सीमा शुल्क आयुक्त का कार्यालय,
Office of the Commissioner of Customs,
नया सीमा शुल्क सदन, New Custom House,
Near Balaji Temple,
नया कांडला – ३७०२१०. New Kandla – 370 210.
दूरभाष /Tel. 02836-271468-469, फैक्स/Fax. 02836-271467
E-mail : adj.kandla-customs@gov.in

Show Cause Notice

An intelligence was received by the Directorate of Revenue Intelligence (DRI) that M/s Vasudhapro Nourishing Meal Pvt. Ltd., a warehousing and trading unit in Kandla SEZ was indulged in import of goods by way of mis-declaration and undervaluation.

2. It was found that two consignments , having declared description of goods 'Assorted Footwear' CTH 640590, having total quantity of 30566 pairs, Gross Weight 19.240MT, pertaining to M/s Vasudhapro Nourishing Meal Pvt. Ltd. KASEZ, destined to KASEZ, with following details were imported at Mundra Port since month of February, 2021, but no Bill of Entry was filed for clearance of the same for said long period. The details of import consignments were as follows:

IGM No. and Date	Vessel Name	Name of the Party/importer	Description of goods	Gross Wt. (in Kgs)	Container No.
2274150 dated 03-02-2021	COSCO ROTTERDAM	M/S VASUDHAPRO NOURISHING MEAL PVT. LTD.	ASSORTED FOOTWEAR HS CODE 640590 GOODS IN TRANSIT TO KANDLA SPECIAL ECONOMIC ZONE AT MERCHANT RECEIVERS RISK CARES AND EXPENSES. LINES RESPOSIBILITY CEASES AT POD. FREIGHT PREPAID	9960	DFSU 6041870
2274180 dated 04-02-2021	YM EXCELLENCE	M/S VASUDHAPRO NOURISHING MEAL PVT. LTD.	ASSORTED FOOTWEAR HS CODE 640590 THE CARRIER S LIABILITY END AT MUNDRA INDIA THE SHIPPER DECLARES THAT THE	9280	CBHU 9154760

			CARRIAGE FROM MUNDRA INDIA TO KANDLA SPECIAL ECONOMIC ZONE IS UNDER THE MERCHANTS ARRANGEMENT ACCOUNT AND RISKS. FREIGHT PREPAID		

3. On further enquiry conducted by the DRI , it was found that the container no. DFSU6041870 was cleared vide Bill of Entry No. 1012972 dated 27.09.2021, while the container no. CBHU9154760 was cleared vide Bill of Entry No. 1012973 dated 27.09.2021. Both of the said Bills of Entry were filed by KASEZ unit M/s Ganga Impex Enterprise, Shed No. 331, A1 type, Marshalling Yard, KASEZ, Gandhidham. On enquiry it was gathered that the consignee of above two containers was amended from M/s Vasudhapro Nourishing Meal Pvt. Ltd to M/s Ganga Impex Enterprise, Shed No. 331, A-1 type, Marshalling Yard, KASEZ, Kandla. Letter dated 10.12.2021 requesting to put on hold the said consignment was sent to the KASEZ authorities, who informed that the subject consignments were already removed from KASEZ on 10.12.2021.

4. On scrutiny of the documents received from KASEZ and Customs Authorities, it was noticed that there was a difference of 10566 pairs of shoes, between the quantity imported vide Bills of Entry No. 1012972 dated 27.09.2021 and 1012973 dated 27.09.2021 (**RUD-01 Coll'y**) and the quantity cleared to DTA to M/s Shivam Overseas, Delhi by M/s Ganga Impex Enterprise, KASEZ, vide DTA Bill of Entry No. 2010589 dated 14.10.2021(**RUD-02**), as detailed hereunder:

Sr. No.	**Bill of Entry No. and Date**	**Details of the goods as per Bill of Entry**	**Declared value**	**DTA Bill of Entry No. and Date**	**Details of the goods as per DTA invoice**	**Value of DTA Clearance**
1.	1012972 dated 27.09.2021	Assorted Footwear (CTH-64059000) 15,068 Pairs	10547.60 USD	2010589 dated 14.10.2021	Assorted Footwear (CTH-64059000) 20,000 Pcs.	24000 USD
2.	1012973 dated	Assorted	10848 USD			

	27.09.2021	Footwear (CTH-64059000) 15,498 Pairs				

5. On going through the GSTN system data, no outward supply by M/s Vasudhapro Nourishing Meals Pvt. Ltd. and M/s Ganga Impex Enterprises were found. Further, Summons sent to the registered addresses of M/s Vasudhapro Nourishing Meal Pvt. Ltd., M/s Ganga Impex Enterprises, and M/s Shivam Overseas were returned with remarks “left”.

6. Searches under panchnamas dated 14.06.2023 (**RUD-03**) were carried out at the addresses of M/s Shivam Overseas located at X-612, Gali No. 5, Raghubarpura-I, Gandhinagar, Delhi; and Ground Floor, X-170, Tagore Road Gali, Ramnagar, Gandhinagar, Delhi, during which various documents such as delivery challan books, inward and outward invoices etc. were resumed. Summons to the proprietor of M/s Shivam Overseas were also issued during the search.

7. Search was attempted on 15.06.2023 at the address of M/s Vasudhapro Nourishing Meals Pvt. Ltd. located at Third floor, U-198, Main Vikas Marg, Shakarpur, East Delhi, however, the said unit was found to be non-existing at the given address. Accordingly, a visit note was prepared by the officers, dated 15.06.2023. (**RUD-04**)

8. Statement of Shri Shivam Arora, Proprietor of M/s Shivam Overseas, Delhi was recorded on 27.06.2023 (**RUD-05**), during which he interalia stated that:

(i) He or his firm had never purchased/imported goods directly from KASEZ, Gandhidham, however in April-2022, they had purchased 11,510 Pairs of footwear from one M/s Shree Ashapura Impex, Puneet Nagar, Plot No. 68, Survey No. 5/3, Kidana, Gandhidham.

(ii) On being asked how the said consignment of 11510 pairs of footwear was pertaining to KASEZ, he stated that one Shri Ganesh Naidu having mobile no. 9913633033, who was doing clearance of import/export work in KASEZ, offered him supply of footwear, which were said to have been procured by him in Customs Auction. He and Shri Ganesh Naidu had negotiated the rate at Rs. 534.99/- per pair and finalized the deal. Shri Ganesh Naidu had issued invoice from M/s Ashapura Impex charging 12% GST and payment of the same was made through banking channel.

(iii) On being asked how he knew Shri Ganesh Naidu; he stated that Shri Ganesh Naidu had called him telephonically and offered him supply of Customs Auction goods at better prices. He further stated that he was not aware how Shri Ganesh Naidu got his number. He did not inquire about import documents of the subject goods as Shri Ganesh Naidu had informed him that the said goods were purchased by him in Customs Auction.

(iv) On being asked why he accepted the invoice issued by Shri Ganesh Naidu, when he did not know about the ownership of the party issuing invoice, he stated that as per general practice of business, they did not verify the ownership of supplier firm. He further stated that they had not purchased any goods from M/s Shree Ashapura Impex, other than said 11510 pairs of footwear.

(v) On being asked whether the unit price of the footwear i.e., Rs. 534.99/- per pair was inclusive of Customs Duty, GST and any other taxes, freight/transportation charges, insurance, commission, profit margin and/or any other charges, he stated that as per the invoice, it was apparent that the rate was exclusive of GST; and he was not aware as to whether the said goods (11510 pairs footwear) purchased by his firm from M/s Shree Ashapura Impex were Customs duty paid goods or not.

