

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

A. File No.	: GEN/ADJ/ADC/641/2026-Adjn-O/o Pr Commr-Cus-Mundra
B. SCN No.	: 15/2026-27/ADC/AKM/MCH Date:07-04-2026
C. Issued by	: Amit Kumar Mishra, Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.
D. Noticee(s)/ Importer	: 1. M/s S.N. Traders 2. Shri Pankaj Rajinder Kalla alias Pankaj Sharma, Beneficial Owner of M/s S.N. Traders 3. Shri Sidharth Gupta, Beneficial Owner of M/s S.N. Traders 4. Shri Sultan, Proprietor of M/s S.N. Traders 5. Shri Mukesh Hariram, Commission Agent
E. DIN	: 20260471MO0000555AEB

(Show Cause Notice under Section 124 of the Customs Act, 1962)

An intelligence was developed by Surat Regional Unit, Directorate of Revenue Intelligence (herein after referred as 'DRI') that M/s S.N. Traders (Proprietor Shri Sultan) (herein after referred as '*the Exporter*' for the sake of brevity) having IEC- RYEPS0657A located at Shop No. 27, Old Rajendra Nagar, Delhi- 110060, were exporting goods declared as "Auto parts-Small Motor, Big Motor BLDC, Fly wheel, Brake disc trailer/truck/car, etc" under CTI 87089900 from Mundra Port and intended to avail ineligible/excess IGST refund, Drawback and RoDTEP on the said goods, while mis-declaring the value of goods entered for exportation. The intelligence suggested that the exporter had filed 10 (ten) Shipping Bills No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 for export of goods and that the said goods were of inferior quality and thus mis-declared in terms of value (being over valued) to claim ineligible/excess IGST refund @28% of the FOB value along with other benefits of Drawback and RoDTEP.

EXAMINATION OF GOODS:

2. Based on the above intelligence, the goods meant to be exported vide Shipping Bills No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 were

examined under Panchnama dated 24.05.2025 (**RUD-1**) drawn at Ashutosh CFS, Mundra in the presence of Shri Ajendra Singh, G Card Holder of M/s Ganesham Cargo Carriers, (CHA of S.N Traders) and Jayendu Bhatt, Operation Manager of Ashutosh CFS, Mundra. During panchanama, Shri Ajendra Singh produced export documents running from page 1 to 133 containing a copy of Checklist of 10 Shipping Bills, Invoices/Packing list, purchase invoices and e-way bills etc. for the goods covered under aforesaid Shipping Bills.

2.1 Shri Ajendra Singh, introduced Shri Mukesh Hariram who was accompanying him for examination of aforesaid export Goods on behalf of the exporter. Shri Mukesh Hariram informed that he was instructed by Shri Pankaj Sharma (Delhi) and Shri Sidharth Gupta (Punjab) for arranging clearance of export cargo from Mundra Port to Dubai, thus he (Shri Mukesh Hariram) approached Shri Ajendra Singh, for filing 10 Shipping bills in May 2025 pertaining to M/s S.N Traders; that he (Shri Mukesh Hariram) arranged logistics for subject export goods at CFS, and for that job he was offered monetary remuneration of Rs.20,000-30,000 per export container by Shri Pankaj Sharma and Shri Sidharth Gupta; that he got instructions and clarification regarding export shipments of M/s S.N Traders from Shri Pankaj Sharma and Shri Sidharth Gupta. Shri Mukesh Hariram also stated that he had never contacted the proprietor of M/s. S.N Traders.

2.2 During panchnama, it was noticed that the items were individually packed in small cartons (one piece per box) with 48 sets and 60 sets were packed in larger carton boxes. The quantity found on examination tallied with the declared quantity in packing list, however, visual inspection revealed marks of wear, scratches, and markings such as "MINEBEA" and "Made in China." The officers checked the declared value in invoices against open-source information and noted that the declared unit values (37 USD/Pc for Big Motor BLDC and 30 USD/Pc for Small Motor BLDC) appeared highly overstated.

2.3 The officers called Shri Tushar Zankat, Chartered Engineer, at Mundra Port, who sent Shri Prashant Kumar, authorized representative of Shri Tushar Zankat, CE, at Ashutosh CFS to assist in the examination. During the inspection, all boxes and pallets were opened to tally quantity, nature, and specifications of goods as declared in the Shipping Bills. Photographs of all goods were taken. The officers and CE's representative scrutinized the documents produced by Shri Ajendra Singh and examined the entire export cargo. The officers summarized the nature, quantity, and specification details vis-à-vis the Shipping Bills in Annexure-I as enclosed with Panchnama.

2.4 Shri Prashant Kumar, Authorized Representative of Shri Tushar Zankat, CE informed that the valuation report would be submitted within two working days. The officers drew 6 representative samples of items (Big Motor BLDC, Small Motor BLDC, and Garari) from Shipping Bill Nos. 1897585, 1897591, and 1893243, marked them as E1, E2, E3, E4, E5 & E6, and another 6 samples (Gear Housing, Flywheel, Brake Housing, Flywheel Housing, Brake Disc Car/Truck) from Shipping Bill Nos. 1928350 and 1893243, marked them as S1, S2, S3, S4, S5 & S6

2.5 The goods meant for export under the aforementioned ten Shipping Bills, *prima-facie*, were found mis-declared in terms of value to claim ineligible export benefit including ineligible/excess refund of IGST amount and appeared liable to

confiscation under the provisions of Customs Act, 1962. As the detailed written opinion of the Chartered Engineer in respect of the goods for verifying the declared value, was pending, the officers detained the goods meant for export under the aforesaid ten Shipping Bills and handed over the detained goods to Shri Jayendu Bhatt, Operation Manager of Ashutosh CFS, Mundra for safe custody under Supratnama dated 24.05.2025.

SEIZURE OF GOODS:

3 Shri Tushar Zankat vide email dated 05.06.2025 shared the Valuation report dated 04.06.2025 (RUD-2) wherein it has been opined that the subject goods do not appear to be of prime quality but are sub-standard/inferior products. Items are stock lot/mixed lot. No details as to year of manufacturing were found on the subject items and the goods declared as "Brake Disk Car/truck/trailers" were actually refurbished/second hand items and goods declared as "Big Motor BLDC, Small motor BLDC" were sub-standard products. The Chartered Engineer evaluated the value of these items Shipping Bill. The same is tabulated hereinunder:

Table 1: Details of valuation of goods by the Chartered Engineer

S.No	Shipping Bill No. & date	Item Description	Declared Qty As Per Packing List		Evaluated Total Price by Chartered Engineer(in USD)
			Qty	UOM	
1	1897585 dtd. 16.05.2025	BIG MOTOR BLDC	3360	PCS	26,880
2	1897591 dtd. 16.05.2025	SMALL MOTOR BLDC	4200	PCS	25,200
3	1893243 dtd. 16.05.2025	GEAR HOUSING	120	PCS	3,960
		FLYWHEEL	36	PCS	2,160
		BRAKE HOUSING	13	PCS	156
		FLYWHEEL HOUSING	2	PCS	180
		GARARI 11 TH	1500	PCS	6,000
		BIG MOTOR BLDC	1920	PCS	15,360
4	1893252 dtd. 16.05.2025	BRAKE DISC CAR	360	PCS	3,300
		BRAKE DISC TRUCK	220	PCS	3,400
		BRAKE DISC CAR	360	PCS	3,080
		BRAKE DISC TRUCK	220	PCS	3,480
		GEAR HOUSING	180	PCS	5,940

5	1897600 dtd. 16.05.2025	BRAKE DISC TRAILER	130	PCS	3,160
		BRAKE DISC TRUCK	200	PCS	2,660
		BRAKE DISC TRAILER	130	PCS	3,100
		GARARI 11 TH AND 13 TH	3200	PCS	12,800
6	1928353 dtd. 17.05.2025	BIG MOTOR BLDC	3264	PCS	26,112
7	1893256 dtd. 16.05.2025	BIG MOTOR BLDC	480	PCS	3,840
		SMALL MOTOR BL DC	3000	PCS	18,000
8	1928346 dtd. 17.05.2025	SMALL MOTOR BL DC	3900	PCS	23,400
9	1928351 dtd. 17.05.2025	BIG MOTOR BLDC	1536	PCS	12,288
		SMALL MOTOR BL DC	2100	PCS	12,600
10	1928350 dtd. 17.05.2025	GEAR HOUSING	180	PCS	5,940
		BRAKE DISC CAR	130	PCS	3,160
		BRAKE DISC TRUCK	220	PCS	2,660
		BRAKE DISC TRUCK	200	PCS	3,100
		GARARI 11 TH AND 13 TH	3200	PCS	12,800
TOTAL VALUE					2,44,716

*Exchange Rate as per Shipping Bills: 1 USD= 84.7

3.1 As per the CE report, total value of the goods covered under the ten Shipping Bills was ₹ 2,07,27,445/- against the declared FOB value of ₹ 9,82,38,321/-. Thus, confirming that the values declared in Shipping Bills No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 were highly inflated. As the goods appeared to be mis-declared in terms of value the same were seized vide seizure memo F.No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 05.06.2025 (**RUD-3**), under the reasonable belief that the subject goods having redetermined value of ₹ 2,07,27,445/- (declared FOB value of ₹ 9,82,38,321/-) are liable to confiscation under Section 113 of Customs Act, 1962.

