

	<p>कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा, सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421</p> <p>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:</p> <p>CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.</p> <p>PHONE : 02838-271426/271163 FAX :02838-271425</p> <p>E-mail id- adj-mundra@gov.in</p>	
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DIN:- 20240471MO0000444EA2

Show Cause Notice

An intelligence was gathered by the Directorate of Revenue Intelligence (hereinafter referred to as 'DRI') indicated that **M/s. Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001** (hereinafter also referred to as the "Importer") has imported a cargo stuffed in two containers bearing No. TCKU6674599 and SEKU5825836 by making a misdeclaration to evade the Customs Duty. The importer imported the cargo stuffed in container No. TCKU6674599 and SEKU5825836 at APSEZ, Mundra and jointly filed the Bill of Entry No. 1006707 dated 21.04.2023 (**RUD No. 1**) having description of the goods "Stainless Steel Sink HSN 73241000" and 1006741 dated 22.04.2023(**RUD No. 2**) having description "Stainless Steel Sink HSN 73241000 & Stainless Steel Basket in CKD condition HSN 73249000" with M/s OWS Warehouse Service LLP, Survey No. 169, Sector-8, Village Dhurve, Mitap Road, MPSEZ Mundra. The particulars of the Import consignment are as under:

Table-I

Bill of Entry No. and Date	1006707 dated 21.04.2023	1006741 dated 22.04.2023
Name of the Importer	M/s. Shaurya Distributors (1201/24, Mission Road, Sonipat, Haryana-131001	M/s. Shaurya Distributors (1201/24, Mission Road, Sonipat, Haryana-131001
IEC No. of the Importer	IEC:BPOPG2565N)	IEC:BPOPG2565N)
Bill of Lading no. and date	TGLSDELF2300309	OSSZ23040123
Name of the Shipper	M/s Trident Exports Limited, Room No. 35, 08/F, 33-f0, Manfai Building, Manying Street,	M/s Trident Exports Limited, Room No. 35, 08/F, 33-f0, Manfai Building, Manying Street,

	Jordan, Hongkong.	Kowloon, Hongkong.
Port of Loading	Shekou, China	Shekou, China
Port of Discharge	Mundra (INMUN1)	Mundra (INMUN1)
Gross Weight (Kgs)	27045 Kgs	28330 Kgs
Net Weight (Kgs)	-	-
Quantity of Goods Detained / Seized	9020 Pcs	7920 PCS 261 Bags
Assessable value (as per BOE)	Rs. 16, 79,855/-	19, 74, 894
Invoice No. and Date	OWT 01 dated 25.03.2023	OWT 02 dated 04.04.2023
Description of Import Goods	‘Stainless Steel Sink’	‘Stainless Steel Sink’ “Sink Baskets in CKD Condition”
CTH No.	73241000	73241000 73249000
Container No.	SEKU5825836	TCKU6674599

2.1 Acting upon the intelligence, goods of declared description ‘Stainless Steel Sink(CTH-73241000) imported vide container No. SEKU5825836 covered under bill of entry No. 1006707 dated 21.04.2024 filed by M/s. **Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001**), were taken up for examination. Accordingly, the said goods were examined under Panchnama dated 01.05.2023 (**RUD No. 3**) drawn at M/s.OWS Warehouse Services LLP, Survey NO. 169, Sector-8, Village Dhruve, Mitap Road, MPSEZ Mundra, Kutch in the presence of representative of customs broker appointed by the Importer. Upon examination, the said container was found to stuffed with “Metallic Kitchen Sinks” of uniform size. The officers counted total No. of pieces Kitchen sinks de-stuffed from the said container and found total 8,883 pieces. The details of the goods found stuffed in the said container are mentioned in a below table.

Container No.	Goods found in the container(in appearance)	Total No. of pieces Declared	Total no. of Pieces found	Total Gross weight Declared	Total Net weight Declared (Goods weight)	Total Net Weight found(Goods weight as per wighment Slip)
SEKU5825836	Metallic Kitchen	9020 Pcs	8883 Pcs	27045 Kgs	25120 Kgs	28260 Kgs

