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**DIN:- 20251271MO000000A27C**

Show Cause Notice No. 41/2025-26/COMM/N.S./Adjn/MCH

**SHOW CAUSE NOTICE**

**[Issued under Section 28(4) read with Section 124 of the Customs Act, 1962]**

Whereas, on the basis of information received from UCO Bank, Vishakhapatnam and UCO Bank, Jaipur, a case was booked by the Customs Preventive Commissionerate, Jodhpur (H.Q. at Jaipur) in respect of fraudulent remittances of high magnitude (more than Rs. 400 crores) to overseas firms during the period March-2021 to September-2021, shown to be in consideration to import of services. From the investigation conducted, it appeared that, to defraud the exchequer, a racket/gang was formed which adopted a novel modus operandi under which several bogus/fake companies/firms were created and several bank accounts were opened to fraudulently remit amounts of high magnitude to Hong Kong, Singapore and UAE based firms by showing the same to be payments against import of services (which were never actually imported and were mere paper transactions without any actual supply of service) with the ulterior motive of using the fraudulent remittances for funding illegal imports of Gold, Diamonds and other precious stones/metals etc.

**2.** The investigation was initiated upon revelation that an aggregate amount of Rs. 414,09,03,259/- (comprising Rs. 348,30,16,803/- and Rs. 65,78,86,456/-) had been remitted by two entities, namely M/s Belstar Techno Solutions (OPC) Private Limited and M/s Visual Birds Technology, Jaipur, purportedly towards the import of IT-related services such as animations, graphics, designs, 2D/3D works, and multimedia audio-visual content. Verification of records disclosed that both entities were registered at the same address in Jaipur; however, field inquiry established that both firms were non-existent at the declared premises. Preliminary investigation further revealed that M/s Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology were merely paper entities, created for the purposes of facilitating outward remittances, and had never actually imported any IT services as declared. It also came to light that the bank accounts of these entities had received substantial payments from firms engaged in the diamond and gold trade, despite the fact that no corresponding import of services such as animations, graphics, designs, 2D, 3D, or multimedia audio-visuals had ever taken place in respect of the purported foreign service providers.

3. During the course of investigation, it emerged that a racket comprising a large number of fictitious firms had been created and operated with the intent to project illicit transactions as genuine business activities. These firms were fraudulently shown to be engaged in gold and diamond trading, and bogus invoices were generated in their names to camouflage the sale and circulation of smuggled gold and diamonds in the domestic market, thereby giving such transactions an appearance of legitimacy. The investigation further established that the proceeds derived from the sale of such smuggled goods were systematically routed through multiple business accounts, in a layered manner, to obscure the trail of illicit funds. Ultimately, these funds were transferred into the bank accounts of shell entities such as M/s Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology. It was further revealed that these dummy entities thereafter remitted substantial amounts to UAE-, Singapore-, and Hong Kong-based firms, which were being used to finance the illegal import of gold, diamonds, and other precious stones as well to undervalue various goods being imported into India, in contravention of the provisions of the Customs Act, 1962, the Foreign Exchange Management Act, 1999, and other applicable laws.

4. During the investigation, it was revealed that Shri Ravindra Kumar, Chartered Accountant, had issued bogus Form 15CB Certificates in connection with the outward remittance of funds from M/s Belstar Techno Solution (OPC) Pvt. Ltd. and M/s Visual Birds Technology, without conducting any verification of the underlying agreements, supporting documents, or the books of accounts of the said entities. Scrutiny further disclosed that, out of the total Form 15CB Certificates issued by him, certificates covering remittances amounting to Rs. 75,09,51,102/- pertained to transfers made to **M/s DP Design Ltd., Hong Kong**. In his statement **(RUD-1)** recorded under the statutory provisions, Shri Ravindra Kumar admitted that the funds so remitted were utilized for the smuggling of gold and diamonds by various syndicates operating from Mumbai and Gujarat. Intelligence inputs further revealed that one of the Directors of M/s DP Design Ltd., Hong Kong is Shri Piyush Nolakha, a resident of Jaipur, Rajasthan, whose examination was considered vital for the ongoing investigation. Consequently, a Look-Out Circular (LOC) dated 19.07.2024 was issued against him. In pursuance of the said LOC, Shri Piyush Nolakha was off-loaded by the Immigration Authorities on 22.07.2024 while attempting to travel to Dubai from International Terminal-2, Jaipur, and was thereafter handed over to the Customs Officers, Jaipur, for further action in accordance with law.

4.1 During the ongoing investigation, the statement of Shri Piyush Nolakha was recorded on 22.07.2024 **(RUD-2)**. It was revealed during investigation that M/s DP Design Ltd., Hong Kong had been incorporated by Shri Piyush Nolakha himself, and that he had signed all documents pertaining to the incorporation of the said entity and had personally interacted with the concerned bank authorities regarding the opening and operation of its bank accounts. Further, the email ID “dpdesign1231@gmail.com”, furnished to Wing Lung Bank, Hong Kong as the official email of M/s DP Design Ltd., was found to be registered on the mobile phone of Shri Piyush Nolakha, and all communications from the said bank

concerning the company were being handled by him through this email ID. In addition to M/s DP Design Ltd., Hong Kong, Shri Piyush Nolakha had also created multiple other entities abroad, such as Villa Morae Co. Ltd., Xclusive Co. Ltd., and others.

**4.2** From the statements, records, and evidence gathered, it was established that M/s DP Design Ltd., Hong Kong is an offshore shell entity beneficially owned and controlled by Shri Piyush Nolakha, created and operated entirely from India without any genuine business activity. The incorporation of such overseas entities by individuals based in India, solely for the purpose of facilitating illegal outward remittances and evasion of customs duty, corroborates the investigation findings that these firms were created by the nexus purely to defraud the Government exchequer. From the investigation conducted in the cases of M/s Belstar Techno Solutions (OPC) Private Limited and M/s Visual Birds Technology, Jaipur, it emerged that Shri Piyush Nolakha played an active and central role in the conspiracy. The evidence indicated that he was directly involved, along with other co-accused persons, in facilitating outward remittances amounting to Rs. 75,09,51,102/-, which were subsequently utilized for the illegal import of gold, diamonds, and other precious stones, etc. In view of the above facts and circumstances, Shri Piyush Nolakha was arrested on 22.07.2024 under Section 104 of the Customs Act, 1962, and produced before the Hon'ble Economic Offence Court, which remanded him to Departmental/Police Custody up to 30.07.2024.

**4.3** In his statement dated 24.07.2024 (**RUD-3**), Shri Piyush Nolakha admitted that M/s D.P. Designs Ltd., Hong Kong is a dummy/paper entity shown as a service provider, and that the company had been handed over to Shri Ashish Jain and others for a commission. Subsequently, in his statement dated 25.07.2024 (**RUD-4**), Shri Piyush Nolakha further admitted as under:

(a) That apart from M/s DP Design Ltd., he had also created other entities such as Dipika Gems, Xclusive Co. Ltd., Villa Morae, and Elite International in Hong Kong, and that all such entities had been handed over to Shri Ashish Jain and other persons for their use.

(b) That he had handed over his Jaipur-based entities, namely M/s DS Exports and M/s La Solitaire, to Shri Ashish Jain and his associates for importing precious stones from his Hong Kong firm, M/s DP Design Ltd., into India. He initially denied direct involvement in these entities in his statement dated 24.07.2024; however, this denial stood contradicted when he was shown import documents such as Bills of Entry, invoices, and related records pertaining to the import of semi-precious stones (Emerald) from M/s DP Design Ltd., Hong Kong to M/s DS Exports, Jaipur, which had been resumed during search proceedings.

(c) That the signatures appearing on import documents under the name "Dipika" were made by him, and that the various forms of the signature "Dipika" found on the documents were all executed by him.

**4.4** From his mobile phone, screenshots were recovered pertaining to the “Inward Remittance Enquiry” of M/s DP Design Ltd., Hong Kong, reflecting inward remittances received from M/s Belstar Techno Solutions (OPC) Pvt. Ltd., Jaipur, Visakhapatnam, and Bhubaneswar **(RUD-5)**. Details of some sample screenshots are as follows:

<b>Remitter</b>	<b>Remittee</b>	<b>Settlement Date</b>	<b>Remittance Amt. in USD</b>
Belstar Techno Solution (OPC) Pvt. Ltd, Vishakhapatnam	DP Design Ltd, Hong Kong	29.04.2021	98882
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	23.04.2021	62447
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	21.04.2021	55747
Belstar Techno Solution (OPC) Pvt. Ltd, Bhubaneswar	DP Design Ltd, Hong Kong	21.05.2021	81342
Belstar Techno Solution (OPC) Pvt. Ltd, Vishakhapatnam	DP Design Ltd, Hong Kong	12.04.2021	65832
Belstar Techno Solution (OPC) Pvt. Ltd, Vishakhapatnam	DP Design Ltd, Hong Kong	29.03.2021	85900
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	29.03.2021	78347
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	26.03.2021	78751
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	23.03.2021	63501
Belstar Techno Solution (OPC) Pvt. Ltd, Jaipur	DP Design Ltd, Hong Kong	22.03.2021	63497
Belstar Techno Solution (OPC) Pvt. Ltd, Bhubaneswar	DP Design Ltd, Hong Kong	15.06.2021	80941
Belstar Techno Solution (OPC) Pvt. Ltd, Bhubaneswar	DP Design Ltd, Hong Kong	15.06.2021	71947

**4.5** In addition to the above, screenshots of Foreign Inward Remittance details relating to his other Hong Kong-based entities Dipika Gems, Hong Kong and Elite International, Hong Kong were also recovered from the mobile phone of Shri Piyush Nolakha. In this regard, in his statement dated 25.07.2024, he made the following admissions:

(a) That he used to monitor the nature and pattern of transactions undertaken in the bank accounts of M/s DP Designs Ltd., Hong Kong; Dipika Gems, Hong Kong; and Elite International, Hong Kong, so that he could determine and levy his commission accordingly.

(b) That Shri Ashish Jain had shared the said documents/screenshots with him so that he could respond to, and manage, any banking-related queries that might arise in respect of these entities.

(c) That he obtained access to the bank accounts of M/s DP Designs Ltd., Hong Kong; Dipika Gems, Hong Kong; and Elite International, Hong Kong from the actual operators of these firms, namely Shri Ashish Jain and others, and used such access to download bank statements for monitoring the volume and frequency of transactions, in order to assess the commission chargeable by him.

(d) That he had installed the Citibank Hong Kong mobile banking application on his mobile phone and used it to download bank statements of M/s Villa Morae Ltd., Hong Kong, for the purpose of monitoring the quantum of transactions undertaken in that entity as well.