4. STATEMENTS AND ENQUIRIES FROM RELATED PERSONS:

ENQUIRY WITH SHRI MUKESH HARIRAM:

4.1 Summon to **Shri Mukesh Hariram** R/o Yuvraj Park, Behind The Fern Hotel, Dhrub, Mundra-Kutchh, Gujarat-370421, was issued on 13.06.2025 and his statement was recorded on 26.06.2025 (**RUD-4**) under section 108 of the Customs Act, 1962 wherein he inter-alia stated that:

4.1.1 He was working independently as a freelancer for different exporters for export of fabric, auto parts etc. and liaisons with Ganesham Cargo Carriers, CHA for filing Shipping Bills. He was in contact with Shri Ajendra Singh, G-Card holder of the CHA, for coordinating the filing of Shipping Bills and clearance of cargo being investigated.

4.1.2 He went to Jalandhar, Punjab where he met Shri Siddharth Gupta and Shri Pankaj Sharma who were actually operating/handling the firm M/s. SN Traders. He stated that Shri Pankaj Sharma engaged him on commission basis to coordinate with the CHA at Mundra for filing of Shipping Bills, handling of goods in the godown, receipt, movement and loading of goods in the CFS, and movement of goods to the Port after LEO.

4.1.3 The export documents related to the 10 Shipping Bills mentioned above were shared by email id- **sntraders88@rediffmail.com** to shreeshyamshipping2004@gmail.com (operated by Mukesh Hariram), and also on the WhatsApp group by Shri Pankaj Sharma. He stated that the goods meant for export through the above-mentioned ten shipping bills had been received in parts to a private godown Eagle Logistics, Mundra near Ashutosh CFS.

4.1.4 On perusal of visit report dated 18.06.2025 signed by IO, DRI DZU regarding non-existence of the firm M/s SN Traders, he stated that he had never contacted or verified the actual IEC holder of the firm and stated that according to him Shri Pankaj Sharma and Shri Siddharth Gupta were actually handling the export-related documentation, in the name of the said firm.

ENQUIRY WITH SHRI AJENDRA SINGH, G-CARD HOLDER OF CHA:

4.2. Summons dated 09.07.2025 was issued to **Shri Ajendra Singh**, G-Card holder of CHA Ganesham Cargo Carriers, Office No 208, Plot No 31, Golden Point, Sector 8, Gandhidham, 370201 and his statement was recorded on 15.07.2025 (**RUD-5**) under Section 108 of the Customs Act, 1962 wherein he inter-*alia* stated that:

4.2.1 On perusal of statement dated 26.06.2025 of Shri Muklesh Hariram and panchanama dated 24.05.2025, he stated that Shri Mukesh Hariram approached him for filing Shipping Bills on behalf of exporter M/s S.N Traders from Mundra; that after discussion with Shri Pawan Sharma, Proprietor of CHA Firm, he gave

office email ID of his CHA firm (email ID-docs@successcargotrans.com) to Shri Mukesh Hariram for obtaining documents; that they received the documents from Shri Mukesh Hariram. Thereafter, they prepared the checklist and sent the same to Shri Mukesh Hariram and after confirmation, 10 Shipping Bills were filed in May 2025.

4.2.2 Shri Ajendra Singh stated that he did not have any contact details or email of proprietors of M/s S.N Traders; that for receipt of documents and filing of Shipping Bills, he completely relied on Shri Mukesh Hariram; that he did not use any other mechanism to cross verify the information and profile of exporters; that Shri Mukesh Hariram had negotiated payment of CHA charges and offered and **promised to pay two lakhs rupees per Shipping Bill including freight, logistics charges, CFS charges, CHA charges and liaisoning** till final clearance of export goods; that his company had not yet raised formal Bill in the name of exporter M/s S.N Traders and Shri Mukesh Hariram had offered to settle the payment on behalf of the exporter.

4.2.3 Shri Ajendra Singh stated that they did not receive any authorization signed by exporter or their representative to file the Shipping Bills on their behalf and export shipment was handled solely on the request of Shri Mukesh Hariram. On being asked about the legitimacy of the claim of exporter regarding refund and export incentives, he stated and agreed that the valuation was declared very high to claim higher incentives by the exporter.

4.2.4 On being asked about the obligations of a custom broker under Rule 10(d) of Customs Brokers Licensing Regulations, 2018, he stated that the export Shipment was filed at the behest of Shri Mukesh Hariram. He also claimed that he had informed the same to Shri Pawan Sharma, Proprietor of CHA Firm who had agreed to filing of shipping bills based on documents received through email from Mukesh Hariram.

ENQUIRY WITH SHRI PAWAN KUMAR SHARMA (PROP. OF CHA FIRM):

4 . 3 Summon dated 18.02.2026 was issued to Shri Pawan Kumar Sharma, Proprietor of the CHA firm M/s Ganesham Cargo Carriers, R/o 139, Ranjeet Nagar, Khatipura, Jhotwara, Jaipur, Rajasthan-302012 and his statement was recorded on 24.02.2026 (**RUD-6**) under section 108 of the Customs Act, 1962 wherein he *inter-alia* stated that:

4.3.1. He started M/s Ganesham Cargo Carriers, holding a Customs Broker 'F' Card (License No. 01/CHAL/R/200). He appointed Shri Ajendra Singh as a 'G' Card holder to manage all customs clearance operations at the Mundra location.

4.3.2. On perusal of statement dated 15.07.2025 of Shri Ajendra Singh, the 'G' Card holder for M/s Ganesham Cargo Carriers, he stated that while Shri Ajendra Singh contacted him regarding the export consignments of M/s S.N. Traders, Shri Ajendra Singh did not disclose specific details of exporter. He had no personal knowledge about the nature of the goods exported by M/s S.N. Traders.

4.3.3. On perusal of statement dated 26.06.2025 of Shri Mukesh Hariram, an friend/associate of Shri Ajendra Singh, he stated that he became aware of Mukesh Hariram through Shri Ajendra Singh, who informed him that Mukesh Hariram

was his friend and brought clients like M/s S.N. Traders. Both Ajendra Singh and Mukesh Hariram directly looked after the documentation for those export consignments.

4.3.4 He had neither met nor had any contact with the proprietor of the firm M/s S.N. Traders. He stated that he received no monetary consideration or payments from Shri Ajendra Singh in relation to the filing of Shipping Bills for the firm M/s S.N. Traders.

ENQUIRY WITH TRANSPORTER:

4 . 4 . Summons dated 10.09.2025 was issued to **Shri Homit**, Proprietor of Garima Roadlines (Transportation Company registered in MSME), Office no. 6, 1st Floor, Satguru Plaza wing C, Adani Port Road, Mundra, Gujarat, 370421 and his statement was recorded on 19.09.2025 (**RUD-7**) under Section 108 of the Customs Act, 1962 wherein he *inter-alia* stated that:

4.4.1. He was contacted by one Shri Ravinder Kumar, his friend, for issuance of Lorry Receipts (LRs) of his transport firm, Garima Roadlines. He handed over two blank LRs (Nos. 631 and 632) without consignor/consignee details and he had no knowledge as to who sought the said LRs and he had never contacted the proprietor of M/s S.N Traders.

4.4.2 That the LRs were used solely by Shri Ravinder Kumar for transportation purposes and he received ₹1,000 per LR as commission. He submitted a copy of the related LRs and supporting documents (Pages 1 to 76 of **RUD-8**)

4.5. Summons dated 19.09.2025 was issued to **Shri Ravinder Kumar**, Proprietor of Parul Roadways (Commission Agent), Sadguru Plaza, Office No. 17, C-Wing, Mundra, 370421 and his statement was recorded on 19.09.2025 (**RUD-9**) under Section 108 of the Customs Act, 1962 wherein he *inter-alia* stated that:

4.5.1 He did not know any firm by the name of M/s S.N Traders; that he used to collect LRs and vehicles from Shri Homit, Proprietor of Garima Roadlines, and other transporters and provided the same to persons requiring transportation of goods.

4.5.2 He agreed with the statement dated 19.09.2025 of Shri Homit; that when required, he used the LR of Garima Roadlines and paid ₹1,000 per LR to Shri Homit in return.