	Sinks					
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2.2 Similarly, the goods of declared description 'Stainless Steel Sink(CTH-73241000) and Stainless Steel Basket in CKD condition(CTH 73249000) imported vide container No.TCKU6674599 covered under bill of entry No. 1006741 dated 22.04.2023 filed by M/s. **Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001**), were taken up for examination. Accordingly, The said goods were examined under Panchnama dated 03.05.2024 (**RUD No. 4**) drawn at M/s.OWS Warehouse Services LLP, Survey NO. 169, Sector-8, Village Dhruve, Mitap Road, MPSEZ Mundra, Kutch in the presence of representative of customs broker appointed by the Importer. Upon examination, the said container was found to stuffed with declared Metallice Kitchen Sinks stuffed upto 75% height of the container. The metallice kitchen sinks were not covered with any packing material/covering box. Above the said metallic Kitchen Sinks there were white, green and yellow colour PP bags stuffed in the rest of the container. It was noticed that some of the plastic bags were filled with plastic item viz plates, fittings and screws and rest of the bags were found filled with small Metallic Pipes of approx. length of 1 ft. On being asked the Customs Broker stated that the said parts will be used in assembling of Kitchen Sink Basket and the same are imported in **Completed Knocked Down(CKD) Condition**. The container was found stuffed with only two types of items i.e. metallic Kitchen Sinks and PP bags consisting of Basket parts unloaded from the container and counted easily. During the examination total No. of PP bags of white, green and yellow colour de-stuffed form the said container which comes to 260 PP bags and 5 transparent small polybags of screws. All the persons present during the examination observed that counting of each part stuffed in the said bags is not feasible/possible. Hence, it was mutually decided that only counting of PP Bags of Plastic Side Part (as mentioned in packing list) and no. of Plastic side parts in randomly selected 5 bags will be done in presence of the panchas. The officers have counted total 167 bags (including 1 small bag of 80 Pcs) in which plastic side parts are stuffed and average 120 pieces are filled in each bag, which are matching with the quantity of Plastic Side Parts mentioned in packing list i.e. 167 bags and 20000 pcs. As per the packing list, 2 Plastic Side Parts supposed to be used in assembling of 1 basket. The weighment of the exact basket parts which are supposed to be used in assembling of 5 Baskets as mentioned in the

Packing list and hence average weight of 1 basket(including all parts) found to be 0.300 Kgs. By this way, the total weight of 10,000 baskets (as declared in the packing list) was worked out to be 3000 Kgs. The details of parts of the baskets found stuffed in 260 PP bag and 5 transparent small polybags are mentioned below.

Container No.	Goods found in the container(in appearance)	Total No. of Bags declared	Total No. of Bags Found	Total Gross Weight Declared (as per packing list)	Weight of packing material (1 Kg/PP Bag)	Total Net Weight Declared(Goods Weight)	Total Net weight found(as above)
TCKU6674599	Parts of Kitchen Sink Baskets in CKD	261 Bags Pcs	260 Bags+ 5 transparent small polybags	3100Kgs	260 Kgs	2700 Kgs	3000 Kgs

Total no. of pieces Kitchen Sinks de-stuffed from the said container which comes to 8065 pieces and net weight of the Kitchen sinks comes to 24,701 Kgs by deducting weight of PP bags and weight of Baskets from the total weight of container found as above. The details of the Kitchen Sinks found stuffed in the said container are mentioned in below table.

Container No.	Goods found in the container(in appearance)	Total No. of pieces Declared	Total no. of Pieces found	Total Gross weight Declared	Total Net weight Declared (Goods weight)	Total Net Weight found(Goods weight as per weightment Slip)
TCKU6674599	Metallic Kitchen Sinks	7920 Pcs	8065 Pcs	25230 Kgs	25120 Kgs	28260 Kgs

3 . During the investigation it was found that the importer has grossly mis declared the value of the cargo imported vide aforesaid Bill of Entry No. 1006707 dated 21.04.2023 as Rs. 1679855/- and 1006741 dated 22.04.2023 as Rs.1974894/-. Therefore to ascertain the correct value of the cargo the examination of the cargo was done vide Panchanama dated 19.10.2023(**RUD No. 5**) in presence of empaneled Chartered Engineer Shri Tushar Zankat who submitted his two valuation report No. CE/TZ/MUN/201003/2023-24 dated 20.10.2023(**RUD No.6**) and CE/TZ/MUN/201002/2023-24 dated 20.10.2023 (**RUD No.7**) for the respective cargo. The details of the valuation report is listed in below table:-

Exchange Value (1USD = 83.15 Rs.)

CE/TZ/MUN/201003/2023-24 dated 20.10.2023											
Sr. No.	SEZ Bill of Entry No.	Item Description	Total No. of Pieces Declared	Total No. of Pieces found during examination	Weight in Kgs. as per declaration	Weight in Kgs. as per weightment slip	Declared CIF Invoice value in USD		Evaluated CIF Value in USD		
							Unit Price per Kg.	Total Price as per declared weight	Unit Price per Kg.	Unit Price per Kg.	Total Price
1.	1006707 dated 21.04.2023	Metallic Kitchen Sinks	9020	8883	25,120	28,260	0.90	22608.00	8.7485	2.75	77,715
										Total	77,715
CE/TZ/MUN/201002/2023-24 dated 20.10.2023											
2.	1006741 dated 22.04.2023	Metallic Kitchen Sinks	7920	8065	23,690	24,700	0.90	21,321.00	8.422	2.75	67,925
3.		Stainless steel basket in CKD Condition	10,000	10,000	2,700	3,000	0.90	2430.00	0.7425	2.75	7,425
										Total	75,350

4 . There appeared to be a mis declaration with respect of aforesaid goods which were imported by M/s Shaurya Distributors, 1201/24, Mission Road, Sonipat Haryana, 131001 in value and quantity particulars. The Importer/Consignee/ notify party had not declared the correct value and quantity in Warehouse Bill of Entry filed by them with Customs. There existed a reasonable belief that the goods mentioned in above **Table No. 1** were liable for confiscation under the provisions of the Customs Act, 1962. The declared goods “Stainless Steel Sink” as per the SEZ Bill of Entry No. 1006707 dated 21.04.2023 having the declared value as USD 22608 (Rs. 1679855/-) whereas the actual value of the cargo is USD 77715 (Rs. **64,62,002/-**). The goods imported vide SEZ Bill of Entry No. 1006741 dated 22.04.2023 declared as “Stainless Steel Sink and Steel Basket in CKD” having the declared value as USD 23751 (Rs. 1974894/-) whereas the actual value of the cargo is USD 75350 (**Rs. 62,65,352/-**)