(vi) On being shown Warehousing Bills of Entry bearing no. 1012972 and 1012973, both dated 27.09.2021 filed by M/s Ganga Impex Enterprises, with respect of 30566 pairs of imported footwear, DTA Bill of Entry No. 2010589 dated 14.10.2021 showing M/s Shivam Overseas as Importer/Buyer of SEZ unit M/s Ganga Impex Enterprise; and DTA invoice bearing no. GI-01-21 dated 09.10.2021 issued by M/s Ganga Impex Enterprise in the name of his firm M/s Shivam Overseas, he stated that his firm M/s Shivam Overseas was not concerned with the said warehousing Bills of Entry bearing no. 1012972 and 1012973, both dated 27.09.2021, DTA Bill of Entry No. 2010589 dated 14.10.2021 and the said DTA invoice bearing no. GI-01-21 dated 09.10.2021 issued by M/s Ganga Impex Enterprise in the name of his firm M/s Shivam Overseas and his firm M/s Shivam Overseas had not filed the subject Bills of Entry.

(vii) On being asked, whether he knew any persons in the name of Shri Rajvardhan Shankar Jha, Gyanvardhan Jha, Tarin Garg, Shailendra Kumar Agarwal, Ajay Godara, Sanjay Singla and a company by the name of M/s Vasudhapro Nourishing Meals Pvt. Ltd., he stated the he did not know any such person/s or company and did not have any business relations with them.

(viii) On being apprised that since his firm's name was mentioned as DTA buyer in the said Bill of Entry no. 2010589 dated 14.10.2021, his firm M/s Shivam Overseas was liable to pay Customs Duty on the same, as per the provisions made under Section 30 of SEZ Act, 2005 read with the Rule 48 of SEZ Rules, 2006, he stated that his firm M/s Shivam Overseas was not the DTA Buyer/Importer in respect of the said DTA Bill of Entry, hence they were neither liable to pay any Customs Duty nor they have paid any Customs Duty on the same. He further stated that the particulars of his firm might have been mis-used by someone in the said DTA Bill of Entry for ulterior motive without his knowledge and permission.

(ix) On being asked to explain the contents of "Delivery challan Books" resumed from the premises of M/s Shivam Overseas during search under panchnama dated 14.06.2023, he stated that they used to prepare those Delivery challans for shifting of goods from one business premises to another, and the final invoice/bill was issued when the goods were cleared/sold to any buyer. On further being asked to explain the written pages of Diary resumed during the said panchnama dated 14.06.2023, he stated that the said diary contained the expenses made by him during his China visit in connection with import of goods.

9. On verification of the e-way bill bearing no. 661408566662 (**RUD-06**) produced by Shri Shivam Arora during the statement dated 27.06.2023, the system showed that place of dispatch was M/s Shree Ashapura Impex, Plot No. 68, Puneet Nagar, Kidana Gandhidham. However, it was noticed that the above e-way bill was cancelled and another e-way bill bearing no. 621408609572 (**RUD-7**) was generated which showed place of dispatch as Mundra SEZ Port.

10. The DRI officers visited the address of M/s Shree Ashapura Impex, Plot No. 68, Puneet Nagar, Kidana Gandhidham on 17.07.2023 to carry out search, however, the address was found to be a residential premises of Shri Mohan Naidu, Proprietor of M/s Shree Ashapura Impex. On being informed the purpose of the visit, Shri Mohan Naidu informed that all the records related to his firm M/s Shree Ashapura Impex were at the office of M/s Cross Tradelink Pvt. Ltd. he further informed that they had cleared one consignment which was procured by them during the auction of the goods stuffed in container bearing no. CMAU6266991 by M/s Honeycomb CFS, Mundra, where they had bid for total 11510 pairs of shoes and the same was cleared by them to M/s Shivam Overseas, Delhi.

11. Voluntary statement of Shri Mohan Naidu, Proprietor of M/s Shree Ashapura Impex was recorded on 17.07.2023 (**RUD-8**), wherein he interalia stated that:

(i) That he had come to know about the container no. CMAU6266991 containing consignment of footwear lying unclaimed at Honeycomb CFS Mundra, through his cousin Shri Ganesh Naidu, who had told him to participate in the bidding process of MSTC website/portal. Accordingly, he had participated in the auction.

(ii) That he was not aware as to how the approximate value of the said consignment for the purpose of bidding was reached at, as his cousin Shri Ganesh Naidu was aware about all the transaction details, as he was the one who was handling all the financial transactions related to the bidding and sale of the said cargo. He further stated that Shri

Ganesh Naidu had cautioned him to not to go beyond Rs. 70 lakhs while bid for the said consignment.

(iii) That he had visited M/s Honeycomb CGS, Mundra during mid-April-2022 for inspection of the goods contained in the container bearing no. CMAU6266991. He had also taken pictures of the shoes of the consignment and the container/packing position; however, he had not saved the same, hence the pictures were not readily available with him.

(iv) That the container no. CMAU6266991 was stuffed with total 374 cartons/corrugate boxes, each containing around 20-30 pairs of shoes made of faux leather or canvas in various colors and sizes with total weight of 9.2 MT. He further stated that he had taken photographs of the cargo, which he showed to Shri Ganesh Naidu, who had then arranged for the bidding for the same. After successful bidding, Shri Ganesh Naidu had made the payment against the invoice issued by M/s Honeycomb CFS.

(v) On being pointed out that the said consignment procured by them in the auction was imported under Bill of Lading No. GGZ1227331 dated 20.12.2020 and had remained in the container at the CFS till April-2022 and being asked if the goods had any deterioration quality-wise, he stated that the shoes were “made in china” and were in new condition only. As per the quoted bid per pair, he did not have any knowledge about the method utilized for offering their bid.

(vi) On being asked as who had filed the Bill of Entry for the subject consignment procured by them and who had borne the Customs Duty and IGST on the same, he stated that M/s Honeycomb CFS, had themselves filed the Bill of Entry and borne the duty part. He further stated that they had not passed on the GST component to their customer by selling the consignment of 11510 pairs at rate of Rs. 534.99/- per pair.

(vii) On being asked, he stated that they had generated e-way bill for the said consignment and had forwarded the goods to Delhi by truck on freight to pay basis.

(viii) On being asked, he stated that he had never dealt in any other consignments of shoes and that only Shri Ganesh Naidu was aware about the details related to the upper limit of bid they had filed or sale terms of the consignment cleared by them. They had earned around 1.5 lakhs commission on the said consignment.

(ix) That they did not know any person by the name of Shri Shivam Arora or any firm by the name of M/s Shivam Overseas.

12. Search at the premises of M/s Ganga Impex Enterprise, Shed No. 331, A-1 type, Marshalling Yard, KASEZ, Gandhidham was carried out under Panchnama dated 18.07.2023 (**RUD-9**), during which Shri Rajvardhan Shankar Jha, partner of M/s Ganga Impex Enterprise informed that a person named Shri Barun Goel had contacted him and had told him that M/s Vasudhapro Nourishing Meals Pvt. Ltd. was not filing Bills of Entry on behalf of him. Shri Barun Goel had told him that if he agreed to file BEs on his behalf, he will get the Bill of lading amended in the name of M/s Ganga Impex Enterprise. Shri Rajvardhan Shankar Jha had agreed for the same and had filed the Bills of Entry bearing no. 1012972 and 1012973, both dated 27.09.2021 for the said consignments. Shri Barun Goel had also instructed him to clear the consignment into DTA in the name of M/s Shivam Overseas, Delhi. Shri Rajvardhan Shankar Jha further informed that no cargo/goods from the said consignments were presently available in their warehouse premises.

