


F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

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|---|---|
|  | <p>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421. PHONE:- 02838-271426/271423 FAX :02838- 271425 ईमेल- adj-mundra@gov.in</p> |
|---|---|

DIN- 20251271MO000049384B

SHOW CAUSE NOTICE

WHEREAS IT APPEARS THAT-

Intelligence collected by the officers of Directorate of Revenue Intelligence, Headquarters, New Delhi (hereinafter referred to as “The DRI, HQ”) indicated that M/s A G Enterprises (IEC BCFPK8460C)(hereinafter referred to as ‘the importer’) situated at First Floor, F-13/3, F Block, Model Town II, North West Delhi, Delhi, 110009, had been importing goods namely Cold Rolled Stainless Steel Strips/ Coils (of different grades) by under-valuing them and mis-classifying the imported goods under CTH 72209022 for wrongly availing the benefit (at Sr No. 734) under Notification No. 50/2018-Customs dated 30.06.2018, for evading appropriate Customs duty.

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

2. THE PAST INVESTIGATIONS CONDUCTED BY THE DRI:

2.1 In 2019, the DRI had undertaken a detailed investigation concerning import of Cold Rolled Stainless Steel Coils. During the investigation certain Chinese suppliers/exporters were identified against whom genuine invoices—reflecting higher transaction values—were retrieved by the DRI. All such retrieved genuine invoices (Record of all proceedings vide which the invoices were retrieved – RUD 01) are enclosed as Annexure I (consisting of total 355 pages) (RUD 01A). On comparison of these genuine Invoices to corresponding invoice declared before Indian customs authority at time of Customs clearance, it emerged that the Customs declaration were filed and cleared by the concerned importers at lower price, however the genuine invoice had higher price. Thus, a modus-operandi of using forged invoices-at under-valued price, by such importers was un-earthed. Analysis of above retrieved genuine Invoices, led to emergence of names of certain Chinese suppliers who, along with the Indian importers were suspected to be involved in issuing fabricated invoices-at lower value. Further, on comparison of the genuine/actual invoice with the invoices declared with the Indian Customs, it emerged that the under-valued values of the imported item i.e. Cold Rolled Stainless steel (of different grade) declared before Indian Customs authority had a common pattern in the declared import-price-range, which was found under-valued.

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

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these fabricated invoices to evade appropriate Customs duty. The details are as under:

TABLE 1

| SN O | Name of Case booked/Firm (M/s) | Name of the person (Shri) and Statement dated | GIST | Remarks |
|---------|--|---|--|--|
| 1 | M/s Shri Mahadev ji exports & others 5 firms | Vijay Goel, Statement dated 16.11.2022 (RUD 02) & 17.11.2022 b (RUD 03) | -that the invoices retrieved by the DRI were genuine; -that he under-valued imported goods using fabricated invoices provided to him by Chinese suppliers; -that he used to receive these fabricated invoices from Chinese Suppliers; -that there was difference between actual and declared value of the impugned goods; -that he paid differential amount-on account of under-valuation, to Chinese suppliers through Hawala. | Shri Vijay Goel is alleged to be the master mind who controlled 06 firms and used them to import under-valued goods i.e. Cold Rolled Stainless Steel Coils |
| 2. | | Pranshu Goel (Proprietor), dated 16.11.2022 (RUD 04) | - that there was huge difference of value of the invoices filed before Indian Customs during clearance and value of invoices retrieved by DRI. He further mentioned that usually they clear the item stainless steel coil J3 grade at USD 0.75 per kg. However, the same item was being brought from Chinese supplier at 2 times higher rate. -that he used to receive two set of invoices (with same serial number) from Chinese suppliers one with higher value and other with lower value. - retrieved invoices are the actual invoices which has been received from the overseas Chinese suppliers | Shri Pranshu Goel (son of Shri Vijay Goel), alleged to be assisted his father in under-valuation. |
| 3 | Seeno Stainless Steel | Deepak Jindal, dated 15.12.2023 (RUD 05) & 06.02.2024 (RUD 06) | -that the invoices retrieved by the DRI were genuine; -that they used forged invoices in Customs declaration. - that he paid differential amount-on account of under-valuation of the imported goods, to Chinese suppliers through Hawala. | Shri Deepak Jindal is proprietor of M/s Seeno Stainless Steel accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils |
| 4 | SS Enterprises | Sandeep Garg, dated 15.12.2023 (RUD 07) & 06.02.2024 (RUD 08) | -that the invoices retrieved by the DRI were genuine. - that he used to declare the imported goods at a lower price @ 0.75 to 0.98 USD | Shri Sandeep Garg is proprietor of M/s S S Enterprises |

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| | | | | |
|---|--------------------------|--|---|---|
| | | | Per KG, by way of using forged/duplicate under-valued Import Invoices, before Indian Customs, to evade Customs Duty. However, the actual price of imported goods was higher in the range of \$ 1.3 to \$ 2 USD Per Kg. -that they used forged invoices in Customs declaration; that he paid differential amount-on account of under-valuation, to Chinese suppliers through Cash. | accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils |
| 5 | Royal Steel Trading | Vikas Jindal, dated 13.02.2024(RUD 09) | -that the invoices retrieved by the DRI were genuine. -that they used forged invoices in Customs declaration. | Shri Vikas Jindal is proprietor of M/s Royal Steel Trading accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils |
| 6 | Gemini Metal Corporation | Gaurav Jindal dated 09.01.2024(RUD 10) & 04.03.2024 (RUD 11) | -that the invoices retrieved by the DRI were genuine; -that Chinese supplier supplied them forged invoices-with lower value; -that they used forged invoices in Customs declaration | Shri Gaurav Jindal is proprietor of M/s Gemini Metal Corporation accused of importing under-valued goods i.e. Cold Rolled Stainless Steel Coils |

2.3. All the above controllers/proprietors had admitted during their voluntary statements recorded under Section 108 of Customs Act that the invoices retrieved by the DRI were genuine and accordingly, these genuine invoices could be relied upon during the instant matter. Further, in respect of the firms appearing at Serial No. 1& 2 above, a Show Cause Notice (SCN) under Section 124 of the Customs Act 1962, on the ground of misdeclaration of the imported goods through undervaluation, bearing F.No. GEN/ADJ/ADC/2132/2023-Adjn dated. 15.11.2023, was issued by Additional Commissioner of Customs, Customs House, Mundra. The said SCN has been adjudicated by the Adjudicating Authority Customs Mundra vide OIO NO. MCH/ADC/AKM/258/2024-25 dated 20.01.2025 (**RUD12**) wherein it has been found that impugned goods had been improperly imported to the extent that they were declared undervalued by hiding true transaction value by manipulating import documents with the help of foreign suppliers. Also, a Show Cause Notice under Section 28(4) of the Customs Act 1962, bearing F.No. GEN/ADJ/COMM/526/2024-Adjn-O/o-Pr.Commr-Cus-Mundra dated 08.11.2024 has been issued by Pr Commissioner of Customs, Customs House, Mundra wherein demand of duty has been proposed on account of undervaluation of the imported goods and the said SCN has been adjudicated by the Adjudicating Authority Customs Mundra vide OIO NO. MUN-CUSTM-000-COM-33-25-26 dated 06.11.2025 (**RUD 13**).

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In respect of firms mentioned at Serial no. 3,4 & 5 a Show Cause Notice under Section 124 and 28(4) of the Customs Act 1962, bearing F.No. GEN/ADJ/COMM/582/2024-Adjn-O/o Pr Commr-Cus-Mundra dated 13.12.2024 has also been issued by Pr Commissioner of Customs, Customs House, Mundra wherein demand of duty has been proposed on account of undervaluation of the imported goods. Further, for the firm mentioned at serial no 6, Show Cause Notice under Section 124 and 28(4) of the Customs Act 1962, bearing F.No. KOL/CUS/PC/PORT/GR.4/26/2024 dated 13.12.2024 has been issued by Pr Commissioner of Customs, Customs House, Kolkata and the same has been adjudicated by the concerned port Kolkata via OIO No. KOL/CUS/Commissioner /Port/Adjn/22/2025 date 16.06.2025. **(RUD 14)**

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

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

| S. NO. | NAME OF THE CHINESE SUPPLIERS (M/s) | S. NO. | NAME OF THE CHINESE SUPPLIERS (M/s) |
|--------|---|--------|--|
| 1 | FIA INTERNATIONAL TRADING CO. LTD | 11 | FOSHAN WEN ZHI YUAN TRADING CO LTD |
| 2 | GUANGDONG GUANGXIN GOLDTEC HOLDINGS | 12 | FOSHAN XUANZHENG TRADING CO. LTD. |
| 3 | HONGKONG WINNER STEEL CO., LIMITED | 13 | FS-ESSENTIAL INTERNATIONAL CO. LIMITED |
| 4 | JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED | 14 | GOLD COAST LOGISTICS HONG KONG LIMITED |
| 5 | LEO METALS LIMITED | 15 | HK PINGAN IMP AND EXP CO LIMITED |
| 6 | MFY METAL COMPANY LIMITED | 16 | HUAYE INTERNATIONAL DEVELOPMENT (HK) LIMITED |
| 7 | ART STEEL MAGIC CO., LIMITED | 17 | LIYI HONGKONG TRADING CO., LIMITED |
| 8 | FOSHAN JIA WEI IMPORT AND EXPORT CO. LTD. | 18 | NEWWEI TRADING COMPANY LIMITED |
| 9 | BOSOM METAL CO LTD | | |
| 10 | FOSHAN TIAN MAIDUO IMPORT AND EXPORT CO. LTD. | | |

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

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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
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On comparison of the above two invoices, it can be seen that Unit Price of impugned goods was suppressed from USD 2.060 & 1.700 per KG to USD 0.75 per Kg. However, every other aspect of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc. are identical.

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

LEO METALS LIMITED

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

COMMERCIAL INVOICE

BUYER: SHRI MAHADEV JI EXPORTS

Invoice No.: 211008J03-5

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

Date: DEC.10.2021

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

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

BANK INFORMATION

BENEFICIARY NAME: LEO METALS LIMITED

BANK NAME: BANK OF COMMUNICATIONS CO.,LTD. OFFSHORE BANKING UNIT

BANK ADDRESS:NO.188, YINCHENG ZHONG ROAD, SHANGHAI CHINA

SWIFT CODE: COMMCN3XOBU

BANK ACCOUNT NO.: OSA90000343828100

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4/11/23

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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

LEO METALS LIMITED

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

COMMERCIAL INVOICE

BUYER: SHRI MAHADEV JI EXPORTS

Invoice No.: 211008J03-5

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

Date: DEC.10.2021

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

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

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

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

Authorized Signature(s)

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

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

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

| | | | | | |
|--|--|------------------------|--------------------|--|-----------|
| GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD | | | | | |
| 12 FLOOR, EAST TOWER, NO.1000 XINGANG EAST ROAD, HAIZHU DISTRICT, GUANGZHOU, CHINA | | | | | |
| INVOICE | | | ORIGINAL | | |
| TO MESSRS. | | Invoice No.: | | SMJ210301705-1 | |
| GOEL EXIM | | INV Date: | | 2021/4/9 | |
| GROUND FLOOR, A-84/1, INDUSTRIAL AREA,,WAZIRPUR, NEW DELHI,NORTH WEST DELHI,DELHI,110052 IEC NO. - AIFPG0671A E mail - Goelxim69@gmail.com Phone No - 9818084989 Pan No. - AIFPG0671A 07AIFPG0671A1ZW | | | | | |
| From CHINA | | To MUNDRA,INDIA | | | |
| Terms of payment: TT | | FILE NAME:SMJ210301705 | | | |
| MARKING | Description of Goods | Quantity (MT) | Unit Price(USD/MT) | Amount (USD) | |
| N/M | COLD ROLLED STAINLESS STEEL COIL EX- STOCK | | CFR MUNDRA,INDIA | | |
| | 2*690 | 4.434 | 2110 | 9355.74 | |
| | 0.9*690 | 4.306 | 2110 | 9085.66 | |
| | 0.58*690 | 4.294 | 2124 | 9120.46 | |
| | 1.5*690 | 4.284 | 2110 | 9039.24 | |
| | 2*690 | 4.276 | 2110 | 9022.36 | |
| | 1.2*690 | 4.252 | 2110 | 8971.72 | |
| | 1.2*730 | 4.248 | 2110 | 8963.28 | |
| | 2*690 | 4.232 | 2110 | 8929.52 | |
| | 0.9*690 | 4.22 | 2110 | 8904.20 | |
| | 1.2*690 | 4.21 | 2110 | 8883.10 | |
| | 1.5*690 | 4.19 | 2110 | 8840.90 | |
| | 0.58*690 | 4.184 | 2124 | 8886.82 | |
| | 0.68*690 | 4.142 | 2110 | 8739.62 | |
| | 2*690 | 4.128 | 2110 | 8710.08 | |
| | 0.58*690 | 4.098 | 2124 | 8704.15 | |
| | 1.2*690 | 3.972 | 2110 | 8380.92 | |
| | 1.5*730 | 4.482 | 2110 | 9457.02 | |
| | 1.5*730 | 4.492 | 2110 | 9478.12 | |
| | 0.58*690 | 4.36 | 2124 | 9260.64 | |
| | 0.68*690 | 4.422 | 2110 | 9330.42 | |
| | 1.2*690 | 4.606 | 2110 | 9718.66 | |
| | 1.2*730 | 4.552 | 2110 | 9604.72 | |
| | 1.2*730 | 4.394 | 2110 | 9271.34 | |
| | 1.2*730 | 4.658 | 2110 | 9828.38 | |
| | | | | | |
| | | | | | |
| | | MADE IN CHINA | | | |
| | | TOTAL | 103.436 | | 218487.06 |
| | | | | SAY USD two hundred and eighteen thousand four hundred and eighty-seven point zero six ONLY. | |
| WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN | | | | | |

6/10/21

SN-288

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

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GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD

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

INVOICE

ORIGINAL

TO MESSRS.

GOEL EXIM

GROUND FLOOR, A-84/1, INDUSTRIAL AREA,,WAZIRPUR,,NEW DELHI,NORTH WEST DELHI,DELHI,110052
IEC NO. - AIFPG0671A E mail - Goelxlm69@gmail.com
Phone No - 9818084989 Pan No. - AIFPG0671A
07AIFPG0671A1ZW

From CHINA

Terms of payment: TT

Invoice No.:

INV Date:

SMJ210301705-1

2021/4/9

To MUNDRA,INDIA

FILE NAME:SMJ210301002

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

SAY USD seven thousand seven hundred and seventy seven only.

GUANGDONG GUANGXIN GOLDTEC HOLDINGS CO.,LTD

WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN.

4/11/22

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

On comparison of the above two invoices it can be seen that the Unit Price of impugned goods was suppressed from USD 2110 and 2124 per MT to 750 per MT to USD 850 per MT, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc , are identical.