Therefore, the goods imported vide 1006707 dated 21.04.2024 and 1006741 dated 22.04.2023 were placed under seizure under section 110 of the Customs Act, 1962 vide Seizure Memorandum dated 20.10.2023 (DIN-

202310DDZ1000000E929) (**RUD No. 8**). The seized consignment was handed over to the custodian M/s OWS Warehouse Services LLP, MPSEZ, Mundra with a direction not to part away or deal with in any manner, with the said goods without the prior written permission of proper officer from DRI and to keep the seized goods in safe custody and to produce the said goods, as and when needed by the DRI.

5. The investigation could not be completed in the stipulated time period of six months from the date of the seizure of goods due to unforeseen circumstances. The competent authority vide letter dated 30.10.2023 (**RUD No. 9**) granted the extension by a further period of six months i.e. 30.04.2024 for issuance of Show Cause Notice in respect of seized goods in terms of the first proviso of Section 110(2) of the Customs Act, 1962 as amended by the Finance Act, 2018.

6. During investigation, statements of following persons were recorded under Section 108 of the Customs Act, 1962, which are briefly discussed herein-below:

6.1 Statement of Shri Ankit Garg, Authorized representative of **M/s. Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001** was recorded under Section 108 of the Customs Act, 1962 on 04.01.2024 (**RUD No. 10**) wherein he inter alia stated that;

- His wife Smt. Garima Garg, is a house wife and she is proprietor of firm M/s Shaurya Distributor. (IEC BPOPG2565N), under which they have been engaged in the trading of Kitchen Sink, Kitchen Sink Basket and fabric. He looked after all the business of this firm related import and local sell business. He used to import Kitchen Sink, Kitchen Sink Basket and fabric and sell them in the local market of Delhi
- Earlier they were doing local online trading business of suitcase through Flipkart and Amazon in the name of M/s Shaurya Distributors since September, 2020. After that they were doing the business of import since November, 2022.
- He had imported 7-8 consignment related to fabric and the same was cleared from MPSEZ, Mundra.
- He used to import at Mundra Port only since 2014. He had never import through other port.
- He never come to Mundra for import of Kitchen sink and Shri

Sebastian George, Customs Broker who look after his import clearance work at Mundra Port and Shri Sebastian George only connected with SEZ Entity M/s OWS Warehouse Services LLP., MPSEZ, Mundra. He never came to Mundra. For this consignment, they talked to Sebastian George, Customs Broker only on phone (9426214521) and it was Sebastian George, Customs Broker who talked to SEZ entity M/s OWS Warehouse Services LLP., MPSEZ, Mundra.

- He had given all the documents related to this consignment under B/E No. 106707 dated 21.04.2023 and 1006741 dated 22.04.2023 to Shri Sebastian George, Customs Broker, who contacted M/s OWS Warehouse Services LLP., MPSEZ, Mundra and got the B/E filed for warehousing at M/s. OWS Warehouse Services LLP., MPSEZ, Mundra.
- Shri Sebastian George, working as Customs Broker firm M/s Lara Exim Pvt. Ltd., Gandhidham. and he had asked him to get this consignment cleared.
- He had never received checklist from Customs Broker for approval. He had authorised Customs Broker to file Bill of Entry without my approval. Also for this consignment import under B/E No. 106707 dated 21.04.2023 and 1006741 dated 22.04.2023 customs broker had not sent checklist to him for approval.
- They negotiated the price with the Chinese Suppliers in respect of each consignment. Since they placed bulk orders, the Chinese suppliers supply the goods on discounted rates. Similarly, in respect of the said 02 consignment, since they placed order in bulk, they were given the goods at a discounted price.
- He had not made any advance payment to the Chinese supplier in respect of the said 02 consignment. Full payment is yet to be done.
- He had not made any advance payment in respect of the present consignment. Full payment was to be made after 10-15 days of the final delivery of the goods.
- He did not have Chinese export documents for the present consignment. The export documents will be with the supplier of China.
- He received the invoice, packing list and all related documents from our agent in China.
- He had planned to sold the said consignment to M/s Steadfast Overseas, 41, Pocket-A Sector-4, DSIIDC Bawana Industrial Area Complex, Bawana, north West Delhi-110039. The selling price decided was approx. Rs. 150/- per kg of kitchen sink to Steadfast Overseas.
- I had perused the Panchnama dated 01.05.2023 and 03.05.2023 and weightment slip. I find that the Quantity and weight of the goods not found as per declared in the Bill of Entry. In token of having seen variation in quantity and weight of the goods mentioned in the Panchnama dated 01.05.2023 and 03.05.2023 and weightment slip and put my dated signature on the said both Panchnama dated 01.05.2023 and 03.05.2023 and weightment slip.