4.5.3 Shri Mukesh Hariram, a CHA person at Mundra, had asked him to arrange vehicles for transportation of goods from Delhi/Jalandhar to Mundra. He procured LRs from Garima Roadlines and arranged vehicles for Shri Mukesh Hariram under the respective LRs. Shri Mukesh Hariram paid him the transportation charges in cash.

ENQUIRY REGARDING PROPRIETOR

4.6. A search was attempted by the DRI officers at the registered address of M/s

S.N Traders, located at Shop No. 27, Old Rajendra Nagar, Delhi- 110060. However, that search could not be carried out as the unit was found non-existent at the declared place of business. The details of the visit were recorded in the visit report dated 18.06.2025 (**RUD-10**).

4.6.1 Another search was attempted by the DRI officers at the GST registered address of M/s S.N Traders, located at 26/1-A, Khureji Khas Parwana Road, New Delhi. However, that search could not be carried out as the unit was found non-existent at the declared place of business. The details of the visit were recorded in the visit report dated 18.06.2025 (**RUD-11**).

4.6.2 Summons dated 09.06.2025 and 09.07.2025 under Section 108 of Customs Act, 1962 were issued to **Shri Sultan**, Proprietor of M/s S.N. Traders and the same were returned undelivered with remarks by postal authority that no such place exists (**RUD-12**).

4.6.3 Further, Summons dated 25.09.2025 was issued to Shri **Sultan**, at his residential address located at H.No-103, Noorani Market, Khurji Khas, Krishna Nagar, East Delhi, 110051 and the same was forwarded to Deputy Director, DRI, Delhi Zonal Unit for hand delivery. An Officer of DRI, Delhi Zonal Unit visited H.No-103, Noorani Market, Khurji Khas, Krishna Nagar, East Delhi, 110051 and reported vide visit note dated 04.10.2025 (**RUD-13**) that Shri Sultan was not residing at that address and he enquired from the local residents but no one knew Shri Sultan.

ENQUIRY REGARDING AUTHORISED PERSONS OF THE EXPORTER

4.7. It was ascertained that Shri Pankaj Rajinder Kalla alia Pankaj Sharma and Shri Sidharth Gupta had represented themselves as authorized persons of the exporter before Shri Mukesh Hariram. Summons dated 09.06.2025 & 09.07.2025 were issued under Section 108 of Customs Act, 1962 to Shri Pankaj Rajinder Kalla alia Pankaj Sharma, C-5/141-B, Keshav Puram, North West Delhi-110035 and both summons were returned undelivered with a remark "refused" by the postal authority (**RUD-14**).

4.7.1. Further, Summons dated 25.09.2025 was issued to Shri Pankaj Rajinder Kalla alia Pankaj Sharma, C-5/141-B, Keshav Puram, North West Delhi-110035 and same was forwarded to Deputy Director, DRI, Delhi Zonal Unit for hand delivery. An Officer of DRI, Delhi Zonal Unit visited at C-5/141-B, Keshav Puram, North West Delhi-110035 on 04.10.2025 and reported vide visit note dated 04.10.2025 (**RUD-15**) that Ms. Sarika W/o Shri Pankaj Rajinder Kalla refused to take summons on behalf of her husband.

4.7.2 Thus, a criminal complaint (**RUD-16**) was filed against Shri Pankaj Rajinder Kalla, alias Pankaj Sharma, under Sections 208, 210, and 211 of the Bharatiya Nyaya Sanhita (BNS), 2023, before the Hon'ble Chief Judicial Magistrate (CJM), Surat and the same was registered as Criminal Complaint No. CC/339562/2025.

4.8. Summons dated 09.06.2025 & 09.07.2025 were issued under Section 108 of Customs Act, 1962 to Shri Sidharth Gupta, N.K 555, Ward Number 28, Charnjitpura, Jalandhar-144002 and both summons were returned undelivered by

postal authority with remark 'No such person in the address' (RUD-17).

4.8.1. Further, Summons dated 25.09.2025 was issued to Shri Sidharth Gupta, and same was forwarded to Deputy Director, DRI, Ludhiana Zonal Unit for hand delivery. An Officer of DRI, Ludhiana Zonal Unit visited at N.K 555, Ward Number 28, Charnjitpura, Jalandhar-144002 on 03.10.2025 and reported vide visit note dated 03.10.2025 (RUD-18) that said premises was found locked and on further enquiry from the local residents about whereabouts of Shri Sidharth Gupta no information was obtained.

ENQUIRY WITH SUPPLIER OF GOODS:

4.9 GST data showed that the goods covered under Shipping Bills No 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 were shown to have been purchased by the exporter from one Oak Traders, First Floor, F-28, Prem Nagar Road, Baljit Nagar, West Delhi, Delhi-110008 (GSTIN- 07CCXPV3466J1ZK). The exporter had purchased the goods involved in 10 shipping bills having declared value Rs. 8,92,71,250/- involving GST amount of Rs. 2,45,72,614/- under the invoices claimed to be issued by Oak Traders. The details are tabulated below:

Table 2: Details of inward supply from Oak Traders.

Sl No	Invoice No & date	Corresponding S.B No. / Date	Item	Total Qty	Unit	Value (Rs.)	(CGST+SGST) (Rs.)
1	OT-11-2025 dtd. 28.04.2025	1928350/ 16.05.2025	Gear Housing	180	PCS	1377000	2415564
			Brake Disc Car	130	PCS	795600	
			Brake Disc Truck	220	PCS	2019600	
			Brake Disc Truck	200	PCS	1989000	
			Grari 11th And 13 th	3200		2937600	
2	OT-14-2025/ 28.04.2025	1928351/ 17.05.2025	Big Motor BLDC	1536	PCS	4373760	2574112
			Small Motor BLDC	2100	PCS	4819500	

3	OT-13-2025	1928346/ 17.05.2025	Small Motor BLDC	3900	PCS	8950500	2506140
4	OT-7-2025/ 28.04.2025	1893256/ 16.05.2025	Small Motor BLDC	3000	PCS	6885000	2310504
			Big Motor BLDC	480	PCS	1366800	
5	OT-12-2025/ 28.04.2025	1928353/ 17.05.2025	Big Motor BLDC	3264	PCS	9294240	2602386
6	OT-08-2025/ 28.04.2025	1897600/ 16.05.2025	Gear Housing	180	PCS	1377000	2311082
			Break Disc Trailer	130	PCS	1248650	
			Break Disc Truck	200	PCS	1989000	
			Break Disc Trailer	130	PCS	1193400	
			Garari 11 th And 13 th	3200	PCS	2937600	
7	OT-06-2025/ 28.04.2025	1893252/ 16.05.2025	Break Disc Car	360	PCS	1652400	2257668
			Break Disc Truck	220	PCS	2019600	
			Break Disc Car	360	PCS	2203200	
			Break Disc Truck	220	PCS	2187900	
8	OT.05.2025/ 28.04.2025	1893243/ 16.05.2025	Gear Housing	120	PCS	918000	2217310
			Fly Wheel	36	PCS	520200	
			Break	13	PCS	123760	

			Housing				
			Fly Wheel Housing	2	PCS	41140	
			Garari 11th	1500	PCS	1377000	
			Big Motor BLDC	1920	PCS	5467200	
9	OT.10.2025/ 28.04.2025	1897591/ 16.05.2025	Small Motor BLDC	4200	PCS	9639000	2698920
10	OT-09-2025/ 28.04.2025	1897585/ 16.05.2025	Big Motor BLDC	3360	PCS	9567600	2678928
Total						8,92,71,250	2,45,72,614

4.9.1 A follow-up search at the premises of Oak Traders, Delhi (GSTIN: 07CCXPV3466J1ZK) was attempted by the officers of DRI, Delhi Zonal Unit. The Deputy Director, DRI Delhi Zonal Unit vide letter dated 03.09.2025 forwarded visit report dated 03.09.2025 (**RUD-19**). As per visit report dated 03.09.2025, search could not be carried out as the unit was found non-existent at the declared place of business. Thus, it was seen that no business activities of Oak Traders were carried out from the declared place of business. Further, from the web portal <http://service.gst.gov.in> it is ascertained that GST registration of Oak Traders which was issued initially on 01.04.2025 was later suspended (effective from 24/06/2025) by the GST authorities.

ENQUIRY WITH THE BANK:

4.10 Summons dated 25.09.2025 was issued to the **Branch Manager, Yes bank Ltd**, D-80, Ground Floor, Kamla Nagar, New Delhi, 110007 and statement of **Shri Milankumar Lakshmanbhai Thummar, Assistant Manager**, authorized representative of Yes Bank Ltd was recorded on 07.10.2025 (**RUD-20**) under Section 108 of the Customs Act, 1962 wherein he *inter-alia* stated that:

4.10.1 They had opened the account of M/s S.N traders after physical verification of premises and that at the time of opening of current account they had visited the premises of business. They also captured a live photo in a software provided by bank and the software matches the longitude and latitude of the address automatically.