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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

REC
GST
PAN
MCH
TEL
CO

De
CC
BT



JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

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

COMMERCIAL INVOICE

BE-111
3400841
dt. 1-4-21

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

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

Description of Goods &/ or Services

COLD ROLLED STAINLESS STEEL COIL GRADE JJ STOCK LOT
FROM: SHIEKOU, CHINA

TO: MUNDRA, INDIA

| NO. | GRADE | SURFACE | SIZE (MM) | PRICE (USD/ KG) | QUANTITY (KG) | AMOUNT (USD) |
|-------------------|-------|---------|-----------|-----------------|---------------|---------------|
| CNF MUNDRA, INDIA | | | | | | |
| 1 | 201 | 2B | 0.26*510 | \$1.410 | 3608 | \$5,087.28 |
| 2 | 201 | 2B | 0.26*510 | \$1.410 | 3490 | \$4,920.90 |
| 3 | 201 | 2B | 0.26*550 | \$1.410 | 3744 | \$5,279.04 |
| 4 | 201 | 2B | 0.26*620 | \$1.410 | 4278 | \$6,031.98 |
| 5 | 201 | 2B | 0.26*650 | \$1.410 | 3682 | \$5,191.62 |
| 6 | 201 | 2B | 0.26*650 | \$1.410 | 4216 | \$5,944.56 |
| 7 | 201 | 2B | 0.26*720 | \$1.410 | 4400 | \$6,204.00 |
| 8 | 201 | 2B | 0.26*510 | \$1.410 | 3342 | \$4,712.22 |
| 9 | 201 | 2B | 0.26*550 | \$1.410 | 3874 | \$5,462.34 |
| 10 | 201 | 2B | 0.26*620 | \$1.410 | 4228 | \$5,961.48 |
| 11 | 201 | 2B | 0.26*650 | \$1.410 | 3320 | \$4,681.20 |
| 12 | 201 | 2B | 0.26*690 | \$1.410 | 4240 | \$5,978.40 |
| 13 | 201 | 2B | 0.26*650 | \$1.410 | 3996 | \$5,634.36 |
| 14 | 201 | 2B | 0.26*690 | \$1.410 | 4426 | \$6,240.66 |
| 15 | 201 | 2B | 0.26*510 | \$1.410 | 3482 | \$4,909.62 |
| 16 | 201 | 2B | 0.26*550 | \$1.410 | 3616 | \$5,098.56 |
| 17 | 201 | 2B | 0.26*650 | \$1.410 | 3914 | \$5,518.74 |
| 18 | 201 | 2B | 0.26*650 | \$1.410 | 4072 | \$5,741.52 |
| 19 | 201 | 2B | 0.26*690 | \$1.410 | 4066 | \$5,733.06 |
| 20 | 201 | 2B | 0.26*720 | \$1.410 | 4268 | \$6,017.88 |
| 21 | 201 | 2B | 0.26*720 | \$1.410 | 4026 | \$5,676.66 |
| 22 | 201 | 2B | 0.26*510 | \$1.410 | 3456 | \$4,872.96 |
| 23 | 201 | 2B | 0.26*510 | \$1.410 | 3478 | \$4,903.98 |
| 24 | 201 | 2B | 0.26*550 | \$1.410 | 3724 | \$5,250.84 |
| 25 | 201 | 2B | 0.26*650 | \$1.410 | 4108 | \$5,792.28 |
| 26 | 201 | 2B | 0.26*650 | \$1.410 | 4036 | \$5,690.76 |
| 27 | 201 | 2B | 0.26*690 | \$1.410 | 4220 | \$5,950.20 |
| 28 | 201 | 2B | 0.26*720 | \$1.410 | 4476 | \$6,311.16 |
| TOTAL: | | | | | 109786 | \$1,54,798.26 |

TOTAL: SAY US DOLLARS

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

ISSUED BY BENEFICIARY
JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED

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

COMMERCIAL INVOICE

NO. : FSSR210302-2

DATE: 2021/3/12

COMPANY: SHRI MAHADEV JI EXPORTS

ADD : A-104, FIRST FLOOR, WAZIRPUR INDL. AREA, NEAR SHRI RAM CHOWK, DELHI-110052

IEC NO. : CPTPG4273F

GSTIN NO. : 07CPTPG4273F1ZM

PAN: CPTPG4273F

MAIL ID: SHRIMAHADDEVJI2009@GMAIL.COM

Tel. : 9871576508

CONTACT PERSON: PRANSHU GOEL

Description of Goods &/or Services

COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX STOCK

FROM: SHIEKOU, CHINA

TO: MUNDRA, INDIA

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

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

Company Bank Account Information

Beneficiary: JIAYAO HK INTL GROUP LTD

Beneficiary Bank Name:SHENZHEN DEVELOPMENT BANK CO LTD.,H.O. OFFSHORE BANKING CENTRE

Bank Account No.:11011250734101

Beneficiary Bank Address: 11/F,NO 5047 ROAD SHENNAN DONG,SHENZHEN P.R.CHINA

SWIFT Code:SZDBCNBS

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

ISSUED BY BENEFICIARY
JIAYAO(HONGKONG) INTERNATIONAL GROUP LIMITED



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

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

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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

100

82

115

NEWWEI TRADING COMPANY LIMITED

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

COMMERCIAL INVOICE

ORIGINAL

BUYER:

MLK OVERSEAS

INVOICE NO.: 23SS0710-1

ADDRESS:

310,,3RD FLOOR,VARDAAN HOUSE,7/28 ANSARI ROAD,DARYAGANJ,CENTRAL DELHI,DELHI, 110002
GSTIN : 07ASHPS8562N1ZT
PAN: ASHPS8562N
IEC NO : ASHPS8562N
EMAIL ID : MKOVERSEAS2011@GMAIL.COM
CONTACT PERSON:RAKESH SHARMA
CONTACT NUMBER: 9543317092

DATE: 2023/07/31

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

PAYMENT TERM: T/T

Please arrange payment to following account:

Account Name: NEWWEI TRADING COMPANY LIMITED

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

Account NO: 774-018-14752-8

Bank Code: 040


Swift Code: DSBCHKHXXX

Bank Name:Dah sing Bank, Limited

Bank Address: Shop No.G7,G7A & G8G/F, Dah Sing FinanciaCentre, 248 Queen'sRoad East,Wan Chai,Hong Kong

6/7/24

SIGNATURE



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

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

NEWWEI TRADING COMPANY LIMITED

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

COMMERCIAL INVOICE

ORIGINAL

BUYER:

MLK OVERSEAS

INVOICE NO.: 23SS0710-1

ADDRESS:

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

DATE: 2023/07/31

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

PAYMENT TERM: T/T

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

SIGNATURE

Signature valid

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



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

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

- VI.
- Genuine Invoice of Chinese Supplier **M/S MFY METAL COMPANY LIMITED** to M/s Mahadev Ji Exports, vis-à-vis Invoice declared with Custom Authorities.

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

(65)

MFY METAL COMPANY LIMITED
FLAT/RM A1, 9/F SILVERCORP INT'L TOWER 707-713 NATHAN RD MONGKOK KLN HONG KONG.

COMMERCIAL INVOICE

Invoice No.: MFY210324SS02-1
Date: JUL,6TH,2021

To Messrs, **SHRI MAHADEV JI EXPORTS**

ADD: 1ST FLOOR, PLOT NO A-104, BLOCK-A,
WAZIRPUR INDUSTRIAL AREA, NEAR SHRI RAM
CHOWK,NORTH WEST DELHI, DELHI-110052
GST NO:07CPTPG4273F1ZM
IEC:CPTPG4273F PAN:CPTPG4273F

Shipped By SEA From SHEKOU,CHINA TO MUNDRA, INDIA
Payment Terms: 100% TT BY ADVANCE PAYMENT.

For and on behalf of
MFY METAL COMPANY LIMITED
名風揚金屬有限公司

| SHIPPING MARK: | Description of Goods | Unit | Quantity (MT) | Unit Price (USD/MT) | Authorized Signature(s) Amount |
|-------------------|--|------------|------------------|------------------------|-----------------------------------|
| N/M | PRICE TERMS: CIF MUNDRA,INDIA | | | | |
| | EX STOCK COLD ROLLED STAINLESS STEEL COIL J3 | | | | |
| | SIZE (MM): | | | | |
| | 0.29*620 | MT | 8.334 | USD 1,395 | USD 11,625.93 |
| | 0.4*620 | MT | 2.106 | USD 1,363 | USD 2,870.48 |
| | 0.4*690 | MT | 9.636 | USD 1,363 | USD 13,133.87 |
| | 0.4*930 | MT | 6.794 | USD 1,363 | USD 9,260.22 |
| | 0.50*550 | MT | 7.500 | USD 1,333 | USD 9,997.50 |
| | 0.55*730 | MT | 20.460 | USD 1,333 | USD 27,273.18 |
| TOTAL: | | 54.830 MTS | | USD 74,161.18 | |

BANK INFORMATION:
BENEFICIARY BANK (57A): ZHEJIANG CHOUZHOU COMMERCIAL BANK
SWIFT BIC: CZCBCN2X
BENEFICIARY BANK ADD: YIWULEYUAN(EAST),JIANGBINROAD,YIWU CITY
ZHEJIANG PROVINCE,CHINA
BENEFICIARY NAME: MFY METAL COMPANY LIMITED,
BENEFICIARY ADD: NO.17-18 BLOCK 6 LANSHI INT'L METAL TRADING CENTER
FOSHAN CHINA (ADD MUST SHOW ON SWIFT, OR SHOW IN REMARKS)
BENEFICIARY A/C NO.: NRA15635142010500000488

SN-239

[Handwritten signature]

Scanned with OKEN Scanner

Genuine Invoice of M/s Mahadev Ji Exports with Invoice No. MFY210324SS02-1
retrieved during the Investigation

MFY METAL COMPANY LIMITED

FLAT/RM A1, 9/F SILVERCORP INT'L TOWER 707-713 NATHAN RD MONGKOK KLN HONG KONG.

COMMERCIAL INVOICE

Invoice No.: MFY210324SS02-1

Date: JUL,6TH,2021

To Messrs. SHRI MAHADEV JI EXPORTS

ADD: 1ST FLOOR, PLOT NO A-104, BLOCK-A,
WAZIRPUR INDUSTRIAL AREA, NEAR SHRI RAM
CHOWK,NORTH WEST DELHI, DELHI-110052
GST NO:07CPTPG4273F1ZM
IEC:CPTPG4273F PAN:CPTPG4273F

Shipped By SEA From SHEKOU,CHINA TO MUNDRA, INDIA

Payment Terms: 100% TT BY ADVANCE PAYMENT.

| SHIPPING MARK: | Description of Goods | Unit | Quantity (MT) | Unit Price (USD/MT) | Amount |
|----------------|--|------------|---------------|---------------------|---------------|
| N/M | PRICE TERMS: CIF MUNDRA,INDIA | | | | |
| | COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX STOCK | | | | |
| | SIZE (MM): | | | | |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 8.334 | USD 750 | USD 6,250.50 |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 2.106 | USD 750 | USD 1,579.50 |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 9.636 | USD 750 | USD 7,227.00 |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 6.794 | USD 750 | USD 5,095.50 |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 7.500 | USD 750 | USD 5,625.00 |
| | COLD ROLLED STAINLESS STEEL COIL | MT | 20.460 | USD 750 | USD 15,345.00 |
| | TOTAL: | 54.830 MTS | | | USD 41,122.50 |

BANK INFORMATION:

BENEFICIARY BANK (57A): ZHEJIANG CHOUZHOU COMMERCIAL BANK

SWIFT BIC: CZCBCN2X

BENEFICIARY BANK ADD:YIWULEYUAN(EAST),JIANGBIN ROAD,YIWU CITY
ZHEJIANG PROVINCE,CHINA

BENEFICIARY NAME: MFY METAL COMPANY LIMITED

BENEFICIARY ADD: NO.17-18 BLOCK 6 LANSHI INT'L METAL TRADING CENTER
FOSHAN CHINA (ADD MUST SHOW ON SWIFT, OR SHOW IN REMARKS)

BENEFICIARY A/C NO.: NRA15635142010500000488

For and on behalf of
MFY METAL COMPANY LIMITED
名風揚金屬有限公司

Invoice of M/s Mahadev Ji Exports with Invoice No. MFY210324SS02-1 declared before
Indian Customs

On comparison of the above two invoices, it can be seen that the Unit Price of impugned goods was suppressed from range of USD 1333 and 1395 per MT to USD 750 per MT, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc, are identical.

VII. Genuine Invoice of Chinese Supplier M/s FOSHAN XUANZHENG TRADING CO., LTD., to M/s Goel Exim, vis-à-vis Invoice declared with Custom Authorities.

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

75

FOSHAN XUANZHENG TRADING CO.,LTD.

ROOM F,UNIT 2109,BUILDING 2,THIRIVEUNITE IFC,1ST SHILONG SOUTH ROAD,GUICHENG,XANHAI DISTRICT,FOSHAN

INVOICE REF: 5187152
dt: 25.08.21
612

COMMERCIAL INVOICE

ORIGINAL

BUYER: GOEL EXIM

GROUND FLOOR, A84/1, INDUSTRIAL AREA, WAZIRPUR, NEW DELHI,
NORTHWEST DELHI, DELHI, 110052
IEC NO.: AIFPG0671A
ADDRESS: E MAIL: GOELEXIM69@GMAIL.COM
PHONE NO: 9818084989
PAN NO.: AIFPG0671A
GST NO.: 07AIFPG0671A1ZWW

INVOICE NO.: GXGJ-SMJ210401013-3CI

DATE: 2021-08-07

CONTRACT NO.: GXGJ-SMJ210401013

22/11/21

| PRODUCT'S NAME | SIZE(MM) | QUANTITY | TOTAL WEIGHT | UNIT PRICE | AMOUNT |
|--|----------|----------|--------------|------------|-----------|
| | | COIL | KG | USD/KG | USD |
| COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX-STOCK | 0.35*580 | 4 | 15688 | 1409 | 22104.39 |
| | 0.35*690 | 2 | 9595 | 1399 | 13423.41 |
| | 0.35*510 | 6 | 19958 | 1409 | 28120.82 |
| | 0.35*485 | 3 | 10454 | 1409 | 14729.69 |
| | 0.35*603 | 10 | 38674 | 1399 | 54104.93 |
| | 0.35*620 | 3 | 10908 | 1399 | 15260.29 |
| | 0.35*530 | 1 | 3694 | 1409 | 5204.85 |
| MADE IN CHINA | | | | | |
| TOTAL | | 29 | 108971 | | 152948.37 |

SAY USD ONE HUNDRED FIFTY TWO THOUSAND THREE HUNDRED FORTY FOUR AND CENTS THIRTY FOUR ONLY.

WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN.

易有限公司

81728.25

Genuine Invoice of M/s Goel Exim with Invoice No. GXGJ-SMJ210401013-3CI retrieved during the Investigation

51

FOSHAN XUANZHENG TRADING CO.,LTD.

ROOM F,UNIT 2109,BUILDING 2,THIRIVEUNITE IFC,1ST SHILONG SOUTH ROAD,GUICHENG,XANHAI DISTRICT,FOSHAN

COMMERCIAL INVOICE

ORIGINAL

BUYER: GOEL EXIM

GROUND FLOOR, A84/1, INDUSTRIAL AREA, WAZIRPUR, NEW DELHI, NORTHWEST DELHI, DELHI, 110052
IEC NO.: AIFPG0671A
ADDRESS: E MAIL: GOELEXIM69@GMAIL.COM
PHONE NO: 9818084989
PAN NO.: AIFPG0671A
GST NO.: 07AIFPG0671A1ZWW

INVOICE NO.: GXGJ-SMJ210401013-3CI

DATE: 2021-08-07

CONTRACT NO.: GXGJ-SMJ210401013

21/11/21

| PRODUCT'S NAME | SIZE(MM) | QUANTITY | TOTAL WEIGHT | UNIT PRICE | AMOUNT |
|--|----------|----------|--------------|------------|----------|
| | | COIL | KG | USD/KG | USD |
| COLD ROLLED STAINLESS STEEL COIL GRADE J3 EX-STOCK | 0.35*580 | 4 | 15688 | 750 | 11766.00 |
| | 0.35*690 | 2 | 9595 | 750 | 7196.25 |
| | 0.35*510 | 6 | 19958 | 750 | 14968.50 |
| | 0.35*485 | 3 | 10454 | 750 | 7840.50 |
| | 0.35*603 | 10 | 38674 | 750 | 29005.50 |
| | 0.35*620 | 3 | 10908 | 750 | 8181.00 |
| | 0.35*530 | 1 | 3694 | 750 | 2770.50 |
| MADE IN CHINA | | | | | |
| TOTAL | | 29 | 108971 | | 81728.25 |

SAY USD EIGHTY ONE THOUSAND SEVEN HUNDRED TWENTY EIGHT AND CENTS TWENTY FIVE ONLY.

WE CERTIFY THAT THE GOODS ARE OF CHINA ORIGIN.

易有限公司

SN-289

Invoice of M/s Goel Exim with Invoice No. GXGJ-SMJ210401013-3CI declared before
Indian Customs

On comparison of the above two invoices it can be seen that the Unit Price of impugned goods was suppressed from USD 1399 to 1409 per MT to USD 750 per MT, however, in this case also other aspects of both the invoices viz. Name of Chinese Supplier, Name of Importer, Description of Good, Dimension of Good, Weight of Good, Bank Account details and Bank Details of Chinese supplier etc, are identical.

