

	<p>कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा, सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:</b> <b>CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.</b> <b>PHONE : 02838-271426/271423 FAX :02838-271425</b> <b>Email: adj-mundra@gov.in, commr-cusmundra@nic.in</b></p>	
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Date:- 17.06.2025

F. No.- GEN/ADJ/COMM/326/2025-Adjn-O/o Pr Commr-Cus-Mundra

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An intelligence was received that some importers of screws are importing screws at very low price, lower than the price of raw material. To ascertain the manufacturing cost of drywall screws & self-drilling screws, data from the local market was analyzed and it was gathered that the manufacturing cost of drywall screws varies from Rs. 110 per Kg to Rs. 114 per kg whereas the manufacturing cost of self-drilling screw varies from Rs. 120 per kg to Rs. 130 per kg. It was further gathered that at contemporary steel wire price (which is a basic raw material for manufacturing screws) of Rs. 72/kg, it is not possible to manufacture drywall screws below Rs. 100 per kg and self-drilling screw below Rs. 110 per kg. Further, in the year 2022-2023, the steel wire prices have not fluctuated much, being in the range of Rs. 70/kg to Rs. 75/kg.

2. From the import data analysis, it appeared that M/s Stylish Group of company, 5, New Cloth Market, Brown Road, Ludhiana (hereinafter referred to as "M/s Stylish" in short) is a proprietorship trading firm and is engaged in the import of 'screws' under CTH 7318 of Customs Tariff Act, 1975 by way of under-valuation and thereby indulging in evasion of Customs duty. The investigation was initiated against the importer and search was conducted at the business premises of M/s Stylish group of company on 31.01.2024. The entire search proceeding was recorded under panchnama dated 31.01.2024 (**RUD-1**). For the further investigation a summons dated 22.02.2024 was issued to the proprietor of the firm, Sh. Jarnail Singh to furnish the documents and to tender his statement.

3. In response to the summons, Sh. Jarnail Singh S/o Sardar Maneet Singh, Proprietor of M/s Stylish Group of Company appeared before SIO, DRI, Ludhiana and his statement was recorded on 22.02.2024 (**RUD-2**) under the provisions of Section 108 of the Customs Act, 1962 wherein he inter alia stated that: -

(i) M/s Stylish Group of Company is a trading firm engaged in trading of the imported goods mainly furniture, screws and hardware items and mostly the imported goods after Customs clearance are sent directly to the buyers as per their pre-orders. He is the sole proprietor of the firm and looks after all day-to-day business activity of said firm including policy decisions.

(ii) The major suppliers of their firm are M/s Tianjin Sinsum Import and Export Co. Ltd., Minghui Industrial Trading Co. Ltd. and Tianjin Yufeng Screw Making Co. Ltd. all based in China. Last year, they have imported one screw consignment from Tianjin Giant Star Hardware Products Co Ltd, China.



- (iii) He submitted the copies of 6 Bills of Entry along with commercial invoices, packing lists and bank SWIFT copies. The brief details of Bills of Entry filed by them from 2022 onwards are as below:

**Table 1- B/Es details as provided by M/s Stylish**

Sl. No.	Custom House Code	B/E Number	B/E Date	Supplier Details
1	INMUNI	8853532	27.05.2022	TIANJIN YUFENG SCREW MAKING CO. LTD
2	INNSAI	9462555	29.12.2023	MINGHUI INDUSTIRAL TRADING CO. LTD
3	INNSAI	6465450	17.06.2023	MINGHUI INDUSTIRAL TRADING CO. LTD
4	INNSAI	6292851	06.06.2023	TIANJIN SINSUN IMPORT & EXPORT CO.LTD
5	INNSAI	8742725	19.05.2022	TIANJIN HYUFENG SCREW MAKING CO. LTD
6	INNSAI	9460172	08.07.2022	TIANJIN SINSUN IMPORT & EXPROT CO. LTD.

- (iv) He did not have agreement/purchase orders in regard to his all import consignments because most of his consignments are stereotypic and of routine trade purpose, so the prices were negotiated verbally and the prices more or less remains the same.
- (v) On being asked that from the perusal of the data of Bills of Entry filed by him and comparison data of other import in India, it appears that he has mis declared the value of "screw" imported from China; he agreed that there is difference in the value declared by them in the import documents and as declared by other importers.
- (vi) He admitted the undervaluation of imported goods and also deposited differential duty by taking the value of screw @0.9. USD/kg for the bills of entry in question.

**4.** MS (mild steel) wire being the prime raw material for manufacturing of any kind of screw, the import data of MS wire during the years 2022 and 2023 has been analyzed. From the analysis of the MS wire import data, it comes to notice that the MS steel wire has been imported into India from China at the average price of USD 0.96/kg in 2022.

**Table 2: Import of MS wire during 2022**

Sr. No.	B/E No.	Date	Quantity (in Kg)	Assessable value (in Rs.)	Unit Price/kg (in Rs.)	Conversion Rate	Unit Price/Kg (in USD)
1	3107067	31-10-2022	33186	2185679.74	65.86	83.36	0.79
2	3944698	28-12-2022	21044	2179420.42	103.56	87.76	1.18
<b>Total</b>			<b>54230</b>	<b>4365100.16</b>	<b>80.49</b>	<b>83.36</b>	<b>0.96</b>

**5.** Now therefore, for the further investigation in the matter, summons was issued to M/s Stylish Group of Company to appear on 25.04.2025. In response to summons Sh. Jarnail Singh, Proprietor of M/s Stylish Group of Company appeared and tendered his statement dated 25.04.2025 (**RUD-3**). In his statement, he inter alia stated that: -

- (i) He has imported various types of screws, including drywall screws, chipboard screws, CSK headed screws, and SDS headed screws during the calendar year 2020 to 2023. The chipboard screws are similar to drywall screws but differ in threading, and their prices are similar. CSK and SDS headed screws are types of self-drilling screws that differ mainly in the shape of the head and have a slightly higher price than drywall screws.
- (ii) Drywall screws are primarily used to securely fasten drywall sheets to both wood and metal studs. They are also employed in various interior wood and fixture fastening applications, as well as for securing suspended ceilings and light fixtures. He also stated that chipboard screws are similar to drywall screws having only difference in threading of the screw and the price of the chipboard screw is similar to drywall screw.