**4.6** Further, screenshots recovered from the mobile phone of Shri Piyush Nolakha contained WhatsApp chat exchanges with a person named Shri Pradeepji Gupta. In this regard, Shri Piyush Nolakha admitted in his statement dated 25.07.2024 that he had facilitated the transfer of funds from Shri Pradeep Gupta to the firm M/s Shriji Impex, maintained with Equitas Small Finance Bank (IFSC: ESFB0009014). It had already been established during earlier stages of the investigation that M/s Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology had received a substantial portion of their funds from M/s Shriji Impex, which were subsequently remitted abroad to overseas entities such as M/s DP Design Ltd., Hong Kong. With respect to various documents pertaining to M/s Elite International, Hong Kong, recovered from his mobile phone, Shri Piyush Nolakha stated in his statement dated 25.07.2024 that Elite International, Hong Kong is his own firm; that he is the sole director, and that the entity has been utilized in the same manner as his other offshore company, M/s D.P. Designs Ltd., Hong Kong. He further admitted that he currently operates another overseas entity, M/s Villa Morae, Hong Kong, which is also being used for similar purposes. In respect of screenshots of transactions recovered from his mobile phone showing that his firm M/s Dipika Gems, Hong Kong had made payments to M/s Fortune Gems, Hong Kong, Shri Piyush Nolakha admitted in his statement dated 25.07.2024 that Fortune Gems is engaged in the diamond trade and that Shri Ashish Jain had procured diamonds from Fortune Gems, Hong Kong through Dipika Gems, Hong Kong. He further stated that the screenshot had been shared with him for the purpose of informing him that diamonds had been purchased from a firm belonging to Shri Ashish Jain's brother-in-law, i.e., Fortune Gems.

**4.7** Furthermore, with reference to invoices of Elite International, Hong Kong recovered from his mobile phone, Shri Piyush Nolakha stated in his statement dated 25.07.2024 that the said invoices were photographed/captured by him using his mobile phone during an in-person meeting with Shri Ashish Jain and Shri Rajesh Chopra, owing to a query raised by the concerned bank.

**4.8** Shri Piyush Nolakha, in his statement dated 26.07.2024 (**RUD-6**), further admitted that the Annual Report and Financial Statements of M/s DP Design Ltd., Hong Kong for the financial year ended 31.03.2023, which were recovered from his mobile phone, had been signed by him in the capacity of the sole Director of the said company. He also reiterated on multiple occasions during the course of his statements that he had been operating all his overseas firms from India itself,

without undertaking any genuine business activity abroad, thereby confirming that these entities were effectively shell or paper companies created for facilitating illicit financial transactions.

**4.9** Shri Piyush Nolakha in his further statement dated 27.07.2024 (**RUD-7**) disclosed the following facts:

(a) He stated that he is currently continuing to manage and operate M/s DP Design Ltd., Hong Kong. Although the earlier bank accounts of DP Design Ltd., Hong Kong were closed by the concerned bank approximately one year ago, he subsequently opened a new bank account with the Bank of East Asia, Hong Kong. He also confirmed that he presently maintains active bank accounts of M/s Villa Morae Ltd., Hong Kong with Citibank, Hong Kong, and of M/s Xclusive Company Ltd., Hong Kong with the Bank of East Asia, all of which were opened recently.

(b) From his mobile phone, several fair invoices and draft invoices issued in the name of the firms created by him such as DP Design Ltd., Hong Kong, Elite International, Hong Kong, etc. were recovered. In this regard, he admitted that he had prepared these invoices himself, and that the funds received into his bank accounts were being adjusted or settled against certain entries through such documents.

(c) He further stated that he had arranged for the creation of a website for DP Design Ltd., Hong Kong, as he was managing and operating the said company from India. To avoid queries and objections from banks regarding inward remittances, he deliberately listed multiple categories of business activities on the website such as marble trading, IT services, digital services, consultancy, etc. to provide an appearance of legitimacy to remittances received from various Indian firms engaged in different lines of business. Similarly, firms like M/s Belstar Techno Solution (OPC) Pvt. Ltd. and M/s Visual Birds Technology had described their remittances as payments for digital/IT services, despite having made no actual imports of services.

(d) He disclosed that various individuals and companies in India such as gold bullion traders, marble importers, and diamond importers frequently require funds overseas for purposes such as financing illegal imports of goods or undervaluation of imported goods. To facilitate these activities, it is necessary for them to have dummy overseas firms. He admitted that he had created DP Design Ltd., Hong Kong; Villa Morae Ltd., Hong Kong; Elite International, Hong Kong; Xclusive Co. Ltd., Hong Kong; and Dipika Gems, Hong Kong precisely for this purpose. These entities receive inward remittances from multiple Indian firms. He further admitted that the Indian firms remitting funds under the guise of Digital/Online Services such as Belstar Techno Solution (OPC) Pvt. Ltd. and Visual Birds Technology were merely dummy entities, with no genuine business activity or import of any goods/services. The remittances made by such firms were entirely without any underlying supply. He admitted that once the funds were received into the accounts of his Hong Kong-based entities, he would rotate and transfer such funds

to various overseas companies as required by his clients. The funds received from Belstar Techno Solution (OPC) Pvt. Ltd. and Visual Birds Technology had been used directly or through layered transfers to diamond and gold trading firms abroad. Funds received from marble companies were routed to various firms based in Italy and other parts of Europe. All such fund transfers were executed by him through online banking from India.

(e) He admitted that all his bank accounts are operated online from India only, and that he has never visited Hong Kong for any business-related activity, apart from visits made for the purpose of bank account opening.

(f) In respect of WhatsApp chats recovered from his phone between him and Shri Manish Lodha, wherein a reference was made to a person named Shri Dinesh Lodha, he stated that Shri Dinesh Lodha, a diamond trader residing in Delhi, had remitted funds to his overseas firms on two occasions to meet his requirement of funds abroad. The reference to "3 Kg" in the chats signified Rs. 3 lakhs, being the commission payable to him (Shri Piyush Nolakha) for facilitating the overseas remittance.

(g) In respect of credit entries from M/s Lakshya Exports in his Kotak Mahindra Bank account and screenshots of invoices relating to the export of rough diamonds from M/s Dipika Gems, Hong Kong to Lakshya Exports, Surat, recovered from his phone, he admitted that he had signed the invoices on behalf of Dipika Gems for the purpose of showing exports of lab-grown rough diamonds, deliberately overvalued in order to facilitate illegal outward remittances. He further admitted that Lakshya Exports is the firm of the brother-in-law of Shri Rajesh Chopra, and that he had received commission payments from Lakshya Exports into his Kotak Mahindra Bank account.

**4.10** Shri Piyush Nolakha in his further statement dated 28.07.2024 **(RUD-8)** disclosed the following facts:

(a) He admitted that the bank account of Villa Morae Ltd., Hong Kong with Citibank, Hong Kong was opened approximately one and a half years ago, and that the bank statements for the period March 2023 to June 2024 were recovered during the forensic examination of his mobile phone.

(b) Upon being questioned regarding the purpose of the funds rotation received from *Belstar Techno Solution (OPC) Pvt. Ltd.* and *Visual Birds Technology* to various diamond and gold trading companies, he stated that such funds were utilised for financing illegal import of goods/undervaluation of imported goods. He further stated that persons namely Ashish Jain (Chordiya), Manish Lodha and Rajesh Chopra have an overseas nexus and are involved in illicit procurement and smuggling of diamonds and gold into India through unauthorised channels. Although he is unaware of the exact smuggling route, he stated that he was informed by them that diamonds and gold brought into India using the funds remitted through the aforesaid companies are illegally absorbed by Surat and Mumbai-based gold bullion and diamond traders.

(c) When asked about the person(s) signing export documents or invoices on his behalf in Hong Kong, he stated that regulatory requirements in Hong Kong are relatively lenient and that he can direct any known person residing in Hong Kong to submit documents on his instructions. Such documents are forwarded by him from India through the internet to acquaintances in Hong Kong, who then submit them to the concerned authorities.

(d) When questioned about the companies of *Sh. Dinesh Lodha* from which funds were remitted to his (Piyush Nolakha's) overseas firms, he stated that he had remitted funds overseas through hawala channels. However, he does not recall the exact company or account used in the said transactions.

**4.11** Shri Piyush Nolakha, in his further statement dated 29.07.2024 (**RUD-9**), disclosed the following facts:

(a) He admitted that he solely operates his overseas firms without any partner. When confronted with printouts of emails from Wing Lung Bank, containing queries raised by the bank regarding various transactions in his accounts (as recovered from his mobile phone), he stated that the bank had found the transactions suspicious and therefore sought clarifications. He further admitted that he had furnished false and misleading replies to the bank in order to prevent deactivation of his account. He further stated that the firms referred to in the said emails include (i) India-based entities that had remitted funds to his Hong Kong-based firms for illegal import/undervaluation of goods, and (ii) overseas entities to whom he had transferred funds as per the requirements of his clients.

(b) Based on the recent bank statements produced by Shri Piyush Nolakha, a summary of foreign inward remittances from India-based firms was prepared. He admitted that he had received USD 1,847,847.65 during February 2024 to June 2024 in the bank account of Villa Morae Ltd., and USD 266,217.10 during June 2024 in the bank account of Xclusive Co. Ltd., from India-based firms. He further stated that the purpose of these remittances was merely to route funds through hawala channels for illegal import of goods, similar to past remittances received from *Belstar Techno Solution (OPC) Pvt. Ltd.*

**5.** From the cumulative facts, records, statements and evidence gathered during the investigation, it stands conclusively established that Shri Piyush Nolakha, resident of Jaipur, has been actively engaged in the incorporation, operation and management of multiple offshore entities based in Hong Kong, including M/s D.P. Designs Ltd., M/s Dipika Gems, M/s Elite International, M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd., all of which were created, owned and controlled by him and operated from India. Examination of Form 15CB certificates revealed that ₹75.09 Crores had been remitted by M/s Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology in favour of M/s D.P. Designs Ltd., Hong Kong, prompting extension of the investigation to Shri Nolakha, whose voluntary statements were recorded under Section 108 of the Customs Act, 1962 between 22.07.2024 and 28.07.2024. In his detailed admissions, corroborated by digital and



physical evidence seized from his residence, including mobile phones, electronic devices, screenshots of remittance transactions, draft documents of dummy firms, WhatsApp communications with accomplices such as Shri Pradeep Gupta, and even the rubber stamp of M/s D.P. Designs Ltd., Shri Nolakha unequivocally confessed to incorporating and operating the aforesaid offshore entities as dummy vehicles solely for receiving illegal remittances from numerous Indian firms without any underlying supply of goods or services, and for routing such funds to suppliers and traders of gold, diamonds and precious stones with the intent to facilitate undervaluation, smuggling and evasion of lawful duties. He further admitted that the purpose of these entities was not genuine trade but the rotation of funds outwardly projected as payments for "IT/Digital Services", which, in reality, were diverted for financing the import of undervalued or smuggled gold and other contraband into India. He also disclosed that these activities were undertaken in concert with Shri Ashish Jain of Noida, from whom he regularly received commission payments in cash in India for arranging and facilitating such transactions. Analysis of data extracted from his seized devices (**RUD-10**), including WhatsApp chats, banking records and remittance screenshots, further revealed substantial outward foreign exchange remittances made by various Indian entities to M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd. between 06.06.2024 and 28.06.2024, including USD 266,217.09 received by M/s Xclusive Co. Ltd. from 19 Indian firms and USD 1,847,847.55 received by M/s Villa Morae Co. Ltd. from 20 Indian firms, all of which were found to be fictitious transactions executed by Shri Nolakha without any actual supply of goods or services. The above facts collectively demonstrate his conscious, wilful and deliberate contravention of the provisions of the Customs Act, 1962 and other applicable laws, with the clear objective of defrauding the Government exchequer and facilitating the illicit import and circulation of smuggled goods.

