कार्यालय: प्रधानआयुक्तसीमाशुल्क, मुन्द्रा,
सीमाशुल्कभवन, मुन्द्राबंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
PHONE : 02838-271426/271163 FAX :02838-271425
E-mail id- adj-mundra@gov.in

DIN- 20250971MO000000E527

SHOW CAUSE NOTICE-

(Issued under Section 28(4) of the Customs Act, 1962)

Intelligence collected by the officers of Directorate of Revenue Intelligence, Headquarters, New Delhi (hereinafter referred to as "The DRI, HQ") indicated that the following three firms had been importing goods namely Cold Rolled Stainless Steel Strips/ Coils (of Grade J3 and Grade J2) by undervaluing them to evade the appropriate customs duty and also by misclassifying the goods under CTH 72209022 in order to wrongly avail the benefit (at Sr. No. 734) under Notification No. 50/2018-Customs dated 30.06.2018:

S.NO	Name of the Firms	Proprietor/Partner (Shri)	Address
1	M/s M K Industries (IEC-BKGPG3178J)	Kartik Gupta	A-100/1, Industrial Area, Wazirpur, New Delhi-110052
2	M/s Reliable Industries (IEC 516005761)	Kartik Gupta & Ashok Kumar Gupta	Ground Floor, A-81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052
3	M/s S.K Impex (IEC-0504076884)	Subhash Chandra Gupta.	Basement and IInd Floor, A 81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052

UNDER-VALAUTION IN IMPORT OF COLD ROLLED STAINLESS STEEL COILS:

PAST INVESTIGATIONS AND UNDER-VALAUTION IN IMPORT OF COLD ROLLED STAINLESS STEEL COILS UNEARTHED BY THE DRI:

2.1 In 2019, the DRI undertook a detailed investigation concerning the import of Cold Rolled Stainless Steel Coils. During the investigation certain Chinese suppliers/exporters were identified against whom genuine invoices—reflecting higher transaction values—were retrieved by the DRI. All such genuine retrieved invoices are enclosed as **Annexure I** (consisting of total 355 pages) (**RUD 1**). On comparison of these genuine Invoices to the corresponding invoices declared before the Indian customs authority at the time of customs clearance, it emerged that the customs declarations were filed and cleared by the concerned importers at lower prices, whereas the genuine invoices reflected higher prices. Thus, a modus operandi involving the use of forged invoices at undervalued prices by such importers was unearthed. Analysis of above genuine retrieved Invoices, led to emergence of names of certain Chinese suppliers who, along with the Indian importers were suspected to be involved in issuing fabricated invoices-at lower value. Further, on comparison of the genuine/actual invoice with the invoices declared with the Indian Customs it emerged that the under-valued values of the

imported item i.e. Cold Rolled Stainless steel (of different grade) declared before Indian Customs authority had a common pattern in the declared import-price-range which was found under-valued to evade applicable Customs duties.

2.2. Further, these importers (i.e. entities who were found importing goods from the Chinese suppliers as per the retrieved invoices), in their voluntary statements recorded under Section 108 of the Customs Act 1962, accepted that the genuine invoices—reflecting higher transaction values, which were retrieved by the DRI, were actual invoices and the Chinese suppliers being hand-in-glove with the concerned importer issued fabricated/duplicate invoices-with lower transaction value. Further, these importers filed their import Customs declaration based on these fabricated invoices to evade appropriate Customs duty. The details are as under:

TABLE 1

SNO	**Name of Case booked/Firm (M/s)**	**Name of the person (Shri) and Statement dated**	**GIST**	**Remarks**
1	M/s Mahadev ji exports & others 5 firms	Vijay Goel, Statement dated 16.11.2022**(RUD 02)** & 17.11.2022**(RUD 03)**	-that the invoices retrieved by the DRI were genuine; -that he under-valued imported goods using fabricated invoices provided to him by Chinese suppliers; -that he used to receive these fabricated invoices from Chinese Suppliers; -that there was difference between actual and declared value of the impugned goods; -that he paid differential amount-on account of under-valuation, to Chinese suppliers through Hawala.	Shri Vijay Goel is alleged to be the master mind who controlled 06 firms and used them to import under-valued goods i.e. Cold Rolled Stainless Steel Coils
2.		Pranshu Goel (Proprietor), dated 16.11.2022**(RUD 04)**	- that there was huge difference of value of the invoices filed before Indian Customs during clearance and value of invoices retrieved by DRI. He further mentioned that usually they clear the item stainless steel coil J3 grade at USD 0.75 per kg. However, the same item was being brought from Chinese supplier at 2 times higher rate. -that he used to receive two set of invoices (with same serial number) from Chinese suppliers one with higher value and other with lower value.	Shri Pranshu Goel (son of Shri Vijay Goel), alleged to be assisted his father in under-valuation.

			- retrieved invoices are the actual invoices which has been received from the overseas Chinese suppliers	
3	Seeno Stainless Steel	Deepak Jindal, dated 15.12.2023**(RUD 05)** & 06.02.2024 **(RUD 06)**	-that the invoices retrieved by the DRI were genuine; -that they used forged invoices in Customs declaration. - that he paid differential amount-on account of under-valuation of the imported goods, to Chinese suppliers through Hawala.	Shri Deepak Jindal is proprietor of M/s Seeno Stainless Steel accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils
4	SS Enterprises	Sandeep Garg, dated 15.12.2023 **(RUD 07)** & 06.02.2024 **(RUD 08)**	-that the invoices retrieved by the DRI were genuine. - that he used to declare the imported goods at a lower price @ 0.75 to 0.98 USD Per KG, by way of using forged/duplicate under-valued Import Invoices, before Indian Customs, to evade Customs Duty. However, the actual price of imported goods was higher in the range of $ 1.3 to $ 2 USD Per Kg. -that they used forged invoices in Customs declaration; that he paid differential amount-on account of under-valuation, to Chinese suppliers through Cash.	Shri Sandeep Garg is proprietor of M/s S S Enterprises accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils
5	Royal Steel Trading	Vikas Jindal, dated 13.02.2024**(RUD 09)**	-that the invoices retrieved by the DRI were genuine. -that they used forged invoices in Customs declaration.	Shri Vikas Jindal is proprietor of M/s Royal Steel Trading accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils
6	Gemini Metal Corporation	Gaurav Jindal dated 09.01.2024**(RUD 10)** & 04.03.2024**(RUD 11)**	-that the invoices retrieved by the DRI were genuine; -that Chinese supplier supplied them forged invoices-with lower value; -that they used forged invoices in Customs declaration	Shri Gaurav Jindal is proprietor of M/s Gemini Metal Corporation accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils

2.3. All the above controllers/proprietors had admitted during their voluntary statements recorded under Section 108 of Customs Act that the invoices retrieved by the DRI were genuine and accordingly, these genuine invoices could be relied upon during the instant matter. In respect of the firms appearing at Serial No. 1& 2 above, a Show Cause Notice (SCN) under Section 124 of the Customs Act 1962, on the ground of mis-declaration of the imported goods through undervaluation, bearing F.No. GEN/ADJ/ADC/2132/2023-Adjn dated. 15.11.2023, was issued by Additional Commissioner of Customs, Customs House, Mundra. The said SCN has been adjudicated by the Adjudicating Authority Customs Mundra vide OIO NO. MCH/ADC/AKM/258/2024-25 dated 20.01.2025 **(RUD 12)** wherein it has been found that impugned goods had been improperly imported to the extent that they were declared undervalued by hiding true transaction value by manipulating import documents with the help of foreign suppliers. Also, a Show Cause Notice under Section 28(4) of the Customs Act 1962, bearing F.No. GEN/ADJ/COMM/526/2024-Adjn-O/o-Pr.Commr-Cus-Mundra dated 08.11.2024 has also been issued by Pr Commissioner of Customs, Customs House, Mundra wherein demand of duty has been proposed on account of undervaluation of the imported goods. In respect of firms mentioned at Serial no. 3,4 & 5 a Show Cause Notice under Section 124 and 28(4) of the Customs Act 1962, bearing F.No. GEN/ADJ/COMM/582/2024-Adjn-O/o Pr Commr-Cus-Mundra dated 13.12.2024 has also been issued by Pr Commissioner of Customs, Customs House, Mundra wherein demand of duty has been proposed on account of undervaluation of the imported goods. Further, for the firm mentioned at serial no 6, Show Cause Notice under Section 124 and 28(4) of the Customs Act 1962, bearing F.No. KOL/CUS/PC/PORT/GR.4/26/2024 dated 13.12.2024 has been issued by Pr Commissioner of Customs, Customs House, Kolkata and the same has been adjudicated by the concerned port Kolkata via OIO No. KOL/CUS/Commissioner /Port/Adjn/22/2025 date 16.06.2025. (**RUD 13**).

2.4. Thus, the investigation conducted by DRI corroborated the genuineness of the retrieved invoices and role of certain Chinese suppliers in issuing these invoices.

2.5. Further, based on retrieved genuine invoices (**Annexure I**), 18 Chinese suppliers were identified who, as per evidences and statements recorded, were found to be accused of issuing fabricated invoices to the above firms:

Table 02

S. NO.	NAME OF THE CHINESE SUPPLIERS (M/s)		S. NO.	NAME OF THE CHINESE SUPPLIERS (M/s)
1	FIA INTERNATIONAL TRADING CO. LTD		11	FOSHAN WEN ZHI YUAN TRADING CO LTD
2	GUANGDONG GUANGXIN GOLDTEC HOLDINGS		12	FOSHAN XUANZHENG TRADING CO. LTD.

3	HONGKONG WINNER STEEL CO., LIMITED		13	FS-ESSENTIAL INTERNATIONAL CO. LIMITED
4	JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED		14	GOLD COAST LOGISTICS HONG KONG LIMITED
5	LEO METALS LIMITED		15	HK PINGAN IMP AND EXP CO LIMITED
6	MFY METAL COMPANY LIMITED		16	HUAYE INTERNATIONAL DEVELOPMENT (HK) LIMITED
7	ART STEEL MAGIC CO., LIMITED		17	LIYI HONGKONG TRADING CO., LIMITED
8	FOSHAN JIA WEI IMPORT AND EXPORT CO. LTD.		18	NEWWEI TRADING COMPANY LIMITED
9	BOSOM METAL CO LTD			
10	FOSHAN TIAN MAIDUO IMPORT AND EXPORT CO. LTD.			

2.6 In addition, ongoing through sets of parallel invoices (genuine Invoices retrieved and fabricated invoices submitted before Indian Customs), the investigation revealed a striking pattern that all importers(i.e. entities who were found importing goods from the Chinese suppliers as per the retrieved invoices) declared nearly identical or closely matching undervalued price ranges for the impugned goods i.e. Cold Rolled Stainless Steel Coils (of Grade J3 and Grade J2), despite sourcing from different suppliers. This uniformity in under-declaration strongly suggests a deliberate and coordinated practice rather than isolated instances of valuation errors or commercial negotiations. The level of consistency in undervaluation across unrelated entities indicates a systemic modus operandi aimed at evading customs duties and gaining unfair market advantage. In view of the above, it appears that there are sufficient grounds to conclude that any importer declaring values within the same suspicious price range might be engaging in similar undervaluation practices. The convergence of under-reported values across multiple importers and availability of genuine retrieved invoices issued by above Chinese suppliers as credible documentation to support genuine prices, provide indication of intentional mis-declaration with the aim to evade applicable Customs duties. Therefore, it was essential that any importer declaring import values within the identified undervalued price range be subjected to enhanced scrutiny.

2.7 Further, a few sample Copies of retrieved genuine invoices from the above Chinese suppliers vis-à-vis Customs invoices (collectively referred as Parallel Invoices in this SCN) are appended below for better clarity and understanding:

I. Parallel Invoice of Chinese Supplier **M/S HONGKONG WINNER STEEL CO. LIMITED** to M/s Mahadev Ji Exports vis-à-vis Invoice declared with Customs Authorities:

HONGKONG WINNER STEEL CO.,LIMITED

Add.: Room 803, Chevalier House, 45-51 Chatham Road South, Tsim Sha Tsui, Kowloon , Hong Kong

COMMERCIAL INVOICE

C/I NO.: 21LR3S33-38C INVOICE DATE: 2022/3/3

SHRI MAHADEV JI EXPORTS
ADD: A-104,FIRST FLOOR, WAZIRPUR INDL. AREA, NEAR SHRI RAM CHOWK, DELHI-110052
IEC CODE: CPTPG4273F
GST: 07CPTPG4273F1ZM
PAN: CPTPG4273F
MAIL: SHRIMAHADEVJI2000@GMAIL.COM
PHONE: 9871576508

DESCRIPTION OF GOODS: COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX - STOCK
PRICE TERM: CIF TO MUNDRA

NO.	DESCRIPTION OF GOODS	QUANTITY (KGS)	QUANTITY (coils)	Finish	UNIT PRICE (USD/KG)	TOTAL AMOUNT (USD)
1	600*0.26	3,760	1	2B	2.060	7,745.60
2	600*0.26	3,658	1	2B	2.060	7,535.48
3	650*0.26	4,192	1	2B	2.060	8,635.52
4	650*0.26	4,060	1	2B	2.060	8,363.60
5	650*0.26	3,560	1	2B	2.060	7,333.60
6	650*0.26	4,758	1	2B	2.060	9,801.48
7	650*0.26	4,094	1	2B	2.060	8,433.64
8	650*0.26	4,204	1	2B	1.700	7,146.80
9	600*0.26	3,724	1	2B	1.700	6,330.80
10	600*0.26	3,698	1	2B	1.700	6,286.60
11	650*0.26	4,118	1	2B	1.700	7,000.60
12	650*0.26	3,942	1	2B	1.700	6,701.40
13	650*0.26	4,138	1	2B	1.700	7,034.60
14	650*0.26	4,116	1	2B	1.700	6,997.20
Total		56,022	14	2B		105,346.92
Less Payment						105,346.92

BANK INFORMATION:
BENEFICIARY : HONGKONG WINNER STEEL CO., LIMITED
BENEFICIARY'S ADDRESS: ROOM 803, CHEVALIER HOUSE, 45-51 CHATHAM ROAD SOUTH, TSIM SHA TSUI, KOWLOON , HONG KONG
BANK NAME: CITIBANK N.A., HONG KONG BRANCH
ADD: 3 GARDEN ROAD, CENTRAL, HONG KONG
ACCOUNT NUMBER: 705020349
SWIFT CODE: CITIHKHX (CITIHKHXXXX * IF 11 CHARACTERS ARE REQUIRED)
BANK CODE: 006
BRANCH CODE: 391 * IF PAYING FROM HONG KONG BANKS

For and on behalf of
HONGKONG WINNER STEEL CO., LIMITED
Authorized Signature(s)

Singed By(Seller):

Genuine Invoice of M/s Mahadev Ji Exports with Invoice No. 21LR3S33-38C

HONGKONG WINNER STEEL CO.,LIMITED

Add.: Room 803, Chevalier House, 45-51 Chatham Road South, Tsim Sha Tsui, Kowloon , Hong Kong

COMMERCIAL INVOICE

INVOICE NO.: 21LR3S33-38C INVOICE DATE: 2022/3/3

SHRI MAHADEV JI EXPORTS
ADD: A-104,FIRST FLOOR, WAZIRPUR INDL. AREA, NEAR SHRI RAM CHOWK, DELHI-110052
IEC CODE: CPTPG4273F
GST: 07CPTPG4273F1ZM
PAN: CPTPG4273F
MAIL: SHRIMAHADEVJI2000@GMAIL.COM

DESCRIPTION OF GOODS: COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX - STOCK
PRICE TERM: CIF TO MUNDRA

NO.	DESCRIPTION OF GOODS	QUANTITY (KGS)	QUANTITY (coils)	Finish	UNIT PRICE (USD/KG)	TOTAL AMOUNT (USD)
1	600*0.26	3,760	1	2B	0.750	2,820.00
2	600*0.26	3,658	1	2B	0.750	2,743.50
3	650*0.26	4,192	1	2B	0.750	3,144.00
4	650*0.26	4,060	1	2B	0.750	3,045.00
5	650*0.26	3,560	1	2B	0.750	2,670.00
6	650*0.26	4,758	1	2B	0.750	3,568.50
7	650*0.26	4,094	1	2B	0.750	3,070.50
8	650*0.26	4,204	1	2B	0.750	3,153.00
9	600*0.26	3,724	1	2B	0.750	2,793.00
10	600*0.26	3,698	1	2B	0.750	2,773.50
11	650*0.26	4,118	1	2B	0.750	3,088.50
12	650*0.26	3,942	1	2B	0.750	2,956.50
13	650*0.26	4,138	1	2B	0.750	3,103.50
14	650*0.26	4,116	1	2B	0.750	3,087.00
Total		56,022	14	2B	0.750	42,016.50

SAY USD DOLLAR: FOURTY TWO THOUSAND SIXTEEN AND FIFTY CENTS ONLY

BANK INFORMATION:
BENEFICIARY : HONGKONG WINNER STEEL CO., LIMITED
BENEFICIARY'S ADDRESS: ROOM 803, CHEVALIER HOUSE, 45-51 CHATHAM ROAD SOUTH, TSIM SHA TSUI, KOWLOON , HONG KONG
BANK NAME: CITIBANK N.A., HONG KONG BRANCH
ADD: 3 GARDEN ROAD, CENTRAL, HONG KONG
ACCOUNT NUMBER: 705020349
SWIFT CODE: CITIHKHX (CITIHKHXXXX * IF 11 CHARACTERS ARE REQUIRED)
BANK CODE: 006
BRANCH CODE: 391 * IF PAYING FROM HONG KONG BANKS

For and on behalf of
HONGKONG WINNER STEEL CO., LIMITED
Authorized Signature(s)

Singed By(Seller):

Invoice of M/s Mahadev Ji Exports with Invoice No. 21LR3S33-38C declared before Indian Customs

On comparison of the above two invoices, it is observed that the Unit Price of impugned goods was suppressed from USD 2.060 & 1.700 per KG to USD 0.75 per Kg. However, every other aspect of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier, invoice number and date etc. are identical.

II. Parallel Invoice of Chinese Supplier **M/S LEO METALS LIMITED** to M/s Shri Mahadev Ji Exports vis-à-vis Invoice declared with Custom Authorities.

LEO METALS LIMITED

FLAT/RM 1502 EASEY COMMERCIAL BUILDING 253-261 HENNESSY ROAD WANCHAI HK

COMMERCIAL INVOICE

BUYER: SHRI MAHADEV JI EXPORTS

Invoice No.: 211008J03-5

A-104,FIRST FLOOR, WAZIRPUR INDL. AREA, NEAR
SHRI RAM CHOWK, DELHI-110052
EMAIL:SHRIMAHADEVJI2000@GMAIL.COM
IEC:CPTPG4273F
GST:07CPTPG4273F1ZM
PAN:CPTPG4273F

Date: DEC.10.2021

COMMODITY:COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX - STOCK
PRICE TERM: CIF MUNDRA,INDIA

MARKS& NOS	SIZE (MM)	QUANTITY (MTS)	UNIT PRICE (USD/MTS)	AMOUNT (USD)
N/M	0.26*510*C	14.172	2000	28344.00
	0.26*600*C	3.156	2000	6312.00
	0.26*650*C	14.822	2000	29644.00
	0.26*690*C	19.46	2000	38920.00
	Total :	51.610	/	103,220.00
TOTAL AMOUNT:	SAY U.S DOLLAR ONE HUNDRED AND THREE THOUSAND TWO HUNDRED TWENTY ONLY.			