A self-drilling screw is a type of self-tapping screw that features a drill point. The self-drilling screw has a point that acts as a drill bit and sharp cutting threads that tap the hole during installation. Self-drilling screws are commonly used for quick drilling into both metal and wood. A self-drilling screw can be identified by its notch like a tip. The notch area in the tip acts as a reservoir to receive wood chips or metal fillings. This creates the space that is necessary to drill the screw all the way into the place.

It is also stated that CSK and SDS headed screws are very much similar to self-drilling screws but have different head shapes. Both types of screws are priced similarly to self-drilling screws.

- (iii) Screws are mostly made from medium to high-carbon steel wire rods, chosen for their strength, durability, and flexibility. Drywall screws often have additional coatings for corrosion resistance and better paint adhesion. The manufacturing process of screws begins with wire drawing, where steel rods are pulled through smaller dies to achieve the desired diameter. Following this, the wire is straightened and cut into lengths for screw blanks. Cold heading machines then form the head shape, with visible outcomes like flat or round heads. Thread rolling follows, where blanks are rolled between specialized dies to create threads.
- (iv) Next is the heat treatment process, where screws are heated and then rapidly cooled to harden the material. This involves heating to transform the steel structure, rapidly cooling to lock it in position, and then tempering to reduce brittleness. Coating processes include Phosphating and electroplating, which provide corrosion resistance. Quality control measures are taken to check dimensions, hardness, and coating thickness, using tools like micrometers and hardness testers. Finally, the screws are sorted, counted, and packaged according to specific customer requirements. This may involve automatic sorting and counting before packaging into labeled boxes or bags. Overall, the manufacturing process is complex, ensuring durable and reliable screws for various applications.
- (v) The general prices of different types of Screws fluctuates between 0.85 to 0.90 USD per kg. Also, since Covid-19 period, the prices of the Screws are almost similar, there is a slight change in the prices of screws varying from 2-3 rupees per year. Further, Self-drilling screws are generally more



expensive than drywall screws as for manufacturing of Self-drilling screws two more operations were required as compared to drywall screw.

- (vi) He was shown the invoices of import data of MS wire, as detailed in Table 2 of Para 4 above. He put his dated signature in token of having seen the same. Further, he did not offer any comments on the rate as the price of MS wire depends on the grade and thickness of the MS Wire.
- (vii) He further stated that the value addition in manufacturing of MS Screw from MS Wire depends on number of machines installed, in his case he has installed 5 header and 4 thread rolling and one set of hardening and tempering machine. Overall value addition in India is ranging from 30-35% however, in case of manufacturing process in China, it is quite low in respect of India. This is due to advanced technology of machine i.e. automated machine which leads to low labour cost, and electricity charges. However, the minimum value addition in the manufacturing of screw from MS Wire would be from 10 to 15% in China.
- (viii) He was shown the four invoices, as detailed in Table-III below, pertaining to the import data of Drywall Screws. He placed his dated signature on them as a token of having seen the documents **(RUD-4 to RUD-7)**. Further, he stated that he was unable to offer any comments on the rates, as the imported screws may be of different quality and/or branded.

**Table -3: Invoice of Drywall screws imported into India from China.**

Sr. No.	Name of the Importer	Name of the Supplier	BE No.	Date	Quantity (in Kg)	Assessable value (in USD)	Unit Price/Kg (in USD)
1	Metron Impex LLP	Jiaxing Newland Building Materials Co., LTD	7300658	30-01-2022	11300	20340	1.80
2	Metron Impex LLP	--do--	7057841	12-01-2022	12000	21600	1.80
3	Prince Impex	Linkweld Industry Co., Ltd	4736242	21-02-2023	26304.40	38456.90	1.46
4	ONEDIME	Jiaxing Chaoyi Trade Co., LTD	8764789	20-05-2022	13769.68	24785.42	1.75

- (ix) He was shown **Annexure-I & II** summarized in Table-4 below, containing import data of Drywall Screws for the years 2022 and 2023. He was unable to offer any comments on the rates, stating that the price range depends on various factors such as quality, specifications, brand, and packaging of the goods.

**Table -4: Summary of contemporary import of drywall screws during 2022 and 2023**

Year	Screw Type	Quantity (In Kg)	Assessable Value (In Rs.)	Unit Price (In Rs.)	Unit Price (in USD)
2022	Drywall	17,36,324	20,47,68,199	117.93	1.41
2023	Drywall	5,14,763	5,88,42,315	114.31	1.37

	Total	22,51,087	26,36,10,514	117.10	1.40
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- (x) He was shown the invoices of the following BEs (**RUD-8 to RUD-11**), as tabulated below, through which Self-Drilling Screws were imported into India from China during the years 2022 and 2023.