**6.** Analysis of the digital evidence retrieved from the seized electronic devices of Shri Piyush Nolakha, including WhatsApp communications, banking records, and screenshots pertaining to cross-border remittances, revealed that M/s. Bhagwati Enterprises G-85, Industrial Area, Bidiyad, Makrana, Nagaur-342542, a Proprietorship firm of Shri Manoj Kumar Sharma has also effected outward foreign exchange remittances in favour of two overseas entities, namely M/s Villa Morae Co. Ltd., Hong Kong, and M/s Xclusive Co. Ltd., Hong Kong. The verified transaction records indicate that remittances were made to M/s Xclusive Co. Ltd., Hong Kong, including an amount of USD 16175.56 on 07.06.2024 originating from the bank account of M/s. Bhagwati Enterprises. Further, the analysis of the extracted data established that a remittance of USD 51362.24 was also made by M/s. Bhagwati Enterprises to M/s Villa Morae Co. Ltd., Hong Kong. The investigation conducted in the cases related to M/s Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology conclusively indicates that the outward foreign exchange remittances made to both these Hong Kong-based entities were sham transactions, lacking any underlying commercial substance, and were orchestrated as part of a fraudulent mechanism devised by Shri Piyush Nolakha to illicitly transfer funds outside India under the guise of import-related payments.

**6.1** In view of the above facts and the material evidence recovered during the investigation, it prima facie appears that the outward foreign exchange remittances effected from the bank accounts of M/s. Bhagwati Enterprises in favour of the Hong Kong-based entities, namely M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd., were devoid of any underlying legitimate commercial transactions and were executed in contravention of the provisions of the Customs Act, 1962, the Foreign Exchange Management Act, 1999, and other allied statutory frameworks governing cross-border payments. The nature of these remittances, the absence of corresponding import documentation, and the linkages established through the digital evidence retrieved during the investigation collectively indicate that the Noticee also appears to have been involved in effecting illicit outward remittances under the false pretext of import-related payments.

**6.2** Upon detailed scrutiny and further examination of the documents retrieved from the mobile phone of Shri Piyush Nolakha, it was revealed that four invoices had been issued by an Italy-based supplier, M/s Figli Gemignani & Vanelli S.r.l., Italy for marble blocks allegedly imported by his associated firms. These invoices reflected the actual transaction values as well as the specific container numbers in which the goods were loaded. Subsequently, for the same consignments, Shri Piyush Nolakha caused invoices to be raised from his associated Hong Kong-based entities, namely M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd. etc., in favour of India-based firms, including the Noticee, importer. These Hong Kong-based invoices pertained to the same container number, seal number and quantity; however, the values reflected therein were materially at variance with the values declared by the Italy-based supplier, thereby indicating possible under-valuation and misdeclaration of the true transaction value of the imported goods. These discrepancies, coupled with the sham remittances traced to the Hong Kong-based entities, provided reasonable grounds to suspect large-scale undervaluation of imported marble blocks and systematic evasion of customs duty by multiple importers, including the Noticee. In view of these findings, separate investigations have been initiated against the concerned Indian entities, including the Noticee, under the applicable provisions of the Customs Act, 1962.

**6.3.** Statement of Shri Manoj Kumar Sharma, Proprietor of M/s. Bhagwati Enterprises was recorded on 15.01.2025 (**RUD-11**) (hereinafter also referred to as “the importer” or “the noticee” for the sake of brevity) G-85, Industrial Area, Bidiyad, Makrana, Nagaur was recorded, wherein, he inter-alia stated that M/s. Bhagwati Enterprises is engaged in trading of Marble Blocks and Marble Slabs including Import of these goods; that his firm is not engaged in any manufacturing activity; that the marble blocks and slabs are imported as well as purchased locally; that recently most of the marble have been procured through import; that as per the requirement of buyers the marble blocks are sent for cutting on job work and thereafter sold; that main buyers of their firm are M/s. F S Bhati Marbles, M/s. Nisha Marble Suppliers, M/s. Milan Marble Industries etc.; that

import of goods was made through Broker(Marker);that they contact Marker through Kishangarh Mandi, sometimes the Markers contact them directly; that he is a small businessman ;that large companies do not accept small orders, hence, he had to import through Markers; that the Marker through video call exhibit the goods they would be sending to the buyer; that on arrival of goods at port they transfer the money to the supplier.

Shri Manoj Kumar Sharma further stated that the order for import of blocks is given through Broker (Marker) mainly, Sh. Piyush Nolakha resident of Jaipur, Sh. Omji Maheshwari resident of Kishangarh; that through phone they used to intimate the Marker about the goods to be supplied, which is mostly Rough Marble Stone Block, the orders are placed in advance; that he came in contact with Sh. Piyush Nolakha before five years, when he came in Mandi with Sh. Ashish Toshniwal, who is a business man at Kishangarh; that he knew Sh. Ashish Toshniwal for many years; that he has purchased goods from M/s. Universal Global Impex, a unit of Sh. Ashish Toshniwal but never sold any goods to his firm; that Sh. Ashish Toshniwal had provided him phone number of Sh. Piyush Nolakha; that he had called Sh. Piyush Nolakha and placed orders for import; that he has imported goods at his firm, M/s. Bhagwati enterprises from Hong Kong based Firms of Sh. Piyush Nolakha, namely, M/s. Elite International, M/s. D P Designs limited, M/s. Villa Morae Co Limited, M/s. Xclusive Co Ltd., M/s. Dipika Gems at Mundra port;that he has imported 22 consignments of Rough Marble Blocks(CTH 25151210/25151220) and Rough Marble Slabs (CTH 68022190) having assessable value of Rs.3,47,16,988/-;that he is submitting Import documents viz.,Bill of Entry, Invoice, Bill of lading, Packing list, bank statement for payment reference etc.

Shri Manoj Kumar Sharma, proprietor of M/s. Bhagwati Enterprises during his statement dated 15.01.2025, further stated that in his firm Rough Marble Blocks @240 to 310 USD/MTS and Rough Marble Slabs @0.753666 to 1.335642 USD/kgs, Polished Marble [Slabs @](#) 0.759318 to 0.924021 have been imported.

Shri Manoj Kumar Sharma was asked to read over the statement dated 27.07.2024, 28.07.2024 & 29.07.2024 of Sh. Piyush Nolakha in which he had clearly stated that he was not engaged in any business activity and his Hong Kong based firms, M/s. Elite International, M/s. D P Designs limited, M/s. Villa Morae Co Limited, M/s. Xclusive Co Ltd., M/s. Dipika Gems were only used for sending money out of India.

Shri Manoj Kumar Sharma stated that he has read over and understood the statement dated 27.07.2024 (page no.1 to 5), 28.07.2024 (page no.1 to 3) & 29.07.2024 (page no.1 to 3) of Sh. Piyush Nolakha and put his signature on the last page of the photo copy of the statements; that he has physically imported all the imports through the firms of Sh. Piyush Nolakha and those were given out of charge by Customs after their valuation; that in this regard he has submitted all the documents viz., viz., Bill of Entry, Transporter Bills, Bank Statements, Import ledgers etc.; that payment for all the imports have been made through banking channels; that further sales of imported goods have been recorded in the books of Account, which were audited and further submitted to the Income tax department; that he had contacted Sh. Piyush Nolakha for the purpose of Marble trading and through phone used to place order to Sh. Piyush Nolakha or to the person, he provide phone number; that he did not agree with the statement of Sh. Piyush Nolakha that the marble traders had undervalued the goods imported by them; initially he had imported consignment from M/s. Figli Gemignani & Vanelli s.r.l. Italy through BOE No.2243498 dated 05.01.2021 which was given out of charge by Customs after examination and the rate of goods per metric Ton was nearly equal to the goods imported by him through Sh. Piyush Nolakha, he was submitting the relevant BOE.

Shri Manoj Kumar Sharma was asked to peruse Invoice retrieved from the Mobile phone of Sh. Piyush Nolakha, Invoice No.9/E dated 15.03.2024 issued by M/s. Figli Gemignani & Vanelli s.r.l. Italy, showing details of Container No. HLXU139169.0 & HLXU136761.0 description of goods, (STATUARIO VENTO/STATUARIETTO) and asked to comment on it.

Sh. Manoj Kumar Sharma after seeing the invoice No.9/E dated 15.03.2024 stated that he has seen the Invoice No.9/E dated 15.03.2024 issued by M/s. Figli Gemignani & Vanelli s.r.l. Italy, and putting his signature on it. The invoice contain details of Container No. HLXU139169.0[Seal no.2692649] quantity 2834000 KGs & HLXU136761.0[Seal no.2694037]2484000 KGs (Total 53.180 MT) description of goods, (STATUARIO VENTO/STATUARIETTO); that the invoice was not related to him and it has not been issued to their firm; that the goods imported vide BOE 3693032 dated 27.05.2024 also bear Container No. HLXU139169.0[Seal no.2692649] quantity 2834000 KGs & HLXU136761.0[Seal no.2694037]2484000 KGs (Total 53.180 MT);that M/s. Figli Gemignani & Vanelli s.r.l. Italy had issued

invoice on 15.03.2024 to M/s. Xclusive Co. ltd. ,whereas the goods purchased by their firm was loaded on 27.03.2024 and he was submitting the concerned Bill of lading;that they had procured Rough Marble Block which has been cleared by Customs and is different from the invoice issued by M/s. Figli Gemignani & Vanelli s.r.l. Italy; that he did not agree that common Container No. & Seal No. means the goods are same;that he did not deal in Satvario marble, he neither purchased it from local market nor imported, as it is very costly and is not sold in Makrana Mandi; that there is not enough demand of such type of goods, therefore he did not trade in Satvario marble; that he never imported goods by undervaluing, if during departmental investigation it is proved that the import by them is undervalued, he was ready to pay appropriate duty.

Sh. Manoj Kumar Sharma during his statement when asked as to whom and what rate the Marble Block imported under BOE 3693032 dated 27.05.2024 was sold, he replied that the Marble imported by that BOE could not be differentiated as it is a continuous process and the imported marble is not sold immediately; that the rough marble block at their firm is of similar quality, therefore, no separate account is maintained and the whole of Block is not sold at once, it is sold after cutting it as per the requirement of buyer; that the available goods in stock is sold; that the goods are sold by him @ Rs. 30,000/- to @ Rs. 63,000/-; that he has submitted sale Bill S.I.No.1 to 52.

