinks, and KYC Documents.

xviii. He was introduced to M/s. Shankara Industry, M/s Shan Enterprises and M/s. Azhaan Traders by Shri Barma Nand Goel. Based on this introduction, he was under the impression that these persons are from his business circle and are doing manufacturing of Utensils from Steel Coil. Furthermore, he has always received documents on the emails from the email ids of these firms. In normal course their staff remain in contact with the staff/other responsible persons/agents of the importer for coordination and documentation purposes. Therefore, considering the nature of interactions and communications, he was under the impression that Shri Barma Nand Goel was working on behalf of Shri Mohammad Saleem.

10.2 Summons (CBIC-DIN-202512DDZ10000999ECF) dated 03.12.2025, Summons (CBIC-DIN-202601DDZ1000000B8D4) dated 02.01.2026, Summons (CBIC-DIN-202601DDZ10000 801750) dated 19.01.2026, Summons (CBIC -DIN-202602DDZ10000999EB4) dated 23.02.2026 and Summons (CBIC -DIN-202603DDZ10000019352) dated 26.03.2026 were issued to Shri Mohd. Nadeem. Consequent to the Summons (CBIC -DIN-202603DDZ10000019352) dated 26.03.2026, statement of ***Shri Mohd. Nadeem,*** **(RUD-18)** was recorded under Section 108 of the Customs Act, 1962 on 07.04.2026, wherein ***Shri Nadeem Ahmad, interalia*** stated that:

i) His name is Nadeem Ahmad (Age-36 Years), S/o Shameem Ahmad, Nai Basti, Thana Nagfani, Behind Jharkhand Mandir, Nr Kaml Trader, Moradabad, Uttar Pradesh-244001. His Aadhar No. is 79436616490 and he is working as GST professional and does the work of GST Registration and Return filling for his clients.

ii) His role is limited to filing of GST returns for M/s. Azhaan Traders. As the firm had no business activity, he has filed only nil GST returns for the past 2 years. He was unaware that M/s. Azhaan Traders held an Import-Export Certificate; this came to his knowledge only when Mohd. Shan informed him of the summons issued by the Directorate of Revenue Intelligence (DRI).

iii) He had been pressured by Mohd. Shan to appear at the DRI office to tender oral statement and offered handling of his travel expense to appear before DRI by Mohd. Shan.

iv) He did not appear before DRI office during previous summons as he was unaware of the matter and therefore, he had hired a lawyer Mr. Sakeeb Choudhary who appeared on his behalf and tendered his statement on 09.01.2026.

v) He had perused the statement dated 03.12.2025 of Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders wherein he has been falsely portrayed as the mastermind behind the firm's imports. He denied having any role in import of M/s. Azhaan Traders.

vi) He categorically denied that he was aware of any imports made by M/s. Azhaan Traders, neither he knew any CHA who has handled the import process of M/s. Azhaan Traders.

vii) He never had access to the email id asif.salimpasha@gmail.com and never communicated with any CHA or foreign suppliers through it. Further he has never handled any payment related work of M/s. Azhaan Traders, which includes payments to foreign suppliers.

viii) He had never met any person with the name Shri Barma Nand Goel or Chintu Lala and neither had he heard of any entity named M/s. Shankara Industry.

ix) He had not received any payments from M/s. Azhaan Traders.

11. IMPORT DOCUMENTS, ADVANCE AUTHORISATIONS AND CALCULATION OF DUTY LIABILITY

11.1 M/s. Azhaan Traders has imported the said goods without payment of duty under the strength of the Advance Authorisations. M/s. Azhaan Traders had obtained and utilized total Three licenses under Advance Authorization scheme from the office of Additional DGFT, New Delhi. These Advance Authorizations were obtained for duty-free import of Cold Rolled Stainless Steel Coil Grade J3 under CTI: 72199090. Against the said duty-free imports, their export products were to be Table, Kitchen & other household articles made of Stainless Steel or Non-Magnetic Stainless-Steel Grade J3, which they had to manufacture and export by utilizing duty free imported goods. The details of the Advance Authorizations utilized in imports by M/s. Azhaan Traders are as follows:

Sr. No.	Advance Authorisation No.	Date of Advance Authorisation
1.	511034855	03.09.2025
2.	511035221	18.09.2025
3.	511035559	07.10.2025