- I have perused the valuation Reports given by the Chartered Engineer and Valuer. I find that the total assessable value of the goods in respect of both consignment as per the valuation reports is Rs. 1,27,27,355/-. In token of having seen the valuation reports and put my dated signature on the first page of both the valuation reports.
- He inquired about the quality of the kitchen sink and kitchen sink basket and the price mentioned in B/Es. Accordingly, he confirmed that the declared assessable value is lesser than the actual assessable value.
- The bank account no. is 4648485823 (Kotak Mahindra Bank) of M/s Shaurya Distributors

6.2 Statement of Shri **Shri Sabu George alias Shri Sebastian Geoge**, authorized representative of Customs Broker M/s Lara Exim Pvt. Ltd., Office No. 220, 2nd floor, Gokul Park Building was recorded under Section 108 of the Customs Act, 1962 on 04.01.2024 (**RUD No. 11**) wherein he inter alia stated that;

- He had seen the statement dated 04.01.2024 of Shri Ankit Garg, Authorized person of M/s Shaurya Distributors, Sonipat, Haryana, which I had perused and put his dated signature on all pages of the said statement in token of having seen the same.
- He stated that M/s Shaurya Distributors is their client since last 2-3 years. They handle all the work related to clearance of the import consignments of M/s Shaurya Distributors.
- He submitted the copy of KYC documents of M/s Shaurya Distributors viz. IEC certificate, GST Registration Certificate, AADHAR Card, rent agreement.
- All the documents for filing of Bill of Entry in respect of the 02 import consignments under B/E No. 106707 dated 21.04.2023 and 1006741 dated 22.04.2023, which were put on hold by DRI in April-2023, were finalized by M/s Lara Exim Pvt. Ltd. Thereafter, they sent all the documents for filing of Bill of Entry to M/s OWS Warehouse Services LLP., APSEZ, Mundra who then filed Bill of Entry on behalf of M/s Shaurya Distributors, Sonipat, Haryana.
- They never sent the checklist to the importer before filing the Bill of Entry on behalf of Importer because they had discussed telephonically with importer before filing the bill of entry but they said that there was no need to send checklist.
- He was shown the valuation reports submitted by the Chartered Engineer in respect of subject 02 consignments under B/E No. 106707 dated 21.04.2023 and 1006741 dated 22.04.2023. He put his dated signature on the first page of all the valuation reports and stated he was not aware how the importer decided the value of the import goods.
- They only file Bill of Entries on the basis of documents provided by the importer. They were not involved in deciding the value of import goods.

7 In view of the above, the value declared by the importer in the corresponding Bills of Entry and invoices did not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of CVR, 2007. The value is required to be re-determined by sequentially proceeding in terms of **Rules 4 to 9 of CVR, 2007**. The relevant Rules of CVR, 2007 are reproduced hereunder: -

8. Rejection of transaction value of the imported goods and determination of the value of the import goods

As regards the value declared in the Bill of Entry, the importer did not produce any payment details to determine the value of the goods imported. Further, during the recording of statement dated 04.01.2024 of Shri Ankit Garg authorized by the Ms. Garima Garg, Proprietor of M/s Shaurya Distributors vide letter (**RUD No. 12**) accepted that they had made misdeclaration in terms of valuation by declaring the lesser assessable value in Bill of Entry than the actual assessable value. The declared value appears to be not acceptable as transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Since the quality of imported cargo vide two Bill of Entry i.e. 106707 dated 21.0.2023 and 1006741 dated 22.04.2023 is superior therefore it cannot be fully compared with similar/identical imports, their value appears to be determinable under Rule 9 (Residual method) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with sub-section (1) of Section 14 of Customs Act, 1962 and on the basis of objective and quantifiable data available in India. The relevant Rules of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 are reproduced hereunder:-

9. 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

i. 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.

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:

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.

Further, as per Rule 6 of the CVR, 2007, if the value cannot be determined under Rule 3, 4 & 5, then the value shall be determined under Rule 7 of CVR, 2007.

Rule 7 of the CVR, 2007, stipulates that:-

(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).

Rule 8 of the CVR, 2007, stipulates that:-

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.

Rule 9 of the CVR, 2007, stipulates that:-

(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.

10. As mentioned above, value of the goods of Rs. **16,79,855/-** as per as

per Bill of Entry No. 1006707 dated 21.04.2024 and **Rs. 19,74, 894/-** as per Bill of Entry No. 1006741 dated 22.04.2023 couldnot be considered as assessable value of the goods and hence the same is liable to be rejected under Rule 12 of Customs Valuation Rules 2007 as misdeclaration of goods in terms of value and quantity had been observed.

In absence of credible data of import of similar goods and other constraints the value of these goods can not be determined in terms of Rule 4,5,6,7,8 of Customs Valuation Rules 2007. Hence the value is to be determined in terms of Rule 9 of said rules.

Therefore, the Assessable value based on the market price as provided by the Chartered Engineer may be considered as the value of these goods. Therefore, the invoice value of the goods is required to be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 and re-determined under Section 14 of the Customs Act, 1962 also the report of Chartered Engineer may be considered the assessable value as the basis for arriving at actual market value of these goods.