Sh. Manoj Kumar Sharma during his statement when confronted with the fact that in the year 2024 they had imported marble Blocks @305 USD/PMT which in Indian Currency is equivalent to Rs.24,700/-PMT. He stated that the rate of marble Blocks @305 USD/PMT is as per FOB and thereafter, Freight, Insurance, Taxes are added in value; that the invoice value in BOE 3693032 dated 27.05.2024 is 16219.9 USD, which in Indian Currency comes to Rs.13,68,149/- and further Freight, Insurance, Taxes are added and thereafter, the consignment was valued Rs.2425543/-(45610/PMT);that the price of goods depend upon the quality of goods; that goods of Turkey, Tansania origin is cheaper in comparison to the goods of Italy origin; that sometimes goods of inferior quality is received which has to be sold at cheaper rate, likewise when superior quality of goods is received it is sold at good margin;that on an average there is 10-12% profit margin;that the goods of invoice no.48,49 &50 dated 23.11.2024 was sold @ Rs.63000/-PMT

Sh. Manoj Kumar Sharma during his statement when confronted with the fact that Marble Blocks imported vide BOE 3693032 dated 27.05.2024 was of Italy Origin and he was asked to state as from which firm of Sh. Piyush had purchased these goods, he was asked to produce document in this regard and show the photo or video of goods sent by Sh. Piyush Nolakha. Shri Manoj Kumar Sharma stated that no Marker disclose, from where he had procured/supplied the goods and also no document in this regard is shared; that mainly he import Rough Marble Block Grey/Beige colour, therefore, he placed order through phone; that sometimes the video of Marble Block being dispatched was shared; that Sh. Piyush never shared video himself, someone from Italy used to show picture through video call; that sh. Piyush used to send invoice, Proforma invoice through e-mail ;villamora875@gmail.com,xclusivecoltd@gmail.com;that he did not remember the call with him on whatsapp.

**6.4** Further statement of Sh. Manoj Kumar Sharma was recorded on 23.09.2025 **(RUD-12)** under Section 108 of the Customs Act,1962, wherein he inter-alia stated that he was submitting print outs of GSTR2A, GSTR1, GSTR 3B for the period 01.04.2021 to 30.11.2024,Purchase & Sale Bills for the period 01.04.2021 to 31.03.2025 and Bank statement from 01.04.2021 to till date;that rest of the documents shall be submitted soon; that M/s. Bhagwati Enterprises is a trading firm which is engaged in purchase and sale of Blocks of Marble, Granite and slabs, sale & purchase work is looked after by him; that goods are purchased from local market as well imported; that the payment is made through bank; that they import Marble Block and Slabs which is sold as it is or sometimes after cutting it from other manufacturers as per the requirement of buyers; that they sale goods in retail at local market; that the payment for imported goods is made by him to the foreign suppliers by Bank remittance; that the order for import of goods is placed by him through phone after seeing the photograph/video of the material shared by the Marker; that the goods imported by them as well as purchased from local market, after adding the cost it is sold at the profit margin of 5% to 10%;that for clearing the imported goods at Port to CHA/CB they through e-mail provide him Bill of lading, Invoice, Packing list; the CHA/B send his bill through e-mail, thereafter payment is made through RTGS;that CHA/CB after dispatching goods from port to their firm, send his Bill,Bilty,L.R.through e-mail or Courier; that bill of CHA/CB include charges of clearance of goods at Port and transport charges; that

he shall submit these documents to the department, however a few of these have already been submitted to the department.

Further during statement dated 23.09.2025 of Sh. Manoj Kumar Sharma was asked about the Bill of Entry No.3693032 dated 27.05.2024 in which an invoice issued by M/s. Xclusive Co Ltd. contain the detail of the import of four Marble blocks have been imported in Container No.HLXU139169 bearing seal no.2692649, Container No. HLXU 136761 bearing seal no.2694037 loaded with 28.340 MT and 24.840 MT Marble Blocks(total 53.180MT) @ 305 USD/PMT showing value 16219.90USD and Customs duty was paid on that value. Further on forensic of mobile phone of Sh. Piyush Nolakha an Invoice issued by M/s. Figli Gemignani & Vanelli s.r.l. to M/s. Xclusive Co Ltd. Hong Kong supplying same quantity of Marble Blocks (4 Marble Blocks) in the containers having same nos. and bearing same seal nos. showing value at 56370.80 Euro, which was too high in comparison to the invoice submitted by them. He was asked to comment on the same.

Sh. Manoj Kumar Sharma stated that he has seen both the Invoices, the invoice submitted by them as well as the invoice recovered from the Mobile phone of Sh. Piyush Nolakha in these Container no., seal on the Containers and the quantity loaded exactly match, in this regard he has to state that they have paid Customs duty on the invoice value of the Invoice issued to them by their importer, M/s. Xclusive Co ltd. Hong Kong; that he has no knowledge about the Invoice issued by M/s. Figli Gemignani & Vanelli s.r.l. to M/s. Xclusive Co ltd. ,he was unable to comment on it; that they engaged M/s. accuracy Shipping Ltd. & M/s. Pearls Shiptrans Pvt. Ltd. For importing goods at Mundra.

**7.** On further scrutiny of the documents retrieved from the electronic devices of Shri Piyush Nolakha, it was revealed that four invoices **(RUD-13)** issued by the Italy-based supplier, M/s Figli Gemignani & Vanelli S.R.L., in favour of M/s Xclusive Co. Ltd., Hong Kong an overseas entity operated and controlled by Shri Piyush Nolakha were recovered. These invoices pertained to the export of marble blocks and, upon verification, were found to be directly linked with specific consignments imported by M/s BHM Marble & Granite. The linkage was conclusively established through matching of container numbers and seal numbers appearing in the said Italian supplier invoices with those reflected in the corresponding Bills of Lading and Bills of Entry filed by M/s. Bhagwati Enterprises at the time of import. The details of the invoices issued by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong, and the corresponding

invoices issued by M/s Xclusive Co. Ltd., Hong Kong, to M/s. Bhagwati Enterprises, are as under:

A. Details mentioned in the invoice issued by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong

Invoice No. & Date	Description of goods	Qty. in MT	Rate USD/EURO/PMT	Value In USD/EURO	Bill of Lading No.	Container Number	Container Seal No.
9/E dated 15.03.2024	[4Marble Blocks] (of STATUARIO VENATO & STATUARIETTO Brand)	53.180	1060(EURO)	(56370.80 EURO)		HLXU1391690 HLXU1367610	2692649 2694037

B. Details mentioned in the invoice issued by M/s Xclusive Co. Ltd., Hong Kong, to M/s. Bhagwati Enterprises

Bill of Entry No. & Date	Name of Foreign Supplier	Invoice No. & Date	Description of goods	Rate	Value	Bill of Lading No.	Container Number	Container Seal No.
3693032 dt.27.05.2024	M/s. Xclusive CO LTD, Hong Kong	XC/ INV/ 124/23-24 Dated 29.03.2024	Rough Marble Blocks	305 USD/PMT 53.180 MT(Qty.)	16219.90 USD	2024EM797B/HLC/SPE/MUN	1.HLXU1391690 2.HLXU1367610	1.2692649 2.2694037

**7.1** From the foregoing facts and documentary evidence, it is observed that the initial commercial invoice issued by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong (an entity operated and controlled by Shri Piyush Nolakha), reflected the shipment particulars as Container No. HLXU1391690 , Container Seal No. 2692649 , quantity 28.340 MT, description of goods as “STATUARIO VENATO (STATUARIETTO) Marble” & Container No. HLXU1367610 , Container Seal No. 2694037 , quantity 24.840 MT, description of goods as “



(STATUARIETTO) Marble and the unit price as EUR 1,060 per MT. However, in the corresponding invoice issued subsequently by M/s Xclusive Co. Ltd., Hong Kong, to M/s Bhagwati Enterprises, the shipment particulars namely, Container Number, Container Seal Number, and quantity remained identical, whereas the description of the goods was altered to “Marble Blocks” and the unit price was significantly reduced to USD 305 per MT. Further, it has been observed that the value declared in the Bills of Entry by the importer (i.e., **USD 305 per MT**, total declared assessable value **USD 16219.90**) was substantially lower than the value reflected in the original Italian invoices (total value **EUR 56370.80**), copies of which were retrieved from the mobile phone of Shri Piyush Nolakha. Notably, despite the identical quantity of 28.340 **MT** and the same container particulars (Container No. HLXU1391690, Seal No.: 2692649)& Quantity of 24.840 MT( Container No. HLXU1367610, Seal No. 2694037) in both sets of invoices i.e., the invoice issued by the Italian supplier, M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong, and the invoice issued by M/s Xclusive Co. Ltd., Hong Kong, to the Indian importer, M/s Bhagwati Enterprises the description and declared value of the goods were materially altered, thereby indicating deliberate undervaluation and misdeclaration in the import documents.

**7.2** It has further been observed that M/s Bhagwati Enterprises, had imported **Satvario (STATUARIETTO)marble blocks** under the very same container numbers, bearing same seal numbers and quantities, in which higher-quality marble blocks/slabs were originally dispatched by the Italian supplier, M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong an entity controlled and operated by Shri Piyush Nolakha and were thereafter exported *as such* to India. The entire documentary trail, comprising the original Italian invoices, Bills of Lading, and the corresponding Bills of Entry filed in India, clearly establishes that while the Italian invoices accurately reflected the higher-quality goods along with their true commercial value, the importer, in collusion with M/s Xclusive Co. Ltd., Hong Kong, deliberately undervalued and mis-declared the goods in the import documents filed before Indian Customs at Mundra Port. Specifically, the goods were declared as **“Rough Marble Blocks”** at a substantially lower unit value, instead of the actual **superior-grade Satvario (STATUARIETTO)Marble Blocks** imported in the consignment. The one-to-one correlation between the container numbers and seal numbers appearing in the Italian commercial invoices and those reflected in the Indian import documents conclusively establishes that the same consignments were presented before Indian Customs after altering the description and value. This deliberate mis-declaration and undervaluation appear to have been carried out by the importer, in collusion with the Hong Kong-based entities, with the clear intent to evade payment of legitimate customs duty.

**8.** Further, the investigation conducted in the cases pertaining to M/s. Belstar Techno Solutions (OPC) Pvt. Ltd. and M/s Visual Birds Technology conclusively establishes that substantial amounts of foreign exchange were remitted from India to the overseas bank accounts of M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd., Hong Kong both entities having been incorporated, owned, and operated by Shri Piyush Nolakha. The statements of Shri Piyush Nolakha, corroborated by the

digital evidence retrieved from his mobile devices and the corresponding remittance records, clearly confirm that these Hong Kong-based entities were created and controlled by him solely for the purpose of receiving foreign remittances under the false pretext of supply of goods or services, despite the fact that no such supply ever took place. It thus appears that M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd. were deliberately established and utilized by Shri Piyush Nolakha as conduit entities for the laundering of foreign exchange under the façade of international trade transactions, thereby facilitating unauthorized outward remittances and contributing to the evasion of customs duties on goods imported into India.

**8.1** The investigation has revealed that the importer, in active connivance with Shri Piyush Nolakha, adopted a deliberate modus operandi to suppress the actual commercial value of imported marble blocks and to evade customs duty by resorting to systematic undervaluation through the use of offshore shell entities controlled by Shri Piyush Nolakha. Evidence recovered during the investigation establishes that (STATUARIETTO)-brand Marble Blocks valued at EUR 1,060 per MT were supplied by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong, under Invoice No. 9/E dated 15.03.2024. The said invoice covered 53.180 MT (Four marble blocks) stuffed in Container No. HLXU1391690 bearing Seal No. 2692649 , (quantity 28.340 MT), & Container No. HLXU1367610 bearing Seal No. 2694037 (quantity 24.840 MT).