**Table-5 : Contemporary import of self-drilling screws**

Sr. No.	Name of the Importer	Name of the Supplier	BE No.	Date	Quantity (in Kg)	Assessable value (in USD)	Unit Price/Kg (in USD)
1	Indian Steel Corporation	Cixi Zhencheng Machinery Co., Ltd	2631985	27-09-2022	19353.60	33660.14	1.73
2	Marvel Machine Tools Pvt. Ltd.	Handan Shuang Zi Metal Products Co., Ltd.	7467102	12-02-2022	48915.60	83517.65	1.70
3	Bhumi Associates	Tianjin Realize Import and Export Trading Co., Ltd	8819667	25-05-2022	27500	47875.90	1.79
4	Kahan Fastners	Handan Shuang Zi Metal Products Co., Ltd.	9361836	18.05.2022	24927	44410	1.78

He put his dated signature as a token of having seen the documents. Further, he stated that he was unable to offer any comments on the rates, as the imported screws may be of different quality and/or may be branded.

- (xi) He was shown **Annexure-III & IV** summarized below in Table-6, containing import price data of Self-Drilling Screws as declared by various importers from China.

**Table -6: Summary of contemporary import of self-drilling screws during 2022 and 2023**

Sr. No.	Year	Screw Type	Quantity (in Kg)	Assessable Value (In Rs.)	Unit Price (In Rs.)	Unit Price (in USD/KG)
1	2022	Self-drilling	27,04,093	33,64,40,210	124.42	1.49
2	2023	Self-drilling	24,79,153	29,92,51,537	120.71	1.45
		Total	51,83,246	63,56,91,747	122.64	1.47

In this regard, he stated that he was unable to offer any comments on the rates, as the price range depends on various factors such as quality, specifications, brand, and packaging of the goods.

- (xii) He stated that he was unable to offer any comments on whether the prices of Drywall Screws and Self-Drilling Screws declared by him were mis-declared in comparison to the average prices detailed at Sr. No. ix and xi of the statement, as the price range depends on various factors such as quality, specifications, brand, and packaging of the goods. He has already paid the differential duty along with the applicable interest and penalties.
- (xiii) He was shown Notification No. 55/2023 dated 3rd January 2024, through which the Government of India amended the import policy and policy



conditions for screws covered under HS Code 7318 of Chapter 73 of Schedule-I (Import Policy) of the ITC (HS) 2022. He was already aware of the circular, which fixed the minimum import price (MIP) of screws at Rs. 129 per kg. The MIP set by the Government of India for HS Code 7318 is intended to support the Indian iron and steel industry, as Indian manufacturers are unable to compete with Chinese producers, who benefit from highly automated and cost-efficient machinery. He mentioned that after the introduction of the MIP, Indian industries could survive, and that is the reason he started manufacturing drywall screws in 2024. He further stated that the raw material cost, specifically MS wire, in India is around Rs. 71-75 per kg, and after including all other expenses and profit margin, he sells the finished product at Rs. 122 per kg.

**6. Analysis of Import Data of Drywall Screw & Self-drilling Screw**

**6.1** Manufacturing cost of screws from raw materials includes the cost of raw materials (MS wire), manufacturing processes, labor and machinery cost etc. Sh. Jarnail Singh during his statement dated 25.04.2025 stated that a typical screw manufacturing process includes cutting, heading, threading, and finishing. He further stated that the value addition in manufacturing of MS Screw from MS wire depends on number of machines installed and, in his case, he has installed 5 header and 4 thread rolling and one set of hardening and tempering machine. Overall value addition in India is ranging from 30-35% however, in case of manufacturing process in China, it is quite low in respect of India. This is due to advanced technology of machines i.e. automated machines which lead to low labour cost, and electricity charges. However, the minimum value addition in the manufacturing of screw from MS Wire would be from 10 to 15% in China. Further considering a minimum profit margin of 5%, at least 20% value addition to the value of raw material (0.96 USD/kg) is considered to arrive at a reasonable and conservative base price for analyzing the contemporary import prices of the screws. The base price thus turns out to be 1.15 USD/kg. This base unit price of 1.15 USD/kg is used as lower cut off for analyzing the contemporary import prices. The average declared price w.r.t. import of drywall screws for contemporary imports during 2022-23 from China turns out to be USD 1.40/kg as detailed in Annexure-I and II and summarized at table 4 above).

**6.2** He also stated that chipboard screws are similar to drywall screws, with the only difference being in the threading, and that the price of chipboard screws is similar to that of drywall screws. During the import period 2020 to 2024 the importer has imported 341176 Kgs of drywall and chipboard screw with average import price of USD 0.70/kg. B/E wise import details of drywall /chipboard screws are tabulated as under: -

**Table 7: Bill of Entry wise import of Drywall & Chipboard Screws by M/s Stylish**

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	ITEM DESCRIPTION	UNIT PRICE (USD)	Declared assessable Value (In Rs.)
1	INFBD6	8006818	26-06-2020	DRYWALL SCREW DETAILS AS PER INV AND P/LIST	0.8	1676769.81
2	INMUN1	2149003	28-12-2020	BLACK DRYWALL SCREW DEATILS AS PER INV AND P/LIST	0.75	1507633.44