11.2 "The import documents of M/s. Azhaan Traders, including the Bill of Entry, invoice, packing list, bill of lading, etc., are annexed to this notice as **RUD-19**. As per the import data, M/s. Azhaan Traders imported the goods under the description 'Cold Rolled Stainless Steel Coil Grade J3' under CTI: 72199090, availing the benefit of Advance Authorization. During the course of investigation, it was found that M/s. Azhaan Traders does not possess any manufacturing facility at the address declared in the Advance Authorization. The statement of Shri Mohammad Saleem was recorded, wherein he inter alia admitted that he had provided his documents to Mohammad Shan for effecting imports under the IEC of M/s. Azhaan Traders in lieu of a monthly payment and a lump-sum amount of Rs. 5 to 10 lakhs after completion of 2 years. Thus, evidently the importer has breached the end-use conditions of the Advance Authorization, which stipulate that the imported goods are to be used solely as inputs for the manufacture of goods meant for export, and not for diversion into the domestic market.

11.3 The goods imported by M/s Azhaan Traders vide Bill of Entry Nos. 5896848 dated 24.11.2025, 5896207 dated 24.11.2025, 6071526 dated 03.12.2025 and 6054391 dated 02.12.2025 were seized under Seizure Memo dated 10.03.2026, as detailed in para 4 of this notice. These goods were imported duty-free under Advance Authorisation but were about to be diverted in violation of Notification No. 21/2023-Cus. dated 01.04.2023. This is inferred from the fact that no manufacturing facility existed at the declared factory premises as brought out during the visit (search) of the premises. Since the goods fall under the mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*, the absence of BIS certification renders them prohibited in nature and liable for confiscation under Section 111 of the Customs Act, 1962. Upon calculation of duty, and after extending the benefit of Serial No I 207 of Notification No. 045/2025 to the importer, it is evident that the importer was attempting to bring prohibited goods into the country while simultaneously claiming Customs duty exemption of Rs. 67,72,162/- (Rupees Sixty-Seven Lakhs Seventy-Two Thousand One Hundred and Sixty-Two only) on the strength of Advance Licenses, the detailed calculations of which is summarized below:

Sr. No.	**Custom House Code**	**Bill of Entry No. & Date**	**Declared Goods Description**	**Declared CTI**	**Quantity Imported (In Kgs)**	**License No. and Date**	**Assessable Value In Rs.**	**BCD @ 7.5% (Notification no. 45/2025)**	**SWS @ 10 % of BCD**	**IGST @ 18%**
1	INMUN1	5896848 dated 24.11.2025	COLD ROLLED STAINLESS STEEL COIL GRADE J3	72199090	52954	0511035559 dated 07.10.2025	6206548	390006	39001	1013236
2	INMUN1	5896207 dated 24.11.2025	COLD ROLLED STAINLESS STEEL COIL GRADE J3	72199090	52772	0511035559 dated 07.10.2025	6185216	388666	38867	1009753
3	INMUN1	6054391 dated 02.12.2025	COLD ROLLED STAINLESS STEEL COIL GRADE J3	72199090	52862	511035221 dated 18.09.2025	5741249	389328	38933	1011475
4	INMUN1	6071526 dated 03.12.2025	COLD ROLLED STAINLESS STEEL COIL GRADE J3	72199090	53618	0511035559 dated 07.10.2025	6284373	394896	39490	1025941
Total Sum of BCD+SWS+IGST=(Rs. 67,72,162/-)							24417386	1831304	183130	4757728

11.4 Further, as discussed in the preceding part of this notice, it is clearly forthcoming that M/s. Azhaan Traders has diverted the goods imported under

Advance Authorisation, which were imported in the past vide Bills of Entry No. 5051615 dated 11-10-2025, 5656878 dated 12-11-2025 and 5656281 dated 12-11-2025 and thus rendered the goods liable for confiscation. This diversion is inferred from the eway bill details wherein it is found that the vehicle movement for all three previously imported cargos was from Mundra Port to Delhi only **(RUD-20)**. Further the goods previously imported were also Cold Rolled Stainless Steel Coil Grade J3 and the same were imported on strength of Advance license, and consequently got exemption from the mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*. The absence of BIS certification renders them prohibited in nature and liable for confiscation in terms of provisions laid down under Section 111 of the Customs Act, 1962. Upon calculation of duty, and after extending the benefit of Serial No. I 207 of Notification No. 045/2025 to the importer, it is evident that the importer was attempting to bring prohibited goods into the country while simultaneously claiming Customs duty exemption of Rs. 47,11,545/- (Rupees Forty-Seven Lakhs Eleven Thousand Five Hundred and Forty-Five only) on the strength of Advance Licenses, the detailed calculations of which is summarized below:

Sr. No.	Custom House Code	Bill of Entry No. & Date	Declared Goods Description	Declared CTI	Quantity Imported (In Kgs)	License No. and Date	Assessable Value In Rs.	**BCD @ 7.5% (Notification no. 45/2025)**	SWS @ 10 % of the BCD	IGST @ 18%
1	INMUN1	5051615 dated 11-10-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53430	511034855 Dated 03.09.2025	6206509	465488	46549	1209338
2	INMUN1	5656878 dated 12-11-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53804	511035221 Dated 18.09.2025	5393313	404498	40450	1050887
3	INMUN1	5656281 dated 12-11-2025	Cold rolled Stainless Steel Coil Grade J3	72199090	53750	511035221 Dated 18.09.2025	5387900	404093	40409	1049832
Total Sum of BCD+SWS+IGST= (Rs. 47,11,545/-)							**16987722**	**1274079**	**127408**	**3310058**

11.5 The aggregate duty liability arising from the import of the goods by M/s. Azhaan Traders, intended for diversion (seized goods), together with the total quantity of goods previously diverted by M/s. Azhaan Traders (excluding the goods seized), is as follows.:

Particulars	**Assessable value as per B/E (in Rs.)**	**Custom Duty evaded (inclusive of IGST) in Rs.**
Duty liability for the goods placed under seizure	2,44,17,386	**67,72,162**
Duty liability for the goods imported in the past	1,69,87,722	47,11,545
Total Qty and duty liability	4,14,05,108	1,14,83,707

LEGAL PROVISIONS:

12.1 The said Advance Authorisations are issued by DGFT in terms of Chapter 4 of the FTP 2023 under which import of duty-free inputs is allowed under the obligation to export the resultant products manufactured out of duty-free imported inputs. Advance Authorisation is issued for import of inputs which is to be physically incorporated in the manufacture of the resultant export product as mentioned in the relevant Standard Input Output Norms (SION). Para 4.3 of the FTP casts a clear-cut burden on the Authorisation holders to physically incorporate the imported input in the export product. The exemption from the payment of import duties is given to raw materials/ inputs required for the manufacture of export products under the Advance Authorisation scheme. In other words, one can import raw materials or inputs at zero customs duty only for production of resultant export products.

12.2 Further, as per Para 4.16 of the Foreign Trade Policy, Advance Authorization and / or materials imported there under will be with actual user condition. It will not be transferable even after completion of export obligation. However, Authorisation holder will have option to dispose of products manufactured out of inputs imported duty free once export obligation is completed. In terms of Para 4.40 of Hand book of procedures, the period for fulfilment of export obligation (EO) under Advance Authorisation shall be 18 months from the date of issue of authorization or as notified by DGFT.

12.3 In terms of para 4.14 of FTP, imports under an Advance Authorisation is exempted from the payment of Basic Customs Duty (BCD), Additional Customs Duty, Education Cess, Anti-dumping Duty, Countervailing Duty (CVD), Safeguard Duty, and Transition Product Specific Safeguard Duty, wherever applicable. The Central Government, in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), allows the above exemption, subject to such conditions as mentioned in the Notification issued thereunder i.e Customs notification no. 21/2023-Cus dated 01.04.2023.

12.4 The exemption to levy of duty during the import under Advance Authorization Scheme is governed by Customs Notification No. 21/2023-Cus dated 01.04.2023, as amended. The said notification exempts the materials imported into India against Advance Authorization, issued in terms of Para 4.03 of the Foreign Trade Policy, from the whole of the duty of customs leviable thereon, which is specified in the First Schedule of the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty leviable thereon under sub-sections(1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax, compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, 1975 subject to the certain conditions. These conditions are as under-

(iv) *that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs,* ***as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials****;*

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(x) *that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within the period specified in the said authorisation or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorisation:*

(xi) *that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfilment of*

export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;

(xii) *that the said authorisation shall not be transferred and* ***the said materials shall not be transferred or sold****:*

Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant goods and service tax provisions permitting transfer of materials of job work;

12.5 The relevant period for fulfilment of export obligation in terms of Para 4.40 (a) & (b) of the Handbook of Procedures (HOP is reiterated as under: -

(a) *Period for fulfilment of export obligation under Advance Authorisation shall be 18 months from the date of issue of Authorisation. Period of EO fulfilment under an Advance Authorisation shall commence from date of issue of Authorisation, unless otherwise specified.*