These very goods were subsequently supplied, without any processing, by M/s Xclusive Co. Ltd., Hong Kong, to M/s Bhagwati Enterprises, under Invoice No. XC/INV/124/23-24 dated 29.03.2024. The downstream invoice clearly reflected the same container number Container No. HLXU1391690 bearing Seal No. 2692649, (quantity 28.340 MT), & Container No. HLXU1367610 bearing Seal No. 2694037 (quantity 24.840 MT). However, the goods were declared as “Marble Blocks” at a grossly understated and fictitious value of USD 305 per MT, instead of their actual transaction value of EUR 1,060 per MT. The importer remitted only USD 305 per MT through the official banking channel, whereas the differential amount representing the suppressed value was illicitly remitted through hawala channels, thereby concealing the true price actually paid/payable and facilitating intentional undervaluation and duty evasion.

**8.2** Investigation further demonstrates that similar fraudulent modus operandi was adopted by other importers, also in collusion with Shri Piyush Nolakha, wherein high-value marble blocks imported from Italy were routed through the Hong Kong-based shell entity M/s Xclusive Co. Ltd. and supplied to Indian importers at artificially suppressed prices:

(i) Under Invoice no. 10/E dated 15.03.2024, M/s. Figli GEMIGNANI & VANELLI s.r.l., Italy supplied 29.75 MT (Two Marble Blocks of STATUARIETTO varieties) valued at EUR 1060 per MT to M/s. XCLUSIVE CO LTD, HONG KONG. The goods were stuffed in container no. HLBU1021276 (SEAL NO.2693961 wt. 29.75 MT). These goods were further supplied by as such by M/s. XCLUSIVE CO LTD, HONG KONG to M/s. B.H.M. MARBLE & GRANITES, (GSTIN:08AHJPT0801G1ZG), RIICO

Industrial Area, Bidiyad, DISTRICT MAKRANA, Nagaur, Rajasthan-341542 vide invoice no. XC/INV/125/23-24 dated 29.03.2024 at an undervalued rate of USD305 per MT, while retaining the same container and seal particulars and the same weight.

**(ii)** Under Invoice No. 9/E dated 15.03.2024, M/s Figli Gemignani & Vanelli S.R.L., Italy, supplied 53.18 MT (four marble blocks of STATUARIETTO VENATO/ STATUARIETTO varieties) valued at EUR 1,060 per MT to M/s Xclusive Co. Ltd., Hong Kong. The goods were stuffed in Container Nos. HLXU1391690 (Seal No. 2692649; weight 28.340 MT) and HLXU1367610 (Seal No. 2694037; weight 24.840 MT). These goods were further supplied as such by M/s Xclusive Co. Ltd., Hong Kong, to M/s Bhagwati Enterprises (GSTIN: 08DHZPS7896R1ZA), Plot No. G-85, RIICO Industrial Area, Bidiyad, Nagaur, Rajasthan-342542, vide Invoice No. XC/INV/124/23-24 dated 29.03.2024, at an undervalued rate of USD 305 per MT, while retaining the same container and seal particulars and the same weights.

**(iii)** Under Invoice No. 12/E dated 15.03.2024, M/s Figli Gemignani & Vanelli S.R.L., Italy, supplied 58.12 MT (two marble blocks of STATUARIETTO variety) valued at EUR 1,060 per MT to M/s Xclusive Co. Ltd., Hong Kong. The goods were stuffed in two containers—HLXU3541309 (Seal No. A60240; weight 28.500 MT) and HAMU1088921 (Seal No. 2694478; weight 29.620 MT). These goods were then supplied by M/s Xclusive Co. Ltd., Hong Kong, to M/s Wonder Marble Suppliers (GSTIN: 08BAXPS918D1ZS), G-246, RIICO Industrial Area, Makrana, Bidiyad, Nagaur, Rajasthan-341542, vide Invoice No. XC/INV/127/23-24 dated 29.03.2024, again at an artificially reduced value of USD 305 per MT, with identical container/seal details and weights.

**(iv)** Under Invoice No. 11/E dated 15.03.2024, M/s Figli Gemignani & Vanelli S.R.L., Italy, supplied 28.45 MT (two marble blocks of STATUARIETTO variety) valued at EUR 1,060 per MT to M/s Xclusive Co. Ltd., Hong Kong. The goods were stuffed in Container No. HAMU1034294 (Seal No. 2694322; weight 28.45 MT). These were subsequently supplied to M/s Galaxy Marble & Granite (GSTIN: 08FXBS6978G1ZP), C/o Mishra Marble, G-245, Industrial Area, Bidiyad, Nagaur, Rajasthan-341542, vide Invoice No. XC/INV/126/23-24 dated 29.03.2024, at the undervalued rate of USD 305 per MT, with all shipment particulars matching the original Italian shipment.

**8.3** The above-described flow of goods, documentary trail, identical shipment particulars, suppressed declared prices, and the pattern of dual payments (one through banking channels at USD 305/MT and the balance through hawala) conclusively establish that M/s Bhagwati Enterprises (GSTIN: 08DHZPS7896R1ZA), along with other importers, knowingly colluded with Shri Piyush Nolakha in systematically suppressing the actual transaction value of marble blocks imported through Hong Kong-based shell companies controlled by him. The acts of deliberate undervaluation, misdeclaration of value, misclassification/incorrect description, and concealment of the true consideration

paid/payable constitute willful suppression and fraudulent conduct with the intent to evade customs duty, thereby attracting penal consequences under the Customs Act, 1962.

**9.** Whereas, it appears that M/s Bhagwati Enterprises, knowingly and with the intent to defraud the Government exchequer, colluded with Shri Piyush Nolakha and deliberately suppressed the actual value of the imported goods, besides mis declaring the true description of the goods. Instead of declaring the imported consignments as high-value Satvario (STATUARIETTO) Marble Blocks, as actually shipped by the Italian supplier, the importer willfully declared them merely as “Rough Marble Blocks/Slabs,” thereby concealing their true commercial quality and value.

The evidence gathered during the investigation clearly establishes that M/s Bhagwati Enterprises imported Satvario/ STATUARIETTO marble blocks/slabs in the same containers, with identical seal numbers and identical quantities, as those shipped by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong an offshore entity controlled and operated by Shri Piyush Nolakha. The goods were thereafter routed to India without any alteration, and were supplied “as-is” to the importer through the said Hong Kong-based entity.

The documentary trail, comprising the Italian invoices, Bills of Lading, and the corresponding Bills of Entry filed before Indian Customs at Mundra Port, conclusively demonstrates that while the Italian invoices reflected higher-quality Satvario/ STATUARIETTO marble and its true transactional price, the importer acting in concert with M/s Xclusive Co. Ltd., Hong Kong filed import documents before Indian Customs that grossly undervalued the goods and mis declared their description as ordinary “Marble Blocks.” This clear one-to-one correlation between the container numbers appearing on the original Italian export invoices and those declared in the Bills of Entry filed by the importer leaves no room for doubt that the consignments were intentionally undervalued and mis declared at the time of import.

Accordingly, it appears that the importer, in collusion with the Hong Kong-based entity controlled by Shri Piyush Nolakha, deliberately mis declared both the value and description of the imported goods with the intent to evade payment of lawful customs duty. The value declared by the importer does not reflect the true and correct transaction value as mandated under Section 14 of the Customs Act, 1962, read with the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and therefore appears liable for rejection.

## **10. Rejection of declared value:**

**10.1** On careful examination of the documentary evidence recovered during the investigation, including the invoices issued by the original Italian supplier, Bills of Lading, overseas supplier confirmations, container- and seal-number correlation, and digital records retrieved from the electronic devices of Shri Piyush Nolakha, it

is observed that the value declared by M/s Bhagwati Enterprises in the Bills of Entry filed at Mundra Port does not represent the true transaction value as required under Section 14(1) of the Customs Act, 1962 read with Rule 3(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

**10.2** The documents originating from the Italian supplier, M/s Figli Gemignani & Vanelli S.R.L., unambiguously disclose that the goods actually exported were *high-value Satvario/ STATUARIETTO Marble Blocks* priced at EUR 1060 per MT. However, the importer, in collusion with M/s Xclusive Co. Ltd., Hong Kong an entity controlled by Shri Piyush Nolakha declared the same consignments before Indian Customs at a grossly suppressed value of USD 305 per MT, while mis-declaring the goods as ordinary “Rough Marble Blocks.”

**10.3** A one-to-one correlation between: (i) Container numbers, (ii) Seal numbers, and (iii) Gross/net weights, appearing on the Italian supplier’s invoices and the Indian Bills of Entry conclusively establishes that the goods imported into India were the same goods supplied by the Italian exporter. Therefore, the Italian invoices represent the true price paid/payable, whereas the Hong Kong invoices relied upon by the importer reflect a manipulated, artificially deflated, non-genuine value, not indicative of the true commercial transaction.

**10.4** Further, investigation has revealed that the importer remitted only USD 305 per MT through official banking channels while arranging for illicit outward remittances through hawala mechanisms for the balance amount, thereby concealing the true consideration actually paid for the imported goods. Such bifurcated payment arrangements amount to clear violation of Rule 4(2) of the Valuation Rules, which mandates rejection of transaction value where the price is influenced by collusion, fraud, or non-transparent payments.

**10.5** In view of the foregoing, and in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the declared transaction value of USD 305 per MT appears to be liable for rejection, as the same does not represent the price actually paid or payable for the imported goods and does not satisfy the requirements of “transaction value” as prescribed under Rule 3(1) of the said Rules. From the facts, circumstances, and the totality of evidence available on record including documentary materials, digital data retrieved from electronic devices, banking records, and statements tendered by the concerned individuals it clearly emerges that M/s Bhagwati Enterprises have deliberately mis-declared the description of the goods and wilfully suppressed the actual transaction value in respect of various consignments of imported marble blocks, with the intent to evade payment of customs duty. As elaborated in the preceding paragraphs, the values declared before the Customs authorities at the time of clearance at Mundra Port represented only a fraction of the actual consideration, while substantial additional amounts were remitted separately through undisclosed and non-declared channels to the overseas suppliers. Such deliberate bifurcation of payments, along with the concealment of the true commercial value, renders the declared invoice value incapable of acceptance as the “transaction value” as envisaged under Section 14 of

the Customs Act, 1962, read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Section 14 of the Customs Act, 1962, read with Rule 3 and the Interpretative Notes thereto, mandates that the assessable value must reflect the entire price actually paid or payable for the imported goods, including any amount paid directly or indirectly to or for the benefit of the foreign supplier. It is therefore evident that the declared values in the present case do not reflect the full consideration paid or payable and are consequently liable for rejection under Rule 12 of the Customs Valuation Rules, 2007.

Since the total consideration actually paid/payable is ascertainable from the contemporaneous Italian invoices, digital evidence, and other corroborative records, the declared value appears to be liable for rejection and the correct assessable value is required to be re-determined under Rule 3 of the Customs Valuation Rules, 2007, based on the true price agreed between the parties and reflecting the full commercial value of the imported goods.