BANK INFORMATION

BENEFICIARY NAME: LEO METALS LIMITED
BANK NAME: BANK OF COMMUNICATIONS CO.,LTD. OFFSHORE BANKING UNIT
BANK ADDRESS:NO.188, YINCHENG ZHONG ROAD, SHANGHAI CHINA
SWIFT CODE: COMMCN3XOBU
BANK ACCOUNT NO.: OSA90000343828100

Genuine Invoice of M/s Shri Mahadev Ji Exports with Invoice No. 211008J03-5

LEO METALS LIMITED

FLAT/RM 1502 EASEY COMMERCIAL BUILDING 253-261 HENNESSY ROAD WANCHAI HK

COMMERCIAL INVOICE

BUYER: SHRI MAHADEV JI EXPORTS

Invoice No.: **211008J03-5**

A-104,FIRST FLOOR, WAZIRPUR INDL. AREA, NEAR
SHRI RAM CHOWK, DELHI-110052
EMAIL:SHRIMAHADEVJI2000@GMAIL.COM
IEC:CPTPG4273F
GST:07CPTPG4273F1ZM
PAN:CPTPG4273F

Date: **DEC.10.2021**

COMMODITY:COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX - STOCK
PRICE TERM: CIF MUNDRA,INDIA

MARKS& NOS	SIZE (MM)	QUANTITY (MTS)	UNIT PRICE (USD/MTS)	AMOUNT (USD)
N/M	0.26*510*C	14.172	750	10629.00
	0.26*600*C	3.156	750	2367.00
	0.26*650*C	14.822	750	11116.50
	0.26*690*C	19.46	750	14595.00
	Total :	51.610	/	38,707.50
TOTAL AMOUNT:	**SAY U.S DOLLAR THIRTY EIGHT THOUSAND SEVEN HUNDRED SEVEN AND CENTS FIFTY ONLY.**			

BANK INFORMATION

BENEFICIARY NAME: LEO METALS LIMITED
BANK NAME: BANK OF COMMUNICATIONS CO.,LTD. OFFSHORE BANKING UNIT
BANK ADDRESS:NO.188, YINCHENG ZHONG ROAD, SHANGHAI CHINA
SWIFT CODE: COMMCN3XOBU
BANK ACCOUNT NO.: OSA90000343828100

For and on behalf of
Leo Metals Limited
麗寶金屬有限公司

Authorized Signature(s)

Invoice of M/s Shri Mahadev Ji Exports with Invoice No. 211008J03-5 declared before Indian Customs.

On comparison of the above two invoices it is observed that the Unit Price of impugned goods was suppressed from USD 2000 per MT to USD 750 MT, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc., are identical.

III. Parallel Invoice of Chinese Supplier **M/S GUANGDONG GUANGXIN GOLDTECH HOLDINGS CO., LTD.** to M/s Goel Exim, vis-à-vis Invoice declared with Custom Authorities.

GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD

12 FLOOR, EAST TOWER, NO.1000 XINGANG EAST ROAD, HAIZHU DISTRICT, GUANGZHOU, CHINA

INVOICE		ORIGINAL
TO MESSRS.	Invoice No.:	SMJ210301705-1
GOEL EXIM	INV Date:	2021/4/9
GROUND FLOOR, A-84/1, INDUSTRIAL AREA,,WAZIRPUR,,NEW DELHI,NORTH WEST DELHI,DELHI,110052 IEC NO. - AIFPG0671A E mail - Goelexim69@gmail.com Phone No - 9818084989 Pan No. - AIFPG0671A 07AIFPG0671A1ZW		
From CHINA	To MUNDRA,INDIA	
Terms of payment: TT	FILE NAME:SMJ210301705	

MARKING	Description of Goods	Quantity (MT)	Unit Price(USD/MT)	Amount（USD）
	COLD ROLLED STAINLESS STEEL COIL EX- STOCK		CFR MUNDRA,INDIA	
	2*690	4.434	2110	9355.74
	0.9*690	4.306	2110	9085.66
	0.58*690	4.294	2124	9120.46
	1.5*690	4.284	2110	9039.24
	2*690	4.276	2110	9022.36
	1.2*690	4.252	2110	8971.72
	1.2*730	4.248	2110	8963.28
	2*690	4.232	2110	8929.52
	0.9*690	4.22	2110	8904.20
	1.2*690	4.21	2110	8883.10
	1.5*690	4.19	2110	8840.90
	0.58*690	4.184	2124	8886.82
N/M	0.68*690	4.142	2110	8739.62
	2*690	4.128	2110	8710.08
	0.58*690	4.098	2124	8704.15
	1.2*690	3.972	2110	8380.92
	1.5*730	4.482	2110	9457.02
	1.5*730	4.492	2110	9478.12
	0.58*690	4.36	2124	9260.64
	0.68*690	4.422	2110	9330.42
	1.2*690	4.606	2110	9718.66
	1.2*730	4.552	2110	9604.72
	1.2*730	4.394	2110	9271.34
	1.2*730	4.658	2110	9828.38
	MADE IN CHINA			
	TOTAL	103.436		218487.06
			SAY USD two hundred and eighteen thousand four hundred and eighty-seven point zero six ONLY.	

WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN

SN-288

Genuine Invoice of M/s Goel Exim with Invoice No. SMJ210301705-1

GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD

12 FLOOR, EAST TOWER, NO.1000 XINGANG EAST ROAD, HAIZHU DISTRICT, GUANGZHOU, CHINA

INVOICE		ORIGINAL
TO MESSRS.	Invoice No.:	SMJ210301705-1
GOEL EXIM	INV Date:	2021/4/9
GROUND FLOOR, A-84/1, INDUSTRIAL AREA,,WAZIRPUR,,NEW DELHI,NORTH WEST DELHI,DELHI,110052 IEC NO. - AIFPG0671A E mail - Goelexim69@gmail.com Phone No - 9818084989 Pan No. - AIFPG0671A 07AIFPG0671A1ZW		
From CHINA	To MUNDRA,INDIA	
Terms of payment: TT	FILE NAME:SMJ210301002	

MARKING	Description of Goods	Quantity (MT)	Unit Price(USD/MT)	Amount (USD)
	COLD ROLLED STAINLESS STEEL COIL EX- STOCK		CFR MUNDRA,INDIA	
	2*690	4.434	750	3325.50
	0.9*690	4.306	750	3229.50
	0.58*690	4.294	750	3220.50
	1.5*690	4.284	750	3213.00
	2*690	4.276	750	3207.00
	1.2*690	4.252	750	3189.00
	1.2*730	4.248	750	3186.00
	2*690	4.232	750	3174.00
	0.9*690	4.22	750	3165.00
	1.2*690	4.21	750	3157.50
	1.5*690	4.19	750	3142.50
	0.58*690	4.184	750	3138.00
N/M	0.68*690	4.142	750	3106.50
	2*690	4.128	750	3096.00
	0.58*690	4.098	750	3073.50
	1.2*690	3.972	750	2979.00
	1.5*730	4.482	750	3361.50
	1.5*730	4.492	750	3369.00
	0.58*690	4.36	750	3270.00
	0.68*690	4.422	750	3316.50
	1.2*690	4.606	750	3454.50
	1.2*730	4.552	750	3414.00
	1.2*730	4.394	750	3295.50
	1.2*730	4.658	750	3493.50
			SW-290	
	MADE IN CHINA			
	TOTAL	103.436		77577.00
			SAY USD seventy seven thousand five hundred and seventy seven ONLY.	

WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN.

GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD

Bud 4/4/23

Invoice of M/s Goel Exim with Invoice No. SMJ210301705-1 declared before Indian Customs

On comparison of the above two invoices, it is observed that the Unit Price of impugned goods was suppressed from USD 2110 and 2124 per MT to USD 750 per MT, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc. are identical.

IV. Parallel Invoice of Chinese Supplier **M/S JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED** to M/s Shri Mahadevji Exports, vis-à-vis Invoice declared with Custom Authorities.

JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

RM 4 16/F HO KING COMM CTR 2-16 FA YUEN ST MONG KOK KL

COMMERCIAL INVOICE

COMPANY: SHRI MAHADEV JI EXPORTS
ADD : A-104, FIRST FLOOR,WAZIRPUR INDL. AREA, NEAR SHRI RAM C
I.E.C NO. : CPTPG4273F
GSTIN NO. : 07CPTPG4273F1ZM
PAN: CPTPG4273F
MAIL ID: SHRIMAHADEVJI2000@GMAIL.COM
TEL : 9871576508
CONTACT PERSON: PRANSHU GOEL

NO.: FSSR210302-2
DATE: 2021-3-12

Descripto of Goods &/ or Services
COLD ROLLED STAINLESS STEEL COIL GRADE J3 STOCK LOT
FROM: SHEKOU, CHINA
TO: MUNDRA,INDIA

NO.	GRADE	SURFACE	SIZE (MM)	PRICE (USD/ KG)	QUANTITY (KG)	AMOUNT (USD)
						CNF MUNDRAD,INDIA
1	201	2B	0.26*510	$1.410	3608	$5,087.28
2	201	2B	0.26*510	$1.410	3490	$4,920.90
3	201	2B	0.26*550	$1.410	3744	$5,279.04
4	201	2B	0.26*620	$1.410	4278	$6,031.98
5	201	2B	0.26*650	$1.410	3682	$5,191.62
6	201	2B	0.26*650	$1.410	4216	$5,944.56
7	201	2B	0.26*720	$1.410	4400	$6,204.00
8	201	2B	0.26*510	$1.410	3342	$4,712.22
9	201	2B	0.26*550	$1.410	3874	$5,462.34
10	201	2B	0.26*620	$1.410	4228	$5,961.48
11	201	2B	0.26*650	$1.410	3320	$4,681.20
12	201	2B	0.26*690	$1.410	4240	$5,978.40
13	201	2B	0.26*650	$1.410	3996	$5,634.36
14	201	2B	0.26*690	$1.410	4426	$6,240.66
15	201	2B	0.26*510	$1.410	3482	$4,909.62
16	201	2B	0.26*550	$1.410	3616	$5,098.56
17	201	2B	0.26*650	$1.410	3914	$5,518.74
18	201	2B	0.26*650	$1.410	4072	$5,741.52
19	201	2B	0.26*690	$1.410	4066	$5,733.06
20	201	2B	0.26*720	$1.410	4268	$6,017.88
21	201	2B	0.26*720	$1.410	4026	$5,676.66
22	201	2B	0.26*510	$1.410	3456	$4,872.96
23	201	2B	0.26*510	$1.410	3478	$4,903.98
24	201	2B	0.26*550	$1.410	3724	$5,250.84
25	201	2B	0.26*650	$1.410	4108	$5,792.28
26	201	2B	0.26*650	$1.410	4036	$5,690.76
27	201	2B	0.26*690	$1.410	4220	$5,950.20
28	201	2B	0.26*720	$1.410	4476	$6,311.16
TOTAL:					109786	$154,798.26

TOTAL : SAY US DOLLARS

Company Bank Account Information
Beneficiary: JIAYAO HK INTL GROUP LTD
Beneficiary Bank Name:SHENZHEN DEVELOPMENT BANK CO LTD.,H.O. OFFSHORE BANKING CENTRE
Bank Account No.:11013250734101
Beneficiary Bank Address: 11/F,NO 5047 ROAD SHENNAN DONG,SHENZHEN P.R.CHINA
SWIFT Code:SZDBCNBS
Company Address: RM 4 16/F HO KING COMM CTR 2-16 FA YUEN ST MONG KOK KL

ISSUED BY BENEFICIARY
JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

Genuine Invoice of M/s Shri Mahadev Ji Exports with Invoice No. FSSR2103302-2

JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

RM 4 16/F HO KING COMM CTR 2-16 FA YUEN ST MONG KOK KL

COMMERCIAL INVOICE

NO.: FSSR210302-2

COMPANY: SHRI MAHADEV JI EXPORTS DATE: 2021/3/12
ADD : A-104, FIRST FLOOR,WAZIRPUR INDL. AREA, NEAR SHRI RAM CHOWK,DELHI-110052
IEC NO. : CPTPG4273F
GSTIN NO. 07CPTPG4273F1ZM
PAN: CPTPG4273F
MAIL ID: SHRIMAHADEVJI2006@GMAIL.COM
TEL : 9871576508
CONTACT PERSON: PRANSHU GOEL

Descriptn of Goods &/ or Services

COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX STOCK

FROM: SHEKOU, CHINA **TO: MUNDRA,INDIA**

NO.	GRADE	SURFACE	SIZE (MM)	PRICE (USD/ KG)	QUANTITY (KG)	AMOUNT (USD)
						CIF MUNDRA,INDIA
1	J3	2B	0.26*510	$0.750	3608	$2,706.00
2	J3	2B	0.26*510	$0.750	3490	$2,617.50
3	J3	2B	0.26*550	$0.750	3744	$2,808.00
4	J3	2B	0.26*595	$0.750	4278	$3,208.50
5	J3	2B	0.26*598	$0.750	3682	$2,761.50
6	J3	2B	0.26*598	$0.750	4216	$3,162.00
7	J3	2B	0.26*585	$0.750	4400	$3,300.00
8	J3	2B	0.26*510	$0.750	3342	$2,506.50
9	J3	2B	0.26*550	$0.750	3874	$2,905.50
10	J3	2B	0.26*595	$0.750	4228	$3,171.00
11	J3	2B	0.26*598	$0.750	3320	$2,490.00
12	J3	2B	0.26*590	$0.750	4240	$3,180.00
13	J3	2B	0.26*598	$0.750	3996	$2,997.00
14	J3	2B	0.26*590	$0.750	4426	$3,319.50
15	J3	2B	0.26*510	$0.750	3482	$2,611.50
16	J3	2B	0.26*550	$0.750	3616	$2,712.00
17	J3	2B	0.26*598	$0.750	3914	$2,935.50
18	J3	2B	0.26*598	$0.750	4072	$3,054.00
19	J3	2B	0.26*598	$0.750	4066	$3,049.50
20	J3	2B	0.26*585	$0.750	4268	$3,201.00
21	J3	2B	0.26*585	$0.750	4026	$3,019.50
22	J3	2B	0.26*510	$0.750	3456	$2,592.00
23	J3	2B	0.26*510	$0.750	3478	$2,608.50
24	J3	2B	0.26*550	$0.750	3724	$2,793.00
25	J3	2B	0.26*598	$0.750	4108	$3,081.00
26	J3	2B	0.26*598	$0.750	4036	$3,027.00
27	J3	2B	0.26*590	$0.750	4220	$3,165.00
28	J3	2B	0.26*585	$0.750	4476	$3,357.00
TOTAL:					**109786**	$82,339.50

TOTAL : SAY US DOLLARS EIGHTY TWO THOUSAND THREE HUNDRED THIRTY NINE AND CENTS FIFTY ONLY

Company Bank Account Information
Beneficiary: JIAYAO HK INTL GROUP LTD
Beneficiary Bank Name:SHENZHEN DEVELOPMENT BANK CO LTD.,H.O. OFFSHORE BANKING CENTRE
Bank Account No.:11013250734101
Beneficiary Bank Address: 11/F,NO 5047 ROAD SHENNAN DONG,SHENZHEN P.R.CHINA
SWIFT Code:SZDBCNBS
Company Address: RM 4 16/F HO KING COMM CTR 2-16 FA YUEN ST MONG KOK KL

ISSUED BY BENEFICIARY
JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

Custom Invoice of M/s Shri Mahadev Ji Exports with Invoice No. FSSR2103302-2

On comparison of the above two invoices, it is observed that there is a difference in Description of goods and Unit Price of impugned goods (from USD 1.410 per KG to USD 0.75 per KG), however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Dimension of Goods, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc., are identical.

V. Parallel Invoice of Chinese Supplier **M/S NEWWEI TRADING COMPANY LIMITED** to M/s M K Overseas, vis-à-vis Invoice declared with Custom Authorities

100 82 115

NEWWEI TRADING COMPANY LIMITED

ADD:ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG

COMMERCIAL INVOICE

ORIGINAL

BUYER: M.K OVERSEAS

INVOICE NO.: 23SS0710-1

ADDRESS: 310,,3RD FLOOR,VARDAAN HOUSE,7/28 ANSARI ROAD,DARYAGANJ,CENTRAL DELHI,DELHI, 110002
GSTIN : 07ASHPS8562N1ZT
PAN: ASHPS8562N
IEC NO : ASHPS8562N
EMAIL ID : MKOVERSEAS2011@GMAIL.COM
CONTACT PERSON:RAKESH SHARMA
CONTACT NUMBER: 9643317092

DATE: 2023/07/31

PRODUCT'S NAME	SIZE(MM)	QUANTITY	TOTAL WEIGHT	UNIT PRICE	AMOUNT
		PALLETS	KG	USD/KG	USD
COLD ROLLED STAINLESS STEEL COILS EX STOCK GRADE J3	0.38*300*2C	1	4,422.00	1.200	5,306.40
	0.38*300*2C	1	3,246.00	1.200	3,895.20
	0.38*350*2C	1	5,144.00	1.200	6,172.80
	0.38*350*2C	1	3,802.00	1.200	4,562.40
	0.38*325*2C	1	3,012.00	1.200	3,614.40
	0.38*325*2C	1	3,666.00	1.200	4,399.20
	0.38*325*2C	1	3,244.00	1.200	3,892.80
TOTAL		7	26,536.00	CIF MUNDRA,INDIA	31843.20

PAYMENT TERM: T/T

Please arrange payment to following account:

Account Name: NEWWEI TRADING COMPANY LIMITED
ADDRESS: ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG
Account NO: 774-018-14752-8
Bank Code: 040
Swift Code: DSBAHKHHXXX
Bank Name:Dah sing Bank, Limited
Bank Address: Shop No.G7,G7A & G8G/F, Dah Sing FinanciaCentre, 248 Queen'sRoad East,Wan Chai.Hong Kong

6/7/24

SIGNATURE

Genuine Invoice of M/s M K Overseas with Invoice No. 23SS0710-1

NEWWEI TRADING COMPANY LIMITED

ADD:ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG

COMMERCIAL INVOICE

ORIGINAL

BUYER: **M.K OVERSEAS** **INVOICE NO.:** 23SS0710-1

ADDRESS: 310,,3RD FLOOR,VARDAAN HOUSE,7/28 ANSARI ROAD,DARYAGANJ,CENTRAL DELHI,DELHI, 110002
GSTIN : 07ASHPS8562N1ZT
PAN: ASHPS8562N
IEC NO : ASHPS8562N
EMAIL ID : MKOVERSEAS2011@GMAIL.COM
CONTACT PERSON:RAKESH SHARMA
CONTACT NUMBER: 9643317092

DATE: 2023/07/31

PRODUCT'S NAME	SIZE(MM)	QUANTITY	TOTAL WEIGHT	UNIT PRICE	AMOUNT
		PALLETS	KG	USD/KG	USD
COLD ROLLED STAINLESS STEEL COILS EX STOCK GRADE J3	0.38*300*2C	1	4,422.00	1.100	4,864.20
	0.38*300*2C	1	3,246.00	1.100	3,570.60
	0.38*350*2C	1	5,144.00	1.100	5,658.40
	0.38*350*2C	1	3,802.00	1.100	4,182.20
	0.38*325*2C	1	3,012.00	1.100	3,313.20
	0.38*325*2C	1	3,666.00	1.100	4,032.60
	0.38*325*2C	1	3,244.00	1.100	3,568.40
TOTAL		**7**	**26,536.00**	**CIF MUNDRA,INDIA**	**29189.60**

PAYMENT TERM: T/T

Please arrange payment to following account:

Account Name: NEWWEI TRADING COMPANY LIMITED
ADDRESS: ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG
Account NO: 774-018-14752-8
Bank Code: 040
Swift Code: DSBAHKHHXXX
Bank Name:Dah sing Bank, Limited
Bank Address: Shop No.G7,G7A & G8G/F, Dah Sing FinanciaCentre, 248 Queen'sRoad East,Wan Chai.Hong Kong

SIGNATURE

Signature valid
Digitally signed by MUKESH GROVER
Date: 2023.08.23 14:38:50 IST
Reason: Secure Document
Location: India

Invoice of M/s M K Overseas with Invoice No. 23SS0710-1 declared before Indian Customs

On comparison of the above two invoices, it is observed that the Unit Price of impugned goods was suppressed from USD 1.200 per KG to 1.10 per KG, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc. are identical.

VI. Parallel Invoice of Chinese Supplier **M/S NEWWEI TRADING COMPANY LIMITED** to M/s. Seeno Stainless Steel, vis-à-vis Invoice declared with Custom Authorities

(99) 81 (114)

NEWWEI TRADING COMPANY LIMITED

ADD:ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG

COMMERCIAL INVOICE

ORIGINAL

BUYER: SEENO STAINLESS STEEL

INVOICE NO.: 23SS0724A-2

ADDRESS: SHED NO.283, GIDC ESTATE, ODHAV,
AHMEDABAD, GUJARAT, 382415
GSTIN: 24AGSPJ1611Q1Z2
PAN: AGSPJ1611Q
IEC: AGSPJ1611Q
CONTACT PERSON: DEEPAK JINDAL
PH: +91 8010971183
EMAIL: SEENOSTAINLESS@GMAIL.COM

DATE: 2023/10/14

PRODUCT'S NAME	SIZE(MM)	QUANTITY	TOTAL WEIGHT	UNIT PRICE	AMOUNT
		COILS	KG	USD/KG	USD
COLD ROLLED STAINLESS STEEL COILS GRADE J2 EX STOCK	0.29*600*C	1	3,944.00	1.285	5,068.04
	0.29*600*C	1	4,154.00	1.285	5,337.89
	0.29*690*C	1	4,830.00	1.285	6,206.55
	0.29*690*C	1	4,870.00	1.285	6,257.95
	0.29*780*C	1	5,134.00	1.285	6,597.19
	0.29*780*C	1	5,002.00	1.285	6,427.57
TOTAL		6	27,93[illegible].00	CIF MUNDRA,INDIA	35895.19

PAYMENT TERM: 100% IN ADVANCE.