13. Voluntary statement of Shri Rajvardhan Shankar Jha, partner of M/s Ganga Impex Enterprise, KASEZ was recorded on 18.07.2023 (**RUD-10**), wherein he interalia stated that:

(i) That on insistence of one Shri Barun Goel of Siliguri, who was engaged in trading of import goods at KASEZ, who had informed him that two containers of Shoes were lying uncleared at the EXIM warehouse on account of one party M/s Vasudhapro Nourishing Meals Pvt. Ltd., he had confirmed utilization of his IEC for the import & DTA clearance of the said consignments to the firm named by him in lieu of commission of Rs.

2 Lakh. Thus, on instructions of Shri Barun Goel, he had cleared two containers DFSU6041870 (IGM No. 2274150 dated 03.02.2021) and CBHU9154760 (IGM No. 2274180 dated 04.02.2021) under DTA invoice bearing no. GI-01-21 dated 09.10.2021 (**RUD-11**) to M/s Shivam Overseas in the month of October-2021.

(ii) On being asked he stated that he had known Shri Barun Goel since 2021 through trading group and except the two subject consignments, he had not carried out any business with him or on his recommendations.

(iii) That the shoes under the consignments were China Made, assorted colours and in different sizes without any standard brands and he did not have any photographs of the goods unloaded at their unit, which were then cleared through three trucks.

(iv) That the duty & demurrage/detention charges were borne by Shri Barun Goel only.

(v) That he did not have any financial transactions with either of the parties related to the consignment except for duty payment and commission received by him in the account of their firm M/s Ganga Impex Enterprise. He further stated that he was not aware as how the payment was made to the seller or how the buyer had made payment against the DTA invoice.

(vi) That he had not generated the e-way bills for the goods cleared into the DTA and the goods were cleared into the DTA without generating e-way bills. The transport for the same was arranged by Shri Barun Goel.

(vii) On pointing out that in the documents provided by him during the search at the premises of M/s Ganga Impex Enterprise, in one DTA invoice, there were 30566 Pcs. in 854 boxes at the rate of 3.05 USD per pair, whereas in the second DTA invoice, 20000 Pcs. at the rate of 1.2 USD per pair, reflecting same amount of Gross weight were shown and the total duty amount in the first DTA invoice was Rs. 44,76,402/- (BCD Rs. 24,70,030/-), which was reduced to Rs. 8,25,281/- (BCD Rs. 6,35,880)/- in the second DTA and invoice; and asked to explain, he stated that the first Bill of Entry for home consumption bearing no. 2010494 dated 13.10.2021 with DTA invoice showing total 30566 pairs of shoes having total weight of 19240 Kgs was filed by his firm on the basis of Bill of Lading provided to him by Shri Barun Goel. However, on counting of the goods after de-stuffing of the containers at his unit, the quantity was found to be 20000, yet there was no difference in the weight as reflected on the import documents. Consequently, he had revised the Bill of Entry on 14.10.2021. Further, he was instructed by Shri Barun Goel after which total duty payment of Rs. 8,25,281/- (BCD Rs. 6,35,880)/- against 20000 Pcs. at the rate of Rs. 1.2 USD per pair was paid for the said DTA clearance.

(viii) On being shown statement dated 27.06.2023, of Shri Shivam Arora, Proprietor of M/s Shivam Overseas, wherein he had stated that he did not know M/s Ganga Impex Enterprise or M/s Vasudhapro or any person listed therein, and that he had not purchased any goods from M/s Ganga Impex Enterprise; he stated that he agreed to the facts stated by Shri Shivam Arora in the said statement. He had not known Shri Shivam Arora or M/s Shivam Overseas, and had only transacted with him on the basis of details furnished by Shri Barun Goel. He had not done any financial transactions with M/s Shivam Overseas or Shri Shivam Arora.

(ix) On being asked about the weight of a single pair of shoes of the consignments and the anomaly of the gross weight of 20000 Pcs. and 30566 Pcs. being same, he stated that he had only received 20000 Pcs., and the average weight of the Shoes he dealt with was around 400-500 Gms. He also stated that the shoes were not of any recognizable brand.

(x) On being shown the statement dated 17.07.2023 of Shri Mohan Naidu, he stated that the real facts related to the sale price and financial dealing were only known to Shri Barun Goel, as he had manipulated the clearance documents on his directions only. He also stated that he was ready to discharge duty on his account.

(xi) That the DO in respect of said consignments were given to him by Shri Barun Goel only after confirmation by him, as he had recently started his unit in 2021. He had then accepted the offer of commission on clearance of the above consignments by Shri Barun Goel.

14. Voluntary statement of Shri Barun Goel/Agarwal, Proprietor of M/s Universal Garments was recorded on 03.08.2023 (**RUD-12**), wherein he interalia stated that:

(i) That he had gone to China in 2011 and had started working as a commission agent there. As he had known some importers from Siliguri through his maternal uncle, who used to import handbags, school bags, garments and footwear. He had worked in China till February, 2020, after that he had come back to India to take care of his old parents.

(ii) He had first come to KASEZ on invitation of Shri Rajvardhan Jha of M/s Ganga Impex Enterprise, KASEZ, who had called him to refer some customers for the new business he had just started. Hence, he had come to KASEZ to verify the genuineness of the business of Shri Rajvardhan Jha. The second time he had visited KASEZ in 2022 around Chinese New Year, to introduce his friend Shri Saurabh Goyal, who had trading business of Oil in Delhi.

(iii) On being asked as to how he was associated with the containers imported in the name of M/s Vasudhapro Nourishing Meal Pvt. Ltd. and cleared into DTA by M/s Ganga Impex Enterprise, he stated that his client/supplier in China, M/s A Fei Shoes had contacted him to clear a shipment, which was not claimed by their client. M/s A Fei Shoes had told him that one person was going to contact him and had requested to help the said person to get the detention charges reduced & amendment of the Bill of Lading of the said shipment. Thereafter, he had received a call from Shri Rajvardhan Jha who had requested him to get the detention charges reduced and get to Bill of lading amended, which he arranged by talking to his forwarder in China.

(iv) On being shown statement dated 18.07.2023 of Shri Rajvardhan Jha, wherein he had mentioned that Shri Barun Goel had contacted him to get to the goods cleared through his unit M/s Ganga Impex Enterprise and had given him Rs. 2 Lakhs as commission, he stated that he had not given any kind of commission to any person and he had only arranged for the amendment in the said Bill of Lading and reduction of Detention charges. He further stated that he had not instructed Shri Rajvardhan Jha to file Bill of Entry or DTA clearance to any party.

(v) On being asked as to how he had arranged for amendment in the said Bill of Lading, he stated that he had forwarded the name of the new consignee to his forwarder in China and he got the said Bill of Lading amended.

(vi) On being asked, he stated that he did not know any firm by the name of M/s Vasudhapro Nourishing Meals Pvt. Ltd.

(vii) On being asked as to what did the consignment contain, he stated that as per his knowledge, the consignment contained footwear (Shoes), however he did not remember the quantity in the said Bill of Lading.

(viii) On being asked, he stated that he had not seen the subject goods, however he was aware of the export/market price of the shoes exported by M/s A Fei Shoes. The export price of their shoes was around 20-35 RMB (Rs. 250-400) and the market price of the same kind of shoes was around 450-600.

(ix) On being asked as to how did M/s A Fei received the payment against the said consignment, he stated that he did not have any information about it, however, he would contact M/s A Fei and provide the same later.

(x) On being asked, he stated that he did not have any information as to who paid the Customs Duty, however, he would contact his forwarder in China to get the information related to payment of detention charges.