4.10.2 At the time of visit, Ms. Vandana Rawat (Bank employee of Yes Bank who made physical verification of the premise) had uploaded the location (longitude-latitude) along with photos of premises on the bank portal. Therefore, he offered no comments on the non- existence of the premises of SN Traders at declared place of business.

5. MISCELLANEOUS CORRESPONDANCES IN THE MATTER:

5.1 A letter F. No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 23.07.2025, was issued to the Deputy/Assistant Commissioner Division - Gandhi Nagar, CGST & CE, Commissionerate - Delhi East for GST returns of S.N Traders. Returns were received from GST authorities via e-mail dated 27.09.2025 (**RUD-21**). Scrutiny of GST returns revealed that M/s S.N. Traders has filed Nil GSTR-1 and GSTR-3B returns for Feb-2025. Thereafter taxpayer has not filed any return. As per GSTR-2A, M/s S.N Traders had shown total input/purchase of taxable value 17,46,88,971/- with ITC of Rs. 2,28,11,765/- (SGST and CGST each) in April,2025 and May,2025 from Oak traders. They also issued a Credit note having taxable value of Rs.1,19,12,220/- and ITC value of Rs. 15,02,436/- (SGST and CGST each). During the period, no inward supply to the exporter was noticed from any person/entity other than Oak Traders.

5.2 A letter F.No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 23.09.2025 was issued to the Deputy/Assistant Commissioner, Division - Gandhi Nagar, CGST & CE, Commissionerate - Delhi East for action against S.N Traders under the provisions of CGST, SGST & IGST Act, 2017.

5.3 A letter F. No. DRI/AZU/SRU/C/INV-02(INT-04)/2025, was issued to The Deputy/Assistant Commissioner, Division - Wazirpur, CGST & CE, Commissionerate - Delhi West for GST returns of Oak Traders. In response, returns were received via e-mail dated 17.09.2025 (**RUD-22**).

5.3.1 From the Scrutiny of GST returns, it is revealed that M/s Oak traders has filed GSTR-1 for April, 2025 and May, 2025 and GSTR-3B for April 2025. As per details available in GSTR-1 total outward supply made was only to M/s S.N. traders involving taxable value of Rs.17,46,88,622/-. As per table 6.1 of GSTR-3B, it is found that M/s Oak Traders has discharged the entire tax liability by utilizing their ITC only. But, as per GST authorities, no GSTR-2A/2B has been generated for M/s Oak traders. Accordingly, it is inferred that there was no inward supply received by M/s Oak Traders and they did not have any eligible ITC.

5.4 The SDR and CDR in respect of numbers pertaining to key persons involved in this case were called for from the Nodal officers of respective telecom service providers vide letter F. No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 23.09.2025.

Table 3: Details of Mobile number used by relevant person

Sl No.	Mobile No.	Telecom Service Provider	Name and designation (s/Shri)
1	8376909051	Jio	Sultan (Proprietor)
2	9211517014	Airtel	Sultan (Proprietor)
3	9355408964	Vodafone	Sultan (Proprietor)
4	7065618016	Vodafone	Sultan (Proprietor)
5	9646070007	Jio	Sidharth Gupta (Beneficiary Owner)
6	9811062779	Jio	Pankaj Sharma (Beneficiary owner)

5.4.1 The Nodal Officer, Vodafone vide email dated 24.09.2025 forwarded the

CDR and SDR of Mobile no. 9355408964 & 7065618016. No call was noticed between mobile no. 9355408964 & 7065618016 to Shri Sidharth Gupta (9646070007), Shri Pankaj Sharma and Shri Mukesh Hariram (Mobile No. 6354138602).

5.4.2 The Nodal Officer, Airtel vide email dated 24.09.2025 forwarded the CDR of Mobile no. 9211517014. No call was noticed between mobile no. 9211517014 to Shri Sidharth Gupta (9646070007), Shri Pankaj Sharma and Shri Mukesh Hariram (Mobile No. 6354138602).

5.4.3 The Nodal Officer, Reliance Jio vide email dated 15.10.2025 forwarded the CDR of Mobile no. 9646070007, 9811062779 & 8376909051. No call was noticed between mobile no. 8376909051 to Shri Sidharth Gupta (9646070007), Shri Pankaj Sharma and Shri Mukesh Hariram (Mobile No. 6354138602).

5.4.4 It is evident from CDR that mobile no. 9646070007 was registered in the name of Shri Sidharth Gupta, House Number N.K 555, Ward Number 28, Charnjit Pura, Jalandhar, Punjab-144002. CDR analysis of mobile no. 9646070007 for the period from 01.04.2025 to 15.10.2025 shows that Shri Sidharth Gupta had made/received call to/from Shri Mukesh Hariram (Mobile No. 6354138602) during 07.05.2025 to 25.05.2025 and to/from Shri Pankaj Sharma (Mobile No. 9811062779) from 10.05.2025 to 28.05.2025. No call was noticed between mobile no. 9646070007 and other numbers mentioned in the table.

5.4.5 It is evident from CDR that mobile no. 9811062779 was registered in the name of Shri Pankaj Rajinder Kalla, C-5/141-B, Keshav Puram, North West Delhi, Delhi -110035. CDR analysis of mobile no. 9811062779 for the period from 01.04.2025 to 15.10.2025 shows that Shri Pankaj Rajinder Kalla had made/received call to/from Shri Mukesh Hariram (Mobile No. 6354138602) during 24.05.2025 to 29.07.2025 and to/from Shri Sidharth Gupta (Mobile No. 9646070007) from 10.05.2025 to 28.05.2025. No call was noticed between mobile no. 9811062779 and other numbers mentioned in the table.

5.4.6 It is evident from CDR that mobile no. 8376909051 was registered in the name of Shri Sultan, 38 Chhaju Majra sector 117 Kharar Sahibzada Ajit Singh Nagar Sahibzada Ajit Singh Nagar, Punjab-140301. CDR analysis of mobile no. 8376909051 for the period from 01.04.2025 to 15.10.2025 indicated that no call was noticed between mobile no. 8376909051 and other numbers mentioned in the table.

5.4.7 From the analysis of CDR, it emerges that the proprietor Shri Sultan was not having any contact with Shri Sidharth Gupta, Shri Pankaj Rajinder Kalla and Shri Mukesh Hariram. It is seen that Shri Sidharth Gupta and Shri Pankaj Rajinder Kalla alia Pankaj Sharma had taken decisions regarding export related work of the exporter and conveyed the same to Shri Mukesh Hariram. Thus, it emerges that Shri Sidharth Gupta and Shri Pankaj Rajinder Kalla had effective control over the goods being exported and thus are the 'beneficial owners' in this case.

FINANCIAL INVESTIGATION:

6. A letter F. No. DRI/AZU/C/INT-04/2025 dated 09.09.2025 was issued to

concerned Banks to provide KYC details, AOF and Account Statements of the Exporter linked to PAN RYEPS0657A. The reply received from the Banks and bank account details of the exporter is summarized as below:

Table 4: Details of Bank Accounts maintained by the Exporter

SI No.	Name of Bank	Reply reference	Account No.	RUD No.
1	Bank of Baroda	Email dated 13.06.2025	76780100012820	RUD-23
2	Kotak Mahindra Bank	Email dated 08.07.2025	5349232488	RUD-24
3	Yes Bank Ltd	Email dated 11.06.2025	020461900002580	RUD-25

6.2.1 Reply was received from Bank of Baroda vide email dated 13.06.2025. Scrutiny and analysis of Bank account statement of account No. 76780100012820 revealed that no major transaction has been done through the said account and it appears that this account was not being used for any business-related transactions.

6.2.2 Reply was received from Kotak Mahindra Bank vide email dated 08.07.2025. Scrutiny and analysis of Bank account statement of account No. 5349232488 revealed that no major transaction has been done through the said account and it appears that this account was not being used for any business-related transactions.

6.2.3 Reply was received from Yes Bank Ltd. vide email dated 11.06.2025. Scrutiny and analysis of Bank account statement of current account No. 020461900002580 (linked with GSTIN of S.N Traders) and another saving account No. 020450700003208 revealed that no major transaction has been done through the said accounts. The bank account statement does not reveal any transaction with Oak Traders, the supplier. It appears that the exporter was not involved in any genuine trading business. It appears that these accounts were not used for export business-related transactions of exporter.

6.2.4 It is noticed that the Bank account no. 020461900002580 (IFSC code YESB0000204), Yes Bank, Kamla Nagar, New Delhi, 110007, linked to IEC-RYEPS0657A was expected to receive the IGST refund against the exports made by M/s S N Traders, was opened on 04.05.2025.