Please arrange payment to following account:

Account Name: NEWWEI TRADING COMPANY LIMITED
ADDRESS: ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG
Account NO: 774-018-14752-8
Bank Code: 040
Swift Code: DSBAHKHHXXX
Bank Name:Dah sing Bank, Limited
Bank Address: Shop No.G7,G7A & G8G/F, Dah Sing FinanciaCentre, 248 Queen'sRoad East,Wan Chai.Hong Kong

SIGNATURE

Genuine Invoice of M/s. Seeno Stainless Steel *with Invoice No. 23SS0724A-2*

NEWWEI TRADING COMPANY LIMITED

ADD:ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG

COMMERCIAL INVOICE

ORIGINAL

BUYER: **SEENO STAINLESS STEEL** **INVOICE NO.:** 23SS0724A-2

ADDRESS: SHED NO.283, GIDC ESTATE, ODHAV,
AHMEDABAD, GUJARAT, 382415
GSTIN: 24AGSPJ1611Q1Z2
PAN: AGSPJ1611Q
IEC: AGSPJ1611Q
CONTACT PERSON: DEEPAK JINDAL
PH: +91 8010971183
EMAIL: SEENOSTAINLESS@GMAIL.COM

DATE: 2023/10/14

PRODUCT'S NAME	SIZE(MM)	QUANTITY	TOTAL WEIGHT	UNIT PRICE	AMOUNT
		COILS	KG	USD/KG	USD
COLD ROLLED STAINLESS STEEL COILS GRADE J2 EX STOCK	0.29*600*C	1	3,944.00	1.100	4,338.40
	0.29*600*C	1	4,154.00	1.100	4,569.40
	0.29*690*C	1	4,830.00	1.100	5,313.00
	0.29*690*C	1	4,870.00	1.100	5,357.00
	0.29*780*C	1	5,134.00	1.100	5,647.40
	0.29*780*C	1	5,002.00	1.100	5,502.20
TOTAL		**6**	**27,934.00**	**CIF MUNDRA,INDIA**	**30727.40**

PAYMENT TERM: 100% IN ADVANCE.

Please arrange payment to following account:
Account Name: NEWWEI TRADING COMPANY LIMITED
ADDRESS: ROOM B22,7/F,KING YIP FACTORY BUILDING,59 KING YIP STREET,KWUN TONG,KOWLOON,HONGKONG
Account NO: 774-018-14752-8
Bank Code: 040
Swift Code: DSBAHKHHXXX
Bank Name:Dah sing Bank, Limited
Bank Address: Shop No.G7,G7A & G8G/F, Dah Sing FinanciaCentre, 248 Queen'sRoad East,Wan Chai.Hong Kong

SIGNATURE:

Signature Not Verified
Digitally signed by MUKESH GROVER
Date: 2023.10.25 19:11:57 IST
Reason: Secure Document
Location: India

Invoice of M/s. Seeno Stainless Steel with Invoice No. 23SS0724A-2 declared before Indian Customs

On comparison of the above two invoices, it is observed that the Unit Price of impugned goods was suppressed from USD 1.285 per KG to 1.10 per KG, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc. are identical.

2.8 Thus, ongoing through the above sets of parallel invoices (genuine as well as invoices submitted before Indian Customs), it can be seen that the declared price before Indian Customs, of the impugned goods i.e. Cold Rolled Stainless Steel Coils (of different grade) was lower, however, the actual price as per retrieved genuine invoices, was much higher. In addition, a striking similar pattern of declared import price was also revealed across all such importers (i.e. entities who were found importing goods from the Chinese suppliers as per the retrieved invoices) who declared goods at identical or closely matching undervalued price ranges for the impugned goods (Cold Rolled Stainless Steel Coils grade J3 at USD 0.75 per KG to USD 1.1 per KG and grade J2 at USD

1.1 per KG) despite sourcing from different suppliers. This uniformity in under-declaration strongly suggests a deliberate and coordinated practice rather than isolated instances of valuation errors or commercial negotiations. The level of consistency in undervaluation across unrelated entities indicates a systemic modus operandi aimed at evading customs duties and gaining unfair market advantage. Therefore, value of all other supplies by the above suspected Chinese suppliers for Cold Rolled Stainless Steel Coils appear doubtful. In addition, genuineness of price of the impugned goods supplied by other Chinese suppliers at same price, is also questionable.

In view of the above, it appears that there are sufficient grounds to conclude that any importer declaring values within the same suspicious price range might be engaging in similar undervaluation practices. The convergence of under-reported values across multiple importers and availability of genuine retrieved invoices issued by above Chinese suppliers as credible documentation to support genuine prices, provide indication of intentional misdeclaration with the aim to evade applicable Customs duties. Therefore, it was imperative that any importers declaring import values within this identified undervalue price range need to be subjected to enhanced scrutiny.

Based on above findings and parameters a case was booked against three firms namely M/s. M K Industries (IEC- BKGPG3178J), M/s Reliable Industries (IEC 516005761) and M/s S.K Impex (IEC-0504076884).

3. IMPORT HISTORY OF M/S M K INDUSTRIES, M/S RELIABLE INDUSTRIES AND M/S S.K IMPEX VIS-À-VIS GENUINE INVOICES RETRIEVED BY DRI HQ, NEW DELHI, IN THE PAST INVESTIGATIONS:

On analysing the past import data, it was observed that from the year 2020 onwards, M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm), and M/s S.K Impex (Shri Subhash Chandra Gupta's proprietorship firm) imported the impugned goods, i.e., Cold Rolled Stainless Steel Coils (Grade J2 and Grade J3), from various Chinese suppliers who had a doubtful history of issuing fabricated undervalued invoices, as substantiated in past investigations.

3.1 As per the import data, the details of all Chinese suppliers of these three importers, supplying the impugned goods i.e., Cold Rolled Stainless Steel Coils (Grade J2 and Grade J3) are as under:

3.1.1. In respect of Ms M.K Industries:

SNo	NAME OF THE CHINESE SUPPLIER (M/S)*
1	HONGKONG WINNER STEEL CO. LIMITED
2	LEO METALS LIMITED
3	MCH STEEL INDUSTRY CO., LIMITED

**The Chinese suppliers appearing at Sr. No. 1 & 2 had a history of issuing fabricated undervalued invoices, as retrieved by DRI in the investigation*

concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.

3.1.2. **In respect of M/s Reliable Industries:**

Sno	NAME OF THE CHINESE SUPPLIER (M/S)*
1	FOSHAN IDEKA INTERNATIONAL CO., LTD
2	GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD
3	HANGMU(SHANGHAI) INTERNATIONAL
4	HONGKONG WINNER STEEL CO LIMITED
5	HUAYE INTERNATIONAL DEVELOPMENT(HK)
6	ISACO RESOURCES GROUP CO.LTD
7	LEO METALS LIMITED
8	LIJIE STAINLESS STEEL COMPANY LIMIT
9	MCH STEEL INDUSTRY CO LIMITED
10	NEWWEI TRADING COMPANY LIMITED
11	SHANDONG MENGYIN HUARUN IMP.AND.EXP.CO.LTD
12	SUNNING STEEL LIMITED

**The Chinese suppliers appearing at Sr. No. 2, 4, 5, 7 & 10 had a history of issuing fabricated undervalued invoices, as retrieved by DRI during the investigation concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.*

3.1.3. **In respect of M/s S.K Impex:**

Sno	NAME OF THE CHINESE SUPPLIER (M/S)*
1	EMETAL COMPANY LIMITED
2	FOSHAN LIXIN STAINLESS STEEL CO,LTD
3	GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD
4	GUANGDONG GUOHAO IMPORT AND EXPORT
5	HONGKONG WINNER STEEL CO., LIMITED
6	JIAYAO(HONGKONG)INTERNATIONAL GROUP
7	MCH STEEL INDUSTRY CO., LIMITED
8	NEWWEI TRADING COMPANY LIMITED
9	SHANDONG MENGYIN HUARUN IMP AND EXP
10	XIAMEN TANCHENG IMPORT AND EXPORT C

**The Chinese suppliers appearing at Sr. No. 3,5,6 & 8 had a history of issuing fabricated undervalued invoices, as retrieved by DRI during the investigation concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.*

4. ACTUAL RANGE OF VALUES AS FOUND DURING THE INVESTIGATION FOR IDENTIFYING UNDER-VALUATION:

Based on genuine invoices (**Annexure I**) retrieved by DRI during investigation proceedings concerning the import of Cold Rolled Stainless Steel by certain importers, and where the corresponding invoices declared before Indian Customs were found to have been filed at suppressed (undervalued) prices, a price range has been established for the goods—Cold Rolled Stainless Steel Coils of various grades—which appears to reflect the actual value of the impugned goods.

Actual price range derived in USD per kg (minimum to maximum) for suspected Chinese suppliers as found mentioned in their genuine retrieved invoices for Cold Rolled Stainless Steel for different grade

Table 03

S. NO.	NAME OF THE CHINESE SUPPLIERS (M/S)	RANGE OF UNIT PRICE AS PER GENUINE INVOICE (In USD PER KG)							
		J3 GRADE		J2 GRADE		N1 GRADE		304 GRADE	
		MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
1	FIA INTERNATIONAL TRADING CO. LTD	1.273	1.441	-	-	-	-	-	-
2	GUANGDONG GUANGXIN GOLDTEC HOLDINGS	1.39	2.124	-	-	-	-	2.11	2.131
3	HONGKONG WINNER STEEL CO., LIMITED	1.32	2.35	-	-	-	-	2.35	2.35
4	JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED	1.41	2.965	-	-	-	-	-	-
5	LEO METALS LIMITED	1.155	2	-	-	-	-	2.785	2.93
6	MFY METAL COMPANY LIMITED	1.333	1.395	-	-	-	-	-	-
7	ART STEEL MAGIC CO., LIMITED	1.36	1.36	-	-	-	-	-	-
8	FOSHAN JIA WEI IMPORT AND EXPORT CO. LTD.	1.7	3.01	-	-	-	-	-	-
9	BOSOM METAL CO LTD	1.90	1.98	-	-	-	-	-	-
10	FOSHAN TIAN MAIDUO IMPORT AND EXPORT CO. LTD.	1.925	3.215	-	-	-	-	-	-

11	FOSHAN WEN ZHI YUAN TRADING CO LTD	1.15	2.03	-	-	-	-	-	-
12	FOSHAN XUANZHENG TRADING CO. LTD.	1.301	2.317	-	-	-	-	-	-
13	FS-ESSENTIAL INTERNATIONAL CO. LIMITED	1.25	3.01	-	-	-	-	2.865	3.162
14	GOLD COAST LOGISTICS HONG KONG LIMITED	1.7	1.7	-	-	-	-	-	-
15	HK PINGAN IMP AND EXP CO LIMITED	1.56	1.56	-	-	-	-	-	-
16	HUAYE INTERNATIONAL DEVELOPMENT (HK) LIMITED	1.44	2.855	-	-	-	-	-	-
17	LIYI HONGKONG TRADING CO., LIMITED	1.715	2.65	-	-	-	-	-	-
18	NEWWEI TRADING COMPANY LIMITED	**1.14**	1.587	1.244	1.465	1.413	1.497	-	-

Thus, on analysing the above data, it can be seen that actual price range derived (by taking all values found mentioned in genuine invoices) for the goods i.e. Cold rolled stainless steel (Ex stock) for grade **J3 ranges from USD 1.14 to 3.215 per KG and for grade J2 ranges from USD 1.244 to 1.465 per KG.**

5. PATTERN OF THE IMPORT PRICE DECLARED BY M/s M K INDUSTRIES, M/s RELIABLE INDUSTRIES AND M/s S.K IMPEX, WHICH APPEARS TO BE UNDER-VALUED:

5.1 On analysis of import data of M/s M K Industries, M/s Reliable Industries and M/s S.K Impex, it emerged that these firms imported the impugned goods at substantially lower prices (as evident from the genuine invoices retrieved by DRI) from the same set of Chinese overseas suppliers, at or about the same time and around same commercial levels.

It has been observed that the above three firms declared and cleared the impugned goods at a price range of USD 0.745 to 1.1 per kg for grade J3, and USD 1.1 per kg for grade J2, which appears to be undervalued in light of the evidence (genuine invoices retrieved by DRI) and the discussion in the para supra.

5.2 The details of all Chinese suppliers of the above firms (Table-4,5,6) supplying the impugned goods i.e. Cold Rolled Stainless Steel Coil Grade of Grade J3 and Grade J2 with price ranges are as under:

5.2.1 **<u>In respect of Ms M.K Industries</u>**:

Table-4

Sr. No.	NAME OF THE CHINESE SUPPLIER (M/S)*	Price Range in USD per KG (Grade J3)	Price Range in USD per KG (Grade J2)
1	HONGKONG WINNER STEEL CO. LIMITED	NA	1.1
2	LEO METALS LIMITED	NA	1.1
3	MCH STEEL INDUSTRY CO., LIMITED	NA	1.1

**The Chinese suppliers appearing at Sr. No. 1 & 2 had a history of issuing fabricated undervalued invoices, as retrieved by DRI during the investigation concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.*

5.2.2. **In respect of M/s Reliable Industries:**

Table-5

SNo	NAME OF THE CHINESE SUPPLIER (M/S)*	Price Range in USD per KG (Grade J3)	Price Range in USD per KG (Grade J2)
1	FOSHAN IDEKA INTERNATIONAL CO., LTD	0.75	NA
2	GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD	0.75	NA
3	HANGMU(SHANGHAI) INTERNATIONAL	0.75	NA
4	HONGKONG WINNER STEEL CO LIMITED	0.75 to 1.03	NA
5	HUAYE INTERNATIONAL DEVELOPMENT(HK)	0.75	NA
6	ISACO RESOURCES GROUP CO.LTD	0.783	NA
7	LEO METALS LIMITED	0.75 to 1.1	NA
8	LIJIE STAINLESS STEEL COMPANY LIMIT	0.75 to 0.85	NA
9	MCH STEEL INDUSTRY CO LIMITED	0.75 to 1.03	NA
10	NEWWEI TRADING COMPANY LIMITED	1.1	NA
11	SHANDONG MENGYIN HUARUN IMP.AND.EXP.CO.LTD	0.75	NA
12	SUNNING STEEL LIMITED	0.75	NA

**The Chinese suppliers appearing at Sr. No. 2, 4, 5, 7 & 10 had a history of issuing fabricated undervalued invoices, as retrieved by DRI during the investigation concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.*

5.2.3. **In respect of M/s S.K Impex:**

Table-6

SNo	NAME OF THE CHINESE SUPPLIER (M/S)*	Price Range in USD per KG (Grade J3)	Price Range in USD per KG (Grade J2)
1	EMETAL COMPANY LIMITED	0.75 to 0.86	NA
2	FOSHAN LIXIN STAINLESS STEEL CO,LTD	0.86	NA

3	GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD	0.75	NA
4	GUANGDONG GUOHAO IMPORT AND EXPORT	0.75	NA
5	HONGKONG WINNER STEEL CO., LIMITED	0.75 to 1.1	NA
6	JIAYAO(HONGKONG)INTERNATIONAL GROUP	0.75	NA
7	MCH STEEL INDUSTRY CO., LIMITED	0.75 to 1.1	NA
8	NEWWEI TRADING COMPANY LIMITED	0.86	NA
9	SHANDONG MENGYIN HUARUN IMP AND EXP	0.75	NA
10	XIAMEN TANCHENG IMPORT AND EXPORT	0.75	NA

**The Chinese suppliers appearing at Sr. No. 3,5,6 & 8 had a history of issuing fabricated undervalued invoices, as retrieved by DRI during the investigation concerning the import of cold rolled stainless steel by other importers, as detailed in para 2.3 of this notice.*

5.3 Further, a brief of Bills of Entry filed by above 03 firms for Cold Rolled Stainless Steel Coil Grade is as under:

TABLE-07

In respect of Ms M.K Industries: ***(Year October 2023- January 2024)***

S No.	Total Bills of Entry	Assessable Value (INR)	Duty Paid (INR)
1	15	7,00,62,640	1,94,31,873
	TOTAL	7,00,62,640	1,94,31,873

In respect of M/s Reliable Industries :***(Year August 2020- Sept 23)***

S No.	Total Bills of Entry	Assessable Value (INR)	Duty Paid (INR)
1	97	22,69,64,406	6,93,98,494
	TOTAL	22,69,64,406	6,93,98,494

In respect of M/s S.K Impex: ***(Year April 2021- July 23)***

S No.	Total Bills of Entry	Assessable Value (INR)	Duty Paid (INR)
1	70	20,78,00,074	5,75,12,900
	TOTAL	20,78,00,074	5,75,12,900

An examination of past import transactions undertaken by M/s M K Industries, M/s Reliable Industries, and M/s S.K Impex from the year 2020 onwards, involving the importation of Cold Rolled Stainless Steel grades (Ex stock) (Grade J3 and J2), reveals indications of undervaluation. The subject goods were procured from certain Chinese suppliers who were found to have been accused of issuing forged invoices and had been previously associated with cases involving systematic undervaluation. The declared import prices in the consignments of the above three firms exhibit a striking similarity to the pricing patterns typically observed during investigations involving such suspect suppliers. Accordingly, it appears that the impugned goods imported by M/s M K Industries, M/s Reliable Industries, and M/s S.K Impex, from these suspected

Chinese suppliers and other Chinese suppliers (at similar prices), are liable to be considered undervalued and subject to appropriate penal action under the Customs Act, 1962.

6. VOLUNTARY STATEMENTS RECORDED UNDER SECTION 108 OF THE CUSTOMS ACT 1962:

During the course of the investigation statements of following persons were recorded under section 108 of the customs act 1962, substantiating under-valuation in imports made by above three firms:

TABLE-08

S. No	Name of person (Shri/Ms./Smt)	Date of Statement	RUDs No
1	Sh. Kartik Gupta, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex	07.02.2024, 19.04.2024 30.12.2024 and 07.08.2025	RUD 14,15 16 & 24
2	Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover	20.12.2023 and 21.12.2023 and 03.01.2025	RUD 17,18 & 19
3	Sh. Atul Kishore Guglani	05.01.2024 and 02.01.2025	RUD 20& 21
4	Shri Ankit Modi Partner in M/s Quality Steels	11.03.2024	RUD 22

Relevant portions of the statements are appended below:

6A. Statement dated 07.02.2024, 19.04.2024, 30.12.2024 and 07.08.2025 of Shri Kartik Gupta Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person of M/s S.K Impex, wherein inter-alia he stated that: (RUD No. 14, 15, 16 & 24)

- that he started his firm M/s M K Industries in year 2013-14, which had been engaged in manufacturing of Stainless Sheets by using rolling machine and also import of the same;
- that in year 2013-14, he joined his father's firm M/s S.K Impex in 2013-14, which had been engaged in manufacturing of utensils for domestic sales which later started importing Cold Rolled Stainless Steel coils since year 2020;
- that in year 2017-18 he started a partnership firm M/s Reliable Industries with his cousin Shri Ashok Kumar Gupta, which had been engaged in import of stainless-steel Coils and manufacturing of utensils for domestic sales;
- That all the above firms namely M/s M K Industries (his proprietorship firm), M/s Reliable Industries (his partnership firm) and M/s S.K Impex (his father's Proprietorship firm) had been

controlled and operated by him; that he is the decision maker in all these companies.