## **11. RE-DETERMINATION OF VALUE**

**11.1** Upon rejection of the declared transaction value under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value of the imported goods is required to be re-determined strictly in accordance with the sequential methodology prescribed under Rules 4 to 9 of the said Rules, as mandated under Rule 3(4). In the present case, authenticated and contemporaneous documentary evidence is available in the form of invoices issued by the original overseas manufacturer-exporter, clearly indicating the actual commercial value of identical goods exported under comparable circumstances. As the contemporaneous price of identical goods exported by the same Italian supplier on the same date to M/s Xclusive Co. Ltd., Hong Kong through whom the impugned consignments were routed to India is readily available and reliable, the provisions of Rule 4 (Transaction Value of Identical Goods) squarely apply to the present case.

**11.2** The invoices issued by M/s Figli Gemignani & Vanelli S.R.L., Italy, namely Invoice Nos. 10/E, 9/E, 11/E and 12/E, all dated 15.03.2024, constitute primary, contemporaneous, and credible evidence of the price actually charged by the manufacturer-exporter for identical Satvario/STATUARIETTO marble blocks. These invoices uniformly reflect a commercial price of EUR 1,060 per MT, demonstrating that identical goods of the same quality, grade, dimensions, and commercial characteristics were exported from Italy and subsequently routed to India through M/s Xclusive Co. Ltd., Hong Kong an offshore entity operated and controlled by Shri Piyush Nolakha. These invoices represent genuine arm's-length transactions and fulfil all statutory conditions stipulated under *Rule 4(1) and Rule 4(2)* for acceptance as the transaction value of identical goods.

**11.3** Accordingly, the assessable value of the impugned consignments is proposed to be re-determined under Rule 4, based on the clearly established transaction value of identical goods exported by the original supplier, at EUR 1,060 per MT,

subject to permissible adjustments under Rule 10 for freight, insurance, handling, and other associated charges as applicable.

**11.4** In the alternative, and without prejudice to the above, even if it is hypothetically assumed that the application of Rule 4 is not feasible for any reason, the assessable value would in any event be determinable under the provisions of Rule 9 (Residual Method). This is because the commercial documentation obtained from the Italian exporter, coupled with the evidence recovered from the electronic devices of Shri Piyush Nolakha, unambiguously demonstrates that the true transaction value of the imported goods is EUR 1,060 per MT plus permissible adjustments under Rule 10 for freight, insurance, handling, and other associated charges as applicable, and not the grossly suppressed value of USD 305 per MT declared by the importer. Under Rule 9, the value must be determined using reasonable means consistent with the principles and general provisions of the Valuation Rules and Section 14 of the Customs Act, 1962, which again leads to the same conclusion namely, that the actual commercial value of the goods is EUR 1060 per MT plus permissible adjustments under Rule 10 for freight, insurance, handling, and other associated charges as applicable.

**11.5** Accordingly, for the purposes of Section 14 of the Customs Act, 1962, the assessable value of the impugned Satvario/ STATUARIETTO Marble Blocks/Slabs is proposed to be re-determined at EUR 1060 per MT plus permissible adjustments under Rule 10 for freight, insurance, handling, and other associated charges as applicable, being the true price paid or payable for the goods in the ordinary course of international trade.

**11.6** Further, it is observed that the importer had been consistently importing similar goods from the same overseas suppliers and at identical declared prices. This recurring pattern indicates that, even in respect of the earlier consignments, the importer appears to have adopted the same *modus operandi*, involving deliberate mis-declaration of the description of the goods and suppression of the actual assessable value in relation to imported marble blocks/slabs. The repeated uniformity of the declared values, when examined in conjunction with the contemporaneous evidence unearthed during the investigation, reinforces the conclusion that the earlier consignments were likewise undervalued through partial and concealed payments made outside the declared banking channels. Accordingly, applying the same rationale and valuation principles, the correct assessable value of the consignments listed in **Table-A**, imported by the Noticee in the past through per Bill of Entries (**RUD-14**), has also been re-determined on the same basis at EURO 1060 per MT plus permissible adjustments under Rule 10 for freight, insurance, handling, and other associated charges as applicable, derived from the contemporaneous Italian invoices, digital evidence, and other corroborative records, in terms of Section 14 of the Customs Act, 1962, read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Consequently, the differential customs duty arising due to such re-determination of assessable value is liable to be recovered from the importer under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA, and rendering the

importer liable for penal action under Sections 112(a), 114A and 114AA of the Customs Act, 1962.

**Table-A**

Sr. No.	Bill of Entry No & date	Name Of Foreign Supplier	Declared Assessable value (CIF) in Rs.as per BOE
1	2	3	4
1	2243498 dt. 05.01.2021	M/s. Figli Gemignani & Vanelli S.R.L. Italy	2555580
2	2303147 dt. 11.01.2021	M/s. PRF Asia Ltd., Hongkong	3337853
3	2450439 dt. 21.01.2021	M/s. Roxfaces General Trading- FZE, UAE	937501.56
4	2998530 dt. 03.03.2021	M/s. Elite International Hongkong	886817
5	3958281 dt. 15.05.2021	M/s. Elite International Hongkong	1728038
6	5115005 dt. 19.08.2021	M/s. Baysalli Tekstill Makina Sanayi Ve, Turkey	601028
7	5414643 dt. 13.09.2021	M/s. Blue Eye Stone Ltd., Taiwan	1080449
8	5536842 dt. 22.09.2021	M/s. Settipani S.R.L., Italy	2029453
9	5800629 dt. 11.10.2021	M/s. Babomar Mermer San Ve Tic Ltd. Sti. Turkey	1957670
10	5870027 dt. 16.10.2021	M/s. Trade International Horizon, Tunisia	1288000
11	5966940 dt. 23.10.2021	M/s. Elite International Hongkong	2191555
12	8549130 dt. 05.05.2022	M/s. D P Designs Ltd., Hong Kong	2107297
13	8997728 dt. 07.06.2022	M/s. Elite International Hongkong	484858
14	8977870 dt. 04.06.2022	M/s. Dipika Gems, Hong Kong	1271659.97
15	9703228 dt. 25.07.2022	M/s. Elite International Hongkong	2063416
16	2040816 dt. 17.08.2022	M/s. Elite International Hongkong	1470798
17	2191761 dt. 27.08.2022	M/s. Elite International Hongkong	1350979
18	2292181 dt. 03.09.2022	M/s. Elite International Hongkong	1688325
19	2191357 dt. 17.02.2024	M/s. Villa Morae Co Ltd.	550167
20	2848977 dt. 02.04.2024	M/s. Villa Morae Co Ltd.	803565
21	3693032 dt. 27.05.2024	M/s. Xclusive Co Ltd. Hong Kong	1539588
22	4097010 dt.	M/s. Xclusive Co Ltd.	1422657



	20.06.2024	Hong Kong	
23	4721147 dt. 26.07.2024	M/s. Xclusive Co Ltd. Hong Kong	1457428
24	5399820 dt. 03.09.2024	M/s. Xclusive Co Ltd. Hong Kong	1556162
25	5949255 dt. 04.10.2024	M/s. Xclusive Co Ltd. Hong Kong	2445756
<b>Total</b>			<b>38806600.53</b>

**11.7** The invoice No.9/E retrieved from the mobile phone of Shri Piyush Nolakha revealed that the same had been issued on 15.03.2024 by M/s Figli Gemignani & Vanelli S.R.L., Italy, to M/s Xclusive Co. Ltd., Hong Kong, for the dispatch of *Satvario (STATUARIETTO) Marble Blocks* valued at EURO 1060 per MT. Subsequently, M/s Xclusive Co. Ltd., Hong Kong issued Invoice No. XC/INV/124/23-24 dated 29.03.2024, dispatching the same goods at a declared value of USD 305 per MT. Accordingly, the rate of marble blocks in USD per MT was derived as under:

**Table-B**

BOE & date	Rate of Satvario (STATUARIETTO) Marble Blocks/PMT as Per Invoice No. XC/INV/124/23-24 dated 29.03.2024 issued by M/s Xclusive Co. Ltd., Hong Kong to M/s. Bhagwati Enterprises	Rate of Satvario (STATUARIETTO) Marble Blocks/PMT as Per Invoice No.9/E dated 15.03.2024 issued by M/s Figli Gemignani & Vanelli S.R.L., Italy to M/s Xclusive Co. Ltd., Hong Kong	Exchange rate of Euro on 27.05.2024 i.e., on date of Bill of entry filed by M/s. Bhagwati Enterprises	Value of Satvario (STATUARIETTO) Marble Blocks/PMT in Rupees (4x5)	Exchange rate of USD on 27.05.2024 i.e., on date of Bill of entry filed by M/s. Bhagwati Enterprises	Rate of Satvario (STATUARIETTO) Marble Blocks/PMT in USD (6 ÷ 7)
2	3	4	5	6	7	8
3693032 dt.27.05.2024	305 USD/PMT	1060 EURO/PMT	Rs.92.6	Rs.98156/PMT	Rs.84.35	1163.67 USD/PMT

**11.8** The assessable value (CIF) have been recalculated (**Table- C**) by re-determining the actual value of Marble Block as **1163.67 USD** Per/MT based on the invoice No.9/E dated 15.03.2024 by the Italian supplier, M/s Figli Gemignani & Vanelli S.R.L., Italy to M/s Xclusive Co. Ltd., Hong Kong.

**Table-C**

Sl. No	BOE & Date	Rate of Marble block P/MT in USD	Qty. In MT	Value in USD	Exchange Rate of USD/EUR on the date of filing of BOE	Value in Rs.	Freight in USD	Exchange Rate of USD/EUR on the date of filing of BOE	Freight in Rs.	Value +freight in Rs.	11x1.1 25% (Insurance)	CIF Value	Rate of Marble block P/MT in USD as per BOE
(1)	(2)	(3)	(4)	(5)=(3 X4)	(6)	(7)=(5 X6)	(8)	(9)	(10)=(8 X9)	(11)=(7 +10)	(12)	(13)=(1 +12)	(14)
1	2243498 dt. 05.01.2	1163.67	102.34	119089.98	74.45	8866249.59	3800	74.45	282910	9149159.59	102928.0454	9252087.64	240 EURO