11. Mis-declaration in respect of value and quantity of the goods:-

11. 1. As mentioned in forgoing paras it appeared that the importer had also mis-declared the quantity and value of the goods at the time of filing of Warehouse Bills of Entry. The present import consignments have been imported from a Hong Kong Supplier M/s. Trident Exports Limited. Prima facie the declared value of the import goods appeared to be gross undervalued whereas the quantity of cargo is misdeclared in terms of weight. Accordingly, import data, examination panchanama dated 01.05.2023, examination panchanama dated 03.05.2023 of the said goods was analysed which showed that the subject import consignments have been mis-declared in respect of value and quantity thereof in order to evade the applicable Customs Duty.

11.2. From the above, it appeared that M/s Shaurya Distributors also indulged in the evasion of Customs Duty by way of undervaluation and misdeclaration in quantity of imported goods. On calculating the appropriate assessable value of the goods as per the valuation report submitted by the Govt. Charter Engineer for the declared goods "Stainless Steel Sink" as per the SEZ Bill of Entry No. 1006707 dated 21.04.2023 having the declared value as USD 22608 (Rs. 1679855/-) whereas the actual value of the cargo is USD 77715 (Rs. **64,62,002/-**). The goods

imported vide SEZ Bill of Entry No. 1006741 dated 22.04.2023 declared as “Stainless Steel Sink and Steel Basket in CKD” having the declared value as USD 23751 (Rs. 1974894/-) whereas the actual value of the cargo is USD 75350 **(Rs. 62,65,352/-)**

12. Liability of imported goods for confiscation

In view of facts of investigation narrated in foregoing paras, it appeared that the that M/s Shaurya Distributor hatched the conspiracy of importing the high quality Stainless Steel Sink by mis declaring the value and quantity. It was well planned that by declaring the goods lesser assessable value and quantity they will import the high quality Stainless Steel Sink & Stainless Steel Basket in CKD condition which were found mis declared in terms of value and quantity.

It further appeared that the price of imported goods mentioned in the Bill of Entry No. 1006707 dated 21.04.2023 having the declared value as USD 22608 (Rs. 1679855/-) The goods imported vide SEZ Bill of Entry No. 1006741 dated 22.04.2023 declared as “Stainless Steel Sink and Steel Basket in CKD” having the declared value as USD 23751 (Rs. 1974894/-). M/s Shaurya Distributors vide letter **(RUD No.13)** accepted the new assessable value Rs. 64,62,002 in r/o cargo imported by warehouse Bill of Entry No. 1006707 dated 21.04.2023. Similarly, M/s Shaurya Distributors vide letter **(RUD No. 14)** accepted the new assessable value of Rs. 62,65,352 in r/o cargo imported by warehouse Bill of Entry No. 1006741 dated 22.04.2023. Shri Ankit stated that the actual value of the Cargo was higher in comparison to the quality of goods imported. It is evident that the consignment has been undervalued and the actual value of the consignment pertaining to SEZ Bill of Entry No. 1006707 dated 21.04.2023 is USD 77715 **(Rs. 64,62,002/-)** where as actual value of cargo pertaining to SEZ Bill of Entry No. 1006741 dated 22.04.2023 is USD 75350 **(Rs. 62,65,352/-)**. Further, the importer has mis declared the weight of the cargo and the weight of the cargo for both the Bill of Entry during examination was found excess. The declared goods “Stainless Steel Sink” as per the SEZ Bill of Entry No. 1006707 dated 21.04.2023 having the declared Net weight 25120 Kgs whereas the actual Net weight found was 28260 Kgs. The goods imported vide SEZ Bill of Entry No. 1006741 dated 22.04.2023 declared as “Stainless Steel Sink and Steel Basket in CKD” having the declared Net weight as 23,690 Kgs whereas the actual net weight of the cargo is 27,700 Kgs. Hence it appeared that the subject goods are liable to be confiscated under the 111(l) and 111(m) of the

Customs Act, 1962.

13. Demand

13.1 M/s. Shaurya Distributors undervalued the imported goods pertaining to SEZ Bill of Entry No. 1006707 dated 21.04.2023 and SEZ Bill of Entry No. 1006741 dated 22.04.2023. M/s. Shaurya Distributors deliberately suppressed the facts regarding the value and actual weight of the imported goods which came out during the investigation. M/s. Shaurya Distributors was well aware about the implication of higher duties on said import goods on its actual value and they have knowingly and deliberately undervalued the import goods with intent to evade the Customs Duties. During investigation the government empaneled valuer determined the actual value pertaining to SEZ Bill of Entry No. 1006707 dated 21.04.2023 is USD 77715 (**Rs. 64,62002/-**) where as actual value of cargo pertaining to SEZ Bill of Entry No. 1006741 dated 22.04.2023 is USD 75350 (**Rs. 62,65,352/-**). The total value of the cargo both the cargo was found to be **Rs. 1,27,27,354/-**. The goods were correctly classifiable under CTH 73241000 and CTH 73249000 under which applicable Basic Custom duty is 10%. Therefore the total Duty for the goods imported by M/s Shaurya Distributors will be Rs. 3942934/- (thirty nine lacs fourty two thousands nine hundred thirty four only). The duty calculation is as per the table below:-