- That on being shown the import data, he accepted that in above 03 firms the imported goods i.e. Cold Rolled Stainless Steel Coils were under-valued by him;
- That he used to negotiate deals with the foreign suppliers in-person or via telephonic conversation; that he never took any mediator for such negotiation; that after finalization of deals he used to request the foreign suppliers to issue under-valued invoices (at USD 0.75 to 0.85 per KG), which he used to declare before Customs to evade appropriate Customs duty;
- That the payments to foreign suppliers were paid in full as per actual value of the goods which was above USD 1.1 per KG; that payments were paid to Chinese suppliers' part through Banking Channels and part payments-*on account of under-valuation*, in cash through appointed persons by Chinese suppliers;
- That he used to sell the imported stainless coils or Circles (manufactured thereof at his factory premises) in domestic market at lower price; that he was also doing under-valuation in selling the goods in domestic market;
- That against these under-valued sale in domestic market, he used to receive the payments' part through Banking Channels and part payments-on account of under-valuation, in cash from domestic buyers directly;
- That his major Chinese suppliers for Cold Rolled Stainless Steel Coils are M/s HONGKONG WINNER STEEL CO LIMITED, M/s LEO METALS LIMITED, M/s NEWWEI TRADING COMPANY LIMITED, M/s E-Metal Company Limited etc.
- On being shown the actual invoices vis-à-vis customs invoices, issued by above such Chinese Suppliers found accused of issuing under-valued invoices in the past investigation for the goods Cold Rolled Stainless Steel Coil, he accepted that there is a significant difference in the price mentioned in the both the invoices; he accepted that because there is difference in the prices, the invoice with higher value will have higher Customs duty implications; that he cannot give any justification for his declared prices; that his import prices were also relatively lower.
- On being shown the statement dated 11.03.2024 of Shri Ankit Modi Partner in M/s Quality Steels (domestic *buyer of Shri Kartik Gupta's firms*), Kartik Gupta accepted under-valuation in import of Cold Rolled Stainless Steel by his three controlled firms namely M/s M K Industries (*his proprietorship firm*), M/s Reliable Industries (*his partnership firm*) and M/s S.K Impex (*his father's Proprietorship firm*);
- That for his import consignments for the above three firms he used the services of M/s Choice Cargo Agencies Pvt Ltd (Partnership of Shri Atul Kishore Guglani); that further, Shri Atul Kishore Guglani used to outsource the CHA services to M/s Mukesh Grover (Proprietor Sh. Mukesh Grover), who would clear his consignments at Customs port;
- That Shri Mukesh Grover CHA (Proprietor of M/s Mukesh Grover) outsourced by Shri Atul Kishore Guglani, cleared import consignments in all 03 firms.

- On being further asked for production of any actual/Genuine invoices showing actual prices of the imported goods, in respect of the goods imported by his firms he stated that he is not possessing any genuine invoices.

6B. Statement dated 11.03.2024 of Shri Ankit Modi, Partner in M/s Quality Steels (domestic buyer of Shri Karik Gupta's firms) was recorded under Sec 108 of Customs Act, wherein he inter-alia stated that: (RUD No. 22)

- That M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm) are his suppliers of goods i.e. Cold Rolled Stainless Steel Coils; that he had been purchasing the goods from these firms since 2019-20., that he used to contact Shri Kartik Gupta for purchasing goods from above three firms;
- On being asked about the import price of Cold Rolled Stainless Steel Coils (grade J3) at USD 0.75 to 1.1 per KG, declared by above three firms of Shri Kartik Gupta, he accepted the import price of goods declared by Shri Kartik Gupta in above 03 firms was under-valued; that he purchased under-valued goods domestically from Shri Karik Gupta;
- That he used to pay payments part through Banking Channels and part payments-*on account of under-valuation*, in cash on demand by Shri Kartik Gupta;

6C. Statement dated 20.12.2023, 21.12.2023 and 03.01.2025 of Sh. Shri Mukesh Grover (CHA, F-Card Holder) Prop. of M/s Mukesh Grover was recorded under Sec 108 of Customs Act, wherein he inter-alia stated that: (RUD No. 17,18 &19)

- That he has done custom clearance for M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm) which was given to him for customs clearance by one of his friends Shri Atul Kishore Guglani;
- Agreed that in his client firms most of the imports of cold rolled stainless steel coil from China was under-valued @ USD 0.75 per kg; that the actual rates were higher than the declared price;
- that Shri Atul Kishore Guglani through his firm M/s Choice Cargo Agency Pvt Ltd (07AABFC9292K1Z2) used to outsource CHA services to him (M/s Mukesh Grover) in respect of many imports firm including M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm; that he (M/s Mukesh Grover) used to raise Bills to M/s Choice Cargo Agency Pvt Ltd (Director Shri Atul Kishore Guglani) for his services for Customs Clearances of the consignment of many imports firm.
- that he used to receive the Customs documents from Shri Atul Kishore Guglani of M/s Choice Cargo Agencies Pvt Ltd, who

was the person, whom he contacted for import consignment; that he never contacted with owners of the firm;

- that he cannot comment upon whether Shri Atul Kishore Guglani was aware about the actual price of the imported goods in above firms, but Shri Atul Kishore Guglani was the person who approved and finalized the documents/checklist for filing before Customs in respect to M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm);

Also, Shri Mukesh Grover could not provide any satisfactory answer to having a long career as Customs Broker (since 2006) and handling the Commodity Cold Rolled Stainless Steel Coils since 2019, he was not aware about the actual price of the import goods or goods being under-valued.

6D. Statement dated 05.01.2024 and 02.01.2025 of Sh. Atul Kishore Guglani, Director of M/s Choice Cargo Agency Pvt. Ltd. was recorded under Sec 108 of Customs Act, wherein inter-alia he stated that: (RUD No. 20 & 21)

- He has been providing CHA clearance services to M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm);

- That his M/s Choice Cargo agencies Pvt Ltd, outsourced M/s Mukesh Grover (proprietor Shri Mukesh Grover) for Customs Clearance services (CHA services) for the import consignments for many importers including M/s M K Industries (Shri Kartik Gupta's proprietorship firm), M/s Reliable Industries (Shri Kartik Gupta's partnership firm) and M/s S.K Impex (Shri Kartik Gupta's father's Proprietorship firm); that against these services M/s Mukesh Grover used to issue him bills which he passed on to the above importers under his invoices (issued by M/s Choice Cargo Agencies Pvt Ltd) by adding his fee/charges;

- That Shri Kartik Gupta, used to provided final approval to him to file documents with Customs in respect of M/s Industries, M/s Reliable Industries and M/s S.K Impex;

- That his role in above firms was limited to clearance of import consignment only which he used to outsource to Shri Mukesh Grover;

- Shri Sh. Atul Kishore Guglani further denied his role in under-valuation done by firms and contended that he was not aware of undervaluation and have no role in undervaluation in the firms, but could not provide any satisfactory answer to having a long career as Customs Broker (since 2006) and handling the

Commodity Cold Rolled Stainless Steel Coils since 2016, how he was not aware of the actual import price.

Summon dated 23.12.2024 was issued to M/s S K Impex (Proprietor Shri Subhash Chandra Gupta) in respect of undervaluation done by his firm. However, Shri Subhash Chandra Gupta vide submission dated 30.12.2024 **(RUD-23)** authorized his son Shri Kartik Gupta on behalf of him for attending the summons since all kind of import business in his firm S K Impex was handled by his son Shri Kartik Gupta.

Ongoing through the above, it is evident that the firms namely /s M K Industries and M/s Reliable Industries and M/s SK Impex had been importing Cold Rolled Stainless Steel by under-valuing them using fabricated invoices as unearthed by the DRI in past investigations. Further acceptance by shri Kartik Gupta in his voluntary statements also corroborated this fact. Further, purchase of impugned goods from suspected Chinese supplier namely M/S LEO METALS LIMITED, M/s GUANGDONG GUANGXIN GOLDTECH HOLDING CO LTD., M/s HONGKONG WINNER STEEL CO. LIMITED and M/s JIAYO (HONGKONG) INTERNATIONAL GROUP LIMITED etc. at similar purchase prices found to be under-valued in past investigations also suggest under-valuation in import of the impugned goods. In view of facts and evidences discussed in foregoing Paras, it is difficult to conclude that import price declared by M/s M K Industries and M/s Reliable and M/s. S K Impex are beyond doubt. This raises questions about the accuracy and fairness of the declared import price by these 03 firms. Facts and evidences suggested that Shri Kartik Gupta had used fabricated-under-valued invoices to suppress actual value of the impugned goods.

WRONGFUL AVAILMENT OF DUTY BENEFITS UNDER S.NO.734 OF NOTIFICATION NO. 50/2018-CUSTOMS DATED 30.06.2018 (SAPTA BENEFITS) BY M/S RELIABLE INDUSTRIES AND M/S S.K IMPEX:

7. The investigation also revealed that two firms namely M/s Reliable Industries (partnership firm of Shri Kartik Gupta & Ashok Kumar Gupta) and M/s S.K Impex (Proprietorship firm of Shri Subhash Chandra Gupta), were also importing the impugned goods i.e. "Cold Rolled Stainless Steel Strips/Coils grade J3" by mis-classifying the same under CTH 72209022 and wrongly availed the benefit (at Sr. No.734) under Notification No.50/2018-Customs dated 30.06.2018.

7.1. Ministry of Finance (Department of Revenue) Notification No.50/2018-Customs dated 30.06.2018, provides for concessional benefits in duty of Customs for the goods imported from countries listed in APPENDIX I (Bangladesh, People's Republic of China, Republic of Korea & Sri Lanka)) and APPENDIX II (Bangladesh & Lao People's Democratic Republic) of the notification. Further, the Chapter/ Heading No/ Sub-heading No./ tariff item and description of the eligible goods have been specified in column (2) and (3) respectively, of the Table annexed with the notification. In addition, extent of tariff concession (percentage of applied rate of duty in %) has been provided in in column (4) of the said Table. Entry No. 734 of the said notification provides for:

Table 09

Sr No	Chapter Head No., Heading No., sub-Heading No., or Tariff Head	Description of good	Extent of Tariff concession (Percentage of applied rate of duty, in %)
1	2	3	4
A-734	7220 90 22	All Goods	45

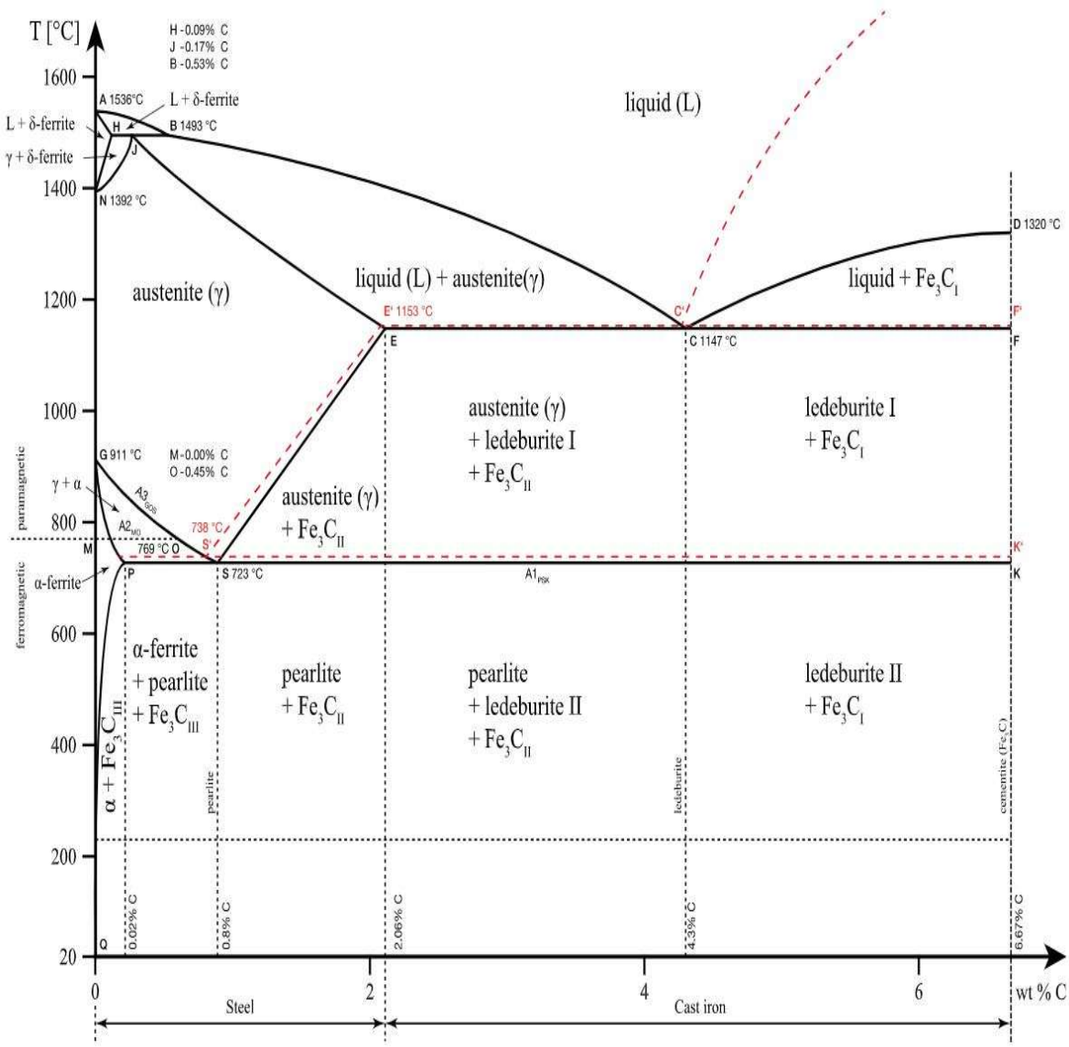
Thus, there is a provision of concession of Customs duty in Notification No.50/2018-Customs dated 30.06.2018, for the goods imported from China & falling under CTH 72209022 i.e. Flat-Rolled Stainless Steel (less than 600MM width) - *Nickel Chromium Austenitic Type*. Chapter 7220 of Customs Tariff , are appended below for reference:

7220		**FLAT-ROLLED PRODUCTS OF STAINLESS STEEL, OF A WIDTH OF LESS THAN 600 MM**			
	-	*Not further worked than hot-rolled :*			
7220 11	--	*Of a thickness of 4.75 mm or more :*			
7220 11 10	---	Skelp for pipes and tubes	kg.	15%	-
	---	*Strips for pipes and tubes (other than skelp) :*			
7220 11 21	----	Chromium type	kg.	15%	-
7220 11 22	----	Nickel chromium austenitic type	kg.	15%	-
7220 11 29	----	Other	kg.	15%	-
7220 11 90	---	Other	kg.	15%	-
7220 12	--	*Of a thickness of less than 4.75 mm :*			
7220 12 10	---	Skelp for pipes and tubes	kg.	15%	-
	---	*Strips for pipes and tubes (other than skelp) :*			
7220 12 21	----	Chromium type	kg.	15%	-
7220 12 22	----	Nickel chromium austenitic type	kg.	15%	-
7220 12 29	----	Other	kg.	15%	-
7220 12 90	---	Other	kg.	15%	-
7220 20	-	*Not further worked than cold-rolled (cold- reduced) :*			
7220 20 10	---	Skelp for pipes and tubes	kg.	15%	-
	---	*Strips for pipes and tubes (other than skelp) :*			
7220 20 21	----	Chromium type	kg.	15%	-
7220 20 22	----	Nickel chromium austenitic type	kg.	15%	-
7220 20 29	----	Other	kg.	15%	-
7220 20 90	---	Other	kg.	15%	-
7220 90	-	*Other :*			
7220 90 10	---	Skelp (strips for pipes and tubes)	kg.	15%	-
	---	*Strips for pipes and tubes (other than skelp) :*			
7220 90 21	----	Chromium type	kg.	15%	-
7220 90 22	----	Nickel chromium austenitic type	kg.	15%	-
7220 90 29	----	Other	kg.	15%	-

7220 90 90	---	Other	kg.	15%	-

8.EXAMINATION OF MILL TEST REPORT OF IMPORTED GOODS VIS-À-VIS AUSTENITIC STAINLESS STEEL OF NICKEL CHROMIUM TYPE:

8.1 The Austenitic Stainless Steel refers to a type of Non-Magnetic alloy of Iron. Its Face Cantered Cubic crystal structure is formed at elevated temperature above 723° C and below 1493° C, as shown in the Iron-Carbon diagram below:



Source: *Open*

8.2 Further, to stabilize Austenitic Stainless-Steel at room temperature, it is alloyed with other elements like Nickel and Chromium. The addition of these elements further divided Austenitic Steel in to two subgroups i.e. 200 and 300 series (International Grade). This differentiation is primarily based on partial replacement of Nickel (Ni) with Manganese (Mn) and Nitrogen (N). When Ni content in Series 300 Austenitic Steel is further partially replaced with Mn and N then it is classified as Series 200 Austenitic Steel. Composition of different grades of Austenitic Steel with respect to different alloying elements, as specified in **Bureau of Indian Standards (BIS) IS 6911:1992**, are as follows:

Table 1 Chemical Composition

(*Clauses* 7.1 *and* 7.2)

Grade Designation		C	Si Max	Mn	Ni	Cr	Mo	S Max	P Max	Others
Letter Symbol [*see* IS 1762 (Part 1)]	Numerical Symbol ISS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Ferritic Steels										
X 04Cr12	405	0·08 *Max*	1·0	1·0 *Max*	—	11·5-13·5	—	0·030	0·040	Al 0·10-0·30
X 07Cr17	430	0·12 *Max*	1·0	1·0 *Max*	0·50 *Max*	16·0-18·0	—	0·030	0·040	
Martensite Steel										
X 12Cr12	410	0·08-0·15	1·0	1·0 *Max*	1·0 *Max*	11·5-13·5	—	0·030	0·040	
X 20Cr13	420 S1	0·16-0·25	1·0	1·0 *Max*	1·0 *Max*	12·0-14·0	—	0·030	0·040	
X 30Cr13	420 S2	0·26-0·35	1·0	1·0 *Max*	1·0 *Max*	12·0-14·0	—	0·030	0·040	
X 40Cr13	420 S3	0·35-0·45	1·0	1·0 *Max*	1·0 *Max*	12·0-14·0	—	0·030	0·040	
X 15Cr16Ni2	431	0·10-0·20	1·0	1·0 *Max*	1·25-2·50	15·0-17·0	—	0·030	0·045	
X 108Cr17Mo	440	0·95-1·20	1·0	1·0 *Max*	0·50 *Max*	16·0-18·0	0·75 *Max*	0·030	0·045	
Austenitic Steels										
X 10Cr17Mn6Ni4N20	201	0·20 *Max*	1·0	4·0-8·0	3·5-5·5	16·0-18·0	—	0·030	0·045	N 0·05-0·20
X 07Cr17Mn12Ni4	201 A	0·12 *Max*	1·0	10·0-14·0	3·5-5·5	16·0-18·0	—	0·030	0·045	
X 10Cr18Mn9Ni5	202	0·15 *Max*	1·0	8·0-10·0	4·0-6·0	17·0-19·0	—	0·030	0·045	
X 10Cr17Ni7	301	0·15 *Max*	1·0	2·0 *Max*	6·0-8·0	16·0-18·0	—	0·030	0·045	
X 07Cr18Ni9	302	0·15 *Max*	1·0	2·0 *Max*	8·0-10·0	17·0-19·0	—	0·030	0·045	
X 04Cr19Ni9	304 S1	0·08 *Max*	1·0	2·0 *Max*	8·0-10·0	17·5-20·0	—	0·03	0·045	
X 02Cr19Ni10	304 S2	0·03 *Max*	1·0	2·0 *Max*	8·0-12·0	17·5-20·0	—	0·030	0·045	
X 15Cr24Ni13	309	0·20 *Max*	1·5	2·0 *Max*	11·0-15·0	22·0-25·0	—	0·030	0·045	
X 20Cr25Ni20	310	0·25 *Max*	2·5	2·0 *Max*	18·0-21·0	24·0-26·0	—	0·030	0·045	
X 04Cr17Ni12Mo2	316	0·03 *Max*	1·0	2·0 *Max*	10·0-14·0	16·0-18·0	2·0-3·0	0·030	0·045	
X 02Cr17Ni12Mo2	316 L	0·08 *Max*	1·0	2·0 *Max*	10·0-14·0	16·0-18·0	2·0-3·0	0·030	0·045	
X 04Cr17Ni12Mo2Ti	316 Ti	0·08 *Max*	1·0	2·0 *Max*	10·0-14·0	16·0-18·0	2·0-3·0	0·030	0·045	Ti *Min*-5 (C + N) Ti *Max*-0·80
X 04Cr18Ni10Ti	321	0·08 *Max*	1·0	2·0 *Max*	9·0-12·0	17·0-19·0	—	0·030	0·045	Ti *Min*-5 (C + N) Ti *Max*-0·8
X 04Cr18Ni10Nb	347	0·08 *Max*	1·0	2·0 *Max*	9·0-12·0	17·0-19·0	—	0·030	0·045	Nb *Min*-10C Nb *Max*-1·0

8.3 In view of the above, it is clearly evident that the **<u>Austenitic Stainless-Steel</u>** grades have essentially content by weight (%) of alloying elements Chromium (Cr) and Nickel (Ni) as:

Subgroups of Austenitic stainless steel		**Minimum-Maximum range of Nickel (Ni) *(% by weight)***	**Minimum-Maximum range of Chromium (Cr) *(% by weight)***
300 Series		6 - 21	16 - 25
200 Series		3.5 - 6	16-19

8.4. Further, **Mill Test Certificate (MTC)**, also known as a Mill Certificate or a Material Test Report (MTR), is a quality assurance document used in the

manufacturing and inspection of materials, particularly in industries such as metalworking, construction, and manufacturing. The primary purpose of an MTC is to provide essential information about the properties and quality of a specific batch or lot of material, typically metals like steel or other critical materials used in construction or engineering projects. During investigation of Mill Test Certificate/Report uploaded by above 02 firms namely M/s Reliable Industries and M/s SK Impex, the content of Nickel (Ni) and Chromium (Cr) in the imported goods (Cold Rolled Stainless Steel Coil of J3 grade) was not found as per specification required to qualify in any of the two subgroups (200 & 300 Series) of Austenitic stainless steel.