(xi) On being asked, he stated that he did not know any person by the name of Shri Shivam Arora and any firm by the name of M/s Shivam Overseas, Delhi.

(xii) On being shown the statement of Shri Rajvardhan Jha, dated 18.07.2023, wherein it had been stated by him that Shri Barun Goel had asked him to clear the subject consignment to DTA client M/s Shivam Overseas and that Shri Barun Goel had handled all the transactions related to the payment of Customs Duty and payment received from the said DTA Client, he stated that he did not have any conversation regarding DTA Clearance with Shri Rajvardhan Jha and he had not received any payment in respect of the said consignment. He did not have any transactions regarding the same.

15. During the voluntary statement recorded on 04.08.2023, Shri Barun Goel/Agarwal, (**RUD-13**) interalia further stated that:

(i) On being asked whether he had any other information related to the subject consignment, he stated that he had contacted Ms. A Fei of the M/s A Fei Shoes, China on phone regarding the consignment, who had shared with him the WeChat ID of one sonu (which was written as amit of New Delhi India as customer of India for the two containers he had got cleared on her behalf from KASEZ through M/s Ganga Impex Enterprise. He also shared screenshots of the chat exchange duly translated by him from Chinese to English.

(ii) On being asked as to what was contained in the said chats, he stated that Ms. A Fei was abusing the said person Sonu as he had defaulted in payments and had paid only ½ of the payments to her, and that too was not in the US Currency as she had expected.

(iii) On being asked about the details and bank account number or name of the firm of Sonu, he stated that from the WeChat account, we can get detail only if we have an account and that he had asked his staff members to get the details of the bank account of said Sonu. He further stated that he would further try to obtain the bank account number and amounts transferred to the Chinese Supplier for the quantity of shoes imported, and that in China, business people are least interested to do work where no money/gain was involved, hence she was asking him to get the required details himself.

(iv) On being asked whether he had ever noticed any instance of Chinese Supplier effecting short supply of goods, he stated that such instances were sparse, however in the subject consignment M/s A Fei Shoes, China being a big firm, there were lesser chances of them having supplied anything less than what was shown on the export documents.

(v) On being asked as to when will he be able to produce the records related to the consignment such as Purchase order, Commercial Invoice and

Packing list, COO, Banking Transactions, details of the customer, who was the initial customer Vasudhapro and their associates who placed order for how many pairs, price list & photographs of the shoes and/or any other documents related to the consignment regarding the shortage or the mail communication with the Indian counterparts, he stated that he would try to obtain the said records as soon as possible and furnish the same through e-mail after procuring the same from the Chinese Supplier.

(vi) On being asked, he again stated that he did not have any interests in the said transaction and had not dealt with any money.

16. Further statement of Shri Barun Goel/Agarwal, was recorded on 03.10.2023 (**RUD-14**), wherein:

(i) He produced one set of printout of pictures, which he had translated from Chinese to English. The said pictures, having heading “A FEI SHOES ORDER FORM” and “INDIA SONU”, had details of shoes/slippers.

(ii) He also produced one printout, which he stated were receipts of payments received by M/s A Fei Shoes, showing transactions of sums equivalent to Rs. 3,60,000/, Rs. 9,00,000/- and Rs. 12,00,000/- respectively.

(iii) He also produced one printout of documents, which he stated was proforma invoice with pictures of the footwear/shoes.

(iv) On being asked to explain the difference of approx. 10000 pairs in the quantity of shoes in the first and second DTA invoice, he stated that since he had not handled the clearance of the said goods, he was not aware of the same.

(v) On being asked if he had brought any documents related to the consignment delivered to M/s Ganga Impex Enterprise, he stated that he had not brough any documents related to the same, as M/s A Fei Shoes had informed him that they did not have any records related to the same.

(vi) On being shown statement dated 18.07.2023 of Shri Rajvardhan Jha wherein he had stated that all the charges incurred by him related to duty and demurrage/detention were reimbursed by Shri Barun Gole/Agarwal, he stated that he had not payment to Shri Rajvardhan Jha, and produced the copy of statement of his bank account.

17. Voluntary statement of Shri Harshendu C Gor, Authorised person of M/s Cosco Shipping (India) Pvt. Ltd., was recorded on 09.10.2023 (**RUD-15**), wherein he interalia stated that:

(i) On being asked as to whether the containers bearing no. DFSU6041870 & CBHU9154760 pertained to them, he stated that the above containers were owned by their Principal Company M/s New Golden Sea Shipping PTE. LTD., Guangzhou, China.

(ii) That the containers were booked by the Guangzhou Office of their Principal M/s New Golden Sea Shipping PTE. LTD and he will call for details from them and submit the same later. However, no further communication was received from him

(iii) On being asked if had brought documents related to the consignment, he provided copies of Bills of Lading, Bill of Entry, IEC of the importer, copies of NOC for amendment of Consignee (Old consignee and new consignee), and original & amended Bills of Lading No. COAU7229228030 & COAU7228995570 pertaining to the said consignments. (**RUD-16 Coll'y**)

(iv) On being asked as to what documents did they collect from the importer and CHA, he stated that they had collected KYC of importer & CHA and the copy of surrendered Bill of Lading and payment particulars etc. in respect of the said consignments for Delivery Order of the said containers.

18. Further summons were issued to Shri Rajvardhan Shankar Jha of M/s Ganga Impex Enterprise and Shri Shivam Arora; however, they did not appear for recording their further statements. Ganesh Naidu did not join the investigation. Details of the summons issued to such persons, against which no one has appeared, is as given below:

Sr.	Name of the person	Date of summons

No.		
1.	Shri Rajvardhan Shankar Jha	26.08.2023, 23.09.2023, 05.10.2023
2.	Shri Shivam Arora	28.07.2023, 26.09.2023, 05.10.2023
3.	Shri Ganesh Naidu	26.07.2023, 28.07.2023, 26.09.2023,05.10.2023

Findings of the Investigation:

19. M/s Vasudhapro Nourishing Meals Pvt. Ltd., KASEZ imported two consignments in DFSU6041870 & CBHU9154760 declared to contain total 30,566 Pairs of "Assorted Footwear (CTH- 64059000)" which had arrived on Mundra Port on 06/07.02.2021, however did not file any Bill of Entry for the same. It was found that the shipping line had received request for change of the name of consignee from M/s Vasudhapro Nourishing Meals Pvt. Ltd., KASEZ to M/s Ganga Impex Enterprise, KASEZ alongwith NOC from both parties, after which the Bill of Lading was amended with the approval of Customs Authorities. The said consignments were then cleared to KASEZ vide Bill of Entry No. Bills of Entry No. 1012972 dated 27.09.2021 and 1012973 dated 27.09.2021 filed by KASEZ Unit M/s Ganga Impex Enterprises, in place of original consignee M/s Vasudhapro Nourishing Meal Pvt. Ltd. The subject consignments were cleared to DTA by M/s Ganga Impex Enterprises to DTA Client M/s Shivam Overseas, Delhi vide Bill of Entry No. 2010589 dated 14.10.2021. However, it was noticed that in the said DTA Bill of Entry, quantity of the goods i.e., footwear was 20,000, hence there was difference of 10566 pairs between the quantity cleared into KASEZ and the quantity cleared into DTA by M/s Ganga Impex Enterprise to M/s Shivam Overseas.