SCRUTINY OF DOCUMENTS

7. The exporter filed 10 shipping bills bearing No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 for export of goods shown to be purchased from Oak Traders and claimed IGST refund and export incentives i.e. Drawback and RoDTEP as per Foreign Trade Policy. The details of claimed amount of IGST refund, Drawback, RoDTEP are as under:

Table 5: Details of IGST Refund and export incentive claimed by Exporter

Sl. No.	S/B No & date	Net Wt. of good (kg)	FOB Value (Rs.)	IGST Refund (Rs.)	Drawback (Rs.)	RoDTEP (Rs.)

1	1928350/ 16.05.2025	12140	10047722	2644930	200954	50240
2	1893256/ 16.05.2025	1195	9095144	2529989	181903	45476
3	1897600/ 16.05.2025	12380	9628960	2528714	192579	48145
4	1893252/ 16.05.2025	6630	8895492	2474581	177910	44477
5	1893243/ 16.05.2025	7301	9247844	2413891	181994	48610
6	1897591/ 16.05.2025	1330	10638218	2958228	212764	53191
7	1897585/ 16.05.2025	1680	10496093	2918785	209922	52480
8	1928351/ 17.05.2025	1408	10116416	2813416	202328	50582
9	1928346/ 17.05.2025	1287	9876833	2746926	197537	49384
10	1928353/ 17.05.2025	1666	10195599	2835391	203912	50978
	Total		9,82,38,321	2,68,64,851	19,61,803	4,93,563

7 . 1 During the statement of Shri Mukesh Hariram, he submitted a certificate u/s 138C of Customs Act, 1962 for the prints out of documents taken from his mobile phone (Mobile No. 7567286465/6354138602). From the documents, it was noticed that Shri Pankaj Sharma alias Pankaj Rajinder Kalla (Mobile No. 9811062779) had forwarded documents (pdf copy) relating to the exporter i.e. IEC, AD Code letter, PAN, GST, Certificate of IEC on 24.05.2025 to Shri Mukesh Hariram. It is also noticed that several WhatsApp call were also made by Shri Mukesh Hariram to Shri Pankaj Rajinder Kalla on 24.05.2025 and 25.05.2025.

7 . 1 . 1 Shri Sidharth Ji Gupta alias Sidharth Gupta made/received several WhatsApp call to/from Shri Mukesh Hariram on 24.05.2025. Further, Shri Mukesh Hariram had forwarded Seizure Memo of S.N. Traders to Shri Sidharth Gupta on 09.06.2025.

7.1.2 A WhatsApp group was created with three members (i) Shri Mukesh Hariram (Mobile No.7567286465/6354138602) (ii) Shri Sidharth Ji Gupta- Mobile no. 9646070007 and (iii) Shri Pankaj Ji Sharma (Mobile No.9811062779) for sharing of documents relating to export. Shri Pankaj Ji Sharma (Shri Pankaj Rajinder Kalla) had shared the Export Check List in said WhatsApp group on 15.05.2025 with an instruction "Pls check and confirm". Further, Shri Pankaj Ji Sharma (Shri Pankaj Rajinder Kalla) also instructed "Ad code not update". Thereafter, Shri Pankaj Ji Sharma (Shri Pankaj Rajinder Kalla) shared a forwarded message "Bank added please ask CHA to get it approved" in the said WhatsApp group. It is seen that in addition to his own instruction, Shri Pankaj Ji Sharma (Shri Pankaj Rajinder Kalla) shared 'forwarded' message in the said WhatsApp group.

8 . On comparison of the signature of Proprietor Shri Sultan appended on Export Invoices and Packing List (submitted by CHA during panchnama dated 24.05.2025 and signature appended before the Yes Bank Official (**RUD-26**) during premises visit as discussed in Para 4.9 (submitted by Shri Milankumar Lakshmanbhai Thummar, AR, Yes Bank on 08.10.2025), it appears that signature on the Export Invoices and Packing List is of the person other than the Proprietor Shri Sultan. Thus, it appears that the Export Invoices and Packing List corresponding to the shipping bills filed by the exporter were fake/forged.

9. EXTENSION UNDER SECTION 110(2) OF CUSTOMS ACT, 1962.

The goods attempted for export were detained under panchnama dated 24.05.2025 and later seized vide seizure memo dated 05.06.2025. As the investigation could not be concluded till 23.11.2025, extension under Section 110(2) was sought by DRI, Surat. The Additional Director General, DRI, Ahmedabad Zonal Unit initially granted extension of three months i.e. till 23.02.2026 under section 110(2) of the Customs Act, 1962 for issuance of the Show Cause Notice and the same was communicated to M/s S.N. Traders vide letter F. No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 21.11.2025 (**RUD-27**). The letter was returned undelivered with a remark 'Door locked' by the postal authority. (**RUD-28**). As the investigation could not be concluded within the extended period, extension under Section 110(2) of the Customs Act was again sought by DRI, Surat. The Additional Director General, DRI, Ahmedabad Zonal Unit granted further extension of one and half months (45 days) under section 110(2) of the Customs Act, 1962 for issuance of the Show Cause Notice till 09.04.2026 and the same was communicated to M/s S.N Traders vide letter F. No. DRI/AZU/SRU/C/INV-02(INT-04)/2025 dated 21.02.2026 (**RUD-29**). The letter was returned undelivered with a remark 'Door locked' by the postal authority. (**RUD-30**).

LEGAL PROVISIONS IN RESPECT OF EXPORT:

10. Customs Act, 1962

10.1.1 Section 2 (3A):

"beneficial owner" means any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported;

10.1.2 Section 2 (18):

"export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India;

10.1.3 Section 2 (19):

"export goods" means any goods which are to be taken out of India to a place outside India;

10.1.4 Section 2 (20):

"exporter", in relation to any goods at any time between their entry for export and the time when they are exported, includes any owner, beneficial owner or any person holding himself out to be the exporter;

10.1.5 Section 2 (22):

"goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

10.1.6 Section 2 (39):

"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;

10.2 Section 11H (a):

"Illegal export" means the export of any goods in contravention of the provisions of this Act or any other law for the time being in force;

10.3 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:

[(iv) the additional obligations of the importer in respect of any class of imported goods and the checks to be exercised, including the circumstances and manner of exercising thereof, as the Board may specify, where, the Board has reason to believe that the value of such goods may not be declared truthfully or accurately, having regard to the trend of declared value of such goods or any other relevant criteria

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).]"

10.4 Section 17: Assessment of duty. -

“(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.

(3) For 5 [the purposes of verification] under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self- assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

*(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter 6 [***] and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re- assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.*

*7 [***]*

10.5 Section 50: Entry of goods for exportation

“(1) The exporter of any goods shall make entry thereof by presenting

[electronically] [on the customs automated system] to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export (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.]

(2) The exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents.

(3) The exporter who presents a shipping bill or bill of export under this section 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."*

10.6 SECTION 113: The following export goods shall be liable to confiscation:—
"(i) any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under section 77;

(ja) any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force."

11.6 Section 114: Penalty for attempt to export goods improperly, etc.-
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 113, or abets the doing or omission of such an act, shall be liable, —

"(iii) in the case of any other goods, to a penalty not exceeding the value of the goods, as declared by the exporter or the value as determined under this Act, whichever is the greater;"

10.7 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. "

10.8 Section 114AC: Penalty for fraudulent utilization of input tax credit for claiming refund-

"Where any person has obtained any invoice by fraud, collusion, willful misstatement or suppression of facts to utilize input tax credit on the basis of such invoice for discharging any duty or tax on goods that are entered for exportation under claim of refund of such duty or tax, such person shall be liable for penalty not exceeding five times the refund claimed."

11 Section 11 (1) of Foreign Trade (Development and Regulation) Act, 1992

"No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made there under and the foreign trade policy for the time being in force."

12. Customs Valuation (Determination of Value of Export Goods) Rules, 2007

12.1 Rule 2:

Definitions-

"(1) In these rules, unless the context otherwise requires, -

(a) "goods of like kind and quality" means export goods which are identical or similar in physical characteristics, quality and reputation as the goods being valued, and perform the same functions or are commercially interchangeable with the goods being valued, produced by the same person or a different person; and

(b) "transaction value" means the value of export goods within the meaning of sub-section (1) of section 14 of the Customs Act, 1962 (52 of 1962)."