S.No	Bill Of Entry No. & date	CTH	Assessable Value	BCD 10 %	SWS 10%	IGST 18%	Total Duty(Rs)
1.	1006707 dated 21.04.2023	73241000	64,62002/-	646200	64620	1291108	2001928/-
2.	1006741 dated 22.04.2023	73241000 & 73249000	6265352/-	626535	62653	1251817	1941006/-
Total							3942934/-

13.2 By the aforesaid acts of willful mis statement and suppression of facts, M/s. Shaurya Distributors tried to short pay the applicable Customs Duty and other allied duties/taxes by way of deliberate undervaluation, willful mis-statement and suppression of facts leading to revenue loss to the government exchequer. The importer and its associates had planned to pay the short amount of duty by declaring the lesser amount of assessable

value. From the facts on record, it further appears that M/s. Shaurya Distributors have mis-declared the import goods with respect to their valuation and weight, the goods imported by them were mis-declared were also liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. The importer/any person, 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, is liable to penalty under Section 112 (a) of the Customs Act, 1962. M/s. Shaurya Distributors is, thus liable to penalty under Section 112(a) of the Customs Act, 1962. They were involved in carrying, removing, depositing, selling and dealing with the subject goods which were liable to confiscation under Section 111 of Customs Act, 1962. For this commission and omission on the part of M/s. Shaurya Distributors they are liable to penalty under Section 112(b) of the Customs Act, 1962 too.. Further, since the subject amount of duty was evaded by M/s. Shaurya Distributors by way of suppression of facts and willful mis-statement, they are also liable to penalty under Section 114A of the Customs Act, 1962. Since, M/s. Shaurya Distributors its representatives knowingly and intentionally mis-declared the import goods by way of false or incorrect declarations, in quantity and weight particular, for the purposes of evasion of import duties under the Customs Act, 1962, therefore they shall also be liable to penalty under Section 114AA of the Customs Act, 1962.

14. Relevant Legal provision

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 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) ¹[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 ²[in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54];

(n) any dutiable or prohibited goods transited with or without transshipment 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;

³[(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.]

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 ⁴[not exceeding the value of the goods or five thousand rupees], whichever is the greater;

⁵[(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;]

⁶[(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 ⁷[not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;]

⁸[(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty ⁹[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;]

⁸[(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty ¹⁰[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.]

114A. [Penalty for short-levy or non-levy of duty in certain cases.

- Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the

case may be, as determined under sub-section (2) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined:]

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.]

Section 117 in the Customs Act, 1962-—Any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding 2[ten thousand rupees].

15. Roles of various persons in smuggling

SUSPECTED ROLE OF THE PARTIES

From the above, it appeared that Proprietorship firm M/s Shaurya Distributors and various persons were involved in the conspiracy of mis-declaration and undervaluation of subject goods. Investigation revealed that following persons have appeared to be involved and connived with the importer M/s Shaurya Distributors for aforesaid violations of statutory provisions:

15. 1 Role of M/s. Shaurya Distributors: M/s. Shaurya Distributors tried to short pay the applicable Customs Duty and other allied duties/taxes by way of deliberate undervaluation, willful mis-statement and suppression of facts leading to revenue loss to the government exchequer. M/s. Shaurya Distributors have mis-declared the import goods with respect to their valuation and weight, the goods imported by them were mis-declared were also liable to confiscation under Sections 111(l) and 111(m) of the Customs Act, 1962. The importer/any person, 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, is liable to penalty under Section 112 (a) of the Customs Act, 1962. M/s. Shaurya Distributors is, thus liable to penalty under Section 112 (a) of the Customs Act, 1962. They were involved in carrying, removing, depositing, selling and dealing with the subject goods which were liable to confiscation under Section 111 of Customs Act, 1962. For this commission and omission on the part of M/s.

Shaurya Distributors they are liable to penalty under Section 112 (b) of the Customs Act, 1962 too.. Further, since the subject amount of duty was evaded by M/s. Shaurya Distributors by way of suppression of facts and willful mis-statement, they are also liable to penalty under Section 114A of the Customs Act, 1962. Since, M/s. Shaurya Distributors its representatives knowingly and intentionally mis-declared the import goods by way of false or incorrect declarations, in quantity and weight 1 particular, for the purposes of evasion of import duties under the Customs Act,1962, therefore they shall also be liable to penalty under Section 114AA of the Customs Act, 1962.

15.2 Role of Shri Ankit Garg, Authorized person of M/s Shaurya Distributors: Shri Ankit Garg was authorized by Ms. Garima Garg, proprietor of M/s Shaurya Distributors vide letter to gave statement. Ms. Garima Garg informed vided letter Shri Ankit Garg is the only responsible person for all the transaction and business running in the name of M/s Shaurya Distributors

Shri Ankit Garg has admitted that they had grossly undervalued the Assessable value of the cargo and weight of the cargo imported by Bill of Entry No. Bill of Entry No. 1006707 dated 21.04.2024” and 1006741 dated 22.04.2023 to evade the applicable Customs Duty. The omission and commission on the part of Shri Ankit Garg i.e. mis-declaration of subject goods by way of forging documents, fraud, collusion, willful mis-statement and suppression of facts have rendered the subject illegally imported goods vide Bill of Entry No. 1006707 dated 21.04.2024” and 1006741 dated 22.04.2023liable to confiscation under 111(l) and 111(m) of the Customs Act,1962. Also, since Shri Ankit Garg was knowingly connived in importing, purchasing/selling and dealing with such goods, he has rendered himself liable to penalty under Section 112 (a) and Section112 (b) of the Customs Act, 1962.