2.6 Thus, ongoing through above sets of parallel invoices (genuine as well as invoices submitted before Indian Customs), it can be seen that the declared price before Indian Customs, of the impugned goods i.e. Cold Rolled Stainless Steel Coils (of different grade) was lower, however, the actual price as per retrieved genuine invoices, was much higher. In addition, a striking similar pattern of declared transaction value was also revealed in all such importers (i.e. entities who were found importing goods from the Chinese suppliers as per the retrieved invoices) who declared goods at identical or closely matching undervalued price ranges for the impugned goods (Cold Rolled Stainless Steel Coils grade J3 at USD 0.75 per KG to USD 1.1 per KG and grade J2 at USD 1.1 per KG), despite sourcing from different suppliers. This uniformity in under-declaration strongly suggests a deliberate and coordinated practice rather than isolated instances of valuation errors or commercial negotiations. The level of consistency in undervaluation across unrelated entities indicates a systemic modus operandi aimed at evading customs duties and gaining unfair market advantage. Therefore, value of all other supplies by the above suspected Chinese suppliers for Cold Rolled Stainless Steel Coils appear doubtful. In addition, genuineness of price of the impugned goods supplied by other Chinese suppliers at same price, is also questionable.

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

2.8 Based on above findings and parameters a case was booked against M/s A G Enterprises (IEC BCFPK8460C) , proprietorship of Shri Gaurav Khurana, situated at First Floor, F-13/3, F Block, Model Town II, North West Delhi, Delhi, 110009.

3. Further, during the investigation the live consignments of the importer were put on hold at Customs port Mundra (INMUN1) and Dadri (INDER6), for further examination by the jurisdictional Customs authorities. The details are as below:

TABLE 2

| SNO | BILL OF ENTRY NO. & date | Description of Goods | Declared rate & Value declared by the importer | | Goods Examined under Panchnama dated | PORT |
|-----|--------------------------|--|--|----------------------|--------------------------------------|-----------------|
| | | | Unit price (in USD per KG) | Total value (in USD) | | |
| 1 | 8667779 dated 07.11.2023 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 59835.60 | 01.05.2024 (RUD-15) | Mundra (INMUN1) |
| 2 | 9549059 dated 05.01.2024 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 88712.80 | 15.04.2024 (RUD-16) | Dadri (INDER6) |

3.1. Details of good examined at Mundra Customs (INMUN1)

Goods imported vide Bill of Entry 8667779 dated 07.11.2023 were seized vide seizure memo dated 30.05.2024 (RUD 17) , under Section 110 of the Customs Act 1962, on reasonable belief that these are liable to confiscation under Section 111 of the Customs Act 1962. Further, these goods were inspected by the Chartered Engineer i.e M/s HAM & Engineers Inc. on 10.07.2024, who vide reports dated 11.07.2024, (RUD 18), submitted his valuation report which is detailed as below:

TABLE 3

| SNO | BILL OF ENTRY NO. & date | Description of Goods | Declared rate & Value declared by the importer | | Value estimated by the Chartered Engineer, vide report dated 11.07.2024 | |
|-----|--------------------------|--|--|----------------------|---|----------------------|
| | | | Unit price (in USD per KG) | Total value (in USD) | Unit price (in USD per KG) | Total Value (in USD) |
| 1 | 8667779 dated 07.11.2023 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 59835.60 | 1.350 | 73434.60 |

3.1.1. Vide letter dated 22.07.2024, (RUD 19) DRI had informed the office of Principal Commissioner of Customs(Mundra) that the seized goods may be provisionally released under section 110A of the Customs Act read with the circular 35/2017- Customs on the terms and conditions that the adjudicating authority may like to impose, to secure the government revenue. Subsequently, Custom House, Mundra, vide letter dated 13.08.2024 (RUD 20) informed the importer that the competent Authority has accepted the request for provisional release of the goods seized by DRI on submission of Bond and Bank Guarantee.

Further vide letter dated 18.09.2025 (RUD 21), the Jurisdictional Customs Port Authorities (IMNUN1) has informed to DRI that goods seized, were provisionally assessed and released provisionally on submission of Bond/BG.

The details Bond/BG are as follows:

| Name of the Firm | BE details | BG Details and amount | Bond Details | Provisional release Date |
|------------------------|--------------------------|--|---|--------------------------|
| M/s. A. G. Enterprises | 8667779 dated 07.11.2023 | 6292NDDG000065 25 dt. 22.08.2024 by ICICI Bank for Rs. 11,99,500/- | Bond no - 2002331699 dated 04.09.2024 having Certificate No: IN-DL4342183888256 7W dated 27.08.2024 for an amount of Rs 61,80,000 | 04.09.2024 |

3.2. Details of good examined at ICD Dadri Customs(INDER6)

Goods imported vide Bill of Entry 9549059 dated 05.01.2024 were seized vide seizure memo dated 22.04.2024 (RUD 22) read with corrigendum dated 30.04.2024 **(RUD 23)**, under Section 110 of the Customs Act 1962, on reasonable belief that these are liable to confiscation under Section 111 of the Customs Act 1962. Further, these goods were inspected by the Chartered Engineer i.e. M/s V S Jadon & Co. valuers LLP on 10.07.2024, who vide reports dated 12.07.2024, **(RUD 24)**, submitted his valuation report which is detailed as below:

TABLE 4

| SNO | BILL OF ENTRY NO. & date | Description of Goods | Declared rate & Value declared by the importer | | Value estimated by the Chartered Engineer, vide report dated 12.07.2024 | |
|-----|--------------------------|--|--|----------------------|---|----------------------|
| | | | Unit price (in USD per KG) | Total Value (in USD) | Unit price (in USD per KG) | Total Value (in USD) |
| 1 | 9549059 dated 05.01.2024 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 88712.80 | 1.396 | 112627.96 |

3.2.1. Vide letter dated 22.07.2024 **(RUD 25)** , DRI had informed the office of Commissioner of Customs (Noida Customs Commissionerate) that the seized goods may be provisional released under section 110A of the Customs Act read with the circular 35/2017- Customs on the terms and conditions that the adjudicating authority may like to impose, to secure the government revenue. Subsequently, Noida Customs Commissionerate, vide letter dated 06.08.2024 **(RUD 26)** informed the importer that the competent authority has allowed provisional release to the aforementioned seized goods under Section 110(A) of Customs Act, 1962 subject to fulfilment of the certain conditions (such as Execution of a PD Bond and Furnishing a Bank Guarantee) in terms of CBIC Circular No. 35/2017-Cus dated 16.08.2017.

Further vide letter dated 06.10.2025 **(RUD 27)**, the Jurisdictional Customs Port Authorities (Noida Customs) provided the BG related to provisional release of the goods. The details are as follows:

| Name of the Firm | BE details | BG Details and amount | Bond Details |
|------------------------|--------------------------|---|--|
| M/s. A. G. Enterprises | 9549059 dated 05.01.2024 | 6292NDDG00005825 dt. 12.08.2024 by ICICI Bank for Rs. 14,23,500/- | IN-UP38846731145948W dated 07.08.2024 for an amount of Rs 94,89,000/ |

3.2.2. Further, the above goods imported vide BE 9549059 dated 05.01.2024 were given provisional release on 14.08.2024.

4. IMPORT HISTORY OF M/S A G ENTERPRISES VIS-À-VIS GENUINE INVOICES RETRIVED BY DRI HQ, NEW DELHI, IN THE PAST INVESTIGATIONS:

On analysing the past import data, it was observed that year 2020 onwards, M/s A G Enterprises imported the impugned goods i.e. Cold Rolled Stainless Steel Coil(Ex Stock) from various suspected Chinese suppliers who had a doubtful history of issuing fabricated under-valued invoices, substantiated in the past investigations, namely M/s FOSHAN XUANZHENG TRADING CO., LTD, M/s HONGKONG WINNER STEEL CO., LIMITED, M/s MFY METAL COMPANY LIMITED. The details of the all-Chinese suppliers of M/s A G Enterprises supplying the impugned goods i.e. Cold Rolled Stainless Steel Coil is as under:

| S No | NAME OF THE CHINESE SUPPLIER (M/S) |
|------|--|
| 1 | ALLWELL INDUSTRY COMPANY LIMITED |
| 2 | AOFENG METAL MATERIAL CO., LTD. |
| 3 | CROSS LINK INTERNATIONAL TRADING CO |
| 4 | FOSHAN XUANZHENG TRADING CO., LTD.* |
| 5 | HISSARIA INTERNATIONAL LIMITED |
| 6 | HK CARTEL IMPORT AND EXPORT CO. LTD |
| 7 | HONGKONG WINNER STEEL CO., LIMITED* |
| 8 | LIJIE STAINLESS STEEL COMPANY LIMIT |
| 9 | MCH STEEL INDUSTRY CO., LIMITED |
| 10 | MFY METAL COMPANY LIMITED* |
| 11 | PT. STEEL INDUSTRY BATAM |
| 12 | SHANDONG RIGANG METAL PRODUCTS META |
| 13 | SINOSTEEL SHENZHEN CO.,LTD |
| 14 | SPLENDOR INTERNATIONAL BUSINESS CO. |
| 15 | WINNING WAY INDUSTRY COMPANY LIMITE |

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

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

Based on genuine Invoices (**Annexure I**) retrieved by DRI during investigation proceedings concerning import of cold rolled stainless steel by certain importers, and where corresponding invoice declared before Indian customs were found to be filed at suppressed (under-valued) prices, a price range has been found for the goods—Cold Rolled Stainless Steel Coils of various grades—which appears to reflect the actual value of the impugned goods.

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

| S. NO | NAME OF THE CHINESE SUPPLIERS (M/S) | RANGE OF UNIT PRICE AS PER GENUINE INVOICE (In USD PER KG) | | | | | | | |
|-------|---|--|---------|----------|---------|----------|---------|-----------|---------|
| | | J3 GRADE | | J2 GRADE | | N1 GRADE | | 304 GRADE | |
| | | MINIMUM | MAXIMUM | MINIMUM | MAXIMUM | MINIMUM | MAXIMUM | MINIMUM | MAXIMUM |
| 1 | FIA INTERNATIONAL TRADING CO. LTD | 1.273 | 1.441 | - | - | - | - | - | - |
| 2 | GUANGDONG GUANGXIN GOLDTEC HOLDINGS | 1.39 | 2.124 | - | - | - | - | 2.11 | 2.131 |
| 3 | HONGKONG WINNER STEEL CO., LIMITED | 1.32 | 2.35 | - | - | - | - | 2.35 | 2.35 |
| 4 | JIAYAO (HONGKONG) INTERNATIONAL GROUP LIMITED | 1.41 | 2.965 | - | - | - | - | - | - |
| 5 | LEO METALS LIMITED | 1.155 | 2 | - | - | - | - | 2.785 | 2.93 |
| 6 | MFY METAL COMPANY LIMITED | 1.333 | 1.395 | - | - | - | - | - | - |
| 7 | ART STEEL MAGIC CO., LIMITED | 1.36 | 1.36 | - | - | - | - | - | - |
| 8 | FOSHAN JIA WEI IMPORT AND EXPORT CO. LTD. | 1.7 | 3.01 | - | - | - | - | - | - |
| 9 | BOSOM METAL CO LTD | 1.90 | 1.98 | - | - | - | - | - | - |
| 10 | FOSHAN TIAN MAIDUO IMPORT AND EXPORT CO. LTD. | 1.925 | 3.215 | - | - | - | - | - | - |
| 11 | FOSHAN WEN ZHI YUAN TRADING CO LTD | 1.15 | 2.03 | - | - | - | - | - | - |
| 12 | FOSHAN XUANZHENG TRADING CO. LTD. | 1.301 | 2.317 | - | - | - | - | - | - |
| 13 | FS-ESSENTIAL INTERNATIONAL CO. LIMITED | 1.25 | 3.01 | - | - | - | - | 2.865 | 3.162 |
| 14 | GOLD COAST LOGISTICS HONG KONG LIMITED | 1.7 | 1.7 | - | - | - | - | - | - |
| 15 | HK PINGAN IMP AND EXP CO LIMITED | 1.56 | 1.56 | - | - | - | - | - | - |
| 16 | HUAYE INTERNATIONAL DEVELOPMENT (HK) LIMITED | 1.44 | 2.855 | - | - | - | - | - | - |
| 17 | LIYI HONGKONG TRADING CO., LIMITED | 1.715 | 2.65 | - | - | - | - | - | - |

| | | | | | | | | | |
|----|--------------------------------|------|-------|-------|-------|-------|-------|---|---|
| 18 | NEWWEI TRADING COMPANY LIMITED | 1.14 | 1.587 | 1.244 | 1.465 | 1.413 | 1.497 | - | - |
|----|--------------------------------|------|-------|-------|-------|-------|-------|---|---|

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

6. PATTERN OF THE TRANSACTION VALUE DECLARED BY M/S A G ENTERPRISES, WHICH APPEARS TO BE UNDER-VALUED:

6.1 On analysis of import data of M/s A G ENTERPRISES, it emerged that the firm imported the impugned goods at substantial lower price (which has been found from the genuine invoices retrieved by DRI) from the same set of Chinese overseas suppliers, at or about the same time and around same commercial levels. It has been observed that, M/s A G Enterprises declared and cleared the impugned goods at a price range of USD 0.75 to 1.1 per KG for grade J3 and USD 1.1 per KG for grade J2 which appears to be under-valued in light of evidences (retrieved genuine invoices) and discussion in para supra.

6.2 The details of the all-Chinese suppliers of above firms supplying the impugned goods i.e. Cold Rolled Stainless Steel Coil (Ex Stock) with price ranges are as under:

TABLE 5

| S No | NAME OF THE CHINESE SUPPLIER (M/S) | Price Range in USD per KG (Grade J3) | Price Range in USD per KG (Grade J2) |
|------|--|--------------------------------------|--------------------------------------|
| 1 | ALLWELL INDUSTRY COMPANY LIMITED | 0.78 | NA |
| 2 | AOFENG METAL MATERIAL CO., LTD. | 0.75 | NA |
| 3 | CROSS LINK INTERNATIONAL TRADING CO | 0.75 to 1.1 | NA |
| 4 | FOSHAN XUANZHENG TRADING CO., LTD.* | 0.75 | NA |
| 5 | HISSARIA INTERNATIONAL LIMITED | 1.1 | 1.1 |
| 6 | HK CARTEL IMPORT AND EXPORT CO. LTD | 1.1 | NA |
| 7 | HONGKONG WINNER STEEL CO., LIMITED* | 0.75 | NA |
| 8 | LIJIE STAINLESS STEEL COMPANY LIMIT | 0.85 to 1.1 | NA |
| 9 | MCH STEEL INDUSTRY CO., LIMITED | 0.85 | NA |
| 10 | MFY METAL COMPANY LIMITED* | 0.75 | NA |
| 11 | PT. STEEL INDUSTRY BATAM | 0.76 | NA |
| 12 | SHANDONG RIGANG METAL PRODUCTS META | 0.75 | NA |
| 13 | SINOSTEEL SHENZHEN CO.,LTD | 0.75 | NA |
| 14 | SPLENDOR INTERNATIONAL BUSINESS CO. | 1.1 | NA |

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| | | | |
|----|--|------|----|
| 15 | WINNING WAY INDUSTRY COMPANY LIMITE | 0.85 | NA |
|----|--|------|----|

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

5.3 Further, a brief of Bill of Entries filed by M/s A G Enterprises (IEC BCFPK8460C) for Cold Rolled Stainless Steel Coil (Ex Stock), for the relevant period, is as under:-

TABLE 6

| S No. | Total Bills of Entry | Assessable Value (INR) | Duty Paid (INR) |
|-------|----------------------|------------------------|-----------------|
| 1 | 37 | 15,27,89,700 | 4,22,45,321 |
| | TOTAL | 15,27,89,700 | 4,22,45,321 |

An examination of past import transactions undertaken by M/S A G Enterprises from the year 2020 onwards, involving the importation of Cold Rolled Stainless Steel grades (grade J3 and grade J2), reveals indications of under-valuation. The subject goods were procured from certain Chinese suppliers who were found to be accused of issuing forged invoices and had been previously associated with cases involving systematic under-valuation. The declared transaction value in the consignments of above firm exhibit a striking similarity to the pricing patterns typically observed during the investigation involving such suspect suppliers. Accordingly, it appears that impugned goods imported by M/s A G Enterprises, from these suspected Chinese suppliers and other Chinese suppliers (at similar price) are liable to be considered as under-valued and liable for appropriate penal action under the Customs Act, 1962.