19.1 Shri Shivam Arora of M/s Shivam Overseas claimed to not have purchased/imported the said goods cleared into DTA by M/s Ganga Impex Enterprise, KASEZ. Instead, he claimed that he had purchased 11510 pair of Footwear from M/s Shree Ashapura Impex, Kidana, Gandhidham at the rate of Rs. 534.99 (exclusive of GST), which were claimed to have been procured by M/s Ashapura Impex in auction at M/s Honeycomb CFS, Mundra. It was also revealed that the said consignment purchased in auction by M/s Shree Ashapura Impex from M/s Honeycomb CFS, was also imported in the name of M/s Vasudhapro Nourishing Meals Pvt. Ltd with goods of similar description i.e., "Assorted Footwear (CTH- 64059000)" around the similar time period.

19.2. During the investigation, it was noticed that initially M/s Ganga Impex Enterprises had generated DTA invoice no. GI-01-21 dated 09.10.2021 (**RUD-17**) wherein 30566 pairs of "Assorted Footwear (CTH- 64059000)" at the rate of 3.05 USD per pair and filed DTA Bill of Entry bearing no. 2010494 dated 13.10.2021 (**RUD-18**) in the name of importer M/s Shivam Overseas wherein total 30566 pairs of "Assorted Footwear (CTH- 64059000)" were shown to have been cleared to DTA with a total value of Rs. 70,57,230.91/- and total duty amount of Rs. 44,76,401.57. However, it was claimed by M/s Ganga Impex Enterprise, KASEZ that they had filed the said Bill of entry on the basis of Bills of lading. However, on the counting of the goods after de-stuffing at their warehouse, total 20000 pairs were found inside the container. Hence, they had amended the said DTA invoice no. GI-01-21 dated 09.10.2021 declaring 20000 pairs of "Assorted Footwear (CTH- 64059000)" at cleared to the consignee M/s Shivam Overseas at the rate of 1.2 USD per pair and filed revised Bill of Entry bearing no. 2010589 dated 14.10.2021, with total declared value of goods at Rs. 18,16,800/- and total duty amount of Rs. 8,25,281/-.

19.3 Thus, it appeared that M/s Ganga Impex Enterprise and M/s Shivam Overseas, had deliberate suppressed value of the subject goods to evade payment of applicable Customs Duty and made short payment of duty on the DTA Clearance of the said goods. M/s Ganga Impex Enterprise, also failed to give any satisfactory explanation to as why there was a difference of 10,566 pairs between the consignments imported and the DTA clearance. Hence, it is clear that M/s Ganga Impex Enterprise, KASEZ have clandestinely cleared remaining 10566 pairs of "Assorted Footwear (CTH- 64059000)", without payment of duty.

Valuation: -

20. In the instant case, the goods i.e., 30566 pairs of "Assorted Footwear (CTH- 64059000)" imported in the name of M/s Vasudhapro Nourishing Meal Pvt. Ltd., which were later cleared to KASEZ to M/s Ganga Impex Enterprise after amendment of Bill of Lading, and later cleared into DTA to importer/DTA client M/s Shivam Overseas, were not available for examination for the purpose of valuation. In terms of Rule 47(4) of SEZ Rules, 2006 read with Rule 48 (2) of SEZ Rules, 2006, Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act, 1962 and rules made thereunder. In the statement dated 03.08.2023, Shri Barun Goel had stated the export price of the Shoes/footwear sold by M/s A Fei used to be around Rs. 250-400 (approx. 3-5 USD). Thus, it appears that the subject consignments have been mis-declared in respect of value to evade Customs Duty. Hence, Valuation of the said goods have to be done by applying rule 4 & 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

20.1 Rule 4 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 applies where imported goods which are same in all respects, including physical characteristics, quality and reputation, as the goods being valued except for minor difference in appearance that do not affect the value of the goods. Further, Rule 5 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 applies where the imported goods with goods although not like in all respect but having characteristics and like component making them have the same functions and interchangeable commercially, both identical and similar goods should be produced in the country in which the goods being valued were produced and produced by the same person who produced the goods under examination, or where no such goods are available, goods purchased by different persons. Besides, while applying the said rules, the transaction rules of the identical/similar goods have to be viewed at the same commercial level and substantially in the same quantity the goods being valued.

20.2 In the instant case, during the investigation, it was found that similar kind of shoes were cleared to M/s Shivam Overseas by M/s Shree Ashapura Impex, which were also imported in the name of same importer i.e., M/s Vasudhapro Nourishing Meals Pvt. Ltd. The said consignment of 11510 pairs of "Assorted Footwear (CTH- 64059000)" was cleared to M/s Shivam Overseas at the rate of Rs. 534.99/-. Accordingly, on taking the value of one pair of "Assorted Footwear (CTH- 64059000)" at Rs. 534.99/- for the purpose of valuation as above, the value of one pair of "Assorted Footwear (CTH- 64059000)" of the consignment cleared by M/s Ganga Impex Enterprise to DTA client M/s Shivam Overseas, who was also the buyer of the shoes cleared by M/s Shree Ashapura Impex, should be Rs. 534.99/- (and for the purpose of calculation of duty for the said DTA clearance to M/s Shivam Overseas, the total value of the said consignment should be **Rs. 1,06,99,800/-,** instead of Rs. **18,16,800/-** as declared in DTA Bill of Entry bearing no. 2010589 dated 14.10.2021.

Demand of Duty:

21. Whereas Section 30 of the SEZ Act, 2005 and Rule 48 of the SEZ Rules, 2006, state that:

> ***Section 30. Domestic clearance by Units***: *Subject to the conditions specified in the rules made by the Central Government in this behalf*: -
>
> *(a) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported;*
>
> *(b) the rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.*
>
> ***"Rule 48. Procedure for Sale in Domestic Tariff Area***. —

(1) *Domestic Tariff Area buyer shall file Bill of Entry for home consumption giving therein complete description of the goods and/or services namely, make and model number and serial number and specification along with invoice and packing list with the Authorised Officers: Provided that the Bill of Entry for home consumption may also be filed by a Unit on the basis of authorization from a Domestic Tariff Area buyer…"*

21.1 From the above, it is apparent that for DTA clearance, Bill of Entry has to be filed by the DTA buyer, or by a SEZ unit on the basis of authorization from a DTA buyer. Hence, it appears that M/s Shivam Overseas, Delhi, had filed or got filed through M/s Ganga Impex Enterprise, the DTA Bill of Entry bearing no. 2010589 dated 14.10.2021 wherein they deliberately suppressed the value of the goods declared as "Assorted Footwear (CTH- 64059000)" to evade Customs duty. Further, M/s Shivam Overseas had only paid 5% IGST on the clearance to DTA on the said clearance, instead of 18 % as applicable. Therefore, M/s Shivam Overseas, being the DTA buyer, are liable to pay the differential Customs Duty on the goods declared as 20000 pairs of "Assorted Footwear (CTH- 64059000)" imported them into DTA vide DTA Bill of Entry bearing no. 2010589 dated 14.10.2021, along with applicable interest, as given in table-I as follows:

Table-I

Value of the one pair goods declared in the DTA Bill of Entry (Rs.)	**Total value of the goods declared in the DTA Bill of Entry (Rs.)**	**Total duty (incl. IGST 5%) paid on the goods declared in the DTA Bill of Entry (Rs.)**	**Actual Value of one pair of goods declared in the DTA Bill of Entry, (valuation on the basis of similar goods) (Rs.)**	**Total actual value of the goods declared in the DTA Bill of Entry, (valuation on the basis of similar goods) (Rs.)**	**Total Duty (incl. IGST 18%) payable on the in the DTA Bill of Entry, (valuation on the basis of similar goods) (Rs.)**	**Differential duty (incl. IGST 18%) payable on the DTA Bill of Entry (along with applicable interest) (Rs.)**
90.84	18,16,800	8,25,281	534.99	1,06,99,800	67,86,884	59,61,603