8.5 Few samples Mill Test Certificates/Report of the imported Cold Rolled Stainless Steel of J3 grade are appended below:

<u>In respect of M/S RELIABLE INDUSTRIES</u>

A. <u>Sample MTC/MTR in respect of overseas supplier M/s Shandong Huarun Imp. & Exp. Co. Ltd</u>

山东蒙阴华润进出口有限公司

SHANDONG MENGYIN HUARUN IMP. AND EXP. CO.,LTD

MILL TEST CERTIFICATE

CUSTOMER NAME:	RELIABLE INDUSTRIES ADDRESS :BLOCK - A HOUSE NO:- 81/1 GROUND FLOOR WAZIRPUR INDUSTRIAL AREA NEW DELHI, INDIA GSTIN : 07AAUFR5741H1ZP IEC CODE :0516005761
COMMODITY:	COLD ROLLED STAINLESS STEEL COILS J3 EX STOCK-2B
证明书号: Certificate No	20QC01008
开单日期(Issue date):	2020/1/8
INOVICE NO.	20RE0108

序号 S. NO.	炉号 HEAT NO.	卷号 COIL NO	牌号 GRADE	规格 SIZE (厚度 宽度 长度) THICK (mm)	WIDTH (mm)	净重 NET WEIGHT (mt)	化学成分 CHEMICAL COMPOSITION C%	Mn%	S%	P%	Si%	Ni%	Cr%	Cu%	N%
1	R901220812	1912220018	J3	0.35	580	2.552	0.145	10.28	0.436	0.0085	0.0011	0.92	12.70	0.77	0.031
2	R901220812	1912220018		0.35	580	2.660	0.145	10.28	0.436	0.0085	0.0011	0.92	12.70	0.77	0.031
3	R901220812	1912220018		0.35	580	2.696	0.146	10.24	0.440	0.0087	0.0012	0.95	12.73	0.72	0.032
4	R901230163	1912310004		0.35	525	2.566	0.146	10.24	0.440	0.0087	0.0012	0.95	12.73	0.72	0.032
5	R901230163	1912310004		0.35	525	3.002	0.146	10.24	0.440	0.0087	0.0012	0.95	12.73	0.72	0.032
6	R9012171056	1912170001		0.35	560	3.478	0.143	10.25	0.441	0.0082	0.0013	0.96	12.72	0.76	0.030
7	R9012171056	1912170001		0.35	560	3.778	0.143	10.25	0.441	0.0082	0.0013	0.96	12.72	0.76	0.030
8	R9012273019	1912270041		0.26	560	3.744	0.152	10.37	0.396	0.0080	0.0014	0.91	12.68	0.75	0.032
9	R9012273019	1912270041		0.26	500	2.794	0.152	10.37	0.396	0.0080	0.0014	0.91	12.68	0.75	0.032
				TOTAL		27.270									

SHANDONG MENGYIN HUARUN IMP. AND EXP. CO.,LTD
AUTHORISED SIGNATORY

SHANDONG MENGYIN HUARUN IMP. & EXP. CO., LTD.

B. <u>Sample MTC/MTR in respect of overseas supplier M/s Hongkong Winner Steel Co. Limited</u>

HONGKONG WINNER STEEL CO.,LIMITED

Add.: RM 1902 EASEY COMM BLDG,253-261 HENNESSY ROAD,WANCHAI,HONGKONG

MILL TEST CERTIFICATE

Customer: Reliable Industries

Description 产品名称		COLD ROLLED STAINLESS STEEL COILS J3 EX STOCK-2B			Grade 钢种	J3	INVOICE No		19LRKT1108-23-24		Delivery date	Jan 17th , 2020
NO.	Size	QUANTITY (COIL)	Net weight （KG）	Main Chemical Composition（%）主要化学成分 （%） C	Ni	Cr	Mn	Cu	Si	P	S	Heat number 炉号
1	445*0.25	1	1922	0.120	0.760	12.800	10.100	0.520	0.390	0.038	0.0037	LR1912068
2	445*0.19	1	3340	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912103A
3	445*0.19	1	2150	0.120	0.760	12.800	10.100	0.520	0.390	0.038	0.0037	LR1912103B
4	550*0.19	1	2892	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912153A
5	550*0.19	1	2140	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912153C
6	550*0.19	1	3852	0.121	0.770	12.890	10.080	0.530	0.420	0.039	0.0036	LR1912153B
7	510*0.19	1	3616	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912160A
8	510*0.19	1	3510	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912160B
9	510*0.26	1	3104	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912093-A
10	510*0.26	1	3754	0.120	0.770	12.900	10.090	0.530	0.430	0.039	0.0037	LR1912093-B
11	530*0.19	1	2490	0.120	0.780	12.910	10.100	0.510	0.430	0.038	0.0037	LR1912084-C
12	530*0.26	1	4238	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912082A
13	530*0.26	1	4156	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912082B
14	560*0.19	1	3668	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912200A
15	560*0.19	1	2462	0.121	0.750	12.800	10.090	0.540	0.410	0.038	0.0037	LR1912200B
TOTAL		15	47294									

Remark（备注）：n/m mark

We hereby certify that the products has been tested and inspected with the order and specification and that the result comply with the requirement of the order and specification

For and on behalf of HONGKONG WINNER STEEL CO., LIMITED

HONGKONG WINNER STEEL CO.,LIMITED
(QUALITY ASSURANCE)

Authorized Signature(s)

C. Sample MTC/MTR in respect of overseas supplier M/s Shenzhen Yongxinli Import and Export Co., Ltd.

SHENZHEN YONGXINLI IMPORT AND EXPORT CO.,LTD.

产品质量证明书
INSPECTION CERTIFICATE

订货单位 Customer	Reliable Industries		产品名称 Product	COLD ROLLED STAINLESS STEEL COILS J3 - (MIXED SIZE)	
收货单位 Purchaser	Block -A House No:- 81/1 ground floor wazirpur Industrial Area New Delhi, India		客户订单编号 Customer Order NO	MCHKG200706-2	签发日期 Date of Issue 2020/8/22
标准 Specification	J3	合同号 Conduct NO MCHKG200706-2	证书号 Certificate NO		发货日期 Delivery Date 2020/8/22

序号 NO	牌号、材料号 Steel、Mat NO	规格 Specification (mm)	GRADE	重量 Weight(t)	化学成分 Chemical Composition (wt.%) (熔炼分析 Heal Analysis) C	Si	Mn	P	S	Cr	Ni	Cu	拉伸试验Tensile Test(Gauge Length=50mm) 屈服 Yield Strength (MPa)	抗拉 Tensile Strength (MPa)	断后延伸率 Rear Extension Degree (%)	硬度 Hard Ness (HRB)
1		0.4*555	J3	10.362	0.1353	0.3704	10.5801	0.0455	0.0013	13.6504	1.2803	0.7507	345	745	50	225-230
2		0.4*525	J3	3.378	0.1356	0.3702	10.5807	0.0451	0.0016	13.6502	1.2806	0.7505	345	745	50	225-230
3		0.3*445	J3	12.808	0.1341	0.3602	10.5701	0.0447	0.0016	13.6303	1.2705	0.7408	345	745	50	225-230
4		0.26*590	J3	3.708	0.1345	0.3607	10.5601	0.0448	0.0017	13.6405	1.2708	0.7406	345	745	50	225-230
5		0.26*440	J3	2.570	0.1348	0.3602	10.5603	0.0447	0.0016	13.6402	1.2708	0.7405	345	745	50	225-230
6		0.26*530	J3	6.736	0.1349	0.3607	10.5600	0.0449	0.0014	13.6406	1.2708	0.7406	345	745	50	225-230
7		0.35*530	J3	6.270	0.1355	0.3706	10.5800	0.0457	0.0016	13.6507	1.2808	0.7507	345	745	50	225-230
8		0.35*580	J3	7.918	0.1354	0.3708	10.5801	0.0453	0.0015	13.6504	1.2805	0.7501	345	745	50	225-230
合计 Total				53.750	备注 Remarks											

会验者 Sutes	本产品已按上述要求进行制造和试验，其结果符合要求，特此证明。 签章： 日期：	质量负责人签字： 日期：

SHENZHEN YONGXINLI IMPORT AND EXPORT CO.,LTD. 深圳市永鑫利进出口有限公司 中国 深圳 SHENZHEN CHINA

D. Sample MTC/MTR in respect of overseas supplier M/s Shenzhen auon Imp& Exp Dev Co., Ltd.

SHENZHEN YAUON IMP&EXP DEV CO.,LTD

RM.601,BLDG.2,LUOFANGYUAN NO.29,LUOFANG RD.XINXING COMMUNITY HUANGBEI STREET,LUOHU DIST. SHENZHEN,CHINA

MILL TEST CERTIFICATE

Customer: Reliable Industries

Description 产品名称		COLD ROLLED STAINLESS STEEL COILS J3 EX STOCK-2B			Grade 钢种	J3	INVOICE No		19LRKT1108A		Delivery date	27/08/2020
NO.	Size	QUANTITY (COIL)	Net weight (KG)	Main Chemical Composition（%）主要化学成分（%）								Heat number 炉号
				C	Ni	Cr	Mn	Cu	Si	P	S	
1	485*0.19	1	3434	0.120	0.750	12.900	10.100	0.520	0.390	0.038	0.0037	LR2003010B
2	600*0.19	1	3698	0.120	0.750	12.900	10.100	0.520	0.390	0.038	0.0037	LR1908035
3	510*0.19	1	3558	0.121	0.770	12.890	10.090	0.540	0.410	0.038	0.0036	LR1912161AB
4	510*0.19	1	3566	0.121	0.770	12.890	10.090	0.540	0.410	0.038	0.0036	LR2001017B
5	550*0.19	1	3662	0.121	0.750	12.900	10.090	0.530	0.430	0.039	0.0037	LR2001031A
6	580*0.26	1	2620	0.121	0.750	12.900	10.090	0.530	0.430	0.039	0.0037	XF2006195A
7	580*0.26	1	2770	0.120	0.770	12.800	10.090	0.540	0.410	0.038	0.0037	XF2006195B
8	580*0.26	1	2716	0.120	0.770	12.800	10.090	0.540	0.410	0.038	0.0037	XF2006195C
TOTAL		8	26024									

Remark（备注）：n/m mark

We hereby certify that the products has been tested and inspected with the order and specification and that the result comply with the requirement of the order and specification

SHENZHEN YAUON IMP&EXP DEV CO.,LTD
(QUALITY ASSURANCE)

深圳市友安进出口发展有限公司 中国 深圳 SHENZHEN YAUON IMP&EXP DEV CO., LTD SHENZHEN CHINA

<u>In respect of M/S S.K IMPEX:</u>

E. <u>Sample MTC/MTR in respect of overseas supplier M/s Shandong Huarun Imp. & Exp. Co. Ltd</u>

山东蒙阴华润进出口有限公司
SHANDONG MENGYIN HUARUN IMP. AND EXP. CO.,LTD
MILL TEST CERTIFICATE

CUSTOMER NAME: S.K IMPEX
ADDRESS :A81/1 WAZIRPUR INDUSTRIAL AREA NEW DELHI . PIN CODE - 110052
GSTIN: 07AAFPG0866M1ZJ IEC CODE :- 0504076884
EMAIL ID :- SKIMPEX0866@GMAIL.COM
TEL:- 9818720330 PAN NO:- AAFPG0866M

COMMODITY: COLD ROLLED STAINLESS STEEL COILS J3 EX STOCK-2B

证明书号: Certificate No: RE21QC03019
开单日期(Issue date): 2021/3/19
COMMERCIAL INVOICE NO. 21RE0319

序号 S. NO.	炉号 HEAT NO.	卷号 COIL NO	牌号 GRADE	规格 SIZE (厚度 宽度) THICK (MM)	WIDTH (MM)	净重 NET WEIGHT (MT)	化学成分 CHEMICAL COMPOSITION C%	Mn%	S%	P%	Si%	Ni%	Cr%	Cu%	N%
1	03043	SBF03043A	J3	0.26	690	4.488	0.07	9.56	0.010	0.0425	0.37	1.12	13.35	0.47	0.031
2	2103007	2103FY007A		0.26	510	3.752	0.07	9.56	0.010	0.0425	0.37	1.12	13.35	0.47	0.031
3	210301601	DK2103-016A		0.26	510	3.630	0.08	9.59	0.012	0.0425	0.37	1.12	13.45	0.46	0.031
4	210301602	DK2103-016B		0.26	510	3.524	0.06	9.51	0.013	0.0425	0.39	1.20	13.24	0.46	0.031
5	2103015	DK2103-015B		0.26	510	2.654	0.08	9.52	0.012	0.0422	0.39	1.22	13.22	0.48	0.031
6	2103010	B2103-010B		0.24	730	2.790	0.09	9.52	0.012	0.0422	0.33	1.13	13.11	0.49	0.031
7	21032101	210321A		0.33	485	3.376	0.09	9.52	0.012	0.0422	0.33	1.13	13.11	0.49	0.031
8	21032102	210321B		0.33	485	3.466	0.07	9.56	0.010	0.0425	0.37	1.12	13.35	0.47	0.031
				TOTAL		27.680									

SHANDONG MENGYIN HUARUN IMP. AND EXP. CO.,LTD
AUTHORISED SIGNATORY

SHANDONG MENGYIN HUARUN IMP. & EXP. CO., LTD

F. Sample MTC/MTR in respect of overseas supplier M/s Xiamen Tancheng Import and Export Co., Ltd

XIAMEN TANCHENG IMPORT AND EXPORT CO.,LTD

Room 2402 No.112 Xiamen Exhibition South Area, Siming District, Xiamen City

INSPECTION CERTIFICATE

Customer	S.K IMPEX	Product	STAINLESS STEEL COLD ROLLED COIL EX STOCK MIXED SIZE J3 GRADE		
Purchaser		Customer Order NO		Date of Issue	
Specification	/	Conduct NO	FSSK210222-3	Certificate NO	09388585864 41	Delivery Date	2021/4/8

NO	Steel、Mat NO	Specification (mm)	Net Weight(KG)	Chemical Composition (wt.%) (Heat Analysis) C	Si	Mn	P	S	Cr	Ni	Cu	Tensile Test(Gauge Length=50mm) Yield Strength (MPa)	Tensile Strength (MPa)	Rear Extension Degree (%)	Hard Ness (HRB)
1	201	0.26*800	4110	0.0737	0.4159	10.6847	0.0367	0.0143	13.2888	1.1296	0.8017	785	785	56	215-225
2	201	0.26*1010	2664	0.0782	0.3851	10.5984	0.0325	0.0165	13.3645	1.1035	0.8032	785	785	56	215-225
3	201	0.26*1010	3088	0.0758	0.4164	10.5638	0.0344	0.0149	13.5213	1.1285	0.8134	785	785	56	215-225
4	201	0.35*1010	3010	0.0757	0.3993	10.4321	0.0326	0.0161	13.3336	1.1035	0.8009	785	785	56	215-225
5	201	0.35*1010	2806	0.0764	0.3995	10.2425	0.0358	0.0144	13.5212	1.1124	0.8107	785	785	56	215-225
6	201	0.35*590	3164	0.0775	0.4017	10.5369	0.0355	0.0143	13.5119	1.1107	0.8008	785	785	56	215-225
7	201	0.35*485	3264	0.0766	0.3987	10.1451	0.0325	0.0137	13.3641	1.1025	0.8159	785	785	56	215-225
8	201	0.35*485	3248	0.0752	0.4201	10.5555	0.0353	0.0143	13.2538	1.1027	0.8001	785	785	56	215-225
9	201	0.35*650	2566	0.0752	0.4021	10.5744	0.0345	0.0147	13.5032	1.1003	0.8091	785	785	56	215-225
10	201	0.26*590	3682	0.0764	0.4018	10.5369	0.0354	0.0143	13.5119	1.1106	0.8005	785	785	56	215-225
11	201	0.26*650	3986	0.0782	0.3855	10.5982	0.0324	0.0162	13.3647	1.1032	0.8031	785	785	56	215-225
12	201	0.26*650	3650	0.0777	0.4157	10.6848	0.0366	0.0135	13.5433	1.1125	0.8071	785	785	56	215-225
13	201	0.26*650	3896	0.0763	0.4124	10.6842	0.0314	0.0134	13.2126	1.1028	0.8244	785	785	56	215-225
14	201	0.26*690	4300	0.0774	0.3986	10.1455	0.0325	0.0137	13.3641	1.1027	0.8157	785	785	56	215-225
15	201	0.26*690	4226	0.0761	0.4209	10.5558	0.0353	0.0143	13.2538	1.1027	0.8009	785	785	56	215-225
16	201	0.26*730	4220	0.0724	0.3993	10.4693	0.0326	0.0161	13.3336	1.1035	0.8009	785	785	56	215-225
Total			55880	Remarks											

Sutes: IT IS THE CERTIFICATE ALL THE PRODUCT IS QUALIFIED.
STAMP: DATE:
SIGNATURE:
For and on behalf of Xiamen Tancheng Import And Export Co.,Ltd 厦门锡诚进出口有限公司
DATE: ..... Authorized Signature(s)

Signature Not Verified
Digitally signed by Mukesh Grover
Date: 2021.05.21 18:54:21 IST
Reason: Secure Document
Location: India

G. Sample MTC/MTR in respect of M/s Guangdong Guanxin Goldtech Holdings Co. Ltd

GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD

12 FLOOR,EAST TOWER,NO.1000 XINGANG EAST ROAD, HAIZHU DISTRICT GUANGZHOU, CHINA

INSPECTION CERTIFICATE

Customer	S.K IMPEX	Product	COLD ROLLED STAINLESS STEEL COILS J3 EX STOCK -(MIXED SIZE)		
Address	A81/1 Wazirpur Industrial Area New Delhi Pin code-110052	Invoice No	MCHKG210301	Date of Issue	2021/3/10
Specification		Certificate NO		Date of Issue	2021/3/10

NO	Steel、Mat NO	Specification (mm)	Weight (T)	Chemical Composition (wt.%) (Heat Analysis) C	Si	Mn	P	N	Al	S	Cr	Ni	Cu	Tensile Test(Gauge Length=50mm) Yield Strength (MPa)	Tensile Strength (MPa)	Rear Extension Degree (%)	Hard Ness (HRB)
1	TK-YUB1-01	0.26*550	15.126	0.13630	0.3587	10.6541	0.0363	0.1475	0.0133	0.0029	13.4214	1.2520	0.7547	-	-	-	225-230
2	TK-YUB1-02	0.26*620	12.272	0.13635	0.3580	10.6544	0.0367	0.1477	0.0131	0.0028	13.4218	1.2526	0.7549	-	-	-	225-230
Total			27.398	Remarks													

WE CERTIFY THAT THE PRODUCT HAS BEEN MANUFACTURED AND TESTED IN ACCORDANCE WITH THE ABOVE REQUIREMENTS AND THAT THE RESULTS MEET THE REQUIREMENTS.

STAMP: DATE:

SIGNATURE:
DATE:

Signature Not Verified
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8.6 Examination of the above Mill Test Certificates (MTC) uploaded by M/s RELIABLE INDUSTRIES and M/s S.K IMPEX, issued by the overseas suppliers

for *"Cold Rolled Stainless Steel strips/Coil Grade J3" revealed that the* **Nickel content was less than 1.5% and the Chromium content was less than 16**%, which is significantly lower compared to the chemical composition of Austenitic Stainless Steel of the Nickel-Chromium type. Therefore, Cold Rolled Stainless Steel Coils of Grade J3 are not of the Nickel Chromium Austenitic type and cannot be classified as such.