3	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 38MM (DETAILS AS PER INVOICE & P. LIST)	0.7	94452.04
4	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 19MM (DETAILS AS PER INVOICE & P. LIST)	0.75	790614.21
5	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 25MM (DETAILS AS PER INVOICE & P. LIST)	0.7	375457.32
6	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 32MM (DETAILS AS PER INVOICE & P. LIST)	0.7	127207.26
7	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 50MM (DETAILS AS PER INVOICE & P. LIST)	0.7	37613.65
8	INMUN1	2659856	06-02-2021	BLACK DRYWALL SCREW 75MM (DETAILS AS PER INVOICE & P. LIST)	0.7	18284.41
9	INMUN1	3266853	23-03-2021	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & P. LIST)	0.75	1449197.73
10	INMUN1	4108952	28-05-2021	SCREW 13MM (DETAILS AS PER INVOICE & P. LIST)	0.75	217494.85
11	INMUN1	4108952	28-05-2021	BLACK DRYWALL SCREW 19MM (DETAILS AS PER INVOICE & P. LIST)	0.75	1143674.45
12	INMUN1	4108952	28-05-2021	BLACK DRYWALL SCREW 75MM (DETAILS AS PER INVOICE & P. LIST)	0.7	12064.31
13	INMUN1	4961310	07-08-2021	CHIP BOARD SCREW (DETAILS AS PER INVOICE & P. LIST).	0.7	569358.73
14	INMUN1	4961310	07-08-2021	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & P. LIST).	0.7	431617.51
15	INMUN1	5770451	09-10-2021	BLACK DRYWALL SCREW (DETAIL AS PER INVOICE & PACKING LIST)	0.65	1221074.97
16	INMUN1	6623999	10-12-2021	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & PACKING LIST)	0.65	1190026.62
17	INMUN1	6623999	10-12-2021	CHIPBOARD SCREW (DETAILS AS PER INVOICE & PACKING LIST)	0.75	112828.20
18	INMUN1	8853532	27-05-2022	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & PACKING LIST)	0.65	1193662.67
19	INMUN1	8742725	19-05-2022	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & PACKING LIST)	0.65	960753.26
20	INMUN1	7198615	23-01-2022	BLACK DRYWALL SCREW (DETAILS AS PER INVOICE & PACKING LIST)	0.65	1069600.59
21	INMUN1	9460173	08-07-2022	SCREW (SIZE: 3.5*19) (DETAIL AS PER INVOICE & PACKING LIST)	0.65	1102904.64



22	INMUN1	9460173	08-07-2022	SCREW (SIZE: 4.8*20) (DETAIL AS PER INVOICE & PACKING LIST)	0.75	148467.93
23	INMUN1	6292851	06-06-2023	DRYWALL SCREWS (DETAIL AS PER INVOICE & PACKING LIST)	0.65	1493018.96
24	INMUN1	9462555	29-12-2023	DRYWALL SCREW (DETAIL AS PER INVOICE AND PACKING LIST)	0.65	1481726.98
				<b>Total</b>	<b>0.70</b>	<b>18425504.54</b>

**6.3** Similarly, the average import price of self-drilling screw declared by various contemporary importers importing the screws from China turns out to be 1.47 USD/kg as detailed in Annexure –III and IV and summarized at table 6 above. To arrive at the average import price of self-drilling screws, the contemporary imports with unit price above 1.15 USD/kg only are considered. The importer during the year 2020 to 2024 has imported 23212 kg of Self drilling screw @ average price of USD 0.75/kg. BEs wise import details of self-drilling screws are tabulated as under: -

**Table 8: Bill of Entry wise Import of Self-Drillings Screw by M/s Stylish**

Sr. No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	ITEM DESCRIPTION	QUANTITY (In Kg)	UNIT PRICE (In USD)	Declared assessable Value (In Rs)
1	INMUN1	4961310	07-08-2021	SDS SCREW WITH EPDM WASHER (DETAILS AS PER INVOICE & P. LIST).	6750	0.75	384470.93
2	INMUN1	8853532	27-05-2022	SDS CSK HEAD SCREW (DETAILS AS PER INVOICE & PACKING LIST)	3648	0.75	217468.91
3	INMUN1	8742725	19-05-2022	SDS CSK HEAD SCREW (DETAILS AS PER INVOICE & PACKING LIST)	8025	0.75	468961.82
4	INMUN1	7198615	23-01-2022	SDS SCREW (DETAILS AS PER INVOICE & PACKING LIST)	4789	0.75	273501.44
				<b>Total</b>	<b>23212</b>	<b>0.75</b>	<b>1344403.09</b>

**6.4** From above, it is noticed that the unit price of 0.70 USD and 0.75 USD declared by the importer is only 50% of contemporary import price of drywall/chipboard screw (1.40 USD/kg) and 51% of contemporary import price of self-drilling screw (1.47 USD/kg). Further, the Government of India has revised the import policy for screws under ITC (HS) codes 73181110, 73181190, 73181200, 73181300, 73181400, 73181500 and 73181900 through DGFT notification no. 55/2023 dated January 3, 2024 (**RUD-12**). This amendment changes the status of these goods from "Free" to "Prohibited." However, importation will remain free if the CIF value equals or exceeds Rs. 129 per kg. The said notification also emphasizes that the price declared by the importer is quite low and it appears that the importer has deliberately mis-declared the value of imported goods to evade the customs duty. Considering exchange rate of Rs 85/USD, minimum import price prescribed vide above notification turns out to be 1.52 USD/kg. Thus, it appears that contemporary average unit prices of 1.40 USD/kg for drywall & chipboard screws and 1.47



USD/kg for self-drilling screw during 2022 and 2023 are logical and reasonable.

## **7. Summary of the investigation**

**7.1** Investigation as briefed above has revealed that M/s Stylish appears to have imported screws during the Calendar year 2020 to 2023 vide 14 Bills of Entries from Chinese suppliers at substantially undervalued unit prices, even lower than the value of the MS wire which is used as raw material in the manufacturing of the screws.