21.2 Further, it was revealed during the investigation that M/s Ganga Impex Enterprises filed warehousing Bill of Entries bearing no. 1012972 and 1012973, both dated 27.09.2021 for a total of 30,566 pairs of "Assorted Footwear (CTH- 64059000)", however in the DTA Bill of Entry No. 2010589 dated 14.10.2021 only 20,000 pairs of "Assorted Footwear (CTH-64059000)" were cleared to M/s Shivam Overseas, Delhi. Hence, it appears that M/s Ganga Impex Enterprise has cleared the remaining 10566 pair of "Assorted Footwear (CTH- 64059000)" clandestinely without payment of Duty. Hence, they are liable to duty as given below along with applicable interest:

Table-II

Value of one pair of goods declared as "Assorted Footwear (CTH- 64059000)" (Rs.)	**Total actual value of the clandestinely removed in the DTA by M/s Ganga Impex Enterprise, (Rs.)**	**Total Duty (incl. IGST 18%) payable on the said clandestine removal by M/s Ganga Impex Enterprise, (Rs.)**
534.99	56,52,704	35,85,510

Role played by various firms/persons in the subject fraudulent evasion of Customs duty by the way of undervaluation:

22. M/s Vasudhapro Nourishing Meal Pvt. Ltd., KASEZ, Gandhidham.

M/s Vasudhapro Nourishing Meal Pvt. Ltd., KASEZ, in whose name the said consignments were imported, was the original importer of the consignments covered in the Bills of Lading no. COAU7229228030 & COAU7228995570, and said to have been involved in the Customs fraud by way of undervaluation and
mis-declaration. M/s Vasudhapro did not file any Bill of Entry for the said consignments, and deliberately left the consignments, unclaimed at the Mundra Port. M/s Vasudhapro Nourishing Meal Pvt. Ltd. had imported the shoes by showing huge undervaluation, to evade the Customs Duty payable on the said consignments. The export price of one pair of shoes sold by the

supplier of the subject consignment, as confirmed by Shri Barun Goel in his statements, used to be around Rs. 250-400 (approx. 3.3 USD to 5.3 USD). However, M/s Vasudhapro Nourishing Meal Pvt. Ltd. had imported the said consignment at the declared value of 0.7 USD per pair, thus undervaluing the goods to evade the Customs Duty. In the process they had got created false invoice for clearance of these goods.

The importer/any person, who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, is liable to penalty under Section 112 (a) of the Customs Act, 1962. Further, 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 Customs Act, shall be liable to a penalty under Section 114AA of Customs Act, 1962. Thus, by such acts of omission and commission, M/s Vasudhapro Nourishing Meals Pvt. Ltd., KASEZ, have made themselves liable for penalty under 112(a) and 114AA, separately, of the Customs Act, 1962.

23. <u>M/s Ganga Impex Enterprise/Shri Rajvardhan Shankar Jha:</u>

M/s Ganga Impex Enterprise, KASEZ, was the SEZ unit who had got amended the Bill of Lading and IGM in respect of the subject consignments, in their name, from the actual importer M/s Vasudhapro Nourishing Meal Pvt. Ltd., KASEZ. M/s Ganga Impex Enterprise, filed the Bill of entry for warehousing bearing no. 1012972 dated 27.09.2021 and 1012973 dated 27.09.2021, for the goods declared as 30566 pairs of “Assorted Footwear (CTH- 64059000)”. M/s Ganga Impex Enterprise then filed the DTA Bill of Entry bearing no. 2010494 dated 13.10.2021 in the name of importer/DTA Buyer M/s Shivam Overseas wherein total 30566 pairs of “Assorted Footwear (CTH- 64059000)” were shown to have been cleared to DTA with a total value of Rs. 70,57,230.91/- and total duty amount of Rs. 44,76,401.57.

However, M/s Ganga Impex Enterprise amended the invoice for the said DTA Clearance and filed revised DTA Bill of Entry No. 2010589 dated 14.10.2021, with total declared value of goods at Rs. 18,16,800/- and total duty amount of Rs. 8,25,281/-. Shri Rajvardhan Shankar Jha, partner of M/s Ganga Impex Enterprise, claimed that the first DTA Bill of Entry was filed by them on the basis of the Bill of Lading which had 30566 pairs of "Assorted Footwear (CTH- 64059000)" declared, however, on de-stuffing of the goods from the said containers in their warehouse, the quantity of the said goods was found to be 20000 only.

Further, M/s Ganga Impex Enterprises had declared the value of one pair of said goods, as USD 3.05 in the Bill of Entry bearing No. 2010494 dated 13.10.2021 to the importer/DTA Buyer M/s Shivam Overseas. However, they had cancelled the above Bill of Entry 2010494 dated 13.10.2021 and filed a fresh DTA Bill of Entry bearing no. 2010589 dated 14.10.2021, wherein they declared the value of one pair of the said goods, as USD 1.2, thus clearly being involved in the practice of undervaluation to evade payment of applicable Customs Duty. Further, Shri Rajvardhan Shankar Jha, did not appear to tender his further statement despite being issued several summons, and neither provided any documents as assured by him in his first statement.

Moreover, it was revealed during the investigation that M/s Ganga Impex Enterprises has filed Bills of Entries for warehousing, bearing no. 1012972 and 1012973, both dated 27.09.2021 for a total of 30,566 pairs of "Assorted Footwear (CTH- 64059000)", however in the DTA Bill of Entry No. 2010589 dated 14.10.2021 only 20,000 pairs of "Assorted Footwear (CTH- 64059000)" were cleared to M/s Shivam Overseas, Delhi. During the investigation, M/s Ganga Impex Enterprise or Shri Rajvardhan Shankar Jha failed to give any satisfactory evidence for the said difference. Hence, it is apparent that M/s Ganga Impex Enterprise had cleared the remaining 10566 pair of "Assorted Footwear (CTH- 64059000)" clandestinely without payment of Duty amounting to Rs. 35,85,510/-.

The importer/any person, who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, is liable to penalty under **Section 112 (a) of the Customs Act, 1962**.

In terms of Section 112(b) of Customs Act, 1962, acquiring 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, is liable to penalty under **Section 112 (b) of Customs Act, 1962.**

In terms of Section 114A of Customs Act, 1962, Where the duty has not been levied or has not been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall, also be liable to pay a penalty equal to the duty or interest so determined under **Section 114A of Customs Act, 1962**.

Further, 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 Customs Act, shall be liable to a penalty under **Section 114AA of Customs Act, 1962**.

By doing such acts of omission and commission as discussed above, **Shri Rajvardhan Shankar Jha**, has made himself liable for penalty under 112(a), 112(b) and 114AA, separately, of the Customs Act, 1962.

Further, such acts of omission and commission as discussed above, **M/s Ganga Impex Enterprise** have made themselves liable to penalty under Section 114A of Customs Act.

24. M/s Shivam Overseas/Shri Shivam Arora:

M/s Shivam Overseas was the DTA Buyer/importer in whose name the original DTA Bill of Entry bearing no. 2010494 dated 13.10.2021 and revised DTA Bill of Entry bearing no. 2010589 dated 14.10.2021 was filed. Thus, M/s Shivam Overseas, was the ultimate beneficiary in the subject fraud of evasion of Customs Duty by the way of undervaluation and were liable to pay the differential duty on the subject DTA clearance. Shri Shivam Arora, proprietor of M/s Shivam Overseas claimed that he had not purchased the subject goods cleared under the Bill of Entry bearing no. 2010589 dated 14.10.2021. However, from documents on record such as DTA Bill of Entry for clearance of these goods from **M/s Ganga Impex Enterprise, and from statements of** Shri Barun Goel/Agarwal, it appears that they had purchased and got the subject consignments cleared from **M/s Ganga Impex Enterprise.** However, despite being issued repeated summons, he did not appear to tender his statement, wherein the claim of Shri Rajvardhan Shankar Jha of M/s Ganga Impex Enterprise, that he was the DTA Buyer/importer of the said consignment could be verified. Thus, it appears that M/s Shivam Overseas, in collusion with M/s Ganga Impex Enterprise, presented incorrect material in the documents filed by them and deliberately suppressed the value of the said goods for DTA clearance as to evade the applicable Customs Duty.