	021												
2	230314 7 dt. 11.01.2 021	116 3.6 7	213 .84	2488 39.19 3	74. 0	1841 4100. 27	0	74.0	0	184141 00.27	207158 .628	186212 58.90	170 EURO
3	245043 9 dt. 21.01.2 021	116 3.6 7	62. 64	7289 2.288 8	74	5394 029.3 7	0	74	0	539402 9.37	60682. 83043	545471 2.20	200 USD
4	299853 0 dt. 03.03.2 021	116 3.6 7	31. 94	3716 7.619 8	73. 7	2739 253.5 8	2020	73.7	148874	288812 7.58	32491. 43527	292061 9.01	310 USD
5	395828 1 dt. 15.05.2 021	116 3.6 7	73. 08	8504 1.003 6	74. 75	6356 815.0 2	3903	74.75	291749 .25	664856 4.27	74796. 34803	672336 0.62	260 USD
6	511500 5 dt. 19.08.2 021	116 3.6 7	39. 57	4604 6.421 9	75. 1	3458 086.2 8	0	75.1	0	345808 6.28	38903. 4707	349698 9.76	200 USD
7	541464 3 dt. 13.09.2 021	116 3.6 7	72. 24	8406 3.520 8	73. 95	6216 497.3 6	0	73.95	0	621649 7.36	69935. 59534	628643 2.96	200 USD
8	553684 2 dt. 22.09.2 021	116 3.6 7	132 .36	1540 23.36 1	74. 4	1145 9338. 07	5000	74.4	372000	118313 38.07	133102 .5533	119644 40.63	140 EURO
9	580062 9 dt. 11.10.2 021	116 3.6 7	128 .56	1496 01.41 5	75. 7	1132 4827. 13	7400	75.7	560180	118850 07.13	133706 .3302	120187 13.46	142 USD
10	587002 7 dt. 16.10.2 021	116 3.6 7	82. 81	9636 3.512 7	75. 7	7294 717.9 1	2883	75.7	218243 .1	751296 1.01	84520. 81138	759748 1.82	145 EURO
11	596694 0 dt. 23.10.2 021	116 3.6 7	86. 07	1001 57.07 7	75. 8	7591 906.4 3	5412	75.8	410229 .6	800213 6.03	90024. 03033	809216 0.06	270 USD
12	854913 0 dt. 05.05.2 022	116 3.6 7	76. 8	8936 9.856	77. 15	6894 884.3 9	6345	77.15	489516 .75	738440 1.14	83074. 51283	746747 5.65	270 USD
13	899772 8 dt. 07.06.2 022	116 3.6 7	19. 6	2280 7.932	78. 5	1790 422.6 6	825	78.5	64762. 5	185518 5.16	20870. 83307	187605 6.00	270 USD
14	897787 0 dt. 04.06.2 022	116 3.6 7	48. 7	5667 0.729	78. 5	4448 652.2 3	4380	78.5	343830	479248 2.23	53915. 42505	484639 7.65	240 USD
15	970322 8 dt. 25.07.2 022	116 3.6 7	74. 43	8661 1.958 1	80. 95	7011 238.0 1	4644	80.95	375931 .8	738716 9.81	83105. 66034	747027 5.47	260 USD
16	204081 6 dt. 17.08.2 022	116 3.6 7	52. 85	6149 9.959 5	80. 25	4935 371.7 5	3096	80.25	248454	518382 5.75	58318. 03969	524214 3.79	285 USD
17	219176 1 dt. 27.08.2 022	116 3.6 7	48. 98	5699 6.556 6	80. 5	4588 222.8 1	2666	80.5	214613	480283 5.81	54031. 90282	485686 7.71	285 USD
18	229218 1 dt. 03.09.2 022	116 3.6 7	58. 18	6770 2.320 6	80. 45	5446 651.6 9	3924	80.45	315685 .8	576233 7.49	64826. 29679	582716 3.79	290 USD
19	219135 7 dt. 17.02.2 024	116 3.6 7	20. 45	2379 7.051 5	83. 9	1996 572.6 2	250	83.9	20975	201754 7.62	22697. 41073	204024 5.03	305 USD
20	284897 7 dt. 02.04.2 024	116 3.6 7	29. 8	3467 7.366	84	2912 898.7 4	375	84	31500	294439 8.74	33124. 48587	297752 3.23	305 USD
21	369303 2 dt. 27.05.2 024	116 3.6 7	53. 18	6188 3.970 6	84. 35	5219 912.9 2	1850	84.35	156047 .5	537596 0.42	60479. 55473	543643 9.97	305 USD
22	409701 0 dt.	116 3.6	48. 88	5688 0.189	84. 3	4794 999.9	1800	84.3	151740	494673 9.98	55650. 82481	500239 0.81	305 USD

	20.06.2024	7		6		8							
2	4721147 dt.	116				4988							
3	26.07.2024	3.67	50.7	58998.069	84.55	286.73	1600	84.55	135280	5123566.73	57640.12576	5181206.86	305 USD
2	5399820 dt.	116		6323		5365							
4	03.09.2024	3.67	54.34	3.8278	84.85	390.29	1580	84.85	134063	5499453.29	61868.8495	5561322.14	305 USD
2	5949255 dt.	116		9667		8203							
5	04.10.2024	3.67	83.08	7.7036	84.85	103.15	3200	84.85	271520	8474623.15	95339.51044	8569962.66	305 USD
		<b>Total</b>	<b>1745.42</b>	<b>2031092.89</b>	<b>1968.65</b>	<b>157712429.00</b>	<b>66953.00</b>	<b>1968.65</b>	<b>5238105.30</b>	<b>162950534.30</b>	<b>1833193.51</b>	<b>164783727.81</b>	

11.9 Further, the revised duty liability taking the re-determined assessable value, the Freight and Insurance as applicable, has been worked out as **detailed in Table-D (in Col. No.11)**:

**Table-D**  
**[All Values in Rs.]**

Sl. No.	Bill of Entry No & date	Name Of Foreign Supplier	Declared Assessable value (CIF) in Rs.as per BOE	Applicable Purchase Value (CIF) (converted Euro/USD to INR as per applicable exchange rate)	Differential Assessable Value (CIF) (5-4)	BCD @40 % on differential Value (6*40%)	SWS 10% of BCD (7*10%)	Value for Determining IGST (6+7+8)	IGST @ 12% of (9*12%)	Total Duty short Paid (7+8+10)
1	2	3	4	5	6	7	8	9	10	11
1	2243498 dt. 05.01.2021	M/s. Figli Gemignani & Vanelli S.R.L. Italy	25,55,580	92,52,088	6,96,508	26,78,603	2,67,860	96,42,971	11,57,157	38,35,760
2	2303147 dt. 11.01.2021	M/s. PRF Asia Ltd., Hongkong	33,37,853	1,86,21,259	1,52,83,406	61,13,362	6,11,336	2,20,08,104	26,40,973	87,54,335
3	2450439 dt. 21.01.2021	M/s. Roxfaces General Trading-FZE, UAE	9,37,502	54,54,712	45,17,211	18,06,884	1,80,688	65,04,783	7,80,574	25,87,458
4	2998530 dt. 03.03.2021	M/s. Elite International Hongkong	8,86,817	29,20,619	20,33,802	8,13,521	-	28,47,323	3,41,679	11,55,200
5	3958281 dt. 15.05.2021	M/s. Elite International Hongkong	17,28,038	67,23,361	49,95,323	19,98,129	-	69,93,452	8,39,214	28,37,343
6	5115005 dt. 19.08.2021	M/s. Baysalli Tekstill Makina Sanayi Ve, Turkey	6,01,028	34,96,990	28,95,962	11,58,385	-	40,54,346	4,86,522	16,44,906
7	5414643 dt. 13.09.2021	M/s. Blue Eye Stone Ltd.,	10,80,449	62,86,433	52,05,984	20,82,394	-	72,88,378	8,74,605	29,56,999

		Taiwan								
8	55368 42 dt. 22.09. 2021	M/s. Settipani S.R.L., Italy	2 0,29,45 3	1, 19,64,441	9 9,34,988	3 9,73,995	-	1,39, 08,983	16, 69,078	56 ,43,073
9	58006 29 dt. 11.10. 2021	M/s. Babomar Mermer San Ve Tic Ltd. Sti. Turkey	1 9,57,67 0	1, 20,18,713	1,0 0,61,043	4 0,24,417	-	1,40, 85,461	16, 90,255	57 ,14,673
10	58700 27 dt. 16.10. 2021	M/s. Trade Internati onal Horizon, Tunisia	1 2,88,00 0	75,97,482	6 3,09,482	2 5,23,793	-	88 ,33,275	10, 59,993	35 ,83,786
11	59669 40 dt. 23.10. 2021	M/s. Elite Internati onal Hongkon g	2 1,91,55 5	80,92,160	5 9,00,605	2 3,60,242	-	82 ,60,847	9, 91,302	33 ,51,544
12	85491 30 dt. 05.05. 2022	M/s. D P Designs Ltd., Hong Kong	2 1,07,29 7	74,67,476	5 3,60,179	2 1,44,071	-	75 ,04,250	9, 00,510	30 ,44,581
13	89977 28 dt. 07.06. 2022	M/s. Elite Internati onal Hongkon g	4,84,85 8	18,76,056	1 3,91,198	5,56,479	-	19 ,47,677	2, 33,721	7,90,200
14	89778 70 dt. 04.06. 2022	M/s. Dipika Gems, Hong Kong	1 2,71,66 0	48,46,398	3 5,74,738	1 4,29,895	-	50 ,04,633	6, 00,556	20 ,30,451
15	97032 28 dt. 25.07. 2022	M/s. Elite Internati onal Hongkon g	2 0,63,41 6	74,70,275	5 4,06,859	2 1,62,744	-	75 ,69,603	9, 08,352	30 ,71,096
16	20408 16 dt. 17.08. 2022	M/s. Elite Internati onal Hongkon g	1 4,70,79 8	52,42,144	3 7,71,346	1 5,08,538	-	52 ,79,884	6, 33,586	21 ,42,124
17	21917 61 dt. 27.08. 2022	M/s. Elite Internati onal Hongkon g	1 3,50,97 9	48,56,868	3 5,05,889	1 4,02,355	-	49 ,08,244	5, 88,989	19 ,91,345
18	22921 81 dt. 03.09. 2022	M/s. Elite Internati onal Hongkon g	1 6,88,32 5	58,27,164	4 1,38,839	1 6,55,536	-	57 ,94,374	6, 95,325	23 ,50,860
19	21913 57 dt. 17.02. 2024	M/s. Villa Morae Co Ltd.	5,50,16 7	20,40,245	1 4,90,078	5,96,031	-	20 ,86,109	2, 50,333	8,46,364
20	28489 77 dt. 02.04. 2024	M/s. Villa Morae Co Ltd.	8,03,56 5	29,77,523	2 1,73,958	8,69,583	-	30 ,43,542	3, 65,225	12 ,34,808
21	36930 32 dt. 27.05. 2024	M/s. Xclusive Co Ltd. Hong Kong	1 5,39,58 8	54,36,440	3 8,96,852	1 5,58,741	-	54 ,55,593	6, 54,671	22 ,13,412
22	40970 10 dt. 20.06. 2024	M/s. Xclusive Co Ltd. Hong Kong	1 4,22,65 7	50,02,391	3 5,79,734	1 4,31,894	-	50 ,11,627	6, 01,395	20 ,33,289

2 3	47211 47 dt. 26.07. 2024	M/s. Xclusive Co Ltd. Hong Kong	1 4,57,42 8	51,81,207	3 7,23,779	1 4,89,512	-	52 ,13,290	6, 25,595	21 ,15,106
2 4	53998 20 dt. 03.09. 2024	M/s. Xclusive Co Ltd. Hong Kong	1 5,56,16 2	55,61,322	4 0,05,160	1 6,02,064	-	56 ,07,224	6, 72,867	22 ,74,931
2 5	59492 55 dt. 04.10. 2024	M/s. Xclusive Co Ltd. Hong Kong	2 4,45,75 6	85,69,963	6 1,24,207	2 4,49,683	-	85 ,73,889	10, 28,867	34 ,78,549
<b>Total</b>			<b>3,88, 06,601</b>	<b>16,47 ,83,728</b>	<b>12,59, 77,127</b>	<b>5,03, 90,851</b>	<b>10, 59,885</b>	<b>17,74,2 7,863</b>	<b>2,12,91 ,344</b>	<b>7,16,8 2,194</b>

**\* SWS exempted on marble blocks of CTH 25151210, w.e.f.02.02.2021 vide notf.No.14/2021 dt.01.02.2024**

**12.** In view of the foregoing facts and the evidence placed on record, the total assessable value of the imported goods, upon re-determination in terms of Section 14 of the Customs Act, 1962 read with Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, appears to be **₹16,47,83,728/-**. Consequently, the differential customs duty works out to **₹7,16,82,194/-**, as detailed in the computation table above.