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

During the course of the investigation statements of following persons were recorded under section 108 of the customs act 1962, substantiating under-valuation of goods imported by M/s A G Enterprises:

TABLE 7

| S. No | Name of person (Shri/Ms./Smt) | Date of Statement | RUDs No |
|-------|---|--|----------------------------------|
| 1 | Gaurav Khurana, Proprietor of M/s A G Enterprises | 02.01.2024, 09.02.2024 27.12.2024, 10.09.2025 & 06.10.2025 | RUD 28,29,30, 31 & 32 |
| 2 | Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover | 20.12.2023 and 21.12.2023 and 03.01.2025 | RUD 33, 34 & 35 |
| 3 | Sh. Atul Kishore Guglani, Director of M/s Choice Cargo Agency Pvt. Ltd | 05.01.2024 and 02.01.2025 | RUD 36 &37 |

Relevant portions of the statements are appended below:

7A. Statement dated 02.01.2024, 09.02.2024, 27.12.2024 10.09.2025 & 06.10.2025 of Shri Gaurav Khurana, Proprietor of M/s A G Enterprises, wherein inter-alia he stated that: (RUD No. 28,29,30, 31 & 32)

- That he is the only person operating and controlling his firm M/s A G Enterprises for importing Cold Rolled Stainless Steel Coils;
- He also stated that his firm has been importing goods Cold Rolled Stainless Steel Coils Ex-stock at the price range of USD 0.75 per kg to USD 1.1 per kg from different Chinese suppliers, whereas, the general price of import for “J3 grade” is in the range of USD \$1.3 to \$2 per KG;
- that in the last 03 to 04 years his firm has been importing the goods “Cold Rolled Stainless Steel Coils J3 Ex-stock” at undervalued price to make price competitive in the market; that by doing this he (Shri Gaurav Khurana) evaded Custom duties and other applicable taxes; that he (Shri Gaurav Khurana) started declaring value of goods i.e.” Cold Rolled Stainless Steel of J3 grade” as \$ 0.75 per Kg, which he (Shri Gaurav Khurana) subsequently increased to \$0.85 per Kg in subsequent years and then further increased to \$1.1 per Kg from August 2023 onwards;
- that all his import suppliers from China were provided by Shri Amit Gupta, who used to fix deal with the Chinese suppliers and also decided the import price; that he (Shri Gaurav Khurana) used to get the proforma invoice on WhatsApp either by Shri Amit Gupta or by Supplier directly;
- That he accepted undervaluation in import consignment of goods i.e. Cold Rolled Stainless Steel of J3 grade” by his firm M/s A G Enterprises; that he is also ready to pay differential Customs duty on account of undervaluation in import made by his firm M/s A G Enterprises.
- On being asked to explain modus-operandi as to how he used to do under-valuation in M/s A G Enterprises to evade customs duty, Shri Gaurav Khurana did not comment on it;
- On being asked to submit genuine invoices reflecting actual price of the imported goods Shri Gaurav Khurana stated that he is not possessing genuine invoice;
- On being asked about the imports of “Cold Rolled Stainless Steel coils/strips J3” made by his firm from the suspected supplier/s namely Chinese suppliers namely M/s FOSHAN XUANZHENG TRADING CO., LTD., M/S MFY METAL COMPANY LIMITED and M/S HONGKONG WINNER STEEL CO. LIMITED from year 2020 onwards at the lower price of the @USD 0.75

per KG, he could not give any justification and re-iterated that his import prices were under-valued;

- On being asked about the minimum value (USD 1.14 per KG) determined during the investigation as a benchmark for identifying under-valuation in Cold Rolled Stainless Steel Coils (grade J3), he did not comment upon it and instead stated his imported prices were relatively lower i.e. USD 0.75-0.85 USD;
- When being shown the Chartered Engineer (CE) report on the valuation of the goods imported vide BE 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024, which were physically examined by the CE, he stated that he don't agree with the revalued price of the Chartered Engineer;
- That he deposited Rs 30 Lakh voluntarily against duty short paid on account of under-valuation. (Demand Draft/Cheque in favour of Customs Mundra No. 505117 dated 16.01.2024 for Rs. 15,00,000/- , No. 505025 dated 23.01.2024 for Rs. 10,00,000/-; and No. 891679 dated 08.02.2024 for Rs. 5,00,000/-).
- that Shri Atul Kishore Guglani provided him CHA services for his import consignments; that for clearance of imported goods i.e. "Cold rolled stainless steel coil J3 grade" he (Shri Gaurav Khurana) used to provide import documents to Shri Atul Kishore Guglani, who outsourced CHA firm M/s Mukesh Grover for clearance of goods imported in my firm.
- That Shri Atul Kishore Guglani through his firm M/s Choice Cargo Agency Pvt. Ltd, provided him CHA Services which was further outsourced to M/s Mukesh Grover (CHA firm) Proprietorship of Shri Mukesh Grover who would clear his consignments at Customs port; that for these CHA service Shri Atul Kishore Guglani through his firm M/s Choice Cargo Agencies Pvt Ltd, used to raise invoices to his firm; that he used to provide them final documents i.e. Performa invoices, commercial invoices, bill of lading and packing list, received from Chinese suppliers.

7B. Statement dated 20.12.2023, 21.12.2023 and 03.01.2025 of Sh. Mukesh Grover (CHA, F-Card Holder) Prop. of M/s Mukesh Grover was recorded under Sec 108 of Customs Act, wherein he inter-alia stated that: (RUD No 33,34 & 35)-

- That he has done custom clearance for M/s A G Enterprises which was given to him for customs clearance by one of his friends Shri Atul Kishore Guglani;
- That he agreed that in his client firms most of the imports of cold rolled stainless steel coil from China was under-valued @ USD 0.75 per kg ; that the actual rates were higher than the declared price;
- that Shri Atul Kishore Guglani through his firm M/s Choice Cargo Agency Pvt Ltd (07AABFC9292K1Z2) used to outsource

CHA services to him (M/s Mukesh Grover) in respect of many imports firm including M/s A G Enterprises; that he (M/s Mukesh Grover) used to raise Bills to M/s Choice Cargo Agency Pvt Ltd (Director Shri Atul Kishore Guglani) for his services for Customs Clearances of the consignment of many imports firm including M/s A G Enterprises;

- that he used to receive the Customs documents from Shri Atul Kishore Guglani of M/s Choice Cargo Agencies Pvt Ltd, who was the person, whom he contacted for import consignment; that he never contacted with owners of the firm;
- that he cannot comment upon whether Shri Atul Kishore Guglani was aware about the actual price of the imported goods in above firms, but Shri Atul Kishore Guglani was the person who approved and finalized the documents/checklist for filing before Customs in respect to M/s A G Enterprises;

Shri Mukesh Grover further denied his role in under-valuation done by firms he provided CHA services but he could not provide any satisfactory answer to having a long career as Customs Broker (since 2006) and handling the Commodity Cold Rolled Stainless Steel Coils since 2019, he was not aware about the actual price of the import goods or goods being under-valued.

7C. Statement dated 05.01.2024 and 02.01.2025 of Sh. Atul Kishore Guglani, Director of M/s Choice Cargo Agency Pvt. Ltd. was recorded under Sec 108 of Customs Act, wherein inter-alia he stated that (RUD No 36& 37) :

- He has been providing CHA clearance services to M/s A G Enterprises;
- That his firm M/s Choice Cargo agencies Pvt Ltd, outsourced the CHA services to M/s Mukesh Grover (proprietor Shri Mukesh Grover) for Customs Clearance services for the import consignments for many importers including M/s A G Enterprises; that against these services M/s Mukesh Grover used to issue him bills which he passed on to the above importers under his invoices (issued by M/s Choice Cargo Agencies Pvt Ltd) by adding his fee/charges;
- That Shri Gaurav Khurana who is Proprietor of M/s A G Enterprises, used to provide final approval to him to file documents with Customs in respect of M/s A G Enterprises;
- That his role in above firms was limited to clearance of import consignment only which he used to outsource to Shri Mukesh Grover;
- On being asked about Amit Gupta Sh. Atul Kishore Guglani stated that Shri Amit Gupta a broker who is a permanent resident of China from last 16 years; that he knew him Shri Amit Gupta since 2017-18; that Shri Amit Gupta worked as a

commission agent for many importers for purchase of material from China from different foreign suppliers;

- Shri Sh. Atul Kishore Guglani further denied his role in undervaluation done by firms and contended that he was not aware of undervaluation and have no role in undervaluation in the firms, but could not provide any satisfactory answer to having a long career as Customs Broker (since 2006) and handling the Commodity Cold Rolled Stainless Steel Coils since 2016, how he was not aware of the actual import price.

7D. Further, to investigate role of Shri Amit Gupta in imports by M/s A G Enterprises, Shri Amit Gupta was summoned on various dates on 22.02.2024, 10.03.2024, 23.04.2024, 02.09.2024 and 23.12.2024, to join investigation, but Shri Amit Gupta has never attended the investigation till date. Therefore, for this non-compliance of the summons, a complaint for offences punishable under section 174 of the Indian Penal Code has been filed in Court of Law at Patiala House Court, New Delhi, against Sh. Amit Gupta. The matter is *sub judice* as on date.

Ongoing through the above, it is evident that the firm M/s A G Enterprises had been importing Cold Rolled Stainless Steel by under-valuing them using fabricated invoices as unearthed by the DRI in past investigations. Further acceptance of the undervaluation in the importation of impugned goods by Shri Gaurav Khurana, Proprietor of M/s A G Enterprises in his voluntary statements also corroborated this fact. Further, purchase of impugned goods from suspected Chinese supplier namely, M/s FOSHAN XUANZHENG TRADING CO., LTD., M/S MFY METAL COMPANY LIMITED and M/S HONGKONG WINNER STEEL at similar purchase prices, which was found to be under-valued in past investigations also suggest undervaluation in import of the impugned goods by M/s A G Enterprises. In view of facts and evidences discussed in foregoing Paras, it appears that transaction value declared by M/s A G Enterprises aren't the actual transaction value. This raises questions about the accuracy and fairness of the declared transaction value by M/s A G Enterprises. Facts and evidences suggested that Shri Gaurav Khurana had used fabricated-under-valued invoices to suppress actual value of the impugned goods.

8. WRONGFUL AVAILMENT OF DUTY BENEFITS UNDER S.NO.734 OF NOTIFICATION NO. 50/2018-CUSTOMS DATED 30.06.2018 (SAPTA BENEFITS) BY M/s A G ENTERPRISES:

8.1 The investigation also revealed that M/s A G Enterprises was also importing the impugned goods i.e. "Cold Rolled Stainless Steel Strips/Coils (Ex Stock)" by mis-classifying the same under CTH 72209022 and wrongly availed the benefit (at Sr. No.734) under Notification No.50/2018-Customs dated 30.06.2018. Ministry of Finance (Department of Revenue) Notification No.50/2018-Customs dated 30.06.2018, provides for concessional benefits in duty of Customs for the goods imported from countries listed in APPENDIX I (Bangladesh, People's Republic of China, Republic of Korea & Sri Lanka) and APPENDIX II (Bangladesh & Lao People's Democratic Republic) of the notification. Further, the Chapter/ Heading No/ Sub-heading No./ tariff item and description of the eligible goods have been specified in column (2) and (3)

respectively, of the Table annexed with the notification. In addition, extent of tariff concession (percentage of applied rate of duty in %) has been provided in in column (4) of the said Table. Entry No. 734 of the said notification provides for:

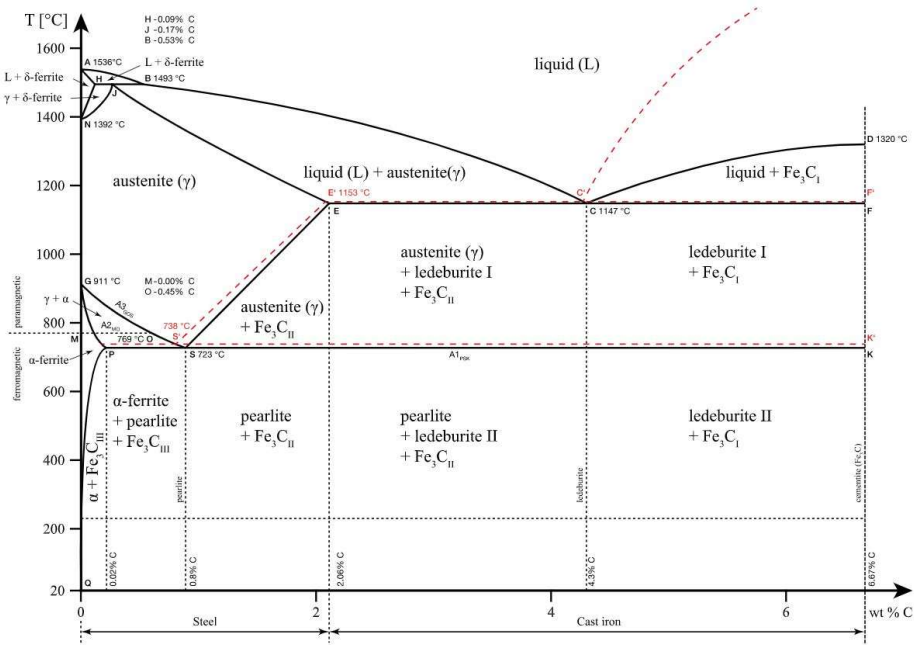
Table 08

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

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

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

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



8.2 Further, to stabilize Austenitic Stainless-Steel at room temperature, it is alloyed with other elements like Nickel and Chromium. The addition of these elements further divided Austenitic Steel in to two subgroups i.e. 200 and 300 series (International Grade). This differentiation is primarily based on partial replacement of Nickel (Ni) with Manganese (Mn) and Nitrogen (N). When Ni content in Series 300 Austenitic Steel is further partially replaced with Mn and