The importer/any person, who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, is liable to penalty under **Section 112 (a) of the Customs Act, 1962**. In terms of Section 112(b) of Customs Act, 1962, acquiring 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, is liable to penalty under **Section 112 (b) of Customs Act, 1962.**

In terms of Section 114A of Customs Act, 1962, Where the duty has not been levied or has not been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall, also be liable to pay a penalty equal to the duty or interest so determined under **Section 114A of Customs Act, 1962**. Further, 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 Customs Act, shall be liable to a penalty under **Section 114AA of Customs Act, 1962**.

Thus, by such acts of omission and commission as discussed above, **M/s Shivam Overseas**, have made themselves liable for penalty under 114A of the Customs Act, 1962.

Further, by such acts of omission and commission as discussed above, **Shri Shivam Arora**, has made himself liable for penalty under 112(a), 112(b) and 114AA of the Customs Act, 1962.

25. Shri Barun Goel/Agarwal:

Shri Barun Goel/Agarwal was the person who got the subject Bills of Lading amended in the name of M/s Ganga Impex Enterprise, KASEZ. As stated by Shri Rajvardhan Shankar Jha, partner of M/s Ganga Impex Enterprise, Shri Barun Goel had contacted him for the clearance of the said consignments in lieu of Rs. 2 Lakhs, and got the Bills of Lading amended in the name of his firm. Shri Barun Goel had also instructed Shri Rajvardhan Shankar Jha to clear the said goods to the DTA Buyer M/s Shivam Overseas.

As per the statement of Shri Rajvardhan Shankar Jha, Shri Barun Goel had made all the payment related to the demurrage/detention charges in respect of the both of the containers covered under the subject consignments and had also paid the amount required for payment of Customs Duty along with commission of Rs. 2 Lakhs for filing the said Bill of entries.

During his statements, Shri Barun Goel had repeatedly claimed that he had got the said Bill of lading amended on request of his Chinese client M/s A Fei Shoes, however, he failed to provide any proof or evidence in support of the same. Further, he had failed to furnish any details related to the original Bill of lading and the original importer, even though he claimed that he was the one who got the BL amended on insistence of his Chinese Client. Shri Barun Goel failed to give any satisfactory clarifications in respect of the claims made by Shri Rajvardhan Jha in his statement.

During the investigation, it appeared that Shri Barun Goel/Agarwal was in regular contact with Shri Rajvardhan Jha, and he and Shri Rajvardhan Jha, in collusion with Shri Shivam Arora of M/s Shivam Overseas, are the key person in the instant case of Customs duty evasion by the way of undervaluation.

The importer/any person, who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, is liable to penalty under **Section 112 (a) of the Customs Act, 1962**. In terms of Section 112(b) of Customs Act, 1962, acquiring 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, is liable to penalty under **Section 112 (b) of Customs Act, 1962.**

Further, 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 Customs Act, shall be liable to a penalty under **Section 114AA of Customs Act, 1962**.

Thus, since Shri Barun Goel/Agarwal, has in collusion with Shri Rajvardhan Jha of M/s Ganga Impex Enterprise and Shri Shivam Arora of M/s Shivam Overseas, made such omissions and commissions, to evade Customs duty, which had rendered him liable for Penalty under **Section 112 (a) and Section 112 (b) of Customs Act, 1962, separately.** Further, Shri Barun Goel had helped Shri Rajvardhan Jha, in preparation and submission of documents undervaluing the subject import goods and further instructed him to clear the Goods in DTA by further undervaluing goods, by furnishing incorrect material particulars, Shri Barun Goel/Agarwal has also rendered himself liable for penalty under **Section 114AA of the Customs Act, 1962.**

26. <u>Shri Ganesh Naidu of M/s Cross Trade Link Pvt. Ltd., KASEZ:</u>

Shri Ganesh Naidu had arranged for the sale of the goods procured by them in the auction of one container bearing no. CMAU6266991 imported by the same importer, M/s Vasudhapro Nourishing Meals Pvt. Ltd., to Shri Shivam Arora of M/s Shivam Overseas, which was also the importer of the 2 consignments cleared into the DTA vide the DTA Bill of Entry No. 2010589 dated 14.10.2021, which was filed by M/s Ganga Impex Enterprise, KASEZ after amendment in the Bill of Lading.

Shri Ganesh Naidu had instructed Shri Mohan Naidu to take part in the said auction of the container bearing no. CMAU6266991 imported by the same importer, M/s Vasudhapro Nourishing Meals Pvt. Ltd., and had strictly directed him to not go beyond Rs. 70 Lakhs as the bid for the said consignment. He then also cleared the said goods to same buyer M/s Shivam Overseas.

Thus, it appears that Shri Ganesh Naidu, had already known Shri Shivam Arora of M/s Shivam Overseas, as he appears to have negotiated the value of consignment of 11510 pair of "Assorted Footware" with him., since he directed Shri Mohan Naidu to not to go beyond 70 Lakhs as bid. Hence, he was already aware of the market price of the said goods. Further, Shri Ganesh Naidu did not appear against the summons issued to him, hence it appears that he was indeed beneficially involved in the said fraud of Customs Duty Evasion by the way of undervaluation.

Thus, by such acts of omission and commission as discussed above, Shri Ganesh Naidu, has made himself liable for penalty under 112(a), 112(b), and 114AA, separately, of the Customs Act, 1962. Further, Shri Ganesh Naidu has failed to comply to the summons issued to him, and thus made himself liable for penalty under Section 117 of the Customs Act, 1962.

27. Now therefore, M/s Shivam Overseas, Ground Floor, X-170, Tagore Road Gali, Ramnagar, Gandhinagar, Delhi, are hereby called upon to Show cause in writing to the Commissioner of Customs, Kandla Customs House, Kandla, within 30 days from the receipt of this notice as to why: -

(i) The valuation of goods cleared to DTA Bill of Entry 2010589 dated 14.10.2021 by M/s Ganga Impex Enterprise, as Rs. 18,16,800/-, should not be rejected and the goods cleared as such should not be valued at **Rs. 1,06,99,800/-.**

(ii) Differential Duty amounting to **Rs. 59,61,603/-** chargeable on the goods imported in DTA by them, should not be demanded and recovered under Section 28(4) of Customs Act, 1962.

(iii) Interest at appropriate rate should not be demanded and recovered on the duty demanded at (ii) above under Section 28AA of the Customs Act, 1962.

(iv) Penalty should not be imposed upon them under Sections 114A of the Customs Act, 1962.

28. Now therefore, Shri Shivam Arora, is hereby called upon to show cause as to why penalty should not be imposed upon him under Sections 112(a), 112(b) and 114AA, separately, of the Customs Act, 1962.

29. Now therefore, **M/s Vasudhapro Nourishing Meal Pvt. Ltd., KASEZ, Gandhidham**, is hereby called upon the show cause as to why penalty should not be imposed upon him under Sections 112(a) and 114AA, separately, of the Customs Act, 1962.