**7.2** Average unit price declared by the noticee for various drywall/chipboard and self-drilling screws are 0.70 USD/kg and 0.75 USD/Kg respectively which is much lower than the average contemporary import price for drywall/chipboard screws of 1.40 USD/kg and 1.47 USD/kg for the self-drilling screws. Thus, unit price declared by the noticee is around 50-51% of the actual value of goods. Average contemporary import prices of 1.40 USD/kg and 1.47 USD/kg appear to be logical and justified when compared to the minimum import price of 129 Rs/kg (1.52 USD/kg) prescribed vide DGFT notification no. 55/2023 dated January 3, 2024 for import of screws.

**7.3** In his statement dated 22.02.2024, Sh. Jarnail Singh, Proprietor M/s Stylish admitted that his firm is engaged in trading of the imported goods mainly furniture, Screws and Hardware items and mostly the imported goods after Customs clearance are sent directly to the buyers as per their pre-orders. In the said statement, Sh. Jarnail Singh also admitted that they imported goods only from China, and did not have agreement/purchase orders in regard to import consignments. He agreed that there is difference in the value declared by them in the import documents and as declared by other importers. He admitted the undervaluation of imported goods and also voluntarily deposited differential duty by taking the value of screw @0.9. USD/kg for the bills of entry in question. This admission and voluntary payment of differential duty @0.9USD/kg itself justifies that the importer had not made correct declaration at the time of filing of bills of entry.

**7.4** In his statement dated 25.04.2025, Sh. Jarnail Singh, Proprietor of M/s Stylish, was shown the invoices and annexures related to the import of drywall screws and self-drilling screws and was asked to offer his comments. He did not provide any comments on these matters, which suggests that he did not have a plausible explanation. Furthermore, he admitted to the undervaluation of the goods and deposited the differential duty by declaring the value of screws at USD 0.90/kg for the bills of entry in question.

**7.5** Screws imported by M/s Stylish at unit price of 0.70 USD/kg and 0.75 USD/Kg appear to be substantially undervalued as compared to contemporary average import prices of 1.40USD/kg for drywall/chipboard screws & 1.47 USD/kg for self-drilling screws and also the minimum import price of 129 Rs/kg (1.52 USD/kg). It therefore, appears that the importer has willfully mis-declared the value of the imported goods and suppressed true unit price of the screws before the Customs Authority, with intention to evade Customs duty and has rendered the goods imported vide 14 Bills of Entries liable for confiscation and penalty under the Customs Act, 1962 and rules made there under. Further, the differential duty is also liable to recovered along with

penalty under the provisions of the Customs Act, 1962 and Rules made there under.

## **8. Relevant Legal provisions**

The relevant provisions of law relating to the import of goods in general, the Policy and Rules relating to the import of Screw, the liability of the goods to confiscation and the liability of the persons concerned to penalty for attempting and effecting improper/illegal imports under the provisions of Customs Act, 1962 read with other allied laws for the time being in force are summarized as under:

### **8.1 The Customs Act, 1962**

- (i) Section 2(39) of the Customs Act, 1962 defines "smuggling", in relation to any goods, as any act or omission which will render such goods liable to confiscation under section 111 or section 113;
- (ii) Section 14 for valuation of the 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 further that the rules made in this behalf may provide for, -
  - (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.
- (iii) Section 17. Assessment of duty
  - (1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.
- (iv) Section 28. Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded –
  - .....
  - (4) Where any duty has not been levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, —
    - (a) collusion; or
    - (b) any willful mis-statement; or
    - (c) suppression of facts,
 by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid



or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

- (v) Section 28AA of the Customs Act, 1962 provides that 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.
- (vi) Section 46(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
- (vii) Section 46(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 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.
- (viii) Section 110 of the Customs Act, 1962: -Seizure of Goods, documents & things
  - (1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods.
- (ix) Section 111 of the Customs Act, 1962: -Confiscation of improperly imported goods, etc.  
The following goods brought from a place outside India shall be liable to confiscation: -  
.....  
.....  
(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54;
- (x) Section 112 of the Customs Act, 1962: -Penalty for improper importation of goods, etc.  
Any person, -  
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or  
(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he

knows or has reason to believe are liable to confiscation under section 111, shall be liable, —

- (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 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 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 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 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.
- (xi) Section 114A: Penalty for short-levy or non-levy of duty in certain cases. Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any willful 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 sub-section (8) of section 28 shall, also be liable to pay a penalty equal to the duty or interest so determined:  
 Provided that where such duty or interest, as the case may be, as determined under sub-section Provided also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 114.
- (xii) 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.



## **8.2 The Customs Valuation (Determination of Value of Import Goods) Rules, 2007**

### **(i) Rule 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; ....

(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.

### **(ii) Rule 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;

### **(iii) Rule 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:

### **(iv) Rule 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.

### **(v) Rule 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.

### **(vi) Rule 8. Computed value. —** 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.

### **(vii) Rule 9. Residual method. — (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;

### **(viii) Rule 12. Rejection of declared value. - (1)** When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to



any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.