N then it is classified as Series 200 Austenitic Steel. Composition of different grades of Austenitic Steel with respect to different alloying elements, as specified in Bureau of Indian Standards (BIS) IS 6911:1992, are as follows:

| Table 1 Chemical Composition (Clauses 7.1 and 7.2) | | | | | | | | | | | IS 6911 : 1992 |
|---|----------------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------------------------------|----------------|
| Grade Designation | | C | Si Max | Mn | Ni | Cr | Mo | S Max | P Max | Others | |
| Letter Symbol [see IS 1762 (Part 1)] | Numerical Symbol ISS | | | | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Ferritic Steels | | | | | | | | | | | |
| X 04Cr12 | 405 | 0.08 Max | 1.0 | 1.0 Max | — | 11.5-13.5 | — | 0.030 | 0.040 | Al 0.10-0.30 | |
| X 07Cr17 | 430 | 0.12 Max | 1.0 | 1.0 Max | 0.50 Max | 16.0-18.0 | — | 0.030 | 0.040 | | |
| Martensite Steel | | | | | | | | | | | |
| X 12Cr12 | 410 | 0.08-0.15 | 1.0 | 1.0 Max | 1.0 Max | 11.5-13.5 | — | 0.030 | 0.040 | | |
| X 20Cr13 | 420 S1 | 0.16-0.25 | 1.0 | 1.0 Max | 1.0 Max | 12.0-14.0 | — | 0.030 | 0.040 | | |
| X 30Cr13 | 420 S2 | 0.26-0.35 | 1.0 | 1.0 Max | 1.0 Max | 12.0-14.0 | — | 0.030 | 0.040 | | |
| X 40Cr13 | 420 S3 | 0.35-0.45 | 1.0 | 1.0 Max | 1.0 Max | 12.0-14.0 | — | 0.030 | 0.040 | | |
| X 15Cr16Ni2 | 431 | 0.10-0.20 | 1.0 | 1.0 Max | 1.25-2.50 | 15.0-17.0 | — | 0.030 | 0.045 | | |
| X 108Cr17Mo | 440 | 0.95-1.20 | 1.0 | 1.0 Max | 0.50 Max | 16.0-18.0 | 0.75 Max | 0.030 | 0.045 | | |
| Austenitic Steels | | | | | | | | | | | |
| X 10Cr17Mn6Ni4N20 | 201 | 0.20 Max | 1.0 | 4.0-8.0 | 3.5-5.5 | 16.0-18.0 | — | 0.030 | 0.045 | N 0.05-0.20 | |
| X 07Cr17Mn12Ni4 | 201 A | 0.12 Max | 1.0 | 10.0-14.0 | 3.5-5.5 | 16.0-18.0 | — | 0.030 | 0.045 | | |
| X 10Cr18Mn9Ni5 | 202 | 0.15 Max | 1.0 | 8.0-10.0 | 4.0-6.0 | 17.0-19.0 | — | 0.030 | 0.045 | | |
| X 10Cr17Ni7 | 301 | 0.15 Max | 1.0 | 2.0 Max | 6.0-8.0 | 16.0-18.0 | — | 0.030 | 0.045 | | |
| X 07Cr18Ni9 | 302 | 0.15 Max | 1.0 | 2.0 Max | 8.0-10.0 | 17.0-19.0 | — | 0.030 | 0.045 | | |
| X 04Cr19Ni9 | 304 S1 | 0.08 Max | 1.0 | 2.0 Max | 8.0-10.0 | 17.5-20.0 | — | 0.03 | 0.045 | | |
| X 02Cr19Ni10 | 304 S2 | 0.03 Max | 1.0 | 2.0 Max | 8.0-12.0 | 17.5-20.0 | — | 0.030 | 0.045 | | |
| X 15Cr24Ni13 | 309 | 0.20 Max | 1.5 | 2.0 Max | 11.0-15.0 | 22.0-25.0 | — | 0.030 | 0.045 | | |
| X 20Cr25Ni20 | 310 | 0.25 Max | 2.5 | 2.0 Max | 18.0-21.0 | 24.0-26.0 | — | 0.030 | 0.045 | | |
| X 04Cr17Ni12Mo2 | 316 | 0.03 Max | 1.0 | 2.0 Max | 10.0-14.0 | 16.0-18.0 | 2.0-3.0 | 0.030 | 0.045 | | |
| X 02Cr17Ni12Mo2 | 316 L | 0.08 Max | 1.0 | 2.0 Max | 10.0-14.0 | 16.0-18.0 | 2.0-3.0 | 0.030 | 0.045 | | |
| X 04Cr17Ni12Mo2Ti | 316 Ti | 0.08 Max | 1.0 | 2.0 Max | 10.0-14.0 | 16.0-18.0 | 2.0-3.0 | 0.030 | 0.045 | Ti Min-5 (C + N) Ti Max-0.80 | |
| X 04Cr18Ni10Ti | 321 | 0.08 Max | 1.0 | 2.0 Max | 9.0-12.0 | 17.0-19.0 | — | 0.030 | 0.045 | Ti Min-5 (C + N) Ti Max-0.8 | |
| X 04Cr18Ni10Nb | 347 | 0.08 Max | 1.0 | 2.0 Max | 9.0-12.0 | 17.0-19.0 | — | 0.030 | 0.045 | Nb Min-10C Nb Max-1.0 | |

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

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

8.4. Further, Mill Test Certificate (MTC), also known as a Mill Certificate or a Material Test Report (MTR), is a quality assurance document used in the manufacturing and inspection of materials, particularly in industries such as metalworking, construction, and manufacturing. The primary purpose of an

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MTC is to provide essential information about the properties and quality of a specific batch or lot of material, typically metals like steel or other critical materials used in construction or engineering projects. During investigation of Mill Test Certificate/Report uploaded by M/s A G Enterprises, the content of Nickel (Ni) and Chromium (Cr) in the imported goods (Cold Rolled Stainless Steel Coil(Ex Stock)) was not found as per specification required to qualify in any of the two subgroups (200 & 300 Series) of Austenitic stainless steel.

8.5 Mill Test Certificate/Report of the imported Cold Rolled Stainless Steel of J3 grade by M/s A G Enterprises is appended below:

A. MTC/MTR in respect of overseas supplier M/s Sinosteel Shenxhen Co. Ltd

| SINOSTEEL SHENZHEN CO.,LTD. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|----------|--|--|--|-----|--|---|--|--------------------------|--|---|--|--------|--|---|--|--------------|--|---|----------|-------|------|-------|--|------|--|-----------|--|-----|--|-----|--|----|--|
| MILL CERTIFICATE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MPY (FS) 21/A | | | | CUSTOMER: A G ENTERPRISES | | | | SPEC. TYPE: J3 | | | | PRODUCT: EX STOCK COLD ROLLED STAINLESS STEEL COIL J3 | | | | CERTIFICATION NO: 210305AE01-2 | | | | ISSUE DATE: 20210419 | | | | | | | | | | | | | | | |
| CI NO.: MEY210305AE01 | | | | Date: 2021.05.17 12:28:17 | | | | Digitally signed by M/s A G Enterprises | | | | Digitally signed by M/s A G Enterprises | | | | Digitally signed by M/s A G Enterprises | | | | Digitally signed by M/s A G Enterprises | | | | | | | | | | | | | | | |
| Coil No. | | Heat No. | | Spec | | QTY | | Net Weight | | (% Chemical Composition) | | | | | | | | TENSILE TEST | | | HARDNESS | | BEND | | | | | | | | | | | | |
| | | | | | | PKG | | KGS | | C | | SI | | Mn | | P | | S | | Cr | | Ni | | Cu | | T.S. | | 0.2% Y.S. | | EL. | | HRB | | HV | |
| DW0416-1 | | 158Q | | 0.18*485 | | 1 | | 3092 | | 0.133 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.06 | | 0.782 | | 0.583 | | | | | | | | | | | |
| DW0416-2 | | 158Q | | 0.18*485 | | 1 | | 3266 | | 0.133 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.06 | | 0.782 | | 0.583 | | | | | | | | | | | |
| DW0416-3 | | 158Q | | 0.18*485 | | 1 | | 3258 | | 0.133 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.06 | | 0.782 | | 0.583 | | | | | | | | | | | |
| DW0415-1 | | 888Q | | 0.18*550 | | 1 | | 3694 | | 0.127 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.770 | | 0.603 | | | | | | | | | | | |
| DW0415-2 | | 888Q | | 0.18*550 | | 1 | | 3730 | | 0.127 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.770 | | 0.603 | | | | | | | | | | | |
| DW0415-3 | | 888Q | | 0.18*485 | | 1 | | 3242 | | 0.127 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.770 | | 0.603 | | | | | | | | | | | |
| DW0414-1 | | 190H | | 0.18*485 | | 1 | | 3322 | | 0.130 | | 0.374 | | 10.459 | | 0.021 | | 0.002 | | 13.06 | | 0.766 | | 0.594 | | | | | | | | | | | |
| DW0414-2 | | 190H | | 0.18*595 | | 1 | | 2922 | | 0.130 | | 0.374 | | 10.459 | | 0.021 | | 0.002 | | 13.06 | | 0.766 | | 0.594 | | | | | | | | | | | |
| DW0414-3 | | 190H | | 0.18*485 | | 1 | | 3136 | | 0.130 | | 0.374 | | 10.459 | | 0.021 | | 0.002 | | 13.06 | | 0.766 | | 0.594 | | | | | | | | | | | |
| DW0417-1 | | 552K | | 0.18*485 | | 1 | | 3184 | | 0.125 | | 0.420 | | 10.780 | | 0.021 | | 0.002 | | 13.04 | | 0.765 | | 0.598 | | | | | | | | | | | |
| DW0417-2 | | 552K | | 0.18*485 | | 1 | | 3220 | | 0.125 | | 0.420 | | 10.780 | | 0.021 | | 0.002 | | 13.04 | | 0.765 | | 0.598 | | | | | | | | | | | |
| DW0417-3 | | 552K | | 0.18*550 | | 1 | | 3814 | | 0.125 | | 0.420 | | 10.780 | | 0.021 | | 0.002 | | 13.04 | | 0.765 | | 0.598 | | | | | | | | | | | |
| DW0414-1 | | 031EY | | 0.18*595 | | 1 | | 2750 | | 0.122 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.765 | | 0.591 | | | | | | | | | | | |
| DW0414-2 | | 031EY | | 0.18*595 | | 1 | | 2918 | | 0.122 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.765 | | 0.591 | | | | | | | | | | | |
| DW0414-3 | | 031EY | | 0.18*595 | | 1 | | 2706 | | 0.122 | | 0.413 | | 10.581 | | 0.040 | | 0.002 | | 13.05 | | 0.765 | | 0.591 | | | | | | | | | | | |
| DW0413-1 | | 590P | | 0.18*595 | | 1 | | 2628 | | 0.126 | | 0.420 | | 10.780 | | 0.036 | | 0.003 | | 13.10 | | 0.783 | | 0.583 | | | | | | | | | | | |
| DW0413-2 | | 590P | | 0.18*595 | | 1 | | 2418 | | 0.126 | | 0.420 | | 10.780 | | 0.036 | | 0.003 | | 13.10 | | 0.783 | | 0.583 | | | | | | | | | | | |
| TOTAL: | | | | / | | | | 17 | | 63300 | | | | | | | | | | | | | | | | | | | | | | | | | |
| REMARKS: | | | | 1. EDGE: M-MILL EDGE, C-CUT EDGE 2. NON-RADIATION CONTAMINATION | | | | | | | | | | | | | | | | MANUFACTURER: SINOSTEEL SHENZHEN CO., LTD. | | | | | | | | | | | | | | | |
| NOTES: | | | | WE HEREBY CERTIFY THAT THE MATERIAL DESCRIBED HEREIN HAS BEEN MANUFACTURED AND TESTED WITH SATISFACTORY RESULT IN ACCORDANCE WITH THE REQUIREMENT OF THE ABOVE MATERIAL SPECIFICATION. | | | | | | | | | | | | | | | | STAMP: | | | | | | | | | | | | | | | |

8.6 On examination of the above Mill Test Certificates (MTC) uploaded by M/s A G Enterprises, issued by the overseas suppliers for “Cold Rolled Stainless Steel strips/Coil Grade J3” indicated that Nickel content is less than 1.5% and Chromium is less than 16%, which in comparison with the chemical composition of Austenitic Stainless Steel of Nickel Chromium type, is much less. Therefore, Cold Rolled Stainless Steel Coils of J3 grade is not Nickel Chromium Austenitic type and cannot be classified as Nickel Chromium Austenitic type.

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

During the course of the investigation, statements of following persons were recorded under section 108 of the customs act 1962, in relation to misclassification of imported goods to wrongfully avail duty benefits by M/s A G Enterprises:

Table 09

| S. No. | Name of Proprietor of firm/Authorized Signatory | Dt. of Statement | RUD No. |
|--------|---|------------------|---------|
| 1 | Shri Gaurav Khurana, Proprietor of M/s A G Enterprises | 08.08.2025 | RUD- 38 |
| 2 | Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover | 11.09.2025 | RUD- 39 |
| 3 | Arjun Guglani, Partner M/s Total Cargo Service | 11.09.2025 | RUD- 40 |

i) Statement dated 08.08.2025 of Shri Gaurav Khurana, Proprietor of M/s A G Enterprises, recorded under Sec 108 of Customs Act, wherein inter-alia he stated the following: (RUD No 38)

- On being asked about the manufacturing process and end use of “stainless-steel coils” imported by his firm, Shri Gaurav Khurana inter-alia stated that he do not have any idea about how the stainless coils are manufactured and its end use, since he is a trader who sells the imported goods in the local market.
- On being shown the Customs Tariff Act, 1975 and asked describe/explain classification of the imported goods vis-à-vis Schedule of the Customs Tariff Act, 1975 he stated that by going through the above the imported goods are manufactured by both Hot Rolling and Cold Rolling, therefore they shall be classifiable under subheading of “others” in CTH 7220, i.e. 7220 90. Further, within the sub-heading 7220 90, there are further categories based on the shape of goods (i.e. skelp or strips) and end use (i.e. used for pipes and tubes). In the instant the goods imported are in Coil form are also suitable to be used to manufacture utensils.
- That imported goods were declared under CTH 72209022 as per the consultation of the licenced CHA i.e. Sh Mukesh; that as per the current custom data and printed tariff this is the right classification.
- That however he cannot comment upon that under which correct chapter head these goods should be classified.
- That on being shown the BIS certificate (ISI 6911: 1992), wherein the chemical composition of the Austenitic steel 201 grade is as under:

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

That as per test certificates (MTC) in respect of his firm M/s A G Enterprises; that have chemical composition range as below:

| Elements | C | Mn | S | P | Si | Ni | Cr | Cu |
|------------------|-------------|--------------|-------------|------------|------------|-------------|-------------|-------------|
| Composition in % | 0.122-0.133 | 10.581-10.78 | 0.002-0.003 | 0.021-0.04 | 0.374-0.42 | 0.765-0.783 | 13.04-13.10 | 0.583-0.603 |

- That as per BIS certificate (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by his firm had lower concentration of Nickel (Ni) and Chromium (Cr).
- that he had not misclassified the goods as per his knowledge; that he filed the documents as per consultation of his CHA.

ii) Statement dated 11.09.2025 of Shri Mukesh Grover (CHA, F-Card Holder) Prop. of M/s Mukesh Grover, recorded under Sec 108 of Customs Act, wherein inter-alia he stated the following: (RUD No 39)

- That he been providing Customs Clearance Services to M/s A G Enterprises for clearing import consignments of Cold rolled Stainless Steel; that he used to receive customs documents from Shri Atul Kishore Guglani, Partner in M/s Choice Cargo agencies Pvt Ltd.

- That he did not know the process of manufacturing of stainless-steel coil; that the impugned goods are used in the production of making utensils.
- That as per BIS certificate (ISI 6911: 1992), the chemical composition of the Austenitic steel 201 grade is as under:-

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

- That as per Mill Test Certificate submitted by M/s A G Enterprises the chemical composition range is as below:-

| Elements | C | Mn | S | P | Si | Ni | Cr | Cu |
|------------------|-------------|-------------|-------------|--------------|-----------|-----------|------------|-----------|
| Composition in % | 0.122-0.143 | 10.45-10.68 | 0.002-0.004 | 0.021-0.0454 | 0.33-0.42 | 0.75-1.46 | 13.04-13.6 | 0.58-0.77 |

- That as per BIS certificate (ISI 6911: 1992), to qualify the category of Nickel Chromium austenitic type under CTH 72209022, the chemical composition of the Nickel (Cr) and Chromium (Cr) shall be in the range of 3.5 to 5.5 and 16 to 18 respectively; that however, in case of M/s A G Enterprises the chemical composition of the NI and CR falls in range of 0.75 to 1.46 and 13.04 to 13.6; that, therefore the goods imported by M/s A G Enterprises do not qualify to be “Austenitic steel” type and therefore do not merit classification under CTH 72209022.
- That as per BIS certificate (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by M/s A G Enterprises, had lower concentration of Nickel (Ni) and Chromium (Cr).
- That as per the above documents it appears as the goods imported by M/s A G Enterprises do not qualify to be “Austenitic steel” type , therefore they do not merit classification under CTH 72209022, and therefore the importer had misclassified the goods under wrong CTH;
- that he was not aware about the IS 6911:1992 and chemical composition of the Stainless Steel prescribed by it, that’s why he had submitted the Customs documents with incorrect classification.

iii) Statement dated 11.09.2025 of Sh. Atul Kishore Guglani, Director of M/s Choice Cargo Agency Pvt. Ltd. was recorded under Sec 108 of Customs Act, wherein inter-alia he stated the following: (RUD No 40)

- That he had been providing custom clearance to M/s A G Enterprises from his firm M/s Choice Cargo agencies Pvt Ltd, which he outsourced to Shri Mukesh Grover proprietor of M/s Mukesh Grover;
- That he did not know the process of manufacturing of stainless-steel coil; that , however, the goods imported i.e cold rolled steel coils are used in the production of making utensils;
- That as per BIS certificate (ISI 6911: 1992), the chemical composition of the Austenitic steel 201 grade is as under:

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

- That as per Mill Test Certificates submitted by M/s A G Enterprises the chemical composition range is as below:

| Elements | C | Mn | S | P | Si | Ni | Cr | Cu |
|------------------|-------------|-------------|-------------|--------------|-----------|-----------|------------|-----------|
| Composition in % | 0.122-0.143 | 10.45-10.68 | 0.002-0.004 | 0.021-0.0454 | 0.33-0.42 | 0.75-1.46 | 13.04-13.6 | 0.58-0.77 |

- That as per BIS certificate (ISI 6911: 1992), to qualify the category of Nickel Chromium austenitic type under CTH 72209022, the chemical composition of the Nickel (Cr) and Chromium (Cr) shall be in the range of 3.5 to 5.5 and 16 to 18 respectively; that however, in case of M/s A G Enterprises, the chemical composition of the Nickel and Chromium falls in range of 0.75 to 1.46 and 13.04 to 13.6; that, therefore the goods imported by M/s A G Enterprises do not qualify to be “Austenitic steel” type and therefore do not merit classification under CTH 72209022.
- That as per BIS certificate (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by M/s A G Enterprises, had lower concentration of Nickel (Ni) and Chromium (Cr).
- that he was not aware about the IS 6911:1992 and chemical composition of the Stainless Steel prescribed by it, that’s why he had submitted the Customs documents with incorrect classification.