The modus operandi adopted by the Noticee in collusion with Shri Piyush Nolakha involved: (i) procuring genuine invoices from the actual Italian suppliers reflecting the true value of the imported marble blocks; (ii) deliberately suppressing these genuine invoices and instead presenting undervalued invoices issued through the Hong Kong-based conduit entities before Customs authorities; (iii) remitting the differential and illicit foreign exchange to these conduit companies under the false pretext of import-related service payments; and (iv) thereby systematically undervaluing the imported goods, suppressing the actual assessable value, and evading legitimate customs duty.

The deliberate use of these overseas entities—incorporated, owned, and controlled by Shri Piyush Nolakha—for unauthorized foreign remittances, coupled with the intentional undervaluation of imports, clearly establishes a planned, coordinated, and fraudulent scheme devised to mislead Customs authorities and appears to have resulted in the evasion of lawful duty liability amounting to **₹7,16,82,194/-**, by M/s Bhagwati Enterprises, merits to be recovered under the provisions of Section 28(4) of the Customs act, 1962.

**13.** In view of the above findings, it prima facie appears that the Noticee mis declared and undervalued the imported goods by suppressing the actual transaction value and by intentionally presenting fabricated and undervalued invoices routed through Hong Kong-based conduit entities. Such misdeclaration of the value of imported goods renders the goods liable for confiscation under Section 111(m) of the Customs Act, 1962, as the declared value does not represent the price actually paid or payable and is inconsistent with the provisions of Section 14 of the Customs Act, 1962 read with the Customs Valuation Rules, 2007.

**14.** Further, by intentionally suppressing the genuine supplier invoices, fabricating and utilizing undervalued invoices, and engaging in unauthorized outward remittances under the false pretext of import-related service payments, the Noticee has wilfully attempted to evade customs duty. Such acts constitute contravention of the provisions of the Customs Act, 1962, and render the Noticee liable to the payment of duty short-levied, along with applicable interest, under Section 28(4) of the Customs Act, 1962, as the undervaluation appears to have been carried out by way of collusion, deliberate misstatement, and suppression of facts. Sh. Manoj Kumar Sharma, being Proprietor of M/s. Bhagwati Enterprises (GSTIN:08DHZPS7896R1ZA), G-85 RIICO Industrial Area, Bidiyad, Makrana, Nagaur-342542 is thus, liable for penalty Section 114A of the Customs Act, 1962.

**15.** The acts of presenting undervalued invoices, suppressing genuine commercial documents, and causing evasion of duty fall squarely within the ambit of Section 112(a) of the Customs Act, 1962. The Noticee, having undertaken and abetted acts and omissions which rendered the goods liable for confiscation under Section 111(m), is therefore liable to penalty under Section 112(a) for knowingly engaging in and facilitating the evasion of customs duty.

**16.** It further appears that the Noticee wilfully used false and fabricated documents namely undervalued invoices generated through overseas entities controlled by Shri Piyush Nolakha before the Customs authorities, knowing or having reason to believe that the said documents were false and did not represent the actual transaction value. Such conduct attracts the penal provisions of Section 114AA of the Customs Act, 1962, which provide for penalty for the use of false and incorrect material, statements, or declarations in any Customs-related proceeding.

**17.** Whereas, the investigation has revealed that Shri Piyush Nolakha knowingly enabled and assisted M/s Bhagwati Enterprises, in suppressing the actual transaction value and in mis declaring the description/classification of the imported marble blocks. It further appears that Shri Piyush Nolakha, through the deliberate creation and control of overseas conduit entities such as M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd., Hong Kong, facilitated the issuance of undervalued invoices and enabled the routing of unauthorized foreign remittances under the false cover of international trade transactions. The evidence on record shows that these entities were intentionally established and operated by him for the purpose of laundering foreign exchange, concealing the true value of the imports, and thereby facilitating evasion of customs duty by the importer. By engaging in acts and omissions which rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, and by knowingly using and causing to be used false and fabricated documents before Customs authorities, Shri Piyush Nolakha appears to be liable for penal action under Sections 112(a) and 114AA of the Customs Act, 1962.

**18.** Now, therefore, M/s. Bhagwati Enterprises (GSTIN:08DHZPS7896R1ZA), G-85 RIICO Industrial Area, Bidiyad, Makrana, Nagaur-342542, through its Proprietor, Sh. Manoj Kumar Sharma, is hereby required to show cause to the

Commissioner of Customs, Customs House, Mundra, within 30 (thirty) days of the receipt of this Show Cause Notice, as to why:

**(i)** The declared assessable value of ₹**3,88,06,601/-** (Rs. Three Crore Eighty Eight Lakh Six Thousand Six Hundred One Only), as indicated in Table-D (Column No. 4), should not be rejected under Section 14 of the Customs Act, 1962 read with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and why the re-determined assessable value of ₹**16,47,83,728/-** (Rs. Sixteen Crore Forty Seven Lakh Eighty Three Thousand Seven Hundred Twenty Eight Only) as shown in Table-C (Column No. 13), should not be accepted and fixed as per the legal provisions mentioned in Column No. 4 of the table (T-1) below.

**(ii)** The goods having total assessable value of ₹**16,47,83,728/-** (Rs. Sixteen Crore forty seven lakh eighty three thousand seven hundred and twenty eight only), Table-C (Column No. 13), imported by M/s. Bhagwati Enterprises by undervaluing and mis-declaring them to Customs Authorities as discussed supra, should not be held liable for confiscation in terms of Sections 111(m) of the Customs Act, 1962.

**(iii)** The differential Customs duty amounting to ₹**7,16,82,194/-** (Rs. Seven Crore sixteen lakh eighty two thousand one hundred and ninety four only) as reflected in Table-D (Column No. 11), should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, by invoking the proviso to Section 28, on the grounds that the duty was short-levied by reason of collusion, wilful misstatement, and suppression of facts.

**(iv)** Interest on the said differential customs duty should not be recovered from them under Section 28AA of the Customs Act, 1962, calculated from the first day of the month succeeding the month in which the duty ought to have been paid, until the actual date of payment.

**19.** Now, therefore, Sh. Manoj Kumar Sharma, being Proprietor of M/s. Bhagwati Enterprises (GSTIN:08DHZPS7896R1ZA), G-85 RIICO Industrial Area, Bidiyad, Makrana, Nagaur-342542 is hereby required to show cause to the Commissioner of Customs, Customs House, Mundra, within 30 (thirty) days of the receipt of this Show Cause Notice, as to why:

**(i)** Penalty should not be imposed upon them under Section 114A of the Customs Act, 1962, for having knowingly and wilfully suppressed the actual value of the imported goods and for having caused the evasion of customs duty by way of misdeclaration and undervaluation.

**20.** Now, therefore, Shri Piyush Nolakha, owner and controller of the overseas entities' M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd., Hong Kong, *Shri Piyush Nolakha, Flat No. D-001, Jewel of India, Malviya Nagar, Jaipur-302017*, is hereby required to show cause to the Commissioner of Customs, Customs House, Mundra, within 30 (thirty) days of the receipt of this Show Cause Notice, as to why:

**(i)** Penalty should not be imposed upon him under Section 112(a) of the Customs Act, 1962, for knowingly engaging in and abetting acts and omissions which rendered the imported goods liable for confiscation under Section 111(m) of the Customs Act, 1962; and

**(ii)** Penalty should not be imposed upon him under Section 114AA of the Customs Act, 1962, for knowingly using and causing to be used false and fabricated invoices and documents before the Customs authorities, with the intent to mislead the Department and facilitate evasion of customs duty.

<b>TABLE T-1</b>			
<b>S. N o.</b>	<b>Name M/s or S/Shri</b>	<b>In the capacity of</b>	<b>Legal/Penal provisions invoked/ Rules of Customs Valuation (Determination of Valuation of Imported Goods) Rules,2007/ Sections of Customs Act, 1962</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	M/s. Bhagwati Enterprises (GSTIN:08DHZPS7896R1ZA), G-85 RIICO Industrial Area, Bidiyad, Makrana, Nagaur-342542	Beneficiary, a Proprietorship firm of Shri Manoj Kumar Sharma	Section 14 of the Customs Act,1962 read with Rule 12 of the Customs Valuation (Determination of Valuation of Imported Goods) Rules,2007, Sections,28(4),28AA 111(m),114A of Customs Act, 1962
2	Shri Piyush Nolakha, Flat No. D-001, Jewel of India, Malviya Nagar, Jaipur-302017	Mastermind/Co-Conspirator/ controller of Hong Kong based firms, namely, M/s Villa Morae Co. Ltd. and M/s Xclusive Co. Ltd. etc.	112 (a) &114AA of Customs Act, 1962

**21.** The noticees should clearly state in their written replies to this notice as to whether they desire to be heard in person or through their legal representative before the adjudicating authority. If no reply to this notice is received from them within 30 days from the date of receipt of this notice or if they fail to appear for the personal hearing on the date and time intimated to them, the case is liable to be decided on the basis of the evidence available and merits, without any further reference to them.



**22.** If no cause is shown against the action proposed to be taken against them within the stipulated period as shown above, or if they fail to appear before the adjudicating authority when the case is posted for hearing, the case will be decided *ex-parte* on the basis of pieces of evidence available on the record.

**23.** The department reserves the right to add, alter, amend, modify, or supplement this notice at any time on the basis of any evidence which may come to the notice of the department after the issue of this notice and prior to adjudication of the case.

**24.** This Show Cause-cum-Demand Notice is issued under the Customs Act, 1962 without prejudice to any other action that may be taken against the noticees or any other person(s) under the provisions of the Customs Act, 1962 and the Rules & Regulations made there under or any other law for the time being in force.

**25.** The noticees also have an option to avail provisions of Chapter XIVA Settlement of Cases of the Customs Act, 1962 to settle their case through the Settlement Commission by filing an application if desired and eligible.

**Enclosures: Annexure-A and RUDs**

**(Nitin Sain)**  
**Commissioner of Customs**  
**Customs House, Mundra**

**File No.: GEN/ADJ/COMM/763/2025-Adjn**

**SCN No.** 41/2025-26/COMM/N.S./Adjn/MCH

**By Speed Post A.D./E-mail To: -**

Noticees;

**1.** Shri Manoj Kumar Sharma ,  
Proprietor of M/s. Bhagwati Enterprises  
(GSTIN:08DHZPS7896R1ZA),  
G-85 RIICO Industrial Area,  
Bidiyad, Makrana, Nagaur-342542

**2.** Shri Piyush Nolakha, Flat No. D-001,  
Jewel of India, Malviya Nagar,  
Jaipur-302017

**Copy, for information and necessary to the:**

- (1)** The Commissioner of Customs (Preventive) Jodhpur, Hqrs. At Jaipur
- (2)** Guard File