30. Now therefore, **M/s Ganga Impex Enterprise,** Shed No. 331, A-1 type, Marshalling Yard, KASEZ, Gandhidham, are hereby called upon to Show cause in writing to the Commissioner of Customs, Kandla Customs House, Kandla, within 30 days from the receipt of this notice as to why:

(i) Duty amounting to Rs. 35,85,510/- on the 10566 pairs of “Assorted Footware” clandestine cleared by them to DTA, should not be demanded and recovered from them under Section 28(4) of Customs Act, 1962.

(ii) Interest at appropriate rate should not be demanded and recovered on the duty demanded at (i) above under Section 28AA of the Customs Act, 1962.

(iii) Penalty should not be imposed upon them under Sections 114A of the Customs Act, 1962.

31. Now therefore, **Shri Rajvardhan Shankar Jha** is hereby called upon the show cause as to why penalty should not be imposed upon him under Sections 112(a), 112(b) and 114AA separately, of the Customs Act, 1962.

32. Now therefore, **Shri Barun Goel/Agarwal,** Flat-314, Block-3, Lobby-1, Green Valley, Sevoke Road, Siliguri is hereby called upon the show cause as to why penalty should not be imposed upon him under Sections 112(a), 112(b) and 114AA, separately, of the Customs Act, 1962.

33. Now therefore, **Shri Ganesh Naidu of M/s Cross Trade Link Pvt. Ltd., KASEZ,** is hereby called upon the show cause as to why penalty

should not be imposed upon him under Sections 112(a), 112(b), 114AA and 117, separately, of the Customs Act, 1962.

34. All the Noticees are further required to produce at the time of showing cause all evidences upon which they intend to rely in support of their defence. They are further advised to indicate in their written submission as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written submissions, it would be presumed that they do not desire to be heard in person. If no cause is shown by them against the action proposed to be taken within 30 days from the date of receipt of this Notice or if they do not appear before the adjudicating authority, when the case is posted for hearing, the case is liable to be decided Ex-Parte on the basis of material evidence available on record.

35. The documents/articles as listed at Annexure-R are relied upon and are enclosed with this show cause notice, and where not enclosed with this Notice will be made available for inspection on demand made in writing.

36. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department/DRI also reserves its right to issue separate Notice/s for other Noticees, offences etc related to the above case, if warranted.

37. If the said Noticee/s will pay the duty with interest and penalty as specified under Section 28(5) of Custom Act, 1962 within 30 days from the receipt of this notice the proceedings may be deemed to be conclusive as to the matters stated therein, without prejudice to the provisions of section 135, 135A and 140 of the Custom Act, 1962, if applicable.

Digitally signed by
Dinesh Singh
Date: 25-09-2026
11:28:11

(**Dinesh Singh**)
Commissioner
Custom House, Kandla

F.No. GEN/ADJ/COMM/51/2024-Adjn-O/o Commr-Cus-Kandla

By E-Office/E-mail

To,

1. M/s Shivam Overseas, Ground Floor, X-170, Tagore Road Gali, Ramnagar, Gandhinagar, Delhi (E-mail id: shivamoverseas1589@gmail.com)
2. M/s Vasudhapro Nourishing Meal Pvt. Ltd., KASEZ, Gandhidham (Email Id: vasudhapronourishing@gmail.com)
3. M/s Ganga Impex Enterprise, Shed No. 331, A-1 type, Marshalling Yard, KASEZ, Gandhidham. (E-mail ID: gangaimpex99@gmail.com)
4. Shri Barun Goel/Agarwal, Flat-314, Block-3, Lobby-1, Green Valley, Sevoke Road, Siliguri. (E-mail Id utlgz@hotmail.com)
5. Shri Ganesh Naidu of M/s Cross Trade Link Pvt. Ltd., KASEZ. (E-mail Id: ganesh@crosstradelink.com)
6. Shri Shivam Arora, Proprietor of M/s Shivam Overseas.(E-Mail ID: shivamoverseas1589@gmail.com)
7. Shri Rajvardhan Shankar Jha, Partner of M/s Ganga Impex Enterprise (E-mail ID: gangaimpex99@gmail.com)

Copy to: -

1. The Additional Director, DRI Regional Unit, Gandhidham
2. The Superintendent (EDI Section), Customs House, Kandla for uploading on official website (https://gujaratcustoms.gov.in/)
3. Guard File.

Annexure-R- List of Relied upon Documents

Link to download the RUDs:

https://drive.google.com/drive/folders/1nnhUQRMwjtHOWOtuU5yla2PHeR4QdxN9?usp=drive_link

11972 Sr. No.	Details of the RUD	RUD No.
1.	Bills of Entry No. 1012972 dated 27.09.2021	**RUD-01**

	and 1012973 dated 27.09.2021	
2.	DTA Bill of Entry No. 2010589 dated 14.10.2021	**RUD-02**
3.	Panchnamas dated 14.06.2023 drawn at X-612, Gali No. 5, Raghubarpura-I, Gandhinagar, Delhi; and Ground Floor, X-170, Tagore Road Gali, Ramnagar, Gandhinagar, Delhi	**RUD-03**
4.	visit note dated 15.06.2023 at the address of M/s Vasudhapro Nourishing Meals Pvt. Ltd. located at Third floor, U-198, Main Vikas Marg, Shakarpur, East Delhi,	**RUD-04**
5.	Statement of Shri Shivam Arora, Proprietor of M/s Shivam Overseas, Delhi recorded on 27.06.2023	**RUD-05**
6.	e-way bill bearing no. 661408566662	**RUD-06**
7.	e-way bill bearing no. 621408609572	**RUD-07**
8.	Voluntary statement of Shri Mohan Naidu, Proprietor of M/s Shree Ashapura Impex recorded on 17.07.2023	**RUD-08**
9.	Panchnama dated 18.07.2023 for search at the premises of M/s Ganga Impex Enterprise, Shed No. 331, A-1 type, Marshalling Yard, KASEZ, Gandhidham	**RUD-09**
10.	Voluntary statement of Shri Rajvardhan Shankar Jha, partner of M/s Ganga Impex	**RUD-10**

	Enterprise, KASEZ recorded on 18.07.2023	
11.	DTA invoice bearing no. GI-01-21 dated 09.10.2021	**RUD-11**
12.	Voluntary statement of Shri Barun Goel/Agarwal, Proprietor of M/s Universal Garments recorded on 03.08.2023	**RUD-12**
13.	Voluntary statement of Shri Barun Goel/Agarwal, Proprietor of M/s Universal Garments recorded on 04.08.2023	**RUD-13**
14.	Voluntary statement of Shri Barun Goel/Agarwal, Proprietor of M/s Universal Garments recorded on 03.10.2023	**RUD-14**
15.	Voluntary statement of Shri Harshendu C Gor, Authorised person of M/s Cosco Shipping (India) Pvt. Ltd., recorded on 09.10.2023	**RUD-15**
16.	copies of Bills of Lading, Bill of Entry, IEC of the importer, copies of NOC for amendment of Consignee (Old consignee and new consignee), and original & amended Bills of Lading No. COAU7229228030 & COAU7228995570 pertaining to the said consignments provided by Shri Harshendu C Gor, Authorised person of M/s Cosco Shipping (India) Pvt. Ltd., during his voluntary statement recorded on 09.10.2023	**RUD-16**
17.	DTA invoice no. GI-01-21 dated 09.10.2021 for 30566 pairs of “Assorted Footwear (CTH-64059000)” cleared at the rate of 3.05 USD per pair	**RUD-17**

18.	DTA Bill of Entry bearing no. 2010494 dated 13.10.2021	**RUD-18**