12.6.1 It is evident, from the above provisions of law that the import of inputs under Advance Authorizations Scheme are allowed and regulated by conditions in the customs Notification viz. that such inputs should be used in the manufacturing of export products with actual user condition and same shall not be transferred even after completion of export obligation. Further, the export obligation as specified in the said authorization (both in value and quantity terms) should be discharged within the period of 18 months as specified in the said authorization or within such extended period as may be granted by the Regional Authority by exporting resultant products. **The condition further also binds the importer to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials**. Therefore, it is evident that the conditions of the Notification No.21/2023-Cus dated 01.04.2023 apart from regulating the usage of the duty exempted inputs, also deals with the recovery of duty in case of violation of the conditions specified therein.

12.6.2 Imports of goods violating BIS Quality Control Orders (QCOs) are prohibited in India. The same is covered under Section 15(1) of the BIS Act, 2016 which states that *“No person, shall import, distribute, sell, store or exhibit for sale, any goods or article under sub-section (1) of Section 14, except under certification from the Bureau”* Non-compliant imports can be seized, destroyed, or re-exported, and importers may face penalties under the BIS Act, 2016 and DGFT regulations.

12.7. **Section 17 of the Customs Act, 1962**

17. Assessment of duty. — (1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

....

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

12.8. **Section 46 of the Customs Act, 1962**:

46. Entry of goods on importation. — (1) The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting 4[electronically] 5[on the customs automated system] to the proper officer a bill of entry for home consumption or warehousing 6[in such form and manner as may be prescribed]:

12.9. **Section 110 of the Customs Act, 1962**

110. Seizure of goods, documents and things.—(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.

12.10. **Section 111 of the Customs Act, 1962**

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

....

(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 3[in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;

12.11. **Section 112 of the Customs Act, 1962**

112. Penalty for improper importation of goods, etc. — Any person, —
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, —

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty 3[not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty 4[not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty 5[not exceeding the duty sought to be evaded on such goods or the

difference between the declared value and the value thereof or five thousand rupees], whichever is the highest.

12.12. **Section 114A of the Customs Act, 1962**

SECTION 114A. Penalty for short-levy or non-levy of duty in certain cases. - *Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under [1][sub-section (8) of section 28] shall also be liable to pay a penalty equal to the duty or interest so determined.*

12.13. **Section 114AA of the Customs Act, 1962**

114AA. Penalty for use of false and incorrect material. —If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.]

12.14. **Section 124 of the Customs Act, 1962**

124. Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person —

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of 2[an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned, be oral. 3 [Provided further that notwithstanding the issue of notice under this section, the proper officer may issue a supplementary *notice under such circumstances and in such manner as may be prescribed.]*

12.15. **Section 125 of the Customs Act, 1962**

125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 4[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that], without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.]

12.16Section 28 of the Customs Act, 1962.

Section 28. 1 [Recovery of [duties not levied or not paid or short-levied or short- paid] or erroneously refunded.

(1) Where any [duty has not been levied or not paid or short-levied or short-paid] or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason other than the reasons of collusion or any willful mis-statement or suppression of facts,
(a) the proper officer shall, within [two years] from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied [or paid] or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;
6 [Provided that before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;]
(b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of,
(i) his own ascertainment of such duty; or
(ii) the duty ascertained by the proper officer,
the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid.

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

(2) The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made thereunder in respect of such duty or interest:
[Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.]

(3) Where the proper officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of [two years] shall be computed from the date of receipt of information under sub-section (2).

(4) Where any duty has not been [levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of,
(a) collusion; or
(b) any willful mis-statement; or
(c) suppression of facts,
by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been [so levied or not paid] or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

13. Role played by importers and other persons

13.1 Role played by Mohammad Saleem in import of Cold Rolled Stainless Steel Coils Grade J3 in M/s. Azhaan Traders:

13.1.1 In view of the foregoing facts and evidences on record, it is observed that M/s Azhaan Traders is a proprietary concern in which Shri Mohammad Saleem is the proprietor and the key person managing the affairs of the firm. He knowingly allowed his documents to be used for obtaining the Import Export Code (IEC) and subsequently for securing Advance Authorization from DGFT by furnishing GST registration and other documents. The payments to the foreign suppliers were made by him with the assistance of Mohammad Shan.