(2)	<i>For the purposes of these rules, persons shall be deemed to be "related" only if -</i>	
	(i)	<i>they are officers or directors of one another's businesses;</i>
	(ii)	<i>they are legally recognized partners in business;</i>
	(iii)	<i>they are employer and employee;</i>
	(iv)	<i>any person directly or indirectly owns, controls or holds five per cent or more of the outstanding voting stock or shares of both of them;</i>
	(v)	<i>one of them directly or indirectly controls the other;</i>
	(vi)	<i>both of them are directly or indirectly controlled by a third person;</i>
	(vii)	<i>together they directly or indirectly control a third person; or</i>
	(viii)	<i>they are members of the same family.</i>
		<i>Explanation I. - The term "person" also includes legal persons.</i>
		<i>Explanation II. - Persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other shall be deemed to be related for the purpose of these rules, if they fall within the criteria of this sub-rule.</i>

12.2 Rule 3. Determination of the method of valuation. -

"(1) Subject to rule 8, the value of export goods shall be the transaction value.

(2) The transaction value shall be accepted even where the buyer and seller are related, provided that the relationship has not influenced the price.

(3) If the value cannot be determined under the provisions of sub-rule (1) and sub-rule (2), the value shall be determined by proceeding sequentially through rules 4 to 6."

12.3 Rule 4. Determination of export value by comparison. -

"(1) The value of the export goods shall be based on the transaction value of goods of

like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule (2).

(2) In determining the value of export goods under sub-rule (1), the proper officer shall make such adjustments as appear to him reasonable, taking into consideration the relevant factors, including-

- (i) difference in the dates of exportation,
- (ii) difference in commercial levels and quantity levels,
- (iii) difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared,
- (iv) difference in domestic freight and insurance charges depending on the place of exportation."

12.4 Rule 5. Computed value method. -

"If the value cannot be determined under rule 4, it shall be based on a computed value, which shall include the following: -

- (a) cost of production, manufacture or processing of export goods;
- (b) charges, if any, for the design or brand;
- (c) an amount towards profit."

12.5 Rule 8. Rejection of declared value. -

"(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any export goods, he may ask the exporter of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such exporter, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, the transaction value shall be deemed to have not been determined in accordance with sub-rule (1) of rule 3.

2) At the request of an exporter, the proper officer shall intimate the exporter in writing the ground for doubting the truth or accuracy of the value declared in relation to the export goods by such exporter and provide a reasonable opportunity of being heard, before taking a final decision under sub-rule (1).

Explanation. - (1) For the removal of doubts, it is hereby declared that-

(i) This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 6.

(ii) The declared value shall be accepted where the proper officer is satisfied about the truth or accuracy of the declared value after the said inquiry in consultation with the exporter .

(iii) The proper officer shall have the powers to raise doubts on the declared value based on certain reasons which may include-

(a) the significant variation in value at which goods of like kind and quality exported at or about the same time in comparable quantities in a comparable commercial transaction were assessed.

(b) the significantly higher value compared to the market value of goods of like kind

and quality at the time of export.

(c) the declaration of goods in parameters such as description, quality, quantity, year of manufacture or production."

12.6 DUTY DRAWBACK:

12.6.1 Section 75 of Customs Act, 1962: Drawback on imported materials used in the manufacture of goods which are exported. – (1) *Where it appears to the Central Government that in respect of goods of any class or description manufactured, processed or on which any operation has been carried out in India, being goods which have been entered for export and in respect of which an order permitting the clearance and loading thereof for exportation has been made under section 51 by the proper officer, or being goods entered for export by post under clause (a) of section 84 and in respect of which an order permitting clearance for exportation has been made by the proper officer, a drawback should be allowed of duties of customs chargeable under this Act on any imported materials of a class or description used in the manufacture or processing of such goods or carrying out any operation on such goods, the Central Government may, by notification in the Official Gazette, direct that drawback shall be allowed in respect of such goods in accordance with, and subject to, the rules made under sub-section (2):*

Provided further that where any drawback has been allowed on any goods under this sub-section and the sale proceeds in respect of such goods are not received by or on behalf of the exporter in India within the time allowed under the Foreign Exchange Management Act, 1999 (42 of 1999)], such drawback shall except under such circumstances or such conditions as the Central Government may, by rule, specify, be deemed never to have been allowed and the Central Government may, by rules made under sub-section (2), specify the procedure for the recovery or adjustment of the amount of such drawback.

(2) *The Central Government may make rules for the purpose of carrying out the provisions of sub-section (1) and, in particular, such rules may provide –*

(a) for the payment of drawback equal to the amount of duty actually paid on the imported materials used in the manufacture or processing of the goods or carrying out any operation on the goods or as is specified in the rules as the average amount of duty paid on the materials of that class or description used in the manufacture or processing of export goods or carrying out any operation on export goods of that class or description either by manufacturers generally or by persons processing or carrying on any operation generally or by any particular manufacturer or particular person carrying on any process or other operation, and interest if any payable thereon;

(aa) for specifying the goods in respect of which no drawback shall be allowed;

(ab) for specifying the procedure for recovery or adjustment of the amount of any drawback which had been allowed under sub-section (1) or interest chargeable thereon;

(b) for the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary;

12.6.2 Customs and Central Excise Duties Drawback Rules, 2017-

Rule 2- Definitions- "Drawback in relation to any goods manufactured in India and exported, means the rebate of duty excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 (51 of 1975) chargeable on any imported materials exercisable materials used in the manufacture of such goods"

Rule 3. Drawback-

(1) Subject to the provision of-

- (a) The Customs Act, 1962 and the rules made thereunder;
- (b) The Central Excise Act, 1944 and the rules made thereunder; and
- (c) these rules, a drawback may be allowed on the export of goods at such amount, or at such rates, as may be determined by the central government:

Provided that where any goods are produced or manufactured from imported materials or excisable materials, on some of which only the duty chargeable thereon has been paid and not on the rest, or only a part of the duty chargeable has been paid; or the duty paid has been rebated or refunded in whole or in part or given as credit, under any of the provisions of the Customs Act, 1962 and the rules made thereunder, or of the Central Excise Act, 1944 and the rules made thereunder, the drawback admissible on the said goods shall be reduced taking into account the lesser duty paid or the rebate, refund or credit obtained:

(2) In determining the amount or rate of drawback under this rule, the Central Government shall have regard to,-

- (a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinary produced or manufactured in India;
- (b) the average quantity or value of the imported materials or excisable materials used for production or manufacture in India of a particular class of goods;
- (c) the average amount of duties paid on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods.
- (d) the average amount of duties paid on materials wasted in the process of manufacture and catalytic agents.

Provided that if any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted.

- (e) the average amount of duties paid on imported materials or excisable materials used for containing or, packing the export goods;
- (f) any other information which the Central Government may consider relevant or useful for the purpose.

12.6.3 The existing Duty Drawback rate on CTS 870899 (Others) is 2% of the FOB value.

12.7 REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS

(RODTEP):

12.7.1 The DGFT vide Notification No. 19/2015-2020 dated 17.08.2021, in terms of para 4.01 of the Foreign Trade Policy 2015-2020, notified the scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) which is administered by the Department of Revenue. The objective of this scheme is to refund, currently unrefunded, the duties/ taxes/levies at the Central, State and local level, borne on the exported product. The relevant provisions of Para 3 of Notification No. 19/2015-2020 dated 17.08.2021 is reproduced below:

vii. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate/value cap per unit under RoDTEP will be notified in Appendix 4R. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.

viii.....

ix. Mechanism of Issuance of Rebate: Scheme would be implemented through end to end digitization of issuance of rebate amount in the form of a transferable duty credit/electronic scrip (e-scrip), which will be maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC). Necessary rules and procedure regarding grant of RoDTEP claim under the Scheme and implementation issue including manner of application, time period for application and other matter including exports realization, export documentation, sampling procedures, record keeping etc. would be notified by the CBIC, Department of Revenue on an IT enable platform with a view to end to end digitization. Necessary provisions for recovery of rebate amount where foreign exchange is not realized, suspension/withholding of RoDTEP in case of frauds and misuse, as well as imposition of penalty will also be built suitably by CBIC.

12.7.2 The CBIC vide Notification No. 76/2021-Customs (N.T.) dated 23.09.2021 notified the manner to issue duty credit for goods exported under the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP), subject to such conditions and restrictions as specified therein, in accordance with paragraph 4.01(e) of the Foreign Trade Policy. The duty credit is issued against export of goods notified in Appendix 4R of the FTP, at the respective rate and cap notified under the said Appendix. It was notified that the value of the said goods for calculation of duty credit to be allowed under the Scheme shall be the declared export FOB value of the said goods or up to 1.5 times the market price of the said goods, whichever is less. It is also notified that the duty credit allowed under the Scheme against export of goods notified in the Appendix shall be subject to realization of sale proceeds in respect of such goods in India within the period allowed under the Foreign Exchange Management Act, 1999, failing which such duty credit shall be deemed to be ineligible.

12.7.3 In terms of DGFT Notification No. 32 dated 30.09.2024, the RoDTEP rate on Tariff Item 87089900 (RoDTEP Entry No. 9879) is 0.5% of FOB.