9. EXAMINATION OF STATEMENTS RECORDED UNDER SECTION 108 OF THE CUSTOMS ACT, 1962:

The statements of responsible/authorized persons of M/s RELIABLE INDUSTRIES AND M/s S.K IMPEX were recorded under Section 108 of Customs Act, 1962 and the gist of these statements is discussed below:

S. No.	Name of Proprietor of firm/Authorized Signatory	Dt. of Statement	RUD No.
1	Sh. Kartik Gupta, Partner in M/s Reliable Industries and authorized person of M/s S.K Impex	07.08.2025	**24**

- That "stainless-steel coil" imported by his firm is "cold-rolled stainless-steel coil" (less than 600MM), which is produced by under-going hot rolled process and letting it cool to room temperature; then passing it through a series of rollers. Thus, it goes through processing of Hot Rolling and Cold Rolling both.
- That "Stainless-steel coil" imported by his firm are used for manufacturing of utensils only; that the items imported by him are not used in manufacturing of pipes.
- That imported goods are manufactured by both Hot Rolling and Cold Rolling; therefore, they shall be classified under subheading of "others" in CTH 7220, i.e. 7220 90.; that further, within the sub-heading 7220 90, there are further categories based on the shape of goods (i.e. skelp or strips) and end use (i.e. used for pipes and tubes); that in the instant matter the goods imported are in Coil form and suitable for manufacturing of utensils not for pipes and tubes; that therefore, they shall be classified under CTH 7220 9090 of "others" category of CTH 7220 90.
- That on being shown the BIS certificate (ISI 6911: 1992), wherein the chemical composition of the Austenitic steel 201 grade is as under:

Numerical symbol ISS/Grade	C	Si	Mn	Ni	Cr	Mo	S max	P max	Others
	.20 max	1.0 max	4.0-8.0	**3.5-5.5**	**16.0-18.0**	-	0.030	0.045	N 0.05-0.2

That he went through the Mill Test Certificates (MTC) in respect of his firms, namely M/s Reliable Industries and M/s S.K. Impex, which indicate the following chemical composition range:

Elements	C	Mn	S	P	Si	Ni	Cr	Cu	N
Composition in %	0.06-0.136	9.51-13.29	0.0011-0.013	0.028-.045	0.36-.042	**0.79-1.30**	**12.6-13.7**	0.46-0.78	0.031-0.147

- That by going through the above facts the correct classification of Cold Rolled Stainless steel coils appears to be under CTH 7220 9090 -"others"; that but he assumes that his classification is right as the testing standards of China and India are different.
- That he was handling all the firms namely M/s Reliable Industries and M/s S K Impex and taking all decision regarding import in these firms; that the final decision to classify goods in CTH 72209022 was his; that he also submitted Authority letters dated 07.08.2025 from Shri Ashok Kumar Gupta (his cousin and his partner in M/s Reliable Industries) and Shri Subhash Chand Gupta (his father and proprietor in M/s S K impex).
- That as per BIS certificate (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by him had lower concentration of Nickel (Ni) and Chromium (Cr); that he accept that by going through the above facts the correct classification of Cold Rolled Stainless steel coils appears to be under CTH 7220 9090 -"others"; that he assumes that his classification is right as the testing standards of China and India are different.
- On being asked why it not be presumed that he deliberately mis-classified the goods under CTH 72209022 to avail undue benefits under S. No. 734 of Notification No. 50/2018 dated 30.06.2018 he did not prefer to comment on it
- Further Sh. Kartik Gupta also submitted Authorization letter-cum-undertakings dated 07.08.2025 from his father Shri Subhash Chandra Gupta (Proprietor of M/s S K impex) and Shri Ashok Kumar Gupta (his Partner in M/s Reliable Industries) to attend investigation on their behalf; these undertakings also mentioned that all the imports work in their firms were handled by Sh. Kartik Gupta. (**RUD 25 & 26**)

10. CORRECT CLASSIFICATION OF IMPORTED GOODS I.E. COLD ROLLED STAINLESS STEEL OF -J3 GRADE, UNDER CTH 7220 9090:

Classification of import/export goods is governed by the Indian Customs Tariff Act, 1975. The first Schedule specifies the nomenclature that is based on the Harmonized Commodity Description and Coding System generally referred to as "Harmonized System Nomenclature" or simply "HSN", developed by the World Customs Organization (WCO), which is applied uniformly for international trade all over the world.

On Examination of Mill Test Certificates as discussed in Para supra, it is ascertained that M/s Reliable Industries and M/s SK Impex imported goods i.e. "Cold Rolled Stainless Steel strips/ Coil grade J3", which do not contain Ni and Cr as prescribed under IS 6991:1992, do not merit classification under Tariff heading of Austenitic Stainless Steel of Chromium and Nickel type. Further, M/s Reliable Industries and M/s SK Impex have not correctly mentioned the description of the imported goods at the time of filing of Bills of Entry and have not mentioned the imported items as 'Nickel chromium austenitic type', rather they have indicated a generic description as 'Cold Rolled Stainless Steel Coils Ex Stock'. This indicates mala fide intention to wrongly avail the benefits of concessional duty under notification 50/2018-Customs which was available in respect of nickel Chromium austenitic type Steel (CTH 72209022).

Further, these cold-rolled stainless steels have gone through Hot Rolling and Cold Rolling both, therefore based on its manufacturing processes, these coils appear to be classifiable under subheading of "7220 90 -other" under heading 7220.

Now, within the sub-heading "7220 90 -other", further classification is based on shape of the imported goods (i.e. skelp or strips) and its end use (i.e. used for pipes and tubes). In the instant matter the goods imported are in Coil forms and suitable for manufacturing of utensils only, as stated by the importer in his voluntary statement recorded under Section 108 of the Customs Act 1962. Therefore, the imported goods appear to be further classifiable under CTH 7220 9090 - "other" category of CTH 7220 90. Thus, the correct classification of the impugned goods i.e. "Cold Rolled Stainless Steel strips/Coil grade J3" appears to be under CTH 7220 9090 and not under CTH 7220 9022, as declared by the importer.

Further, concessional rate of Basic Customs Duty as availed by M/s Reliable Industries and M/s SK Impex under S. No.734 of Notification No.50/2018-Customs dated 30.06.2018 available for Austenitic Stainless Steel of Chromium and Nickel type under CTH 7220 9022, appears not available for the impugned imported goods i.e. "Cold Rolled Stainless Steel strips/Coil grade J3" as the correct classification of the impugned goods appears to be under CTH 7220 9090. Therefore, benefit of concessional rate of Basic Customs Duty availed by the M/s Reliable Industries and M/s SK Impex under S. No.734 of Notification No.50/2018-Customs dated 30.06.2018 appears to have been taken incorrectly.

11. SUMMARY OF INVESTIGATION:

Thus, investigation of all the evidences retrieved, statements recorded, brought out following offences under Customs Act 1965, by the 3 firms namely M/s M K Industries, M/s Reliable Industries and M/s S.K Impex, which are as under:

1. Under-Valuation in importation of Cold Rolled Stainless Steel (Ex Stock) by M/s M K Industries, M/s Reliable Industries and M/s S.K Impex;
2. Mis-classification of Cold Rolled Stainless Steel (Ex Stock) of J3 Grade under CTH 7220 9022 to avail undue benefits under S. No.734 of Notification No. 50/2018 – Customs dated 30.06.2018 by M/s Reliable Industries and M/s S.K Impex.

12. The main points of investigation have been summarised below:

12.1 Under-valuation in import of Cold Rolled Stainless Steel (Ex stock) by Shri Kartik Gupta in M/s M K Industries, M/s Reliable Industries And M/s S.K Impex:

Investigation revealed that the firms namely M/s M K Industries, M/s Reliable Industries and M/s S.K Impex were engaged in under-valuation in import of Cold Rolled Stainless Steel, from China; that Modus-**operandi** emerged to have been used by Shri Kartik Gupta in these 03 firms , was to declare the impugned goods at under-valued price by using fake/fabricated Invoices –*with lower-value*, for declaration before Indian Customs to evade appropriate duty.

12.2 Purchase of the impugned goods by M/S M K Industries, M/S Reliable Industries And M/S S.K Impex from suspected Common Chinese Suppliers:

Investigation and analysing the past import data, revealed that from year 2020 onwards, M/S M K Industries, M/S Reliable Industries and M/S S.K Impex imported the impugned goods i.e. Cold Rolled Stainless Steel Coil (of different Grads) from various Chinese suppliers who had a doubtful history of issuing fabricated under-valued invoices namely M/S GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO. LTD, M/S HONGKONG WINNER STEEL CO LIMITED, M/s HUAYE INTERNATIONAL DEVELOPMENT(HK), M/s LEO METALS LIMITED, M/s NEWWEI TRADING COMPANY LIMITED, M/S M/S JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED etc.

In the past investigations, genuine invoices-*with actual prices of goods*, have been retrieved; issued by such Chinese suppliers, in which under-valuation in import has been corroborated by price comparison with corresponding Customs Invoices declared; found to be lower than genuine invoices.

12.3 Resemblance of Pattern of the Import Price Declared By M/s M K Industries, M/s Reliable Industries And M/s S.K Impex, which was found to be Under-Valued in previous investigations:

Examination of import price declared by above three firms for the impugned goods i.e. Cold Rolled Stainless Steel (of different grade), shows resemblance with the import prices found to be undervalued in prior investigations. On analysis of import data of above firms, it emerged that import prices declared for the impugned goods i.e. Cold Rolled Stainless Steel of different grades i.e. Grade J3 at a price range of USD 0.75 to 1.1 per KG and grade J2 at a price of USD 1.1 per KG, which shows similarity with the range of suppressed price found mentioned in fabricated invoices.

In addition, the above import prices were also found lower than the indicative value of USD 1.14 per KG for grade J3 and USD 1.244 per KG for grade J2 (discussed in Para No. 5 above) determined during the investigation as a benchmark for identifying under-valuation. Thus, the imports made by M/s M K Industries, M/s Reliable Industries and M/s S.K Impex in the past (2020 onwards), of the impugned goods i.e. Cold Rolled Stainless Steel (of different grade) appear to be under-valued.

12.4 Statements of Shri Kartik Gupta (Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex) , Shri Ankit Modi, Partner in M/s Quality Steels (domestic buyer of Shri Karik Gupta's firms), Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover and Shri Atul Kishore Guglani of M/s Choice Cargo Agency Pvt. Ltd, who outsourced CHA Services on behalf of the firm to M/s Mukesh Grover:

Shri Kartik Gupta, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorised person in respect of M/s S.K Impex in his statements accepted under-valuation in imports by these 03 firm; that he controlled and operated these 03 firms ; that in above 03 firms the imported goods i.e. Cold Rolled Stainless Steel Coils were under-valued by him; that he used to request the Chinese suppliers to issue under-valued invoices (at USD 0.75 to 0.85 per KG) in name of his firms , which he used to declare before

Customs to evade appropriate Customs duty; that he paid differential payments-*on account of under-valuation*, in cash through appointed persons by Chinese suppliers; that he was also doing under-valuation in domestic sale of these imported goods; Further, Shri Ankit Modi, Partner in M/s Quality Steels (domestic buyer of above 03 firms confirmed that Shri Kartik Gupta, had been importing the impugned goods by under-valuing them and selling the same in domestic market at under-valued price.

Further Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover agreed that in his client firms most of the imports of cold rolled stainless steel coil from China was under-valued @ USD 0.75 per kg; that the actual rates were higher than the declared price;

Further, Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover and Shri Atul Kishore Guglani of M/s Choice Cargo Agency Pvt. Ltd, could not provide any satisfactory answers to having a long career as Customs Broker and handling the Commodity Cold Rolled Stainless Steel Coils for a long time, how they were not aware of the actual import price;

12.5. Mis-classification of Cold Rolled Stainless Steel (grade J3) under CTH 7220 9022 to avail undue benefits under S. No.734 of Notification No. 50/2018 – Customs dated 30.06.2018 by M/s Reliable Industries and M/s SK Impex:

M/s Reliable Industries and M/s SK Impex have not correctly mentioned the description of the imported goods at the time of filing of Bills of Entry and have-not mentioned the imported items as 'Nickel chromium austenitic type', rather they have indicated a generic description as 'Cold Rolled Stainless Steel Coils Ex Stock'. This indicate mala fide intention to wrongly avail the benefits of concessional duty under notification 50/2018- Customs which was available in respect of nickel Chromium austenitic type Steel (CTH 72209022).

Further, examination of Mill Test Certificate (MTC), also known as a Mill Certificate or a Material Test Report (MTR); a quality assurance document used in the manufacturing and inspection of materials, submitted by the firms namely M/s Reliable Industries and M/s SK Impex , the content of Nickel (Ni) and Chromium (Cr) in the imported goods (Cold Rolled Stainless Steel Coil of J3 grade) was not found as per specification required to qualify in any of the two subgroups (200 & 300 Series) of Austenitic stainless steel.

M/s Reliable Industries and M/s SK Impex filed the Bills of Entry under CTH 72209022, i.e. Flat-Rolled Stainless Steel (less than 600MM width) - Nickel Chromium Austenitic Type, however, analysis of weight percentage of Nickel (Ni) and Chromium (Cr), manufacturing process and end use of the goods etc., it was revealed that the correct classification of the imported goods should be under CTH 7220 9090 - "others".

Therefore, the imported goods by above three firms do not merit classification under CTH -72209022 i.e. Flat-Rolled Stainless Steel (less than 600MM width) - *Nickel Chromium Austenitic Type.*

Thus, the 45% concession on Basic Customs Duty under S. No. 734 of Notification No. 50/2018 – Customs dated 30.06.2018, availed by the firms namely M/s Reliable Industries and M/s S.K. Impex, appears to have been wrongly availed by these two firms.

In addition, Shri Kartik Gupta, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex, also accepted that as per IS standards (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by him had lower concentration of Nickel (Ni) and Chromium (Cr). Shri Kartik Gupta had also accepted that by going through the above facts the correct classification of Cold Rolled Stainless steel coils appears to be under CTH 7220 9090 -"others".

13. **LEGAL PROVISIONS:**

A) ***Section 2 (39)*** *of Customs Act defines "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113;*

B) ***(26) "importer"*** *in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes 22 [any owner, beneficial owner] or any person holding himself out to be the importer;*

C) ***Section 14:*** *Valuation of goods.*

(1) For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf:

Provided that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and licence fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf:

Provided further that the rules made in this behalf may provide for,-

(i) the circumstances in which the buyer and the seller shall be deemed to be related;

(ii) the manner of determination of value in respect of goods when there is no sale, or the buyer and the seller are related, or price is not the sole consideration for the sale or in any other case;

(iii) the manner of acceptance or rejection of value declared by the importer or exporter, as the case may be, where the proper officer has reason to doubt the truth or accuracy of such value, and determination of value for the purposes of this section:

Provided also that such price shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46, or a shipping bill of export, as the case may be, is presented under section 50.

(2) Notwithstanding anything contained in sub-section (1), if the Board is satisfied that it is necessary or expedient so to do, it may, by notification in the Official Gazette, fix tariff values for any class of imported goods or export goods, having regard to the trend of value of such or like goods, and where any such tariff values are fixed, the duty shall be chargeable with reference to such tariff value.

Explanation.-For the purposes of this section-

(a) "rate of exchange" means the rate of exchange-

(i) determined by the Board, or

(ii) ascertained in such manner as the Board may direct, for the conversion of Indian currency into foreign currency or foreign currency into Indian currency;

(b) "foreign currency" and "Indian currency" have the meanings respectively assigned to them in clause (m) and clause (q) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).

D) Section 28. 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;

***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 9[two years] shall be computed from the date of receipt of information under sub-section (2).

(4) Where any duty has not been 10[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 wilful mis-statement; or
(c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been 11[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.

(5) Where any 12[duty has not been levied or not paid or has been short-levied or short paid] or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under section 28AA and the penalty equal to 13 [fifteen per cent.] of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

(6) Where the importer or the exporter or the agent or the employee of the importer or the exporter, as the case may be, has paid duty with interest and penalty under sub-section (5), the proper officer shall determine the amount of duty or interest and on determination, if the proper officer is of the opinion-

(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or
(ii) that the duty with interest and penalty that has been paid falls short of the amount actually payable, then, the proper officer shall proceed to issue the notice as provided for in clause (a) of sub-section (1) 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 14 [two years] shall be computed from the date of receipt of information under sub-section (5).

(7) In computing the period of two years referred to in clause (a) of sub-section (1) or five years referred to in sub-section (4), the period during which there was any stay by an order of a court or tribunal in respect of payment of such duty or interest shall be excluded.

(7A). Save as otherwise provided in clause (a) of sub-section (1) or in sub-section (4), the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed, and the provisions of this section shall apply to such supplementary notice as if it was issued under the said sub section (1) or sub-section (4).]

(8) The proper officer shall, after allowing the concerned person an opportunity of being heard and after considering the representation, if any, made by such person, determine the amount of duty or interest due from such person not being in excess of the amount specified in the notice.

(9) The proper officer shall determine the amount of duty or interest under sub-section (8),-

(a) within six months from the date of notice, 17 [***] in respect of cases falling under clause (a) of sub- section (1);

(b) within one year from the date of notice, 17 [***] in respect of cases falling under sub-section (4).

***Provided** that where the proper officer fails to so determine within the specified period, any officer senior in rank to the proper officer may, having regard to the circumstances under which the proper officer was prevented from determining the amount of duty or interest under sub-section (8), extend the period specified in clause (a) to a further period of six months and the period specified in clause (b) to a further period of one year:*

***Provided** further that where the proper officer fails to determine within such extended period, such proceeding shall be deemed to have concluded as if no notice had been issued.*

(9A) Notwithstanding anything contained in sub-section (9), where the proper officer is unable to determine the amount of duty or interest under sub-section (8) for the reason that-

(a) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or

(b) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or

(c) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or

(d) the Settlement Commission has admitted an application made by the person concerned, the proper officer shall inform the person concerned the reason for non determination of the amount of duty or interest under sub-section (8) and in such case, the time specified in sub-section (9) shall apply not from the date of notice, but from the date when such reason ceases to exist.]

(10) Where an order determining the duty is passed by the proper officer under this section, the person liable to pay the said duty shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.

(10A) Notwithstanding anything contained in this Act, where an order for refund under sub-section (2) of section 27 is modified in any appeal and the amount of refund so determined is less than the amount refunded under said sub-section, the excess amount so refunded shall be recovered along with interest thereon at

the rate fixed by the Central Government under section 28AA, from the date of refund up to the date of recovery, as a sum due to the Government.
(10B) A notice issued under sub-section (4) shall be deemed to have been issued under sub-section (1), if such notice demanding duty is held not sustainable in any proceeding under this Act, including at any stage of appeal, for the reason that the charges of collusion or any wilful mis-statement or suppression of facts to evade duty has not been established against the person to whom such notice was issued and the amount of duty and the interest thereon shall be computed accordingly.

11 Notwithstanding anything to the contrary contained in any judgement, decree or order of any court of law, tribunal or other authority, all persons appointed as officers of Customs under sub-section (1) of section 4 before the 6th day of July, 2011 shall be deemed to have and always had the power of assessment under section 17 and shall be deemed to have been and always had been the proper officers for the purposes of this section.]

Explanation 1 *. - For the purposes of this section, "relevant date" means,-*
(a) in a case where duty is 21[not levied or not paid or short-levied or short-paid], or interest is not charged, the date on which the proper officer makes an order for the clearance of goods;
(b) in a case where duty is provisionally assessed under section 18, the date of adjustment of duty after the final assessment thereof or re-assessment, as the case may be;
(c) in a case where duty or interest has been erroneously refunded, the date of refund;
(d) in any other case, the date of payment of duty or interest.

Explanation 2 *. - For the removal of doubts, it is hereby declared that any non-levy, short-levy or erroneous refund before the date on which the Finance Bill, 2011 receives the assent of the President, shall continue to be governed by the provisions of section 28 as it stood immediately before the date on which such assent is received.]*

*22[**Explanation 3** . - For the removal of doubts, it is hereby declared that the proceedings in respect of any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued under sub-section (1) or sub-section (4), as the case may be, but an order determining duty under sub-section (8) has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall, without prejudice to the provisions of sections 135, 135A and 140, as may be applicable, be deemed to be concluded, if the payment of duty, interest and penalty under the proviso to sub-section (2) or under sub-section (5), as the case may be, is made in full within thirty days from the date on which such assent is received.]*

*23[**Explanation 4** - For the removal of doubts, it is hereby declared that notwithstanding anything to the contrary contained in any judgment, decree or order of the Appellate Tribunal or any Court or in any other provision of this Act or the rules or regulations made thereunder, or in any other law for the time being in force, in cases where notice has been issued for non-levy, short-levy, non-payment, short payment or erroneous refund, prior to the 29th day of March, 2018 (13 of 2018), being the date of commencement of the Finance Act, 2018,*

such notice shall continue to be governed by the provisions of section 28 as it stood immediately before such date.]