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

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

On Examination of Mill Test Certificates as discussed in Para supra, it is ascertained that M/s A G Enterprises imported goods i.e. “Cold Rolled Stainless Steel strips/ Coil (Ex Stock)” -which do not contain Ni and Cr as prescribed under IS 6991:1992 do not merit classification under Tariff heading of Austenitic Stainless Steel of Chromium and Nickel type. Further, M/s A G Enterprises did not correctly mentioned the description of the imported goods at the time of filing of Bills of Entry and did-not mentioned the imported items as ‘Nickel chromium austenitic type’, rather they have indicated a generic description as ‘Cold Rolled Stainless Steel Coils Ex Stock’. This indicated mala fide intention to wrongly avail the benefits of concessional duty under notification 50/2018- Customs which was available in respect of nickel Chromium austenitic type Steel (CTH 72209022). Therefore, since the impugned goods are not Nickel Chromium Austenitic Type and the description of goods mentioned is too generic, the impugned goods merit classification in the ‘others’ category of CTH 722090. Further, in the instant matter the goods imported are in Coil forms and are suitable for manufacturing of utensils, as stated by concerned persons in their voluntary statement recorded under Section 108 of the Customs Act 1962. Therefore, the imported goods appear to be further classifiable under CTH 7220 9090 - “other” category of CTH 7220 90. Thus, the correct classification of the impugned goods i.e. “Cold Rolled Stainless Steel Coil grade J3” appears to be under CTH 7220 9090 and not under CTH 7220 9022, as declared by the importer. Further, concessional rate of Basic Customs Duty as availed by M/s

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

11. SUMMARY OF INVESTIGATION:

Thus, investigation of all the evidences retrieved, statements recorded, brought out following offences under Customs Act 1962, by M/s A G Enterprises, which are as under:

1. Under-Valuation in importation of Cold Rolled Stainless Steel (Ex Stock).
2. Mis-classification of Cold Rolled Stainless Steel (Ex Stock) under CTH 7220 9022 to avail undue benefits under S. No.734 of Notification No. 50/2018 – Customs dated 30.06.2018.

12. The main points of investigation have been summarised below

12.1 Under-valuation in import of Cold Rolled Stainless Steel by Shri Gaurav Khurana, Proprietor of M/s A G Enterprises:

Investigation revealed that Shri Gaurav Khurana, through his firm namely M/s A G Enterprises had been engaged in under-valuation in import of Cold Rolled Stainless Steel, from China; that Modus-operandi emerged to have been used by Shri Gaurav Khurana, was to declare the impugned goods at under-valued price by using fake/fabricated Invoices –with lower-value, for declaration before Indian Customs to evade appropriate duty. In addition, the live consignments of the imported goods, covered under Bill of Entry No 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024 were physically examined by the Chartered Engineers, who vide his report dated 11.07.2024 & 12.07.2024 submitted fair market value of the goods, which were found higher than that declared by M/s A G Enterprises.

12.2 Purchase of the impugned goods by M/s A G Enterprises from suspected Chinese Suppliers:

Investigation and analysing the past import data, revealed that from year 2020 onwards, M/s A G Enterprises imported the impugned goods i.e. Cold Rolled Stainless Steel Coil from various Chinese suppliers who had a doubtful history of issuing fabricated under-valued invoices namely M/s FOSHAN XUANZHENG TRADING CO., LTD, M/s HONGKONG WINNER STEEL CO., LIMITED, M/S MFY METAL COMPANY LIMITED. In the past investigations, genuine invoices-with actual prices of goods, have been retrieved; issued by such Chinese suppliers, in which under-valuation in import has been corroborated by price comparison with corresponding Customs Invoices declared, which was found to be lower than genuine invoices.

12.3 Resemblance of Pattern of the transaction value Declared By M/s A G Enterprises, which was found to be Under-Valued in previous investigations:

Examination of transaction value declared by M/s A G Enterprises for the impugned goods i.e. Cold Rolled Stainless Steel (Ex Stock), shows resemblance with the transaction value which was found to be undervalued in prior investigations. On analysis of import data of above firms, it emerged that transaction value declared for the impugned goods i.e. Cold Rolled Stainless Steel of (grade J3 at a price range of USD 0.75 to 1.1 per KG and grade J2 at USD 1.1 per KG), which shows similarity with the range of suppressed price found mentioned in fabricated invoices. In addition, the above transaction values were also found lower than the minimum value of USD 1.14 per KG for J3 grade and USD 1.244 per Kg for Grade J2 which emerged to be under-valued price as per the investigation conducted by DRI as discussed in para supra. Thus, the imports made by M/s A G Enterprises in the past (2020 onwards), of the impugned goods i.e. Cold Rolled Stainless Steel (Grade J3 & Grade J2), also appear to be under-valued.

12.4 Statements of Shri Gaurav Khurana, Proprietor of M/s A G Enterprises, Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover and Shri Atul Kishore Guglani of M/s Choice Cargo Agency Pvt. Ltd, who outsourced CHA Services on behalf of the M/s A G Enterprises to M/s Mukesh Grover:

Shri Gaurav Khurana, Proprietor of M/s A G Enterprises in his statements accepted under-valuation in imports by M/s A G Enterprises; that he controlled and operated M/s A G Enterprises; that in M/s A G Enterprises the imported goods i.e. Cold Rolled Stainless Steel Coils were under-valued by him; that his firm had been importing goods i.e. Cold Rolled Stainless Steel Coils, at USD 0.75 per KG to USD 1.12 per KG from different suppliers of China/Hongkong; which is significantly lower; that general transaction value of Cold Rolled Stainless Steel Coils -grade J3 is USD 1.3 to 2 per KG; that for the last 03 to 04 years his firm has had importing Cold Rolled Stainless Steel Coils (grade J3), at under-valued price to make goods competitive in the market.

Further Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover agreed that in his client firms most of the imports of cold rolled stainless steel coil from China was under-valued @ USD 0.75 per kg; that the actual rates were higher than the declared price. Further, Shri Mukesh Grover (CHA) Proprietor of M/s Mukesh Grover and Shri Atul Kishore Guglani of M/s Choice Cargo Agency Pvt. Ltd, could not provide any satisfactory answers as to having a long career as Customs Broker and handling the Commodity Cold Rolled Stainless Steel Coils for a long time, how they were not aware of the actual transaction value.

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

M/s A G Enterprises has not correctly mentioned the description of the imported goods at the time of filing of Bills of Entry and have-not mentioned the imported items as 'Nickel chromium austenitic type', rather they have indicated a generic description as 'Cold Rolled Stainless Steel Coils Ex Stock'. This indicate mala fide intention to wrongly avail the benefits of concessional duty under notification 50/2018- Customs which was available in respect of nickel Chromium austenitic type Steel (CTH 72209022). Further, examination of Mill Test Certificate (MTC), also known as a Mill Certificate or a Material Test Report

(MTR); a quality assurance document used in the manufacturing and inspection of materials, submitted by M/s A G Enterprises, the content of Nickel (Ni) and Chromium (Cr) in the imported goods (Cold Rolled Stainless Steel Coil of J3 grade) was not found as per specification required to qualify in any of the two subgroups (200 & 300 Series) of Austenitic stainless steel. M/s A G Enterprises filed the Bills of Entry under CTH 72209022, i.e. Flat-Rolled Stainless Steel (less than 600MM width) - Nickel Chromium Austenitic Type, however, during the investigation, it was revealed that the correct classification of the imported goods should be under CTH 7220 9090 - "others". Therefore, the imported goods do not merit classification under CTH -72209022 i.e. Flat-Rolled Stainless Steel (less than 600MM width) - *Nickel Chromium Austenitic Type*. Thus, 45% concession on Basic Customs Duty under S. No.734 of Notification No. 50/2018 – Customs dated 30.06.2018 availed by M/s A G Enterprises appears to be wrongly availed. In addition, Shri Gaurav Khurana, Proprietor of M/s A G Enterprises, also accepted that as per IS standards (ISI 6911: 1992) the prescribed content of Nickel (Ni) and Chromium (Cr) are higher and goods imported by him had lower concentration of Nickel (Ni) and Chromium (Cr).

13. **LEGAL PROVISIONS:**

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

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

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

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

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

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

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

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

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

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

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

Explanation.-For the purposes of this section-

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

(i) determined by the Board, or

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

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

D) Section 28. Recovery of duties not levied or not paid or short-levied or short-paid] or erroneously refunded. –

(1) Where any duty has not been levied or not paid or short-levied or short-paid] or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason other than the reasons of collusion or any willful mis-statement or suppression of facts,-

(a) the proper officer shall, within two years from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied or paid or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;

Provided that before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;]

(b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of,-

(i) his own ascertainment of such duty; or

(ii) the duty ascertained by the proper officer,

the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid.

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

(2) *The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made thereunder in respect of such duty or interest:*

Provided *that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.*

(3) *Where the proper officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of 9[two years] shall be computed from the date of receipt of information under sub-section (2).*

(4) *Where any duty has not been 10[levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of,-*

(a) collusion; or

(b) any wilful mis-statement; or

(c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been 11[so levied or not paid] or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

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

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

(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or

(ii) that the duty with interest and penalty that has been paid falls short of the amount actually payable, then, the proper officer shall proceed to issue the notice as provided for in clause (a) of sub-section (1) in respect of such amount

which falls short of the amount actually payable in the manner specified under that sub-section and the period of 14 [two years] shall be computed from the date of receipt of information under sub-section (5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10A) Notwithstanding anything contained in this Act, where an order for refund under sub-section (2) of section 27 is modified in any appeal and the amount of refund so determined is less than the amount refunded under said sub-section, the excess amount so refunded shall be recovered along with interest thereon at the rate fixed by the Central Government under section 28AA, from the date of refund up to the date of recovery, as a sum due to the Government.

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

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

Explanation 1 . - For the purposes of this section, "relevant date" means,-

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

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

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

23[Explanation 4 - For the removal of doubts, it is hereby declared that notwithstanding anything to the contrary contained in any judgment, decree or order of the Appellate Tribunal or any Court or in any other provision of this Act or the rules or regulations made thereunder, or in any other law for the time being in force, in cases where notice has been issued for non-levy, short-levy, non-payment, short payment or erroneous refund, prior to the 29th day of March, 2018 (13 of 2018), being the date of commencement of the Finance Act, 2018, such notice shall continue to be governed by the provisions of section 28 as it stood immediately before such date.]

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

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

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

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

- (a) the duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and
- (b) such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.]

G.) Section 46. Entry of goods on importation. -

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

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

Provided further that if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in

a public warehouse appointed under section 57 without warehousing the same.

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

(3) The importer shall present the bill of entry under sub-section (1) before the end of the day (including holidays) preceding the day on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing:

Provided *that the Board may, in such cases as it may deem fit, prescribe different time limits for presentation of the bill of entry, which shall not be later than the end of the day of such arrival:*

Provided *further that a bill of entry may be presented at any time not exceeding thirty days prior to the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:*

Provided *also that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.*

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

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

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

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

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

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

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

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

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

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

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

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

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

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

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

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

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

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

(m) 2[any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 3 [in respect thereof, or in the case of goods under trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54];

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

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

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

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

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

Any person, -

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

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

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 1 [not exceeding the value of the goods or five thousand rupees], whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher :

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;]

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty 4 [not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater;]

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty 5 [not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty 6 [not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest.]

J) Section 114A. Penalty for short-levy or non-levy of duty in certain cases. -

*Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has 2 [****]been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under 3 [sub-section (8) of section 28] shall also be liable to pay a penalty equal to the duty or interest so determined:*

*4 [**Provided** that where such duty or interest, as the case may be, as determined under 3 [sub-section (8) of section 28], and the interest payable thereon under section 5 [28AA], is paid within thirty days from the date of the communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the duty or interest, as the case may be, so determined:*

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

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

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

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

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

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

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

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

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

L) Further, vide Finance Act, 2011 w.e.f. 08.04.2011 “Self-Assessment” has been introduced under the Customs Act, 1962. Section 17 of the said Act provides for self-assessment of duty on import and export goods by the importer or exporter himself by filing a bill of entry or shipping bill as the case may be, in the electronic form, as per Section 46 or 50 respectively. Thus, under self-assessment, it is the importer or exporter who will ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notification claimed, if any in respect of the imported/ exported goods while presenting Bill of Entry or Shipping Bill.

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

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3. Determination of the method of valuation.-

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

(2) Value of imported goods under sub-rule (1) shall be accepted: Provided that –

(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which –

(i) are imposed or required by law or by the public authorities in India; or

(ii) limit the geographical area in which the goods may be resold; or

(iii) do not substantially affect the value of the goods;

(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;

(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and

(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.

(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.

(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.

- (i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;*
- (ii) the deductive value for identical goods or similar goods;*
- (iii) the computed value for identical goods or similar goods:*

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

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

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

4. Transaction value of identical goods. –

(1)(a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.

(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

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

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

5. Transaction value of similar goods.-

(1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

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

6. Determination of value where value cannot be determined under rules 3, 4 and 5.-

If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, under rule 8.

Provided that at the request of the importer, and with the approval of the proper officer, the order of application of rules 7 and 8 shall be reversed.

7. Deductive value.-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

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

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

8. Computed value.- *Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-*

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

9. Residual method.-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

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

14. REJECTION OF THE TRANSACTION VALUE DECLARED BY M/S A G ENTERPRISES UNDER RULE 12 OF CUSTOMS VALUATION RULES 2007:

14.1 From the investigation and evidences discussed above, it has inter alia emerged that the actual price of the goods was significantly higher than what has been declared by M/s A G Enterprises; that undervaluation of impugned goods appears to have been done in the Bills of entry by way of submission of forged and fabricated invoices with an intent to illegally evade payment of appropriate Customs duty; that M/s A G Enterprises, instead of declaring the correct transaction value at the landing port, resorted to wilfully suppressing the actual value of goods. Further, Shri Gaurav Khurana, in his voluntary statements under Section 108 of Customs Act has accepted under-valuation in imports by M/s A G Enterprises and that he controlled and operated his firms. Further, he had also admitted that in his firm the imported goods i.e. Cold Rolled Stainless Steel Coils were under-valued by him. Hence, the declared value of the impugned goods is not the correct transaction value at which the said goods have been purchased by the importer from the suspected Chinese suppliers including others Chinese suppliers where the import value was found similar with the prices found mentioned in fabricated invoices, which emerged to be under-valued price as per the investigation conducted by DRI in case referred to in para supra of this notice; hence, the declared value of the goods is not the correct transaction value at which the said goods have been purchased by the importer from the overseas Chinese suppliers. Therefore, the declared transaction value of the impugned goods is liable to be rejected.