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

- (i) Section 11 (1) of the Foreign Trade (Development and Regulation) Act, 1992 states that no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force;

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

- (i) **Rule 11 of the Foreign Trade (Regulation) Rules, 1993** stipulates, inter alia, that on the importation into any custom port of any goods, whether liable to duty or not, the owner of such goods shall in the bill of entry or any other documents prescribed under the Customs Act, 1962 state the value, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such bill of entry or any other document;
- (ii) **Rule 14 (2) of the Foreign Trade (Regulation) Rules, 1993** stipulates, inter alia, that no person shall employ any corrupt or fraudulent practice for the purposes of importing or exporting any goods

## **9. Rejection of declared value and Re-determination of value and duty**

### **9.1 Rejection of declared value & re-determination of value**

**9.1.1** Average unit price declared by the noticee for drywall /chipboard and for self-drilling screws is 0.70 and 0.75 USD/kg respectively which is much lower than the average contemporary import price for drywall/chipboard screws of 1.40 USD/kg and 1.47 USD/kg for the self-drilling screws. Thus, unit price declared by the noticee is only 50-51% of the actual value of goods. Average contemporary import prices of 1.40 USD/kg and 1.47 USD/kg appear to be logical and justified when compared to the minimum import price of 129 Rs/kg (1.52 USD/kg) prescribed vide DGFT notification no. 55/2023 dated January 3, 2024 for import of screw. The noticee has also admitted the undervaluation of imported goods and has voluntarily deposited differential duty by taking the value of screw @0.9. USD/kg for the bills of entry in question. Further, no purchase orders/agreements have been provided by the importer for the import of the goods against the bills of entry mentioned supra. There is thus reason to doubt the truth and accuracy of the values declared under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 (hereinafter referred to as 'CVR, 2007' in short). The value as declared by the importer at the time of filing the Bills of entry cannot be accepted and hence the transaction value cannot be determined under the provisions of sub-Rule (1) of the Rule 3 of CVR 2007. Thus, in accordance with Rule 3(4), the value of the goods therefore, needs to be re-determined proceeding sequentially through Rules 4 to 9 of CVR 2007.



**9.1.2** Rules 4 and 5 provide that the value of imported goods shall be transaction value of 'identical goods/similar goods' sold for export to India and imported contemporaneously. In the instant case, the goods are unbranded and differ in weight, size shape and other specifications. Rules 4 and 5 of CVR, 2007 therefore do not appear to be applicable in the instant case for the valuation of impugned goods.

**9.1.3** Proceeding sequentially, it is stipulated under Rule 6 that where the value is not determinable under Rule 3, 4 and 5, the value is to be determined under Rule 7 or when the value cannot be determined under that Rule, under Rule 8. Whereas, Rule 7 provides for 'Deductive Value 'i.e. the value is to be determined on the basis of valuation of identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. Whereas, for the reasons detailed above, i.e. in the absence of any detailed specifications, brand, weight, size and shape, the value cannot be determined as per the said Rule 7. Likewise, for application of Rule 8 of the CVR, 2007, the cost of production or processing involved in the imported goods are not available. In the absence of requisite data, the value cannot be determined by taking recourse to these rules either. Whereas, since it appears that, the provisions of Rule 4 to 8 cannot be applied in the instant case, the value of the impugned goods is required to be determined by the Residual method under the provisions of Rule 9 of the CVR 2007.

**9.1.4** In pursuance to determination of value under Rule 9 of CVR 2007 contemporary import data of screws suggests that goods of China origin have been imported through various ports. Considering the minimum feasible average import price of screws @ \$1.15/kg (the lowest economically viable pricing for importing any type of screw), any declared value below this threshold does not appear to be acceptable. Using this as a benchmark for fair pricing of the screws, import data shows that goods imported by M/s Stylish, i.e. drywall/chipboard screws imported from the same country i.e. China was imported at an average price of \$1.40/kg during calendar year 2020 to 2023, while import of self-drilling screws from China averaged at \$1.47/kg. Whereas, unit price declared by M/s Stylish are 0.70 USD/Kg and 0.75 USD/Kg from the same country i.e. China for import of drywall screws and self-drilling screws respectively, which are even lower than the MS wire import price of 0.96 USD/kg.

**9.1.5** Thus, it becomes apparent that declared average unit price of 0.70 USD/Kg and 0.75USD/Kg for the import of "drywall/chipboard screws" and "self-drilling screws" respectively by M/s Stylish imported vide 14 B/Es and the total declared values of Rs. 1,84,25,504.53/- and Rs. 13,44,403.09/- respectively appears liable to be rejected and liable to be re-determined at unit price of 1.40 USD/kg, total value at Rs 3,67,96,144/- for the import of drywall/chipboard screw and at unit price of 1.47 USD/kg, total value at Rs. 26,05,715.75/- for the import of self-drilling screws as detailed in **Annexure-V and VI** in terms of section 14 of the Customs Act, 1962 read with Rules 2(f), 3, 9, and 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

**9.2 Invocation of extended period in terms of section 28(4) of the Customs Act, 1962**

M/s Stylish appears to have contravened the provisions of Section 14 of the Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, Section 17, Section 46(4) and 46(4A) of the Customs Act, 1962 in as much as they made a wrong declaration about the value of the goods in the Bills of Entry filed for the importation of the goods with an intention to evade the Customs duty. M/s Stylish appears to have mis-declared the value of drywall/chipboard screws and self-drilling screws as Rs. 1,84,25,504.53/- and Rs. 13,44,403.09/- respectively which appears liable to be re-determined at 3,67,96,144/- for drywall/chipboard screws and Rs. 26,05,715.75/- for self-drilling screws. Thus, it appears that they have willfully mis-stated the facts and suppressed the true value of the goods with intent to evade payment of appropriate customs duties and therefore, the differential customs duty is liable to be recovered by invoking the extended period of limitation under Section 28(4) of the Customs Act, 1962.