13.1.2 In his statement dated 03.12.2025 and 12.02.2026, he had inter alia acknowledged that he had never received the goods imported under M/s. Azhaan Traders. He further confessed that there is no manufacturing facility at the address Rafeek Ke Hotel Ke Pass, Manpur, Muradabad, Uttar Pradesh-244001 which is declared as place of manufacturing in the Advance Authorization issued by DGFT.

13.1.3 He accepted that he had supplied his documents in lieu of monetary consideration which he had received from M/s. Mohammad Shan, who has subsequently provided these documents to Shri Barma Nand Goel. He is not the actual consumer of the imported goods and was unaware of the whereabouts of the previously imported goods in the name of M/s. Azhaan Traders.

13.1.4 From the above, it is evident that Shri Mohammad Saleem, being the importer and person in charge of the affairs of M/s. AZHAAN TRADERS, obtained the Advance Authorization by furnishing wrong and misleading information to DGFT and thereafter utilized the said Advance Authorization for import of Cold Rolled Stainless Steel Coils without payment of customs duty and fulfillment of mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*. The absence of BIS certification renders the import goods prohibited in nature in terms of provisions of Section 111 of the Customs Act, 1962 and rendering the same liable for confiscation in terms of provisions of Section 111 of the Customs Act, 1962. The imported goods were cleared in the domestic market in violation of the actual user conditions stipulated in the Advance Authorization. Further, Shri Mohammad Saleem filed incorrect and false declarations before the Customs authorities at the time of import, with full knowledge that M/s. AZHAAN TRADERS did not possess any manufacturing facility and that the imported goods would be diverted to the local market. He appears to have deliberately misused the facility of Advance Authorization solely for the purpose of evading customs duty and for circumventing the fulfillment of mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024.* His actions rendering the goods liable to confiscation in terms of provisions of Section 111 of the Customs Act, 1962 and have rendered him liable for penalty under Section 112 of the Customs Act, 1962.

13.2 Role Played by Mohammad Shan in import of Cold Rolled Stainless Steel Coils Grade J3 in M/s. Azhaan Traders.

13.2.1 In view of the foregoing facts and evidences on record, it is observed that Shri Mohammad Saleem in nexus with Shri Mohammad Shan and Shri Barma Nand Goel obtained the Advance Authorization on the basis of false dubious submissions to DGFT regarding manufacturing facility of M/s. Azhaan Traders.

13.2.2 Mohammad Saleem in his statement dated 12.02.2026 has inter alia conferred that he had provided his documents such as GST registration, Adhar Card, Proprietor Stamp, signed letterheads as well as access of his email id "asif.salimpasha@gmail.com" to Mohammad Shan, who subsequently provided these documents to Shri Barma Nand Goel. Thereafter Mohammad Shan was handling email id of M/s. Azhaan Traders and all the communication through the said email. Mohammad Saleem further accepted that he had worked as per the direction of Mohammad Shan who was working on behalf of Shri Barma Nand Goel and in return he was promised a monthly payment of 20-25 thousand along with a further lump-sum payment of about Rs. 5 to 10 lakhs at the end of two years.

13.2.3 Mohammad Shan in nexus with Shri Barma Nand Goel, himself had imported Cold Rolled Stainless Steel Coil in his proprietorship firm M/s. Shan Enterprises by mis using the Advance Authorization Scheme and thereby evaded the applicable Customs Duty on the same. He opted the similar modus operandi in the case of imports made in M/s Azhaan Traders. He in nexus with Shri Barma Nand Goel have mis used Advance Authorization Scheme to import Cold Rolled Stainless Steel Coil without payment of applicable Customs Duty and by circumventing the mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*. These goods post import were diverted into the market without being taken to the declared place of manufacture, as evident from absence of any stock inventory and manufacturing facility at the declared factory premises. His actions rendering the goods liable to confiscation in terms of provisions of Section 111 of the Customs Act, 1962 and have rendered him liable for penalty under Section 112 of the Customs Act, 1962.

13.3 Role Played by Barma Nand Goel (alias Chintu) in import of Cold Rolled Stainless Steel Coils Grade J3 in M/s. Azhaan Traders.

13.3.1 In view of the foregoing facts and evidences on record, it is evident that Shri Barma Nand Goel is the mastermind behind the imports effected in the name of M/s. Azhaan Traders. The statement dated 23.03.2026 of Shri Pinkal Rathi, Partner of M/s. Oriental Tradelinks (CHA firm), clearly brings out that Shri Barma Nand Goel was the sole point of contact for the CHA in relation to the imports made by M/s. Azhaan Traders, and that all requirements for documents during the course of import clearance were routed through him, only.