14.2. Further, in terms of Section 14 of the Customs Act, 1962, the value of the imported goods shall be the transaction value that is to say that price actually paid or payable for the goods when sold for export to India for delivery at the

time and place of importation, subject to such other conditions as may be specified in this behalf by the rules made in this regard.

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

14.3.(a) Rule 3 (1) of the CVR, 2007 lays down that the value of the imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10 CVR 2007. Further Rule 2(g) of CVR 2007 defines transaction value as the value referred to in sub-section (1) of Section 14 of the Customs Act 1962. Rule 13 of the CVR, 2007 lays down that the interpretative notes specified in the Schedule to these rules shall apply for the interpretation of these rules. The interpretative note to Rule 3 provides that price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods.

14.4. On a combined reading of the Section 14 ibid & the CVR 2007, it appears that customs duty is payable on transaction value that is to say that:

- (1) Price actually paid or payable for the goods i.e. the total payment made by the buyer
- (2) When sold for export to India for delivery
- (3) At the time and place of importation

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

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

14.7. From the foregoing, there appears sufficient reason to believe that the value of the impugned items declared by M/s A G Enterprises in the respective Bills of Entry are not the actual transaction values and the same appear liable to be rejected in terms of rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

15. RE-DETERMINATION OF VALUE OF THE IMPORTED GOODS UNDER THE CUSTOMS VALUATION (DETERMINATION OF VALUE OF IMPORTED GOODS) RULES, 2007 (CVR 2007):

For valuation purposes, consignments of goods are classified into two categories as follows:

- a) Past consignments; and
- b) Live Consignments under Bill of Entry 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024, which were physically examined by jurisdictional Customs authorities and for which CE report is available;

15.1. VALUATION OF GOODS WHERE GOODS AND GENUINE INVOICES AGAINST BILLS OF ENTRY, ARE NOT AVAILABLE:

In respect of the goods cleared in the past, the original invoices are not available and accordingly, the value of said consignments is to be re-determined under Customs Valuation (Determination of value of imported goods) Rules, 2007. Further, in terms of Rule 3 (4) of the said rules, the value has to be re-determined by proceeding sequentially through Rule 4 to 9 of CVR 2007.

15.1.1. Application of Rule 4 of CVR, 2007:

Rule 4 of the Valuation Rules, 2007 provides that the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued. However, the following conditions as per Rule 4 read with Rule 2(1)(d) of the Valuation Rules, 2007 must be satisfied by the 'identical goods', before their value can be used as a basis for determining the correct values of the goods in question. Thus, the identical goods should be:

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

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

15.1.2. Application of Rule 5 of CVR, 2007:

a) Rule 5 of the Valuation Rules, 2007 provides that the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued. However, the following conditions as per Rule 5 read with Rule 2(1)(f) of the Valuation Rules, 2007 must be satisfied by the 'similar goods', before their value can be used as

a basis for determining the correct values of the goods in question. Thus, the 'similar goods', should be :

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

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

b) Accordingly, valuation of the imported goods, imported at or around the same time as that of the genuine retrieved invoices) by M/s AG Enterprises, in terms of Rule 5 of the valuation rules, has been arrived at as follows:

- In those imports, where importer has imported the Cold Rolled Stainless Steel coils(Ex stock) (Grade J3/J2 in instant matter) from a suspected Chinese supplier(i.e supplier belonging to the list of 18 Chinese Suppliers as identified in discussions in para supra of this notice) and a genuine invoice from that suspected Chinese supplier for the same grade (i.e. Grade J3 /J2) is available, the valuation for these imports is determined based on the lowest-value mentioned in the all genuine invoice for that grade of cold rolled stainless steel, issued by that suspected Chinese supplier(namely- FOSHAN XUANZHENG TRADING CO., LTD, HONGKONG WINNER STEEL CO., LIMITED and MFY METAL COMPANY LIMITED).
- In those imports, where the importer has imported goods of a particular grade (Grade J3 /J2 in instant case) and where genuine invoice of that suspected Chinese supplier are not available, then for valuation purpose, genuine invoice available having the lowest value of that particular grade, among all the suspected Chinese supplier, has been taken to arrive at the redetermined value.

15.2. Valuation of Goods imported under Live Consignments (Bill of Entry No. 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024) which were physically examined and inspected by Chartered Engineer at the Port:

Further, imported goods covered under Bill of Entry 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024 were physically examined vide panchanama dated 01.05.2024 and 15.04.2024 respectively. Also, these imported goods were inspected and re-valued by Chartered Engineer vide his reports dated 11.07.2024 & 12.07.2024 respectively. Since the value of the said goods is liable to be rejected under Rule 12 of the Customs Valuation (Determination of value of imported goods) Rules, 2007 in view of the discussions in para supra, the value has to be re-determined by proceeding sequentially through Rule 4 to 9 of the CVR before resorting to Rule 9. In this case, Rules 4 to 8 are neither necessary nor relevant for the following reasons:

Rule 4 (Transaction Value):

The importer, in their bills of entry had mentioned description of goods as ‘STAINLESS STEEL COLD ROLLED COIL GRADE (of different grades), thickness xx MM and width yy MM’. The value of the Cold Rolled Stainless Steel Coils depends upon number of factors including their constituents, width, thickness, surface finish, etc. Further, the nature of goods vary greatly in physical characteristics due to their composition, quality, reputation etc. In the absence of correct composition, surface finish etc., it is not feasible to identify the ‘identical goods’ imported by the other importers during contemporaneous time for comparing the value declared by the other importers vis a vis value declared by the instant importer. Accordingly, it is not feasible to redetermine the transaction value of the imported goods under Rule 4 of CVR, 2007.

Application of Rule 5 of CVR, 2007:

Rule 5 of the CVR 2007 provides for the determination of the transaction value of the imported goods by comparing the declared transaction value of the ‘similar

goods' imported by other importer(s) at or around the same time and goods which can be considered as similar goods are specified in Rule 2(f) of the CVR, 2007. As discussed above, in absence of key specifications viz. constituents of material from which the said Coils were made up and surface finish of the coils which are required to ascertain their quality and have direct bearing on the value of the goods. The factors, like quality of material, model name/number, reputation of the manufacturer, details of the constituents of the material, their percentage, size of item, brand name (if any) etc., are relevant for determining the value of the imported goods and for identifying the goods of '**similar**' specifications, characteristics, component material which could be used interchangeably with the subject goods, imported by another importer. In the instant case, this method of using values of similar goods may fail to accurately reflect critical differences in grade, finish, batch quality, or other commercial factors unique to the consignment which has been physically examined by the Chartered Engineer. As such, when a valuation based on detailed physical inspection and expert assessment by the Chartered Engineer is available, use of a broader, less precise "similar goods" approach risks introducing inaccuracy and is neither necessary nor justified. Therefore, since the goods were physically examined and were also inspected by Chartered Engineer, who, vide his report dated 11.07.2024 & 12.07.2024 had indicated the estimated value of the goods, it would be prudent to not to re-determine the transaction value of the imported goods under Rule 5 of CVR, 2007.

Application of Rule 6 of CVR,2007:

Rule 6 of CVR, 2007 stipulated that if the value cannot be determined under Rules 3, 4 and 5, same shall be determined under the provisions of Rule 7 or when same cannot be determined under that Rule, then under Rule 8.

Deductive Value (Rule 7) of CVR,2007:

Rule 7 of the Customs Valuation Rules, 2007, provides for 'deductive value', i.e. the value is to be determined on the basis of unit price of goods being valued for identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. From the plain reading of Rule 7 of CVR, 2007, it appears that in order to arrive at a reasonable value under the said rule, authentic data regarding sale of the imported goods, or identical or similar imported goods to unrelated persons shall be the benchmark. However, in the instant case, as discussed above, it is not feasible to find the sale price of identical or similar goods in the domestic market as the goods are found in different variety, description, specification, model, brand, make, sizes and quality, **therefore, it appears that redetermination of value under Rule 7 of CVR, 2007 is not possible.**

Computed Value (Rule 8) of CVR,2007:

Substantial data related to cost of the value of material and fabrication, or processing employed in producing the imported goods is required to compute the value under Rule 8. The imported goods were manufactured in China and therefore, the authentic data in respect of the said goods imported from China is not available. Further the impugned goods are of varied description, variety, specification. **Therefore, in absence of requisite data, the value of the imported goods, imported under the Bills of Entry, cannot be determined by taking recourse to Rule 8 of CVR, 2007 either.**

As such, it appears that there is no option but to invoke the provisions of **Rule 9 i.e. residual method** for determining the value of the goods. Rule 9 provides for determination of value using reasonable means consistent with the principles and general provisions of these rules.

Application of Rule 9 of CVR 2007 (Residual Method):

In respect of goods imported vide BE No. 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024, as the value cannot be determined under the provisions of Rules 3, 4, 5, 7 and 8 of CVR, 2007, the transaction value has been determined under Rule 9 of CVR, 2007. Given that Rules 4 to 8 could not be applied due to the reasons outlined above, Rule 9, the Residual Method, is the appropriate method for valuation. Rule 9 allows for a flexible approach to determine the value based on reasonable means consistent with the principles and general provisions of the CVR 2007 and the Customs Act, 1962. In this case, the goods were physically inspected and re-valued by a Chartered Engineer, whose valuation provides an objective and reliable basis for determining the customs value. This approach aligns with the principles of Rule 9, ensuring that the valuation is fair, reasonable, and in accordance with the legal framework.

The Chartered Engineer's assessment takes into account the actual physical condition, quality, specifications, and market dynamics relevant to the goods in question, providing a uniquely reliable and specific valuation. Further, the per unit valuation as indicated by the Chartered Engineer is also in the same value range as per the range of unit price identified on the basis of genuine invoices retrieved by DRI. Hence, it appears that the Chartered Engineer valuation is also in sync with the overall price range identified during the investigation. Therefore, valuation of the goods imported vide Bill of Entry 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024 has been done on the basis of Chartered Engineers'(CE) reports in terms of Rule 9 of CVR 2007.

16. Role of Key Persons and Analysis and findings:

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

A) Shri Gaurav Khurana through his proprietorship firm namely M/s A G Enterprises imported under-valued goods namely coils of cold rolled stainless steel by using fabricated invoices; that Shri Gaurav Khurana, in connivance with Chinese suppliers manipulated and forged the import invoices and declared them before Indian Customs; that as per statements of Shri Ault Kishore Guglani, Shri Gaurav Khurana used to provide him final import documents and approval for filing before Customs which clarifies that the firm was being operated by Shri Gaurav Khurana for importing Cold Rolled Stainless Steel Coils by under-valuing them; that in his voluntary statements Shri Gaurav Khurana accepted under-valuation done by him through his firm M/s A G Enterprises; that Shri Gaurav Khurana appears to have meticulously planned the unscrupulous modus-operandi to defraud the government by not declaring the correct value and description of the imported goods and consequently paid/attempted to pay lesser Customs duty on import of the goods. Also, as per the Mill test Report submitted by M/s AG Enterprises, the impugned goods doesn't merit classification under CTH 72209022 and it

appears that the importer had mis classified the goods to wrongly avail the concessional benefits, available under Notification No. 50/2018-Customs dated 30.06.2018. Shri Gaurav Khurana through his firm M/s A G Enterprises had been involved in under-valuation and mis classification of the imported goods over the years with an intent to evade payment of appropriate customs duty; that in terms of Section 46(4), the importers, while presenting the Bill of Entry shall make and subscribe to a declaration as the truth of the contents of such Bill of Entry and shall, in support of such declaration, produce to the proper officer, the invoice, if any, relating to the imported goods. In view of the above, it appears that Shri Gaurav Khurana, Proprietor of M/s A G Enterprises have violated the provisions of Section 46 of the Customs Act, 1962 by mis-declaring the value and description of the goods. Thus, Shri Gaurav Khurana appears to have violated the provisions of Section 46(4) of the customs act in as much as he has undervalued and mis-classified the goods imported by him in M/s A G Enterprises and had given a false declaration of goods in the bills of entry; thus, consequently rendered himself liable for penalty under Section 114A and/or 112(a)&(b) and Section 114AA Section of the Customs Act, 1962. Further, the impugned goods appear mis-declared in respect to their value and description in the Bills of entry, therefore appear liable to be confiscated in terms of section 111(m)(on account of undervaluation in the imported goods) and 111(o) (on account of mis classification in description of the imported goods), of the Customs act, 1962, by acts and omission of M/s A G Enterprises.

Further, due to the mis-declaration of value and description as discussed above, correct duty has not been levied on the impugned goods and therefore, the differential duty on account of such mis-declaration as per **Annexure X** is liable to be demanded from the M/s A G Enterprises under Sec 28(4) of the Customs Act 1962.

B. Shri Atul Kishore Guglani (Partner in M/s Choice Cargo Agency Private Limited) and **Shri Mukesh Grover** (Proprietor of M/s Mukesh Grover): As CHA/Customs Broker, Shri Mukesh Grover and Shri Atul Kishore Guglani were entrusted with all the work including documentations and were responsible for the movement of cargo right from entering the port till it was cleared by customs. Shri Mukesh Grover being in the trade for so long were fully aware of their own responsibilities as CHA/Customs Brokers but still failed to deliver and in a way aided undervaluation by M/s A G Enterprises. Further, Shri Atul Kishore Guglani aided and abetted the importing firms in the scheme involving undervaluation of goods. As discussed above, for the purpose of Customs clearance, in M/s A G Enterprises, he used to receive import documents from the proprietor of the firms directly, which he further passed on to Shri Mukesh Grover CHA for clearance. It is also evident from the statements of Shri Mukesh Grover and Shri Atul Kishore Guglani that they had knowledge that the imported goods were undervalued. Further, Shri Mukesh Grover and Shri Atul Kishore Guglani had acknowledged that they had submitted the Customs documents with incorrect classification in respect of imports by M/s A G Enterprises. Thus the role of Shri Atul Kishore Guglani and Shri Mukesh Grover appear doubtful who appear to have full knowledge of the illegal activities of M/s A G Enterprises which has been accused of under-valuation and misdeclaration in import of Cold Rolled Stainless Steel; that they themselves are CHA and had a long career as Customs Broker (since 2006) and handling the Commodity Cold Rolled

Stainless Steel Coils since 2016, could not provide any satisfactory answer how they were not aware of the actual transaction value and consequently rendered them liable for penalty under Section 112 and 114AA of the Customs Act, 1962.

- C. **Sh. Amit Gupta:** As per statements and evidences on records, Shri Amit Gupta used to fix deal with the Chinese suppliers and also decided the transaction value. He used to send the proforma invoice to Shri Gaurav Khurana. Further, despite of being given many opportunities to join the investigation (by issuing many summonses), Shri Amit Gupta did not prefer to join the investigation; which suggests his intention to evade scrutiny and accountability; the absence of cooperation also suggests that the individual lack credible arguments or evidence to defend himself, against the substantial evidence. Therefore, it appears that Shri Amit Gupta had facilitated Shri Gaurav Khurana, Proprietor of M/s A G Enterprises, in obtaining fabricated invoices from Chinese suppliers; that Shri Amit Gupta in a way abetted undervaluation in imports made by M/s A G Enterprises and thus, consequently rendered him liable for penalty under Section 112 and 114AA of the Customs Act, 1962.

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

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

17.2. It further emerged that mis-declaration in valuation and classification of the impugned goods in the import documents viz. Bills of Entry, import invoices etc. presented by M/s A G Enterprises, before the Customs authorities, were done by Shri Gaurav Khurana in order to avoid appropriate levy of Customs duty on the actual transaction value. Thus, Shri Gaurav Khurana appear to have engaged in under-valuation and mis classification of imported goods i.e. Cold Rolled Stainless Steel Coils (Ex Stock).

17.3 All the aforesaid acts of omissions and commissions on the part of Shri Gaurav Khurana has rendered the imported goods liable for confiscation under Section 111 (m) and 111(o) of the Customs Act, 1962, and consequently rendered him liable for penalty under Section 112 of the Customs Act, 1962. Further, acts of Shri Gaurav Khurana who knowingly and intentionally prepared/got prepared, signed/got signed and used the declaration, statements and/or documents presented the same to the Customs authorities, which were incorrect in as much as they were not representing the true, correct and actual value and description of the imported goods, has rendered himself liable for penalty under section 114AA

of the Customs Act, 1962. Shri Gaurav Khurana has also violated the provisions of Section 17 and 46 of the Customs Act, 1962. Therefore, the duty not paid/short paid is liable to be recovered from M/s A G Enterprises by invoking the extended period of five years as per Section 28(4) of the Customs Act, 1962, in as much as the duty is short paid on account of wilful mis-statement as narrated above.