F) Section 28AA. Interest on delayed payment of duty. –

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

(2) Interest at such rate not below ten per cent. and not exceeding thirty-six per cent. per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

(3) Notwithstanding anything contained in sub-section (1), no interest shall be payable where,-

(a) the duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and

(b) such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.]

G.) Section 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 electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

***Provided** that the Principal Commissioner of Customs or Commissioner of Customs] may, in cases where it is not feasible to make entry by presenting electronically on the customs automated system, allow an entry to be presented in any other manner:*

***Provided** further that if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.*

(2) Save as otherwise permitted by the proper officer, a bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignor.

(3) The importer shall present the bill of entry under sub-section (1) before the end of the day (including holidays) preceding the day on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:
Provided *that the Board may, in such cases as it may deem fit, prescribe different time limits for presentation of the bill of entry, which shall not be later than the end of the day of such arrival:*
Provided *further that a bill of entry may be presented at any time not exceeding thirty days prior to the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:*
Provided *also that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.*

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

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

(a) the accuracy and completeness of the information given therein;
(b) the authenticity and validity of any document supporting it; and
(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

(5) If the proper officer is satisfied that the interests of revenue are not prejudicially affected and that there was no fraudulent intention, he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.

H) Section 111. Confiscation of improperly imported goods, etc.

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

(a) any goods imported by sea or air which are unloaded or attempted to be unloaded at any place other than a customs port or customs airport appointed under clause (a) of section 7 for the unloading of such goods;

(b) any goods imported by land or inland water through any route other than a route specified in a notification issued under clause (c) of section 7 for the import of such goods;

(c) any dutiable or prohibited goods brought into any bay, gulf, creek or tidal river for the purpose of being landed at a place other than a customs port;

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary

to any prohibition imposed by or under this Act or any other law for the time being in force;

(e) any dutiable or prohibited goods found concealed in any manner in any conveyance;

(f) any dutiable or prohibited goods required to be mentioned under the regulations in an 1 [arrival manifest or import manifest] or import report which are not so mentioned;

(g) any dutiable or prohibited goods which are unloaded from a conveyance in contravention of the provisions of section 32, other than goods inadvertently unloaded but included in the record kept under sub-section (2) of section 45;

(h) any dutiable or prohibited goods unloaded or attempted to be unloaded in contravention of the provisions of section 33 or section 34;

(i) any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;

(j) any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission;

(k) any dutiable or prohibited goods imported by land in respect of which the order permitting clearance of the goods required to be produced under section 109 is not produced or which do not correspond in any material particular with the specification contained therein;

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

(m) 2[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 trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54];

(n) any dutiable or prohibited goods transited with or without trans-shipment or attempted to be so transited in contravention of the provisions of Chapter VIII;

(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;

(p) any notified goods in relation to which any provisions of Chapter IVA or of any rule made under this Act for carrying out the purposes of that Chapter have been contravened.

(q) any goods imported on a claim of preferential rate of duty which contravenes any provision of Chapter VAA or any rule made thereunder.

I) SECTION 112. Penalty for improper importation of goods, etc.-

Any person, -

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

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

(i) 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 1 [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 4 [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 5 [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 6 [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.]

J) 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 2 [****]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 3 [sub-section (8) of section 28] shall also be liable to pay a penalty equal to the duty or interest so determined:

*4 [**Provided** that where such duty or interest, as the case may be, as determined under 3 [sub-section (8) of section 28], and the interest payable thereon under section 5 [28AA], is paid within thirty days from the date of the 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 duty or interest, as the case may be, so determined:*

***Provided** further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso :*

***Provided** also that where the duty or interest determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purposes of this section, the duty or interest as reduced or increased, as the case may be, shall be taken into account:*

***Provided** also that in case where the duty or interest determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, the benefit of reduced penalty under the first proviso shall be available if the amount of the duty or the interest so increased, along with the interest payable thereon under section 5 [28AA], and twenty-five percent of the consequential increase in penalty have also been paid within thirty days of the communication of the order by which such increase in the duty or interest takes effect :*

***Provided** also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 114.*

***Explanation.** - For the removal of doubts, it is hereby declared that -*

(i) the provisions of this section shall also apply to cases in which the order determining the duty or interest 3 [sub-section (8) of section 28] relates to notices issued prior to the date on which the Finance Act, 2000 receives the assent of the President;*

(ii) any amount paid to the credit of the Central Government prior to the date of communication of the order referred to in the first proviso or the fourth proviso shall be adjusted against the total amount due from such person.]

K) Section 114AA. Penalty for use of false and incorrect material. -

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

***L) Further, vide Finance Act, 2011 w.e.f. 08.04.2011 "Self-Assessment" has been introduced under the Customs Act, 1962. Section 17 of the said Act provides** for self-assessment of duty on import and export goods by the importer or exporter himself by filing a bill of entry or shipping bill as the case may be, in the electronic form, as per Section 46 or*

50 respectively. Thus, under self-assessment, it is the importer or exporter who will ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notification claimed, if any in respect of the imported/exported goods while presenting Bill of Entry or Shipping Bill.

M) Customs Valuation (Determination of Value of Imported Goods) Rules,2007:

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3. Determination of the method of valuation.-

(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;

(2) Value of imported goods under sub-rule (1) shall be accepted: Provided that –
(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which –
(i) are imposed or required by law or by the public authorities in India; or
(ii) limit the geographical area in which the goods may be resold; or
(iii) do not substantially affect the value of the goods;
(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;

(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and
(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.
(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.
(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.
(i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;
(ii) the deductive value for identical goods or similar goods;
(iii) the computed value for identical goods or similar goods:

Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;

(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.

(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.

4. Transaction value of identical goods. –
(1)(a)Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;
Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.
(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.
(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.

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

5. Transaction value of similar goods.-
(1)Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:
Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

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

6. Determination of value where value cannot be determined under rules 3, 4 and 5.-
If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, under rule 8.
Provided that at the request of the importer, and with the approval of the proper officer, the order of application of rules 7 and 8 shall be reversed.

7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -
(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;
(ii) the usual costs of transport and insurance and associated costs incurred within India;
(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.
(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

<u>8. Computed value</u>.- Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-
(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;
(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;
(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

<u>9. Residual method</u>.-
(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;
Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.
(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;
(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;
(iii) the price of the goods on the domestic market of the country of exportation;
(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;
(v) the price of the goods for the export to a country other than India;
(vi) minimum customs values; or
(vii) arbitrary or fictitious values.

14. REJECTION OF THE TRANSACTION VALUE DECLARED BY M/S M K INDUSTRIES, M/S RELIABLE INDUSTRIES AND M/S S.K IMPEX UNDER RULE 12 OF CUSTOMS VALUATION RULES 2007:

14.1 From the investigation and evidences discussed above, it has inter alia emerged that the actual price of the goods was significantly higher than what has been declared by above 03 firms(i.e. M/s M K Industries, M/s Reliable Industries And M/s S.K Impex); that undervaluation of impugned goods emerged to have been done in the Bills of entry by way of submission of forged and fabricated invoices with an intent to illegally evade payment of appropriate Customs duty ; that M/s M K Industries, M/S Reliable Industries M/s S.K Impex, instead of declaring the correct transaction value at the landing port, resorted to wilfully supressing the actual value of goods. Further, Sh Kartik Gupta, in his voluntary statements under Section 108 of Customs Act has accepted under-valuation in imports by these 03 firms (M/s M K Industries, M/s Reliable Industries and M/s S.K Impex) and that he controlled and operated these 03 firms. Further, he had also admitted that in above 03 firms the imported goods i.e. Cold Rolled Stainless Steel Coils were under-valued by him and he used to request the Chinese suppliers to issue under-valued invoices (at USD 0.75 to 0.85 per KG) in name of his firms, which he used to declare before Customs to evade appropriate Customs duty.

Hence, the declared value of the impugned goods is not the correct transaction value at which the said goods have been purchased by the importer from the suspected Chinese suppliers **including others Chinese suppliers** where the import value found similar with the prices found mentioned in fabricated invoices, which emerged to be under-valued price as per the investigation conducted by DRI in case referred to in para 2.2 and 2.3 of this notice; hence, the declared value of the goods is not the correct transaction value at which the said goods have been purchased by the importer from the overseas Chinese suppliers. Therefore, the declared import price of the impugned goods is liable to be rejected.

14.2. Further, in terms of Section 14 of the Customs Act, 1962, the value of the imported goods shall be the transaction value that is to say that price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, subject to such other conditions as may be specified in this behalf by the rules made in this regard.

14.3 Further, in accordance with such provisions, Central Government has made Customs Valuation (Determination of value of imported goods) Rules, 2007

(herein after referred to as "CVR 2007"). Further, as per Rule 3 of the CVR, 2007, the transaction value of imported goods shall be the price actually paid or payable for the goods when sold for export. The evidences and voluntary statements recorded under Section 108 of Customs Act, 1962 discussed herein foregoing paras suggest that the values declared in relation to the impugned goods i.e. Cold Rolled Stainless Steel coils(Ex stock) of Grade J3 and Grade J2 are not the correct value and the same are liable to be rejected in terms of Rule 12 of the Customs Valuation (Determination of value of Imported Goods) Rules, 2007.

14.3.(a) Rule 3 (1) of the CVR, 2007 lays down that the value of the imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10 CVR 2007. Further Rule 2(g) of CVR 2007 defines transaction value as the value referred to in sub-section (1) of Section 14 of the Customs Act1962. Rule 13 of the CVR, 2007 lays down that the interpretative notes specified in the Schedule to these rules shall apply for the interpretation of these rules. The interpretative note to Rule 3 provides that price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods.

14.4. On a combined reading of the Section 14 ibid & the CVR 2007, it appears that customs duty is payable on transaction value that is to say that:
(1) Price actually paid or payable for the goods i.e. the total payment made by the buyer
(2) When sold for export to India for delivery
(3) At the time and place of importation

14.5 It appears that in terms of Rule 3 of the CVR 2007 read with Section 14 of the Customs Act, 1962 and the schedule to the valuation rules (CVR 2007), the actual price paid or payable for the impugned goods, should have formed part of the assessable value for the purpose of calculation of Customs duty as the same is the actual transaction value of the imported goods.

14.6. Since it appears that the values declared by the 3 importers (M/s M K Industries, M/s Reliable Industries And M/s S.K Impex) are not the correct values and are liable to be rejected in terms of Rule 12 of the Customs Valuation Rules, 2007, as the 3 importers appears to have indulged in mis-declaration of value of the goods and have used fraudulent and manipulated documents [explanation 1(iii) (d) & (f) of Rule 12 CVR 2007]. Rule 12(1) provides that in such cases it shall be deemed that the transaction value cannot be determined under the provisions of sub- Rule 1 of Rule 3.

14.7. From the foregoing, there appears sufficient reason to believe that the value of the impugned items declared by the 3 importers (i.e. M/s M K Industries, M/s Reliable Industries And M/s S.K Impex) in the respective Bills of Entry are not the actual transaction values and the same appear liable to be rejected in terms of rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

15. RE-DETERMINATION OF VALUE OF THE IMPORTED GOODS:

Further, the value of import consignments appears liable to be re-determined under Customs Valuation (Determination of value of imported goods) Rules,

2007. Further, in terms of Rule 3 (4) of the said rules, the value has to be re-determined by proceeding sequentially through Rule 4 to 9.

15.1. Application of Rule 4 of CVR, 2007:

Rule 4 of the Valuation Rules, 2007 provides that the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued. However, the following conditions as per Rule 4 read with Rule 2(l)(d) of the Valuation Rules, 2007must be satisfied by the 'identical goods', before their value can be used as a basis for determining the correct values of the goods in question. Thus, the identical goods should be:

i. which are same in all respects, including physical characteristics, quality and reputation as the goods being valued except for minor differences in appearance that do not affect the value of the goods;
ii. produced in the country in which the goods being valued were produced; and
iii. produced by the same person who produced the goods, or where no such goods are available, goods produced by a different person;

The value of the Cold Rolled Stainless Steel Coils depends upon number of factors including their constituents, width, thickness, surface finish, etc. Further, the nature of goods varies greatly in physical characteristics due to their composition, quality, reputation etc. In the absence of correct composition, surface finish etc., it is not feasible to identify the 'identical goods' (which satisfied the above criteria) imported by the other importers during contemporaneous time for comparing the value declared by the other importers vis a vis value declared by the instant importer. Hence, it would not be proper to determine the value of the goods under Rule 4 of the CVR 2007

15.2. Application of Rule 5 of CVR, 2007:

15.2.1. Rule 5 of the Valuation Rules, 2007 provides that the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued. However, the following conditions as per Rule 5 read with Rule 2(l)(f) of the Valuation Rules, 2007 must be satisfied by the 'similar goods', before their value can be used as a basis for determining the correct values of the goods in question. Thus, the 'similar goods', should be:

i) which although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable with the goods being valued having regard to the quality, reputation and the existence of trade mark;
ii) produced in the country in which the goods being valued were produced; and
iii) produced by the same person who produced the goods being valued, or where no such goods are available, goods produced by a different person,

This provision ensures a logical, consistent, and legally sound framework for valuation in complex import scenarios. In the instant case, the availability of 'similar goods', from the same suppliers, provides a practical and justifiable route for determining customs value. Firstly, while the imported goods may not be

'identical' due to their diverse physical features, their functional interchangeability, commercial comparability, and availability in the same market segment often qualify them as "similar goods" under the definitions provided in the Valuation Rules. These goods may serve similar purposes and cater to the same consumer base. Therefore, though minor distinctions exist, their economic value and utility are sufficiently aligned, allowing reasonably rely on their transaction values for valuation purposes. Secondly, the availability of similar goods simplifies the valuation process significantly. In an increasingly globalized trading environment, firms often engage with the same suppliers for a variety of goods with marginal differences. This commercial reality results in a rich repository of invoices and import records, providing multiple reference points for similar transactions. Such documentation enhances transparency, traceability, and accuracy in customs assessment, reinforcing the legitimacy of values derived through comparison. Moreover, using the transaction value of similar goods is not only procedurally permissible but also equitable. It ensures that the valuation reflects a price actually paid or payable for comparable merchandise under comparable conditions. This deters undervaluation and promotes a level playing field for all importers, as duties are levied based on fair market benchmarks rather than arbitrary estimations. Lastly, the presence of multiple retrieved (genuine) invoices pertaining to the same suppliers or suppliers from same country dealing in similar goods further strengthens the application of Rule 5. These invoices reflect genuine pricing trends and reduce anomalies during valuation. **Therefore, use of these retrieved genuine invoices appears justifiable to arrive at a reliable and verifiable valuation for the impugned goods, even in the absence of a direct transaction value for the impugned goods in question.** In the instant case, the impugned goods have the same description (i.e. J3/J2, Ex stock) as that of the goods mentioned in the retrieved invoices and have been imported from the same set of Chinese suppliers who have been identified as suspicious suppliers in the past investigation. Further, the impugned goods have been imported at or about the same time as that in the retrieved invoices and have like characteristics and are commercially interchangeable with the goods mentioned in the retrieved invoices. Therefore, it appears that the impugned goods are similar goods with the goods mentioned in the retrieved invoices thus meriting the use of rule 5 of the valuation rules for arriving at the redetermined prices.

15.2.2. Accordingly, valuation of the imported goods, imported at or around the same time as that of the genuine retrieved invoices) by above three firms, in terms of Rule 5 of the valuation rules, has been arrived at as follows:

- In those imports , where importer has imported the Cold Rolled Stainless Steel coils(Ex stock) (Grade J3 /J2 in instant matter) from a suspected Chinese supplier and a genuine invoice from that suspected Chinese supplier for the same grade (i.e. Grade J3 /J2) is available, the valuation for these imports is determined based on the **lowest-value** mentioned in the all genuine invoice for that grade of cold rolled stainless steel, issued by that suspected Chinese supplier.
- In those imports, where the importer has imported goods of a particular grade (Grade J3 /J2 in instant case) and where genuine invoice of that suspected Chinese supplier are not available, then for valuation purpose, genuine invoice available having the lowest value of that particular grade, among all the suspected Chinese supplier, has been taken to arrive at the re-determined value.

- In respect of those imports, where importer has imported goods without declaring the particular grade and where genuine invoice of that suspected Chinese supplier are not available, then for valuation purpose, genuine invoice available having the lowest value among all the grade, has been taken to arrive at the re-determined value.

16. <u>Role of Key Persons and Analysis and findings:</u>

From the investigation conducted in the case and from the facts and records, evidences have come on record from which it appears that:

A) **Shri Kartik Gupta** through firms namely M/s M K Industries, M/s Reliable Industries and M/s S.K Impex imported under-valued goods namely coils of cold rolled stainless steel by using fabricated invoices; that Shri Kartik Gupta with hand and glove with Chinese suppliers manipulated and forged the import invoices and declared them before Customs; that the payments -*on account of under-valuation*, to the Chinese suppliers emerged to be made in cash or through other modes to set firms financial accounts in order; that as per statements of Shri Atul Kishore Guglani , Shri Kartik Gupta used to provide him final import documents and approval for filing before Customs which clarifies that the firm was being operated by Shri Kartik Gupta for importing Cold Rolled Stainless Steel Coils by under-valuing them; that in his voluntary statements Shri Kartik Gupta accepted under-valuation done by him through the firms namely M/S M K Industries, M/S Reliable Industries and M/S S.K Impex which were being managed by him ; the role of Shri Kartik Gupta in under-valuation through his firms also reinforced by the statements of Shri Ankit Modi, Partner in M/s Quality Steels (domestic buyer of Shri Karik Gupta's firms namely M/S M K Industries, M/S Reliable Industries and M/S S.K Impex) that he used to contact Shri Kartik Gupta for purchasing goods from above three firms; that the import price of Cold Rolled Stainless Steel Coils (grade J3) at USD 0.75 to 1.1 per KG, declared by above three firms of Shri Kartik Gupta was under-valued; that he purchased under-valued goods domestically from Shri Karik Gupta ; That he used to pay payments part through Banking Channels and part payments-on account of under-valuation, in cash on demand by Shri Kartik Gupta.

Also, it further appears that mis-declaration of description and mis-classification of goods in the import documents viz. Bills of Entry presented by M/s Reliable Industries and M/s SK Impex before the Customs authorities, was done on the directions of Sh Kartik Gupta.

Thus, Shri Kartik Gupta appears to have meticulously planned the unscrupulous modus-operandi to defraud the government by not declaring the correct value of the imported goods and deliberately mis classifying the imported goods to avail undue concessional duty benefits and consequently paid/attempted to pay lesser Customs duty on import of the goods; that Shri Kartik Gupta through the firms M/s M K Industries, M/s Reliable Industries and M/s S.K Impex had been involved in under-valuation over the years with an intent to evade payment of appropriate customs duty; that in terms of Section 46(4), the importers, while presenting the Bill of Entry shall make and subscribe to a declaration as the truth of the contents of such Bill of Entry and shall, in support of such declaration, produce to the proper officer, the invoice, if any, relating to the imported goods, in view of the above, it appears that Shri Kartik Gupta through the firms M/s M K Industries, M/s Reliable Industries and M/s S.K Impex has violated the

provisions of Section 46 of the Customs Act, 1962 by mis-declaring the value and mis classifying the imported goods. Thus, Shri Kartik Gupta appear to have violated the provisions of Section 46(4) of the customs act in as much as he has undervalued and mis-classified the goods imported by him in above mentioned 3 firms and had given a false declaration of goods in the bills of entry; thus, consequently rendered himself liable for penalty under Section 114A and/or 112(a)&(b) and Section 114AA Section of the Customs Act, 1962.

B. Shri Atul Kishore Guglani (Partner in M/s Choice Cargo Agency Private Limited) and **Shri Mukesh Grover** (Proprietor of M/s Mukesh Grover): As CHA/Customs Broker, Shri Mukesh Grover and Shri Atul Kishore Guglani were entrusted with all the work including documentations and were responsible for the movement of cargo right from entering the port till it was cleared by customs. Shri Mukesh Grover being in the trade for so long were fully aware of their own responsibilities as CHA/Customs Brokers but still failed to deliver and in a way aided undervaluation by M/s M K Industries, M/s Reliable Industries and M/s S.K Impex. Further, Shri Atul Kishore Guglani aided and abetted the importing firms in the scheme involving undervaluation of goods. As discussed above, for the purpose of Customs clearance, in the above-mentioned firms, he used to receive import documents from the proprietors of the firms directly, which he further passed on to Shri Mukesh Grover CHA for clearance. It is also evident from the statements of Shri Mukesh Grover and Shri Atul Kishore Guglani that they had knowledge that the imported goods were undervalued. Thus the role of Shri Atul Kishore Guglani and Sh Mukesh Grover appear doubtful who appear to have full knowledge of the illegal activities of the firms accused of under-valuation in import of Cold Rolled Stainless Steel investigations ; that they themselves are CHA and had a long career as Customs Broker (since 2006) and handling the Commodity Cold Rolled Stainless Steel Coils since 2016, could not provide any satisfactory answer how they were not aware of the actual import price and consequently rendered them liable for penalty under Section 112 and 114AA of the Customs Act, 1962.