SUMMARY OF INVESTIGATION

13. From the investigation conducted, it emerges that:

13.1 A GST registration number (GSTIN): 07RYEPS0657A1Z6 was got issued in the name of M/s S.N. Traders on 25.02.2025 at 26/1-A, Khureji Khas Parwana Road, New Delhi, East Delhi, Delhi, 110051. Against the said PAN and GST, an IEC: RYEPS0657A was later got issued on 01/05/2025 in the name of M/s S N Traders. The Bank account no. 020461900002580 (IFSC code YESB0000204), Yes Bank, Kamla Nagar, New Delhi, 110007 branch with AD code 0410003 linked with said GSTIN and IEC was opened on 04.05.2025.

13.2 Purchase of goods from one Oak Traders (GSTIN: 07CCXPV3466J1ZK) vide purchase Invoice No. OT-05-2025, OT-06-2025, OT-07-2025, OT-08-2025, OT-09-2025, OT-10-2025, OT-11-2025, OT-12-2025, OT-13-2025 and OT-14-2025 all dated 28.04.2025 was shown in favour of consignee SN Traders (GSTIN: 07RYEPS0657A1Z6). The description of the goods in those invoices was mentioned as 'SMALL MOTOR BLDC, BIG MOTOR BLDC, FLY WHEEL, BRAKE DISC TRAILER/TRUCK/CAR' having total Taxable value of Rs. 8,92,71,250/- and GST value (SGST+CGST) of Rs. 2,45,72,614/-.

13.3 Subsequently, 10 shipping bills bearing No. 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 and 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 were filed for export of goods shown to be purchased from Oak Traders (GSTIN: 07CCXPV3466J1ZK) in the name of M/s S N Traders having IEC:RYEPS0657A and GSTIN: 07RYEPS0657A1Z6. In these shipping bills total IGST refund of total Rs.2,68,64,851/- and export incentives i.e. Drawback (Rs.19,61,803/-) and RoDTEP (Rs.4,93,563/-) were claimed.

13.4 Intelligence was developed that M/s S.N. Traders were exporting goods declared as "Auto parts-Small Motor, Big Motor BLDC, Fly wheel, Brake disc trailer/truck/car, etc" under CTI 87089900 and intended to avail ineligible/excess IGST refund, Drawback and RoDTEP on the said goods, while mis-declaring the value of goods entered for exportation. The said goods were of inferior quality and mis-declared in terms of value (being over valued) to claim ineligible/excess IGST refund @28% of the FOB value along with other benefits of Drawback and RoDTEP.

13.5 The goods to be exported were examined under Panchnama dated 24.05.2025 in the presence of Shri Ajendra Singh, G Card Holder of M/s Ganesham Cargo Carriers, (CHA of S.N Traders), Jayendu Bhatt, Operation Manager of Ashutosh CFS, Mundra and a representative of Chartered Engineer. During the examination, it was noticed that goods tallied with declared quantity as per packing list, however, visual inspection revealed marks of wear, scratches, and markings such as "MINEBEA" and "Made in China." The declared value in the submitted invoices of goods appeared highly overstated. It appeared that exporter had exorbitantly over-valued the export goods with an intention to claim the ineligible/excess export benefit. As the goods were found refurbished/second hand, the FOB value of goods as declared by the exporter did not appear to be true and thus appeared liable to be rejected in terms of Rule 8 of Customs Valuation

(Determination of Value of Export Goods) Rules, 2007. The Chartered Engineer after due examination submitted the valuation report, and as per said report total value of exported goods was Rs 2,07,27,445/- which is just 21.10% of the declared FOB value of Rs 9,82,38,321/.

13.6 The Chartered Engineer in his report stated that goods declared as “Brake Disk Car/truck/trailers” appear to be refurbished/second hand items and goods declared as “Big Motor BLDC, Small motor BLDC” appeared to be sub-standard quality products.

13.7 During examination under Panchnama, it was noticed that the subject goods were not of prime quality but refurbished/second hand item. Also, the goods declared as “Big Motor BLDC, Small motor BLDC” were found to be of sub-standard quality. In view of above, the FOB value of goods as declared by the exporter did not appear to be true. Thus, the declared value of the subject goods by the exporter appeared liable for rejection in terms of Rule 8 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007. Further, in terms of Rule 3 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007, re-determination of value was done by sequentially moving from Rule 4 to Rule 6 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007. Rule 4 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007, was not applicable as goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation were not available. Accordingly, the valuation was done under Rule 5 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007, relying upon the physical examination and the valuation report of the Chartered Engineer Shri Tushar Zankat.

13.8 In exercise of the powers conferred under Section 110(1) of the Customs, Act, 1962, the goods declared as “Big Motor BLDC, Small Motor BLDC, Gear Housing, Flywheel, Brake Housing, Fly wheel Housing, Garari 11th and 13th, Brake Disc Car/Truck and Brake Disc Trailer’ with redetermined value at Rs. 2,07,27,445/- (Rupees Two Crore Seven Lakh Twenty-Seven Thousand Four Hundred Forty-Five only) were seized via seizure memo dated 05.06.2025, under the reasonable belief that the same are liable to confiscation under Section 113 of Customs Act, 1962, being highly overvalued.

13.9 Consequent to re-determination of value of goods covered under 10 shipping bills, the exporter is eligible for Drawback/ RoDTEP/ IGST on reduced amount on reassessment of said 10 shipping bills, detailed as below:

Table 8: Details of eligible IGST Refund and export incentive after reassessment of 10 shipping bills

Sl. No.	S/B No & date	Declared FOB Value (Rs.)	Redetermined value as per CE report	Eligible DBK amount @ 2% (Rs.)	Eligible RoDTEP amount @0.5% (Rs.)	Eligible IGST refund amount @28% (Rs.)
1	1928350/ 16.05.2025	10047722	2342802	46856	11714	655985
2	1893256/	9095144				

	16.05.2025		1849848	36997	9249	517957
3	1897600/ 16.05.2025	9628960	2342802	46856	11714	655985
4	1893252/ 16.05.2025	8895492	1123122	22462	5616	314474
5	1893243/ 16.05.2025	9247844	2356015	47120	11780	659684
6	1897591/ 16.05.2025	10638218	2134440	42689	10672	597643
7	1897585/ 16.05.2025	10496093	2276736	45535	11384	637486
8	1928351/ 17.05.2025	10116416	2108014	42160	10540	590244
9	1928346/ 17.05.2025	9876833	1981980	39640	9910	554954
10	1928353/ 17.05.2025	10195599	2211686	44234	11058	619272
TOTAL		98238321	20727445	414549	103637	5803684

13.10 It is evident that persons namely Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta had represented themselves as authorized representatives of the exporter before Shri Mukesh Hariram, Commission Agent. Shri Mukesh Hariram had been engaged on a commission basis by Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta to coordinate with the CHA at Mundra for filing of Shipping Bills and handling of goods movement, for export.

13.11 Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta had forwarded the Invoice and Packing list of export to Shri Mukesh Hariram through a whatsapp group and also through mail for filling Shipping Bills at Mundra Port. As per the direction of Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta, Shri Mukesh Hariram, submitted the documents to CHA to file the Shipping Bills on behalf of exporter at Mundra Port for the goods shown to have been purchased from Oak Traders on payment of IGST. Thus, Shri Sidharth Gupta, Shri Pankaj Rajinder Kalla had effective control over the goods being exported and have emerged as the 'beneficial owners' in the instant case.

13.12 Visit report of the Custom Officer related to the registered premises of exporter confirmed that registered premises of the exporter was not found in existence. As per the visit report at the premises of Oak Traders, the supplier, the said firm was also found to be non-existent.

13.13 The Beneficial Owner of the export firm i.e. Shri Pankaj Rajinder Kalla, did not join the investigation in spite of repeated Summons issued under Section 108 of Customs Act, 1962. Therefore, a Criminal Complaint No CC/339562/2025 against Shri Pankaj Rajinder Kalla was registered before Hon'ble CJM, Surat.

13.14 The Beneficiary Owner of the export firm i.e. Shri Sidharth Gupta, was summoned at the available address but the same were returned undelivered. As the summons were not acknowledged by Shri Sidharth Gupta, the Criminal

complaint under section 208, 210 and 211 of Bhartiya Nyaya Sanhita, 2023 could not be filed.

13.15 As per GSTR 2A of M/s S.N Traders, they have received total supply of taxable value 17,46,88,971.50/- and ITC of Rs. 2,28,11,765.06/- (SGST and CGST each) in April and May-25 from OAK Traders. As per GSTR-2A it is seen that M/s S.N Traders have only one supplier i.e. M/s Oak Traders. M/s Oak traders have filed GSTR-1 for April, 2025 and May, 2025 and GSTR-3B for April 2025 only. As per GSTR 3B, M/s Oak Traders had discharged the complete tax liability on the goods supplied to SN Traders through ITC only. But as per GSTR-2A, M/s Oak traders did not have any eligible ITC and inward supply. Thus, the goods found during examination have been procured from other persons and invoices were raised in the name of Oak Traders without actual supply the goods.