**9.3. Redetermination of duty and demand for differential duty with applicable interest**

M/s Stylish appears to have mis-declared the value of drywall/chipboard screws and self-drilling screws as Rs. 1,84,25,504.53/- and Rs. Rs. 13,44,403.09/- respectively which appears liable to be re-determined at Rs 3,67,96,144/- for drywall/chipboard screws and Rs 26,05,715.75/- for self-drilling screws. Consequent to re-determination of the value, as detailed in Annexure V & VI, differential duty of Rs 6883478.60/- on drywall/chipboard screws and differential duty of Rs 472613.85/- on self-drilling screws, total differential duty of Rs. 73,56,092.46/- appears liable to be demanded from M/s Stylish under Section 28(4) of the Act by invoking the extended period of limitation along with interest as applicable under Section 28AA of the Act. Re-determined values and differential duties liable to be demanded from the noticee are summarized in the table below.

**Table 9: Redetermination of value u/r 9 of CVR 2007 & differential duty demand**

Sr. No.	ITEM DESCRIPTION	Qty (kg)	Declared assessable Value (Rs.)	Duty Paid (Rs)	New Unit Price (USD)	Re-determined assessable value (Rs.)	Duty Payable (Rs.)	Differential Duty (Rs.)
1	Drywall and other screw	341176.00	18425504.54	6904036.55	1.40	36796144.00	13787515.16	6883478.61
2	Self-drilling screw	23212.00	1344403.09	503747.84	1.47	2605715.75	976361.69	472613.85
	Total	364388	19769907.63	7407784.39		39401859.75	14763876.85	7356092.46

**10. Violations of the legal provisions**

- (i) The contemporary import of 'drywall/chipboard screw' and self-drilling screw from China has been at an average unit price of 1.40 USD/kg and 1.47 USD/kg during 2022 and 2023. However, the average unit price of 0.70 USD/kg and 0.75USD/kg declared before the customs authority by M/s Stylish is only 50-51% of the actual value of goods as determined by the application of CVR, 2007. Importer has thus not declared the correct



transaction values of the goods as required under section 14 of the Customs Act, 1962.

- (ii) In terms of section 46(4), of the Customs Act, 1962 importer should subscribe to a declaration as to the truth of the contents of the bill of entry and in terms of 46(4A) of the Customs Act, 1962, importer while presenting bill of entry should ensure the accuracy and completeness of the information. However, the importer has failed to do so by resorting to undervaluation and has violated provisions of section 46(4) and 46(4A) of the Customs Act, 1962.
- (iii) In terms of the Rule 11 of Foreign Trade (Regulation) Rules, 1993 importer of the goods should state the value, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot in the bill of entry. In terms of the Rule 14(2), importer shouldn't employ any corrupt or fraudulent practice for importing of the goods. By resorting to the undervaluation of the goods, importer has not complied with Rule 11 and 14(2) of the Foreign Trade Rules, 1993 thereby has also violated section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992.
- (iv) By resorting to the undervaluation of the goods, importer has failed to meet the faith and responsibility posed on him under section 17 of the Customs Act, 1962 which allows for the self-assessment of the bill of entry. Under self-assessment, it is the added and enhanced responsibility of the importer to declare the correct description, classification and value and pay the applicable duty on the imported goods. The investigation has revealed that M/s Stylish had incorrectly self-assessed the duty and violated the provisions of Section 17 of the Customs Act, 1962 with intent to evade the customs duty short levied.

#### **11. Liability of goods for confiscation under Section 111(m) of the Customs Act, 1962**

M/s Stylish has undervalued the screws imported vide 14 Bills of Entries and self-assessed at value of Rs 1,97,69,907.63 /- whereas based on the value determined as per the provisions of Customs Act, 1962 and CVR, 2007, the value appears to be Rs 3,94,01,859.75/- as summarized in the table 9, above. Thus, for the reason of mis-declaration of value, goods (screws) imported by the noticee covered under 14 B/Es appears to be liable for confiscation under section 111(m) of the Customs Act, 1962.

#### **12. Liability for penalty of M/s Stylish**

##### **12.1 Liability for Penalty of M/s Stylish under Section 112 (a) of the Customs Act, 1962**

As discussed at Para 9 and 10 above M/s Stylish, Proprietor Sh. Jarnail Singh, has willfully mis-stated and mis-declared the facts in Bills of Entry with an intent to undervalue the imported goods (screws) to evade Customs Duty. By their acts of omission and commission M/s Stylish have violated the provisions u/s, 14, 17, 46(4), 46(4A) of the Customs Act, 1962 and section 11(1) of the

Foreign Trade (Development and Regulation) Act, 1992 and Rule 11 and Rule 14(2) of the Foreign Trade (Regulation) Rules, 1993 resulting in imported goods liable for confiscation under section 111(m) of the Customs Act, 1962 and have thus rendered themselves liable for penalty under section 112(a) of the Customs Act, 1962.

### **12.2 Liability for Penalty under Section 114A of the Customs Act, 1962**

As discussed in para 9.2 above, M/S Stylish, Proprietor Sh. Jarnail Singh, has resorted to willful mis-statement and suppression of true value of the imported goods resulting in the short levy of the duty to the tune of Rs 73,56,092.46/- and have thus rendered themselves liable for penalty under section 114A of the Customs Act, 1962.

### **12.3 Penalty under Section 114AA of the Customs Act, 1962**

Under section 46(4), 46(4A) and under Section 17 of the Customs Act, 1962 M/s Stylish, Proprietor Sh. Jarnail Singh, was required to file truthful declaration before the customs authority, however they have failed to comply with the same as they mis-declared the value at only 50-51 % of the value determined as per the provisions of Customs Act, 1962 and CVR, 2007 and thereby evaded payment of customs duty to the tune of Rs 73,56,092.46/- The importer deliberately filed false declaration before the customs authority to evade the customs duty and have violated the provision of the Customs Act, 1962 and have thus rendered themselves liable for penal action under Section 114AA of the Customs Act, 1962.