13.3.2 It emerges that Shri Barma Nand Goel, in collusion with Shri Mohd. Shan, first procured the IEC in the name of M/s. Azhaan Traders and thereafter obtained Advance Authorisation by making false and misleading submissions before the DGFT regarding the alleged manufacturing facility of M/s. Azhaan Traders. He arranged the finances, as stated by Shri Mohd. Shan in his statement, while Shri Mohd. Shan, acting under the directions of Shri Barma Nand Goel, handled payments in the name of M/s. Azhaan Traders.

13.3.3 Thus, it is clearly forthcoming that Shri Barma Nand Goel was the mastermind of the entire operation, from obtaining the IEC in the name of M/s. Azhaan Traders to arranging duty-free import of Cold Rolled Stainless Steel Coils and their diversion into the domestic market without payment of applicable customs and other duties and without fulfilment of export obligations. He managed the entire import process, with the assistance of Shri

Mohd. Shan in effecting payments to foreign suppliers and the Customs House Agent. Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders, acted on the instructions of Shri Mohd. Shan, who, in turn, received directions from Shri Barma Nand Goel, and, in compliance with such directions, obtained Advance Authorisation by furnishing false and misleading information to DGFT and thereafter utilised the said authorisation to import Cold Rolled Stainless Steel Coils duty-free and also by circumventing the fulfillment of mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*.

13.3.4 The imported goods were cleared into the domestic market in violation of the actual user condition mandated in the Advance Authorisation, which mandates that duty-free imported inputs must be used only by the authorisation holder in its own manufacturing premises and cannot be diverted. Further, Shri Barma Nand Goel caused incorrect and false declarations to be filed before the Customs authorities at the time of import, despite having full knowledge that M/s. Azhaan Traders did not possess any manufacturing facility and that the imported goods would be diverted to the local market. He appears to have deliberately misused the Advance Authorisation facility solely for the purpose of evading customs duty and for circumventing the *Steel and Steel Products (Quality Control) Order, 2024*. His actions rendering the goods liable to confiscation in terms of provisions of Section 111 of the Customs Act, 1962 and have rendered him liable for penalty under Section 112 of the Customs Act, 1962.

14. From the foregoing investigation

14.1. It is evident that Shri Barma Nand Goel, also known as Chintu Lala, is the principal mastermind behind the illegal imports effected in the name of M/s Azhaan Traders. His act of attempting to import Cold Rolled Stainless Steel Coils under the Advance Authorisation Scheme, despite the absence of any manufacturing facility, was a deliberate attempt to evade applicable customs duty and to circumvent the mandatory compliances prescribed under the Steel and Steel Products (Quality Control) Order, 2024, read with para 2.03A of the Foreign Trade Policy, which governs the importability of items under Advance Authorisation/EOU/SEZ without adherence to Quality Control Orders. The conspiracy was orchestrated by Shri Barma Nand Goel, who initially misused the scheme in the name of his own firm, M/s Shankara Industry, and thereafter used the firm of Shri Mohd. Shan to execute similar imports. Acting through Shri Mohd. Shan, he procured documents of M/s Azhaan Traders and repeated the same modus operandi, thereby establishing a clear pattern of willful evasion and fraudulent misuse of statutory provisions.

14.2.1 From the investigation, it is clearly evident that Shri Barma Nand Goel is the beneficial owner of the goods imported in the name of M/s Azhaan Traders. He masterminded the conspiracy and extended monetary inducements to Shri Mohd. Shan and Shri Mohd. Saleem, Proprietor of M/s Azhaan Traders, both of whom acted under his directions, thereby facilitating the illegal imports in the name of the said firm. The above deliberate acts of fraud and non-compliance have rendered the goods prohibited in nature and liable to confiscation under Section 111(d), 111(m) and 111(o) of the Customs Act, 1962. Consequently, Shri Barma Nand Goel as the beneficial owner and Shri Mohd. Shan and Shri Mohd. Saleem as his accomplice are liable to penalty under Section 112(a) and 112(b) of the Customs Act, 1962.

14.2.2 Also Shri Barma Nand Goel's actions as beneficial owner constitutes deliberate misstatement and suppression of material facts with intent to evade customs duty in respect of past imports, thereby attracting penal provisions under Section 114A of the Customs Act, 1962.