C. Shri Subhash Chandra Gupta (Proprietor in M/s S K Impex): Shri Subhash Chandra Gupta (Proprietor in M/s S K Impex) allowed control of their firms to Shri Kartik Gupta who used the firms for importing Cold Rolled Stainless steel at under-valuing prices ; that he appear to had knowledge and tacit understanding with Shri Kartik Gupta in import of under-valued goods by using fake invoices and mis classification of the imported goods to avail undue concessional duty benefits; that all the aforesaid acts of omissions and commissions on the part of Shri Subhash Chandra Gupta, have rendered the imported goods liable for confiscation under Section 111 (m) of the Customs Act, 1962, and consequently rendered himself liable for penalty under Section 112 and/or Section 114A of the Customs Act, 1962. Further, acts of Shri Subhash Chandra Gupta, to knowingly and intentionally prepared/got prepared, signed/got signed and used the declarations/ statements/ documents presented before the Customs authorities, which were incorrect in as much as they were not representing the true, correct and actual valuation of the imported goods, has rendered himself liable for penalty under section 114AA of the Customs Act, 1962.

Due to the mis-declaration of value and mis classification of imported goods as discussed above, correct duty has not been levied on the impugned goods and therefore, the differential duty on account of such mis-declaration and mis classification as per **Annexure X**, **Annexure Y** and **Annexure Z** are liable to be demanded from the M/s M K Industries, M/s Reliable Industries and M/s S. K Impex, respectively, under Sec 28(4) of the Customs Act 1962.

17. APPLICABILITY OF SECTION 28(4) OF THE CUSTOMS ACT, 1962:

17.1. In the present case, it is evident that the actual facts were known to Shri Kartik Gupta; that Shri Kartik Gupta had knowingly and deliberately indulged in suppression of facts and wilfully misrepresented/mis-stated the material facts in contravention of the provisions of Section 46(4) of the Customs Act, 1962 read with other provisions mentioned at para 13 above. In terms of Section 46(4) of Customs Act, 1962, the importer was required to make a declaration as to truth of the contents of the Bills of Entry submitted for assessment of Customs duty. For these contraventions and violations, the goods fall under the ambit of 'smuggled goods' within the meaning of Section 2(39) of the Customs Act, 1962, and are liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962.

17.2. It further emerged that mis-declaration in valuation and mis classification of the impugned goods in the import documents viz. Bills of Entry, import invoices etc. presented by M/s M K Industries, M/s Reliable Industries and M/s S.K Impex, before the Customs authorities, were done by Shri Kartik Gupta in order to avoid appropriate levy of Customs duty on the actual transaction value.

17.3 All the aforesaid acts of omissions and commissions on the part of these 3 firms namely M/s M K Industries, M/s Reliable Industries and M/s S.K Impex have rendered the imported goods liable for confiscation under Section 111 (m) and 111(o) of the Customs Act, 1962, and consequently rendered them liable for penalty under Section 112 of the Customs Act, 1962. Further, acts of Shri Kartik Gupta, who knowingly and intentionally prepared/got prepared, signed/got signed and used the declaration, statements and/or documents presented the same to the Customs authorities, which were incorrect in as much as they were not representing the true, correct and actual value of the imported goods, has rendered himself liable for penalty under section 114AA of the Customs Act, 1962. Shri Kartik Gupta has also violated the provisions of Section 17 and 46 of the Customs Act, 1962. Therefore, the duty not paid/short paid is liable to be recovered from M/s M K Industries, M/s Reliable Industries and M/s S.K Impex by invoking the extended period of five years as per Section 28(4) of the Customs Act, 1962, in as much as the duty is short paid on account of wilful mis-statement as narrated above.
Thus, the instant case appears to fall squarely within the ambit of Section 28(4) of Customs Act, 1962, and the differential duty appears liable to be demanded as per the extended period clause contained therein, and accordingly the importers namely M/s M K Industries, M/s Reliable Industries and M/s S.K Impex also appear liable for penalty under Sec 114A of Customs Act 1962.

18. CALCULATION OF DUTY:

Basis the investigation conducted and evidences gathered during the investigation, value of goods declared by the importers (M/s M K Industries, M/s Reliable Industries and M/s S.K Impex) have been rejected and re determination of valuation of goods have been done. Further concessional duty benefits availed by the firms namely, M/s Reliable Industries and M/s S.K Impex, under S.No. 734 of Notification No. 50/2018-Customs 30.06.2018 has also been denied, as the same is not available on impugned goods, as discussed in detail in paras supra. Therefore, the calculation of duty, for the relevant period, with respect to all 03 firms under investigation are tabulated below:

18 A. CALCULATION OF DUTY FOR M/s M K INDUSTRIES:

Total duty liability on account of under-valuation of the imported goods:

(Summary of Annexure X)

Sr. No. (1)	Ports / ICDs (2)	ASSESSABLE VALUE DECLARED BY THE IMPORTER (RS.) (3)	DUTY PAID (RS.) (4)	ASSESSABLE VALUE RE- DETERMINED (RS.) (5)	DUTY PAYABLE (RS.) (6)	Customs Duty Short paid/ to be recovered (Rs.)(Col 6-Col 4) (7)
1	INAPL6	50,32,643	13,95,804	56,91,461	15,78,527	1,82,723
2	INDER6	3,50,25,531	97,14,331	3,62,99,187	1,00,67,579	3,53,248
3	INMUN1	3,00,04,467	83,21,739	3,39,32,324	94,11,130	10,89,391
	TOTAL	**7,00,62,640**	**1,94,31,873**	**7,59,22,972**	**2,10,57,236**	**16,25,363**

18 B. CALCULATION OF DUTY FOR M/s RELIABLE INDUSTRIES:

Total duty liability on account of under-valuation and wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018:

(Summary of Annexure Y)

Sr. No. (1)	Ports / ICDs (2)	ASSESSABLE VALUE DECLARED BY THE IMPORTER (RS.) (3)	DUTY PAID (RS.) (4)	ASSESSABLE VALUE RE- DETERMINED (RS.) (5)	DUTY PAYABLE (RS.) (6)	Customs Duty Short paid/ to be recovered (Rs.)(Col 6-Col 4) (7)
1	**INAPL6**	15,48,195	7,22,037	23,84,220	12,34,384	5,12,347
2	**INDER6**	15,28,327	6,85,580	23,53,624	12,18,494	5,32,915
3	**INMUN 1**	22,38,87,884	6,79,90,878	32,17,09,596	10,21,27,748	3,41,36,870
	TOTAL	**22,69,64,406**	**6,93,98,494**	**32,64,47,440**	**10,45,80,627**	**3,51,82,133**

Further, details of Bills of Entry where undue benefits under S.no.734 of notification no. 50/2018-customs dated 30.06.2018 by mis classifying the imported goods under CTH 72209022, have been taken and the imported goods merits reclassification under CTH 72209090 has been detailed in ANNEXURE Y1.

18 C. CALCULATION OF DUTY FOR M/s S.K IMPEX:

Total duty liability on account of on account of wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018:

(Summary of Annexure Z)

Sr. No. (1)	Ports / ICDs (2)	ASSESSABLE VALUE DECLARED BY THE IMPORTER (RS.) (3)	DUTY PAID (RS.) (4)	ASSESSABLE VALUE RE- DETERMINED (RS.) (5)	DUTY PAYABLE (RS.) (6)	Customs Duty Short paid/ to be recovered (Rs.)(Col 6-Col 4) (7)
1	INCPL6	14,65,308	4,06,403	22,27,268	6,17,733	2,11,330
2	INMUN1	20,63,34,766	5,71,06,497	32,06,48,213	8,87,36,465	3,18,25,285
	TOTAL	**20,78,00,074**	**5,75,12,900**	**32,28,75,481**	**8,95,49,515**	**3,20,36,615**

Further, details of Bills of Entry where undue benefits under S.no.734 of notification no. 50/2018-customs dated 30.06.2018 by mis classifying the imported goods under CTH 72209022, have been taken and the imported goods merits reclassification under CTH 72209090 has been detailed in **ANNEXURE Z1.**

Accordingly, the differential Customs duty amounting to **Rs 16,25,363/-, Rs 3,51,82,133/-, and Rs 3,20,36,615/-** in respect of **M/S M K Industries , M/S Reliable Industries and M/S S.K Impex** as indicated in **Annexure-X, Annexure-Y and Annexure- Z,** respectively**,** to the SCN is liable to be recovered from the above firms**,** under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28 AA ibid.

In addition, Bills of Entry where undue benefits under S.no.734 of notification no. 50/2018-customs dated 30.06.2018 have been taken and the imported goods merits reclassification under CTH 72209090 has been detailed in **ANNEXURE Y1** and **Z1** in respect of **M/S Reliable Industries** and **M/S S.K Impex**, respectively.

This demand of duty involved in the goods imported through multiple ports viz. INMUN1, INCPL6, INDER6, INAPL6. This Show Cause Notice is being issued by the competent authority at Customs Mundra Port (INMUN1) as per Notification No. 28/2022-Customs (N.T.) dated 31.03.2022 issued by Central Board of Indirect Taxes and Customs (CBIC) being the port i.e. Customs Mundra Port where highest duty is involved with respect to above firms.

SHOW CAUSE-

<u>In respect of Firm M/s M K Industries</u>

19. Now, therefore Shri Kartik Gupta proprietor in M/s M K Industries (IEC-BKGPG3178J); having address at A-100/1, Industrial Area, Wazirpur, New Delhi-110052 is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why:

i) The declared assessable value of the goods imported (through various Ports/ICDs as per **Annexure X**) totally amounting to Rs **7,00,62,640/-** should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs. **7,59,22,972/-**, in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;

ii) The goods mentioned at (i) above should not be held liable for confiscation under Section 111(m) of Customs Act 1962;

iii) The differential duty of Rs. **16,25,363**/-(Sixteen Lakhs Twenty Five Thousand Three Hundred and Sixty Three only) (as per Annexure X) on account of under-valuation should not be demanded and recovered from him under Section 28(4) of the Customs act 1962;

iv) Interest under Section 28AA of the Customs Act, 1962 as applicable, should not be demanded and recovered from him;

v) Penalty should not be imposed upon Shri Kartik Gupta under Section 114AA, Section 114A and/or Section 112(a)/(b) of Customs Act 1962 for an act of omission and commission discussed in the foregoing paras.

<u>In respect of Firm M/s Reliable Industries</u>

20.1 Now, therefore M/s Reliable Industries (IEC 516005761)**;** having address at Ground Floor, A-81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052 are hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why:

i) The declared assessable value of the goods imported (through various Ports/ICD's as per **Annexure Y**) totally amounting to **Rs 22,69,64,406/-** should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs. **32,64,47,440/-**, in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

ii) The classification of the impugned goods under CTH 72209022 in the Bills of Entry (as per **Annexure–Y1**) should not be rejected and goods should not be re-classified under CTH 72209090;

iii) The goods mentioned at (i) and (ii) above should not be held liable for confiscation under Section 111(m) and 111(o) of Customs Act 1962.

iv) The differential duty of Rs. 3,51,82,133 /-(Rupees Three Crore Fifty One Lakh Eighty Two Thousand One Hundred and Thirty Three only), as per Annexure Y, on account of under-valuation and wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018, should not be demanded and recovered from him under Section 28(4) of the Customs act 1962.

v) Interest under Section 28AA of the Customs Act, 1962 as applicable, should not be demanded and recovered from him.

vi) Penalty should not be imposed upon M/s Reliable Industries under Section 114AA, Section 114A and/or Section 112(a)/(b) of Customs Act 1962 for an act of omission and commission discussed in the foregoing paras;

20.2 In relation to the firm M/s Reliable Industries, Shri Kartik Gupta(Partner in M/s Reliable Industries) is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why penalty should not be imposed upon him under Section 114AA, and Section 112(a)/(b) of Customs Act 1962 for the act of omission and commission discussed in the foregoing paras.

In respect of Firm M/s SK Impex:

21.1 Now, therefore Shri Subhash Chandra Gupta Proprietor in M/s S.K Impex (IEC-0504076884); having address at Basement and IInd Floor, A 81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052, is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why:

i) The declared assessable value of the goods imported (through various Ports/ICD's as per Annexure Z) totally amounting to Rs **20,78,00,074 /-** should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs. **32,28,75,481**/-, in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

ii) The classification of the impugned goods under CTH 72209022 in the Bills of Entry (as per **Annexure–Z 1**) should not be rejected and goods should not be re-classified under CTH 72209090;

iii) The goods mentioned at (i) and (ii) above should not be held liable for confiscation under Section 111(m) and 111(o) of Customs Act 1962.

iv) The differential duty of Rs. 3,20,36,615 /-(Rupees Three Crore Twenty Lakh Thirty Six Thousand Six Hundred and Fifteen only), as per Annexure Z, on account of under-valuation and wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018, should not be demanded and recovered from him under Section 28(4) of the Customs act 1962;

v) Interest under Section 28AA of the Customs Act, 1962 as applicable, should not be demanded and recovered from him;

vi) Penalty should not be imposed upon Shri Subhash Chandra Gupta under Section 114AA, Section 114A and/or Section 112(a)/(b) of Customs Act 1962 for an act of omission and commission discussed in the foregoing paras.

21.2 In relation to the firm M/s SK Impex, Shri Kartik Gupta (authorized person in M/s SK Impex) is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why penalty should not be imposed upon him under Section 114AA, and Section 112(a)/(b) of Customs Act 1962 for the act of omission and commission discussed in the foregoing paras.

22. Now, therefore Shri Atul Kishore Guglani, resident of 318, Tarun Enclave, Pitampura, North West Delhi 110034 is hereby called upon to show cause to the Pr.Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why, penalty should not be imposed upon him under Section 112(b) and Section 114 AA of Customs Act for his acts of omissions & commissions, as brought out in the Show Cause Notice.

23. Now, therefore Shri Mukesh Grover, Proprietor of M/s. Mukesh Grover resident of 4/6, 8748, D.B. Gupta Road, Paharganj, New Delhi is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why, penalty should not be imposed upon him under Section 112(b) and Section 114AA of Customs Act for his acts of omissions &commissions, as brought out in the Show Cause Notice.

24. The Noticees should state in their written reply to this notice as to whether they desire to be heard in person. If no reply to this notice is received from them within 30 days from the date of receipt of this notice or if they fail to appear for the personal hearing on the date and time intimated to them, the case is liable to be decided ex-parte based on evidence available on record without any further reference to them.

25. This notice is issued without prejudice to any other action that may be taken against the Noticees or any other person(s) under the provisions of the Customs Act, 1962 and the Rules & Regulations made thereunder or any other law for the time being in force.

26. Department reserves its rights to add, alter, amend, modify or supplement this Notice at any time on the basis of any evidence, material facts related to import of goods in question, which may come to the notice of the department after issuance of this notice and prior to the adjudication of the case. Further, this Show Cause Notice is only with respect to the issue in the instant case and the department reserves the right to issue Show Cause Notice on other issues relation to the above firms. This Show Cause Notice is issued without prejudice to any other action that may be taken against the persons/firms mentioned herein or any other person under the Customs Act 1962 or any other law for the time being in force.

27. A copy of the Show Cause Notice is also e-mailed to the notices at their mail ID as under in terms of clause (C) of sub-section 1 of Section 153 of the Customs Act 1962, so that such service through e-mail shall be deemed to have been received by the notices in terms of clause (C) of sub-section 1 of section 153 of the Customs Act 1962.

(Nitin Saini)
Commissioner of Customs

F.No. GEN/ADJ/COMM/546/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 19/2025-26/COMM/N.S/Adjn/MCH

To:

i) Shri Kartik Gupta, Proprietor of M/s M K Industries, A-100/1, Industrial Area, Wazirpur, New Delhi-110052. (Email-kgupta94@gmail.com)

ii) Shri Ashok Kumar Gupta, Partner in M/s Reliable Industries Ground Floor, A-81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052 (Email-kgupta94@gmail.com)

iii) Shri Subhash Chandra Gupta Proprietor of M/s S.K Impex, Basement and IInd Floor, A 81/1, Industrial Area, Wazirpur, North West Delhi, Delhi, 110052. (Email-kgupta94@gmail.com)

iv) M/s Mukesh Grover (Shri Mukesh Grover), 4/6, 8748, D.B. Gupta Road, Paharganj, New Delhi. (Email - sanjaygrover25@yahoo.com)
v) Shri Atul Kishore Guglani , 318, Tarun Enclave, Pitampura, North West Delhi 110034. (Email- a.k.enterprises310@gmail.com)

Copy To:

i) The Pr. Additional Director General, Directorate of Revenue Intelligence (Hqrs.), 7th Floor, I.P. Bhawan, I.P. Estate, New Delhi.
ii) The Additional Director (CI), Directorate of Revenue Intelligence (Hqrs.), 7th Floor, I.P. Bhawan, I.P. Estate, New Delhi.
iii) The Pr Additional Director General (HQ), DGGI, 53, Pocket 1, Sector 6 Dwarka, Dwarka, New Delhi, Delhi, 110075
iv) The Superintendent (EDI) for uploading on the website http://gujaratcustoms.gov.in/ in terms of Section 153(1)(e) of Customs Act, 1962.
v) Guard File.

List of documents relied upon in this SCN:

RUD No.	Description of Document
RUD No 1	Retrieved genuine invoices in Past Investigation
RUD No 2	Statement of Vijay Goel, dated 16.11.2022, Controller of "M/s Mahadev ji exports"
RUD No 3	Statement of Vijay Goel, dated 17.11.2022, Controller of "M/s Mahadev ji exports"
RUD No 4	Statement of Pranshu Goel, dated 16.11.2022, Proprietor of "M/s Mahadev ji exports"
RUD No 5	Statement of Shri Deepak Jindal, dated 15.12.2023,proprietor of M/s Seeno Stainless Steel
RUD No 6	Statement of Shri Deepak Jindal, dated 06.02.2024,proprietor of M/s Seeno Stainless Steel
RUD No 7	Statement of Shri Sandeep Garg, dated 15.12.2023, proprietor of M/s S S Enterprises
RUD No 8	Statement of Shri Sandeep Garg, dated 06.02.2024, proprietor of M/s S S Enterprises
RUD No 9	Statement of Shri Vikas Jindal, dated 13.02.2024, proprietor of M/s Royal Steel Trading
RUD No 10	Statement of Shri Gaurav Jindal dated 09.01.2024, proprietor of M/s Gemini Metal Corporation
RUD No 11	Statement of Shri Gaurav Jindal dated 04.03.2024, proprietor of M/s Gemini Metal Corporation

RUD No 12	OIO NO. MCH/ADC/AKM/258/2024-25 dated 20.01.2025 in respect of M/s Mahadev ji exports and others
RUD No 13	OIO No. KOL/CUS/Commissioner /Port/Adjn/22/2025 in respect of Gemini Metal Corporation dated 16.06.2025
RUD No 14	Statement of Shri Kartik Gupta 07.02.2024, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex
RUD No 15	Statement of Shri Kartik Gupta 19.04.2024, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex
RUD No 16	Statement of Shri Kartik Gupta 30.12.2024, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex
RUD No 17	Statement of CHA Mukesh Grover dated 20.12.2023
RUD No 18	Statement of CHA Mukesh Grover dated 21.12.2023
RUD No 19	Statement of CHA Mukesh Grover dated 03.01.2025
RUD No 20	Statement of CHA Atul Kishore Guglani dated 05.01.2024
RUD No 21	Statement of CHA Atul Kishore Guglani dated 02.01.2025
RUD No 22	Statement of Shri Ankit Modi Partner in M/s Quality Steels buyer of goods from M/s M K Industries, M/s Reliable Industries and M/s S.K Impex
RUD No 23	Authorization letter of Shri Shubash Chandra Gupta in respect of M/s S K Impex
RUD No 24	Statement of Shri Kartik Gupta 07.08.2025, Proprietor of M/s M K Industries, Partner in M/s Reliable Industries and authorized person for M/s S.K Impex
RUD No 25 &26	Authorization letter of Shri Shubash Chandra Gupta and Shri Ashok Kumar Gupta

Digitally signed by Nitin Saini
Date: 15-09-2025 13:03:53