**13.** Further, as per Notification No. 28/2022-Customs (N.T.), dated 31.03.2022, under 110AA for assigning proper officer for multiple Jurisdictions.

...in a case of multiple jurisdictions as referred in section 110AA of the said Act, the report in writing, after causing the inquiry, investigation or audit as the case may be, along with the relevant documents, shall be transferred, as described in column (2) of the Table, who shall also be the proper officer for the purpose of exercise of powers under sections 28, section 28AAA or Chapter X of the said Act, as the case may be, and assigns the said functions to such officers for which purpose invests them with jurisdiction over the whole of India with all the powers under the said Act....."

Therefore, the differential duty amount involved to the tune of INR 73, 56,092.46/-, to be reclaimed Customs port wise is summarized below:-

Sr. No.	Customs House	No. of Bill of Entries	Importer Name	Differential Duty involved (In INR)
1	INFBD6	1	M/s Stylish Group of Company	4,58,982.47
2	INMUN1	13	M/s Stylish Group of Company	68,97,109.99

### **Voluntary payment made during the investigation:**

**14.** During the investigation, M/s Stylish Group of Company has made a payment of Rs. 10,99,254/- towards differential duty (BCD+SWS+IGST) (Rupees Ten Lakh Ninety Nine Thousand Two Hundred and Fifty Four Only) and Rs.81,500/- (Rupees Eighty One Thousand Five Hundred Only) as



interest. Therefore, the payment made by the importer is required to be appropriated against the demand of differential duty and interest. The details of payments made and copy of the challan received has been detailed as RUD-13.

**15.** Now, therefore, Shri Jarnail Singh, Proprietor of M/s Stylish Group of Company (IEC No. AWOPS2637K) Shop No. 5, New Cloth Market, Brown Road, Ludhiana is hereby liable to be called upon to Show Cause in writing, to the Commissioner of Customs, Custom House Mundra having his office at 5B, Port User Building, Mundra Port, Mundra, Kutch, Gujarat-370421 as to why:

- (i) The declared value of Rs 1,84,25,504.54/- for drywall/chipboard screws and Rs. 13,44,403.09/- for self-drilling screws imported vide 14 B/Es as detailed in **Annexure V and VI**, should not be rejected under the provisions of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962 as discussed in para 9.1 above.
- (ii) The value with respect to these 14 Bills of Entry should not be re-determined as Rs 3,67,96,144/- for drywall/chipboard screws and Rs 26,05,715.75/- for self-drilling screws by invoking the provisions of Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
- (iii) The differential Customs Duty of **Rs. 73,56,092.46/-** (Rupees Seventy Three Lakhs Fifty Six Thousands Ninety Two and Paise Fourty Six Only) should not be demanded and recovered from them under the provisions of **Section 28 (4)** of the Customs Act, 1962 along with interest applicable under section 28AA of the Customs Act, 1962.
- (iv) **Rs 10,99,254/-** (Rupees Ten Lakh Ninety Nine Thousand Two Hundred and Fifty Four Only) towards differential duty (BCD+SWS+IGST) and **Rs.81,500/-** (Rupees Eighty One Thousand Five Hundred Only) towards interest, paid/deposited by the importer during the course of the investigation should not be adjusted and appropriated against the differential duty and interest respectively demanded from them at sub-para (iii) above.
- (v) Screws imported vide 14 B/Es (Annexure-V & VI) should not be held liable for confiscation under section and 111(m) of the Customs Act, 1962.
- (vi) Penalty should not be imposed upon them under Section 112(a), 114A and 114AA of the Customs Act, 1962.

**16.** The above Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticees' may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the noticee(s).



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

**18.** The noticee have the option to avail the facility under the provisions of Section 28(5) of the Customs Act, 1962, which reads "where any 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 willful 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 fifteen percent of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing" and get the proceedings initiated by this Notice concluded under the provisions of Section 28(6) of the Customs Act, 1962.

**19.** The importer/noticee have an option to make an application under Section 127(B) of the Customs Act, 1962 prior to adjudication of this notice, to the Settlement Commission to have the case settled, in such form and in such manner, as specified in the Rules.

**20.** The list of documents relied upon for the issuance of this notice are attached as Annexure-R to this notice. Copies of the same are being supplied, wherever not already available with the Noticees.

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

**Encl:** Annexure- I to VI, R and copies of RUD's.

**(Nitin Saini)**

Commissioner of Customs,  
Custom House, Mundra.

Date: 17.06.2025

F.No. GEN/ADJ/COMM/326/2025-Adjn-O/o Pr Commr-Cus-Mundra.

By Speed Post/Email/Notice Board:-

**To,** (The Noticee),

1. Sh. Jernail Singh, Proprietor of M/s Stylish Group of Company (IEC No. AWOPS2637K) Shop No. 5, New Cloth Market, Brown Road, Ludhiana.



**Copy to:**

1. Additional Director, DRI, Ludhiana Zonal Unit, Ludhiana (Email ID- [dri-ldh-pb@nic.in](mailto:dri-ldh-pb@nic.in))
2. The Deputy/Assistant Commissioner, ICD Ballabgarh, Sector-59 Faridabad. (Email Id- [icd.bbg@icegate.gov.in](mailto:icd.bbg@icegate.gov.in)).
3. The Deputy/ Assistant Commissioner (EDI), Custom House, Mundra.
4. Notice Board.
5. Office Copy