14.3.1 Consequent to the amendment to Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 8.4.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry in electronic form. Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make an entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who must ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

14.3.2 In the instant case, Shri Barma Nand Goel abetted by Mohd. Shan and Mohd. Saleem executed the imports in the name of M/s. Azhaan Traders and also violated the conditions of the Advance Authorization by clearing the duty-free imported Cold Rolled Stainless Steel Coils and later diverting the same into the domestic market without utilizing them in the manufacture of goods meant for export. The sole intent behind obtaining the Advance Authorization was to evade payment of customs duty and circumventing the mandatory compliance of the Bureau of Indian Standards as per the *Steel and Steel Products (Quality Control) Order, 2024*, brought out in the course of this investigation. This act of misuse of the Advance Authorization has rendered the imported goods liable to confiscation under the provisions of the Customs Act, 1962, and has rendered the goods liable for confiscation under Section 111 of the Customs Act, 1962 and therefore liable to penalty under Section 112(a) and (b) of the Customs Act, 1962.

15. Now, therefore, Shri Barma Nand Goel, having its address at House No. 112-B U and V Block, Mandir road, West Shalimar Bagh District North West Delhi, New Delhi-110088, is hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House Mundra, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421, within 30 (thirty) days from the date of receipt of this notice, as to why: -

(A) <u>With respect to the goods imported vide Bill of Entry No. 5896848 dated 24.11.2025, Bill of Entry No. 5896207 dated 24.11.2025, 6071526 dated 03.12.2025 and 6054391 dated 02.12.2025 which were seized vide Seizure Memo dated 10.03.2026</u>

(i) The goods imported under Bills of Entry No. mentioned above with declared value as **Rs. 2,44,17,386/- (Rs. Two Crore Forty-Four Lakh Seventeen Thousand Three Hundred Eighty-Six Only)** as detailed in the Table at Para 11.3 of this notice, and seized vide Seizure Memo dated 10.03.2026, may not be confiscated under Section 111(d), 111(m) and 111(o) of the Customs Act, 1962;

(ii) Penalty should not be imposed on him under the provisions of Section 112 (a) and (b) of the Customs Act, 1962;

<u>(B) With respect to the goods imported in the past vide Bill of Entry No. 5051615 dated 11-10-2025, 5656878 dated 12-11-2025 and 5656281 dated 12-11-2025 as mentioned in para 11.4 of this notice.</u>

(i) The goods imported under Bills of Entry No. mentioned above with declared value as **Rs. 1,69,87,722/- (Rs. One Crore Sixty-Nine Lakhs Eighty-Seven Thousand Seven Hundred Twenty-Two only)** which were imported earlier and have already been cleared (not seized), as detailed in the Table at Para 11.4 of this notice, which are not physically available and, therefore, may not be held liable for confiscation under Section 111(d), 111(m) and 111(o) of the Customs Act, 1962 as the same were imported with intent to evade duty and by circumventing BIS regulations.

(ii) The applicable customs duty, including IGST, amounting to Rs. 47,11,545/- (Rupees Forty-Seven Lakhs Eleven Thousand Five Hundred Forty-Five only), as determined in the Table at Para 11.4 of this notice, may not be demanded from him under Section 28(4) of the Customs Act, 1962, together with interest under Section 28AA.

(iii) Penalty should not be imposed on him under the provisions of Section 112 (a) & (b) /114A of the Customs Act, 1962;

16. Now, therefore, **Shri Mohammad Shan, Proprietor of M/s. Shan Enterprises,** having address at - Near J P Tondon, Thathera Street, Moradabad, Uttar Pradesh-244001, is hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421, within 30 (thirty) days from the date of receipt of this notice, as to why —

(i) Penalty should not be imposed upon him under Sections 112 (a) and (b) of the Customs Act, 1962;

17. Now, therefore, **Shri Mohammad Saleem, Proprietor of M/s. Azhaan Traders (IEC No. IMDPS2730E)**, having address at Rafeek Ke Hotel Ke Pass, Manpur, Muradabad, Uttar Pradesh – 244001, is hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra, having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421, within 30 (thirty) days from the date of receipt of this notice, as to why —

(i) Penalty should not be imposed upon him under Sections 112 (a) and (b) of the Customs Act, 1962;

18. The noticee are hereby required to produce at the time of showing cause all the evidences upon which they intend to rely in support of their defense. They are further required to indicate in their written explanation as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written explanation, it will be presumed that they do not desire a personal hearing.

19. If no cause is shown by them against the action proposed to be taken within 30 days of receipt of this notice or if they do not appear before the adjudicating authority when the case is posted for hearing, the case would be liable to be adjudicated on the basis of evidences on records.

20. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department also reserves its right to issue separate Notice/s for other Noticees, offences etc. related to the above case, if warranted.

21. The documents as listed at **Annexure-R** are relied upon and are enclosed with this show cause notice.

Encl: Annexure-'R'

Digitally signed by
Dipakbhai Zala
Date: 20-05-2026
17:38:24

(DIPAK ZALA)

Additional Commissioner of Customs,

Mundra Customs

F.No. GEN/ADJ/ADC/804/2026-Adjn-O/o Pr. Commr-Cus-Mundra

To,

i) **Shri Barma Nand Goel,**
House No. 112-B U and V Block, Mandir road,
West Shalimar Bagh District North West Delhi,
New Delhi-110088

ii) **Shri Mohammad Saleem, Proprietor of M/s. Azhaan Traders (IEC No. IMDPS2730E)**,
Rafeek Ke Hotel Ke Pass, Manpur,
Muradabad, Uttar Pradesh – 244001

iii) **Shri Mohammad Shan, Proprietor of M/s. Shan Enterprises,**
Near J P Tondon, Thathera Street,
Moradabad, Uttar Pradesh-244001

Copy to:-

1. The Additional Director General, DRI, Ahmedabad Zonal Unit
2. The Assistant Commissioner, EDI, Customs Mundra (For uploading on official website).

Annexure-'R'
List of RUDs

Sr no.	Document	Page no.
RUD-1	Panchnama dated 28.11.2025 drawn during physical examination of the goods imported vide Bills of Entry No. 5896848 dated 24.11.2025 and 5896207 dated 24.11.2025	1-3
RUD-2	Panchnama dated 23.12.2025 for drawing samples of goods imported vide Bills of Entry No. 5896848 dated 24.11.2025 and 5896207 dated 24.11.2025	4-6
RUD-3	Panchanama dated 10.01.2026 drawn during physical examination of the goods imported vide Bills of Entries No. 6054391 dated 02.12.2025 and 6071526 dated 03.12.2025	7-36
RUD-4	Test Reports received from CRCL in respect of representative samples drawn during the physical examination of goods.	37-152
RUD-5	Visit note dated 28.11.2025 drawn during the search at premises of M/s Azhaan Traders as declared in Advance Authorization licenses located at Rafeek Ka Hotel Ke Pass, Manpur, Moradabad, Uttar Pradesh-244001	153-153
RUD-6	Statement of Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders (IEC: IMDPS2730E), recorded on 03.12.2025	154-158
RUD-7	statement of Shri Shakeeb Choudhary, Person Authorized by Mohd. Nadeem, recorded on 09.01.2026	159-162
RUD-8	Panchama dated 13.01.2026 drawn during the search at premise of shri Barma Nand Goel located at H. No. 112 B U and V Block, Mandir Road, West Shalimar, Bagh Dist North west Delhi, 110088 and	163-166

	N-175, Sector-1, DSIIC, Bawana, Industrial Area.	
RUD-9	Panchnama dated 13.01.2026 drawn during the search at the premises 12/6/3, Pipal Wali Gali No. 9, Samaypur Badli, New Delhi-110042.	167-168
RUD-10	Statement of Shri Barma Nand Goel, Proprietor of M/s. Shankara Industry, recorded on 13.01.2026	169-173
RUD-11	Statement of Shri Mohd. Saleem, Proprietor of M/s. Azhaan Traders (IEC: IMDPS2730E)**,** recorded on 12.02.2026	174-181
RUD-12	Affidavit dated mailed by Shri Mohd. Saleem.	182-185
RUD-13	Statement of Shri Mohd. Shan, Proprietor M/s. Shan Enterprises, recorded on 09.02.2026	186-193
RUD-14	Letter dated 10.12.2025 issued to Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Delhi.	194-195
RUD-15	Show Cause Notice ECA File No. DLIECAAPPLY00003138AM26 dated 21.01.2026 was issued to M/s. Azhaan Traders by M/s. Azhaan Traders	196-198
RUD-16	Seizure Memo dated 10.03.2026	199-200
RUD-17	Statement of Shri Pinkal Rathi, Partner of M/s. Oriental Trade Links, recorded on 09.01.2026	201-205
RUD-18	Statement of Shri Mohd. Nadeem**,** recorded on 07.04.2026	206-209
RUD-19	M/s. Azhaan Traders, including the Bill of Entry, invoice, packing list, bill of lading, etc.	210-305
RUD-20	E-way bill details for all three previously imported cargos	306-307