15.3 Role of M/s Lara Exim Pvt. Ltd M/s Lara Exim Pvt. Ltd. is fully aware of the Customs Act, 1962, and CBLR 2018. Moreover, they have been providing Customs Clearing Agent services to their customers for a considerable period. Therefore, it is the responsibility and duty of M/s Lara Exim Pvt. Ltd. to guide the importer regarding the correct declaration of the assessable value of the imported cargo. If the DRI had not initiated an investigation against Shaurya Distributors, they would have potentially evaded a significant amount of Customs Duty by paying duty based on the

declared value. Additionally, M/s Lara Exim never sent the checklist to the importer for approval before filing the Bill of Entry. The Bill of Entry was filed without obtaining any approval from the importer for the checklist. The omission and commission on the part of M/s Lara Exim Pvt. Ltd. made the filing of Bill of Entry without verifying the approval for Checklist received from the Importer or not have rendered the mis-declaration of assessable value of goods by way of forging documents, fraud, collusion, willful mis-statement and suppression of facts have rendered the subject illegally imported goods vide Bill of Entry No. 1006707 dated 21.04.2024" and 1006741 dated 22.04.2023 liable to confiscation under 111(l) and 111(m) of the Customs Act, 1962. Also, since M/s Lara Exim Pvt. Ltd. was knowingly connived in dealing with such goods, he has rendered himself liable to penalty under Section 112 (a) and Section 112 (b) of the Customs Act, 1962.

16. Further, M/s Shaurya Distributors has submitted a letters in which they stated they had accepted both Charter Engineer cum valuer Certificate report No. CE/TZ/MUN/201003/2023-24 dated 20.10.2023 (and CE/TZ/MUN/201002/2023-24 dated 20.10.2023. Further, they accepted that the consignments were undervalued, accepted actual value of the consignment pertaining to SEZ Bill of Entry No. 1006707 dated 21.04.2023 is USD 77715 **(Rs. 64,62,002/-)** where as actual value of cargo pertaining to SEZ Bill of Entry No. 1006741 dated 22.04.2023 is USD 75350 (Rs. 62,65,352/-). M/s Shaurya Distributors want to pay the duty on assessable value of. **(Rs. 64,62,002/-) pertaining to Bill of Entry No. 1006707** dated 21.04.2023 and (Rs. 62,65,352/-) SEZ Bill of Entry No. 1006741 dated 22.04.2023 alongwith interest and penalty, if any without any litigation. Further they requested to allow them to file DTA B/E to deposit the appropriate Customs duty on aforesaid assessable value and get cleared thier cargo urgently and they would submit the copy of challan to DRI office after depositing the differential customs duty.

In response of thier letter, this office has issued a letter to Customs Authority ,Mundra requesting to allow M/s Shaurya Distributors for filing DTA Bill of Entry against the warehouse Bill of Entry No. 1006707 dated 21.04.2023 and 1006741 dated 22.04.2023 and to allow them to pay applicable Customs Duty. Further M/s Shaurya Distributors vide mail dated 16.04.2024 informed this unit that they had paid the Customs Duty of Rs. 2023318/- (including interest of Rs. 21390/-) for cargo imported vide

warehouse Bill of Entry No. 1006707 dated 21.04.2023 vide Challan No. AP&SEZ/54/24-25 dated 08.04.2024(**RUD NO.15**) and Rs. 1941006/-/- (including interest of Rs. 20890/-) for warehouse Bill of Entry No. 1006741 dated 22.04.2023 vide Challan No. AP&SEZ/53/24-25 dated 08.04.2024 (**RUD NO.16**).

17. Now, therefore, M/s. Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001 and others respectively are hereby called upon to show cause in writing to the Additional Commissioner, Customs House, Mundra having office situated at R. No. 103, 1st Floor, 5B, Port User Building, Custom House, Mundra, Adani Ports & SEZ, Kutch, Gujarat – 370421 as to why:-