Thus, the instant case appears to fall squarely within the ambit of Section 28(4) of Customs Act, 1962, and the differential duty appears liable to be demanded as per the extended period clause container therein, and accordingly the importers also appear liable for penalty under Sec 114A of Customs Act 1962.

17A. Voluntary Deposits made by Shri Gaurav Khurana (Proprietor of M/s A G Enterprises):-

During the course of investigation, Shri Gaurav Khurana (Proprietor of M/s A G Enterprises) under his statement dated 09.02.2024 voluntarily deposited Rs 30 Lakh (Demand Draft/Cheque in favour of Customs Mundra No. 505117 dated 16.01.2024 for Rs. 15,00,000/- ; No. 505025 dated 23.01.2024 for Rs. 10,00,000/-; and No. 891679 dated 08.02.2024 for Rs. 5,00,000/-) (RUD 41) on account of short payment of Customs duty which arose due to under-valuation in import of Cold Rolled Stainless Steel Coils made by M/s A G Enterprises.

18. CALCULATION OF DUTY:

Basis the investigation conducted and evidences gathered during the investigation, value of goods declared by M/s A G Enterprises have been rejected and re determination of valuation of goods have been done as per discussion in para supra. Further concessional duty benefits availed by M/s A G Enterprises, under S.No. 734 of Notification No. 50/2018-Customs 30.06.2018 has also been denied, as the same is not available on impugned goods, as discussed in detail in paras supra. Therefore, the calculation of duty, for the relevant period, under investigation are tabulated below:

18.1 In respect of past consignments cleared (i.e. except the BE No. 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024):

Total duty liability on account of under-valuation and wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018(detailed BE wise computation is as per Annexure X):
(Summary of Annexure X)

TABLE-10

| Sr. No. | Ports / ICDs | ASSESSABLE VALUE DECLARED BY THE IMPORTER (RS.) | DUTY PAID (RS.) | ASSESSABLE VALUE RE-DETERMINED (RS.) | TOTAL DUTY PAYABLE (RS.) | CUSTOMS DUTY SHORT PAID AND LIABLE TO BE RECOVERED (RS.) |
|---------|--------------|---|-----------------|--------------------------------------|--------------------------|--|
| 1 | INMUN1 | 13,89,86,644 | 3,84,17,043 | 18,91,99,630 | 5,24,74,517 | 1,40,57,474 |
| | TOTAL | 13,89,86,644 | 3,84,17,043 | 18,91,99,630 | 5,24,74,517 | 1,40,57,474 |

Accordingly, the differential Customs duty amounting to **Rs.1,40,57,474 /-** in respect of the imports as indicated in **Annexure-X** to the SCN, is liable to be recovered from M/s A G Enterprises, under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28 AA ibid.

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

18.2 In respect of Consignments imported vide BE No. 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024):

During the investigation, following imported goods were physically examined by jurisdictional Customs authorities:

| SNO | BILL OF ENTRY NO. & date | Description of Goods | Declared rate & Value declared by the importer | | Goods Examined under Panchnama dated | PORT |
|-----|--------------------------|--|--|----------------------|--------------------------------------|----------------------|
| | | | Unit price (in USD per KG) | Total value (in USD) | | |
| 1 | 8667779 dated 07.11.2023 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 59835.60 | 01.05.2024 | Mundra Port (INMUN1) |
| 2 | 9549059 dated 05.01.2024 | Cold Rolled Stainless Steel Coils Grade J3 | 1.10 | 88712.80 | 15.04.2024 | ICD Dadri (INDER6) |

Further, the above goods were seized vide seizure Memo dated 30.05.2024 (in respect of BE 8667779 at Mundra Customs) and Seizure memo dated 22.04.2024 (in respect of BE 9549059 at ICD Dadri) under Section 110 of the Customs Act 1962, on reasonable belief that these are liable to confiscation under Section 111 of the Customs Act 1962. Further, basis the bond/Bank guarantee submitted by the importer, the goods were provisionally released. *(The details have already been discussed in Para 3 of this SCN, and are not being repeated to maintain brevity).*

The overall status of the impugned goods is as follows:

| Bill of Entry No. & date | Whether goods provisionally released | Duty paid by the importer | Assessable Value declared by the importer | Value at which goods were provisional/f inal assessed & released by the port | Re-determined value of the goods | Duty Payable | Customs duty short paid liable to be recovered |
|--|--------------------------------------|---------------------------|---|--|----------------------------------|--------------|--|
| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col 8 (Col 7 - Col. 3) |
| 8667779 dated 07.11.2023 (Mundra Port) | Yes | 17,13,890 | 50,35,166 | 61,79,522 | 61,79,522 | 17,13,890 | - |
| 9549059 dated 05.01.2024 (ICD Dadri) | Yes | 21,14,387 | 76,23,534 | 76,23,534 | 94,85,253 | 26,30,735 | 5,16,348 |

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

CHARGING SECTION:

19. Now, therefore, Shri Gaurav Khurana, proprietor of M/s A G Enterprises is hereby called upon to show cause to the Pr. Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why:

19.1. In respect of past consignments cleared (i.e. except the BE No. 8667779 dated 07.11.2023 and 9549059 dated 05.01.2024):

- a. The declared assessable value of Rs. 13,89,86,644 /- of the imported goods in respect of M/s A G Enterprises, as per **Annexure X**, should not be rejected under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs. 18,91,99,630 /-, in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;
- b. The classification of the impugned goods under CTH 72209022 in the Bills of Entry (as per **Annexure-Y**) should not be rejected and benefit of notification 50/2018-Customs dated 30.06.2018 not be denied and accordingly, imported goods should not be re-classified under CTH 72209090;
- c. The goods at (a) above should not be held liable for confiscation under Section 111(m) of Customs Act 1962;
- d. The goods at (b) above should not be held liable for confiscation under Section 111(m) and 111(o) of Customs Act 1962;
- e. The differential duty Rs 1,40,57,474 /-(as per **Annexure X** on account of under-valuation and wrongful availment of concessional duty benefits under s.no.734 of notification no. 50/2018-customs dated 30.06.2018) should not be demanded and recovered from him under Section 28(4) of the Customs act 1962;
- f. Interest under Section 28AA of the Customs Act, 1962 as applicable, should not be demanded and recovered from him;
- g. An amount of Rs. 30,00,000/- deposited during the investigation should not be appropriated and adjusted towards the overall duty liability/interest/penalty/fine or any other amount payable;
- h. Penalty should not be imposed upon Shri Gaurav Khurana under Section 114AA, Section 114A and/or Section 112(a)/(b) of Customs Act 1962 for the act of omission and commission discussed in the foregoing paras.

19.2. In respect of Consignments imported vide BE No. 8667779 dated 07.11.2023)

- a. In respect of Bill of Entry No. 8667779 dated 07.11.2023, the declared assessable value of Rs. 50,35,166/- of the imported goods should not be rejected, on account of under valuation, under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs 61,79,522/- in terms of Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;
- b. The goods mentioned at (a) above should not be held liable for confiscation under Section 111(m) of Customs Act 1962 read with Section 124 of the Customs Act;
- c. Consequent to such re-determination, the duty of Rs. 17,13,890/-, paid at the time of provisional release, should not be demanded and appropriated, under Section 28(4) of Customs Act, along with applicable interest in terms of Section 28AA of the Customs Act, 1962;
- d. The Bank Guarantee No. 6292NDDG00006525 dated 22.08.2024 for Rs. 11,99,500/- (ICICI Bank), submitted against BoE No. 8667779 dated 07.11.2023, should not be appropriated and adjusted towards the overall differential duty liability/interest/penalty/fine or any other amount payable;
- e. Bond(bearing Bond no - 2002331699 dated 04.09.2024, having Certificate No: IN-DL43421838882567W dated 27.08.2024) of Rs 61,80,000, executed by M/s AG Enterprises at the time of provisional release of the goods should not be invoked for discharge of overall differential duty/ interest/fine/penalty/any other amount payable;
- f. Penalty should not be imposed upon Shri Gaurav Khurana under Section 114AA, Section 114A and/or Section 112(a)/(b) of Customs Act 1962 for the act of omission and commission discussed in the foregoing paras.

19.3. In respect of Consignments imported vide BE No. 9549059 dated 05.01.2024)

- a. In respect of Bill of Entry No 9549059 dated 05.01.2024, the declared assessable value of Rs. 76,23,534/-of the imported goods, should not be rejected, on account of undervaluation, under Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007 and re-determined as Rs. 94,85,253/- in terms of Rule 9 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962;
- b. The goods mentioned at (a) above should not be held liable for confiscation under Section 111(m) of Customs Act 1962 read with Section 124 of the Customs Act;
- c. The differential duty of Rs. 5,16,348 /- on account of under-valuation against above Bill of Entry 9549059 dated 05.01.2024 should not be demanded and recovered from him under Section 28(4) of the Customs act 1962;

d. The Bank Guarantee No. 6292NDDG00005825 dated 12.08.2024 for Rs. 14,23,500 (ICICI Bank), submitted against Bill of Entry 9549059 dated 05.01.2024, should not be appropriated and adjusted towards the overall differential duty liability/interest/penalty/fine or any other amount payable;

e. Bond (bearing No IN-UP38846731145948W dated 07.08.2024) of Rs. 94,89,000/- executed by M/s AG Enterprises at the time of provisional release of the goods should not be invoked for discharge of overall differential duty/interest/fine/penalty/any other amount payable;

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

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

20. Now, therefore, Shri Amit Gupta, is hereby called upon to show cause to the Pr.Commissioner/Commissioner, Mundra Customs within 30 days from the receipt of this Notice as to why, penalty should not be imposed upon him under Section 112 and Section 114 AA of Customs Act for his acts of omissions & commissions, as brought out in the Show Cause Notice.

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

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

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

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

25. Department reserves its rights to add, alter, amend, modify or supplement this Notice at any time on the basis of any evidence, material facts related to import of goods in question, which may come to the notice of the department after issuance of this notice and prior to the adjudication of the case. Further,

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

this Show Cause Notice is only with respect to the issue in the instant case and the department reserves the right to issue Show Cause Notice on other issues relation to “M/s A G Enterprises”. This Show Cause Notice is issued without prejudice to any other action that may be taken against the persons/firms mentioned herein or any other person under the Customs Act 1962 or any other law for the time being in force.

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

Encl: As above.

Digitally signed by
Nitin Saini
Date: 02-12-2025
10:37:41

(Nitin Saini)
Commissioner of Customs

F.No. GEN/ADJ/COMM/703/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No. 35/2025-26/COMM/N.S/Adjn/MCH

To:

- i) Shri Gaurav Khurana, F-13/3 First Floor F Block, Model Town II, Delhi-110009 (Email ID-khurana.gaurav16@gmail.com)
- ii) M/s Mukesh Grover (Shri Mukesh Grover), 4/6, 8748, D.B. Gupta Road, Paharganj, New Delhi. (Email ID-sanjaygrover25@yahoo.com)
- iii) Shri Atul Kishore Guglani , 318, Tarun Enclave, Pitampura, North West Delhi 110034(Email ID-a.k.enterprises310@gmail.com)
- iv) Shri Amit Gupta of M/s Sada Steel Impex A-30, First Floor Group Wazirpur Industial Area, New Delhi – 110052 (Email address amitguptatinku@yahoo.com)

Copy to the following:

- i) The Pr. Additional Director General, Directorate of Revenue Intelligence (Hqrs.), 7th Floor, I.P. Bhawan, I.P. Estate, New Delhi.
- ii) The Additional Director (CI), Directorate of Revenue Intelligence (Hqrs.), 7th Floor, I.P. Bhawan, I.P. Estate, New Delhi.
- iii) The Superintendent (EDI) for uploading on the website.
- iv) The Notice Board.

List of documents relied upon in this SCN:

| RUD No. | Description of Document |
|-----------|--|
| RUD No 1 | Record of all proceedings |
| RUD No 1A | Retrieved genuine invoices in Past Investigation |
| RUD No 2 | Statement of Vijay Goel, dated 16.11.2022, Controller of “M/s Mahadev ji exports” |
| RUD No 3 | Statement of Vijay Goel, dated 17.11.2022, Controller of “M/s Mahadev ji exports” |
| RUD No 4 | Statement of Pranshu Goel, dated 16.11.2022, Proprietor of “M/s Mahadev ji exports” |
| RUD No 5 | Statement of Shri Deepak Jindal, dated 15.12.2023, proprietor of M/s Seeno Stainless Steel |

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| | |
|-----------|---|
| RUD No 6 | Statement of Shri Deepak Jindal, dated 06.02.2024,proprietor of M/s Seeno Stainless Steel |
| RUD No 7 | Statement of Shri Sandeep Garg, dated 15.12.2023, proprietor of M/s S S Enterprises |
| RUD No 8 | Statement of Shri Sandeep Garg, dated 06.02.2024, proprietor of M/s S S Enterprises |
| RUD No 9 | Statement of Shri Vikas Jindal, dated 13.02.2024, proprietor of M/s Royal Steel Trading |
| RUD No 10 | Statement of Shri Gaurav Jindal dated 09.01.2024, proprietor of M/s Gemini Metal Corporation |
| RUD No 11 | Statement of Shri Gaurav Jindal dated 04.03.2024, proprietor of M/s Gemini Metal Corporation |
| RUD No 12 | OIO NO. MCH/ADC/AKM/258/2024-25 dated 20.01.2025 in respect of M/s Mahadev ji exports and others |
| RUD No 13 | OIO NO. MUN-CUSTM-000-COM-33-25-26 dated 06.11.2025 in respect of M/s Mahadev ji exports and others |
| RUD No 14 | OIO No. KOL/CUS/Commissioner /Port/Adjn/22/2025 in respect of Gemini Metal Corporation dated 16.06.2025 |
| RUD No 15 | Panchnama dated 01.05.2024 |
| RUD No 16 | Panchnama dated 15.04.2024 |
| RUD No 17 | seizure memo dated 30.05.2024 |
| RUD No 18 | Chartered Engineer reports dated 11.07.2024 |
| RUD No 19 | letter dated 22.07.2024 to Principal Commissioner of Customs (Mundra) for Provisional release. |
| RUD No 20 | letter dated 13.08.2024 to the importer |
| RUD No 21 | letter dated 18.09.2025 to DRI |
| RUD No 22 | seizure memo dated 22.04.2024 |
| RUD No 23 | corrigendum dated 30.04.2024 to seizure memo dated 22.04.2024 |
| RUD No 24 | Chartered Engineer reports dated 12.07.2024 |
| RUD No 25 | letter dated 22.07.2024 to Commissioner of Customs (Noida Customs Commissionerate) |
| RUD No 26 | letter dated 06.08.2024 to the importer |
| RUD No 27 | letter dated 06.10.2025 to DRI |
| RUD No 28 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 02.01.2024 |
| RUD No 29 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 09.02.2024 |
| RUD No 30 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 27.12.2024 |
| RUD No 31 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 10.09.2025 |
| RUD No 32 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 06.10.2025 |
| RUD No 33 | Statement of Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover dated 20.12.2023 |
| RUD No 34 | Statement of Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover dated 21.12.2023 |
| RUD No 35 | Statement of Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover dated 03.01.2025 |
| RUD No 36 | Statement of Sh. Atul Kishore Guglani dated 05.01.2024 |
| RUD No 37 | Statement of Sh. Atul Kishore Guglani dated 02.01.2025 |
| RUD No 38 | Statement of Gaurav Khurana, Proprietor of M/s A G Enterprises dated 08.08.2025 |
| RUD No 39 | Statement of Mukesh Grover (CHA, F-Card Holder) (R-13/2006) Prop. of M/s Mukesh Grover dated 11.09.2025 |
| RUD No 40 | Statement of Sh. Atul Kishore Guglani dated 11.09.2025 |
| RUD No 41 | Voluntary Deposits made by Shri Gaurav Khurana |