- a. The imported goods pertaining to SEZ Bill of Entry No. 1006707 dated 21.04.2023 having assessable value as USD 77715 (Rs. 6462002/-) and cargo pertaining to SEZ Bill of Entry No. 1006741 dated 22.04.2023 having assessable value as USD 75350 (Rs. 6265352/-) should not be confiscated under section 111(l) and 111(m) of the Customs Act, 1962.
- b. The declared assessable value of **Rs. 16, 79,855/-** for total 8883 Pcs pieces of “Metallic Stainless Steel Sink” imported vide ware house Bill of Entry No. 1006707 dated 21.04.2023 does not appear to be true transaction value as per forgoing paras, should not be rejected under Rule 12 of Customs Valuation Rules 2007 as there has been observed significant mis-declaration, and should not be re-determined under Section 14 of the Customs Act, 1962 under Rule 5 Customs Valuation (Determination of value of imported goods) Rules, 2007 as **Rs. 64,62,002/-**, and Customs Duty of Rs. 2001928/- paid vide Challan no. AP&SEZ/54/24-25 dated 08.04.2024 should not be appropriate against the duty demanded.
- c. The declared assessable value of **Rs. 19, 74, 894/-** for total 8065 Pcs of “Metallic Stainless Steel Sink” and basket in CKD items imported vide ware house Bill of Entry No. 1006741 dated 22.04.2023 does not appear to be true transaction value as per forgoing paras, should not be rejected under Rule 12 of Customs Valuation Rules 2007 as there has been observed significant mis-declaration, and should not be re-determined under Section 14 of the Customs Act, 1962 under Rule 5 Customs Valuation (Determination of value of imported goods) Rules, 2007 as **Rs. 62,65,352/-**, and Customs Duty of Rs. 1941006/- paid vide Challan no. AP&SEZ/53/24-25 dated

08.04.2024 should not be appropriate against the duty demanded.

- d. Penalty should not be imposed on M/s Shaurya Distributors under Section 112(a) & 112(b), 114(A), 114AA & 117 of the Customs Act, 1962.
- e. Penalty should not be imposed on Shri Ankit Garg, under Section 112(a) & 112(b), of the Customs Act, 1962.
- f. Penalty should not be imposed on M/s Lara Exim Pvt. Ltd., under Section 112(a) & 112(b), of the Customs Act, 1962.

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

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

20. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force.

21. The documents as listed at Annexure-R are relied upon and a CD containing scanned copies of all relied upon documents is enclosed with this show cause notice.

Encl: Annexure-A, B, C & R

Signed by



Arun Kumar

Date: 29-04-2024 3:33:39

**ADDITIONAL COMMISSIONER
ADC/JC-II-O/o Pr Commissioner-Customs-Mundra**

By Speed Post/Regd. Post/E-mail/Hand Delivery

To:

- 1. M/s. Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001. (email id shauryagarg424@gmail.com)
- 2. Shri Ankit Garg r/o 1201/24, Mission Road, Sonipat, Haryana-131001. (Email id ankit.garg1011@hotmail.com)
- 3. M/s Lara Exim Pvt. Ltd., Office No. 220, 2nd Floor, Gokul Park

Building, Gandhidham-370201

Copy to:- for information and necessary action, if any.

1. The Development Commissioner, Mundra Special Economic Zone, Mundra
2. The Additional Director General, Directorate of Revenue Intelligence, Gandhidham
3. Guard file

Annexure-A

S.No	Bill Of Entry No. & date	CTH	Assessable Value	BCD 10 %	SWS 10%	IGST 18%	Total Duty(Rs)
1.	1006707 dated 21.04.2023	73241000	6462002/-	646200	64620	1291108	2001928/-
2.	1006741 dated 22.04.2023	73241000 & 73249000	6265352/-	626535	62653	1251817	1941006/-
Total							3942934/-

Annexure R

RUD No.	Details of RUD
1.	Bill of Entry No. 1006707 dated 21.04.2024
2	Bill of Entry No. 1006741 dated 22.04.2023
3	Panchnama dated 01.05.2023 drawn at M/s.OWS Warehouse Services LLP, Survey NO. 169, Sector-8, Village Dhruve, Mitap Road, MPSEZ Mundra,
4	Panchnama dated 03.05.2023 drawn at M/s.OWS Warehouse Services LLP, Survey NO. 169, Sector-8, Village Dhruve, Mitap Road, MPSEZ Mundra,
5	Panchanama dated 19.10.2023 in presence of empaneled Chartered Engineer Shri Tushar Zankat
6	Valuation report No. CE/TZ/MUN/201003/2023-24 dated 20.10.2023
7	Valuation report No. CE/TZ/MUN/201002/2023-24 dated 20.10.2023
8	Seizure Memorandum dated 20.10.2023 (DIN-202310DDZ1000000E929)
9	Letter dated 30.10.2024 issued by competent authority for the extension for issuing SCN in respect of seized goods in terms of the first proviso of Section 110(2) of the Customs Act, 1962
10	Statement of Shri Ankit Garg, Authorized representative of M/s. Shaurya Distributors (IEC:BPOPG2565N) 1201/24, Mission Road, Sonipat, Haryana-131001
11	Statement of Shri Shri Sabu George alias Shri Sebastian Geoge, authorized representative of Customs Broker M/s Lara Exim Pvt. Ltd., Office No. 220, 2nd floor, Gokul Park Building
12	Letter vide which Shri Ankit Garg authorized by the Ms. Garima Garg, Proprietor of M/s Shaurya Distributors
13	Letter vide which M/s Shaurya Distributors accepted the new assessable value Rs. 64,62,002 in r/o cargo imported by warehouse Bill of Entry No. 1006707 dated 21.04.2023
14	Letter vide which M/s Shaurya Distributors accepted the new assessable value Rs. 62,65,352 in r/o cargo imported by warehouse Bill of Entry No. 1006741 dated 22.04.2023
15	Challan No. AP&SEZ/54/24-25 dated 08.04.2024
16	Challan No. AP&SEZ/53/24-25 dated 08.04.2024