13.16 The financial investigation of the bank account of the exporter revealed that payment of value of goods Rs. 8,92,71,250/- and IGST amount of 2,45,72,614/- was not made to the supplier Oak Traders.

13.17 The exporter had availed ineligible ITC and utilized the same fraudulently on the goods attempted to be exported with an intention to avail IGST refund along with other export incentives namely Drawback and RoDTEP. M/s S N Trader has mis-declared the nature of goods as the goods were found as sub-standard/inferior product and were actually refurbished/second hand items which were highly overvalued.

14. Further, it was revealed during the investigation that Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta, are the 'beneficial owners' of the goods and they appeared to be the mastermind in this modus for mis-declaring the value of goods and attempted to export the same to enrich themselves by way of refund of ineligible/excess IGST refund, Drawback and RODTEP. Further, Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta appointed Shri Mukesh Hariram as an 'Agent' to coordinate with CHA. Also, Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta were the persons who shared invoices and instructed Shri Mukesh Hariram to handle goods in godown and its movements/loading.

15. CONTRAVENTION AND CHARGES: -

15.1 From the foregoing paras, it is evident that goods attempted to be exported vide Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025, in the name of the exporter S.N. Traders were mis-declared in terms of nature and value. It is the responsibility of the exporter to ensure the accuracy and completeness of the information given therein, the authenticity and validity of any supporting document produced relating to goods being exported under this Act or under any other law for the time being in force, thus by not declaring that the goods were second hand and by mis-declaring the value of goods to be exported, Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta **acting through** SN Traders, **proprietorship firm** of Shri Sultan have violated the provisions of **Section 50(2) and 50(3) of the Customs Act, 1962** and provisions of **section 11 of Foreign Trade (Development and Regulation) Act, 1992.**

15.2 The export of impugned goods by way of mis-declaring value is a violation of Section 14 and Section 50 of Customs Act, 1962. Further in terms of **Section 11 H(a) of Customs Act, 1962**, the act amounts to 'illegal export' in as much as export of goods in contravention to provisions of Section 14 and section 50 of Customs Act, 1962 read with section 11 of Foreign Trade (Development and Regulation) Act, 1992 was attempted. Further, the subject goods covered under Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 are to be treated as **smuggled goods** as defined under **section 2(39) of Customs Act, 1962**.

15.3 Any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made in Shipping Bills, violates the provision of 113 (i) of Customs Act, 1962. Also, any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force violates the provision of 113 (ja) of Customs Act, 1962. In view of above, goods covered under Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 are liable to confiscation under **Section 113 (i) and 113 (ja)** of the Customs Act, 1962.

15.4 It appears that the Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta **acting through** SN Traders, **proprietorship firm of Shri Sultan** has attempted to export the goods covered under Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 in violation to Section 14 and Section 50 of Customs Act, 1962 and the said act on the part of Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta **acting through** SN Traders, **proprietorship firm of Shri Sultan** has rendered the subject goods liable to confiscation under Section 113(i) and (ja), therefore they are liable to penalty separately under **Section 114 (iii) of the Customs Act, 1962**.

15.5 Further, Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta **acting through** SN Traders, **proprietorship firm of Shri Sultan** forwarded the overvalued export invoices and purchase invoices through Shri Mukesh Hariram, a commission agent, to the Customs authorities for valuation purposes. These actions make them liable to penalty separately under **Section 114AA of the Customs Act, 1962**.

15.6 Further, Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta **acting through** SN Traders, **proprietorship firm of Shri Sultan** attempted to utilize overvalued invoices during export to utilize input tax credit on the basis of such invoices. This action makes them liable for penalty separately under **Section 114AC of the Customs Act, 1962**.

15.7 Shri Sultan, Proprietor of Export firm has intentionally not joined the investigation carried by the DRI on the goods exported under the cover of Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025. He has abetted Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta by way of providing his credentials to export the goods covered

under the Shipping Bills Nos. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 in violation to Section 14 and Section 50 of Customs Act, 1962 by mis-declaring the value of goods entered for exportation. These acts have rendered the subject goods liable to confiscation under Section 113(i) and (ja), therefore Shri Sultan is liable to penalty under **Section 114 (iii) of the Customs Act, 1962.**

15.8 Shri Mukesh Hariram, a commission agent, acting at the behest of Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta helped them in the attempt to export the goods covered under Shipping Bill No. 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 and 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 in violation to Section 14 and Section 50 of Customs Act, 1962 by mis-declaring the value of goods entered for exportation. These acts have rendered the subject goods liable to confiscation under Section 113(i) and (ja), therefore Shri Mukesh Hariram is also liable to penalty under **Section 114 (iii) of the Customs Act, 1962.**

16. The Shipping Bills of the subject goods were filed at the Mundra Port (INMUN1) falling under the jurisdiction of Pr. Commissioner/ Commissioner of Customs, Mundra. Therefore, in terms of Section 122 of the Customs Act, 1962 read with Notification No. 28/2022 Customs (NT) dated 31.03.2022 and Notification No.30/2022 Customs (NT) dated 31.03.2022, the proper officer in the instant case is the Additional Commissioner/Joint Commissioner of Customs (Export), Custom House, Mundra.

17. Now therefore, **M/s S.N. Traders, Shop No. 27, Old Rajendra Nagar, Delhi-110060, proprietorship firm of Shri Sultan and all noticees,** are hereby called upon to Show Cause to the Additional Commissioner of Customs (Export), Custom House, Mundra having his office at O/o the Pr. Commissioner of Customs, Port User Building, Adani Port and SEZ, Mundra, as to why:

(i) The declared value of the goods declared under Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 at **Rs. 9,82,38,321/-** should not be rejected as per the provisions of Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 and the same should not be re-determined as **Rs. 2,07,27,445/- (Rupees Two Crore Seven Lakh Twenty-Seven Thousand Four Hundred Forty-Five only)** as per the provisions of Rule 5 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 read with Section 14 of the Customs Act, 1962.

(ii) The goods declared as 'Big Motor BLDC, Small Motor BLDC, Gear Housing, Flywheel, Brake Housing, Flywheel Housing, Garari 11th and 13th, Brake Disc Car/Truck And Brake Disc Trailer', mis-declared in terms of value being exported by Shri Pankaj Rajinder Kalla and Shri Sidharth Gupta acting through S.N. Traders, proprietorship firm of Shri Sultan under Shipping Bill No. 1897585, 1897591, 1897600, 1893243, 1893252, 1893256 all dated 16.05.2025 and 1928346, 1928350, 1928351, 1928353 all dated 17.05.2025 seized vide Seizure Memo dated 05.06.2025, should not be held liable for confiscation under Section 113(i) and 113(ja) of the Customs Act, 1962.

(iii) The Shipping Bills should not be reassessed by denying the proportionate IGST, Drawback and RODTEP claimed.

(iv) Penalty should not be imposed upon **Shri Pankaj Rajinder Kalla alias Pankaj Sharma, Beneficial Owner** of S.N. Traders under Section 114(iii), Section 114AA and Section 114AC of the Customs Act 1962 separately.

(v) Penalty should not be imposed upon **Shri Sidharth Gupta, Beneficial Owner** of S.N. Traders under Section 114(iii), Section 114AA and Section 114AC of the Customs Act 1962 separately.

(vi) Penalty should not be imposed upon **Shri Sultan**, proprietor of M/s S N Traders under Section 114(iii) of the Customs Act 1962.

(vii) Penalty should not be imposed upon **Shri Mukesh Hariram**, a Commission Agent, under Section 114(iii) of the Customs Act 1962.

18. The list of documents relied upon for the issuance of notice is attached as **Annexure-R**.

19. The additional evidences if any, found in subsequent investigation and when, Shri Sultan (Proprietor) and Shri Pankaj Rajinder Kalla alias Pankaj Sharma and Shri Sidharth Gupta ('beneficial owner') join the investigation shall be used by way of issuance of a supplementary Show-cause notice.

20. Noticees are required to submit a written reply to the Adjudicating Authority within 30 days from the date of receipt of this notice. In their written reply, the noticees may also indicate as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted and/or if nobody appears for personal hearing when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the noticees.

21. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force. 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 also reserves its right to issue separate Notice/s for other Noticees, offences, etc. related to the above case, if warranted.

(Amit Kumar Mishra)
Additional Commissioner of Customs,
Custom House, Mundra.

Encl: Annexure-R (List of RUDs)

To,

1. M/s S.N. Traders,
Shop No. 27, Old Rajendra Nagar,
Delhi - 110 060
2. Shri Pankaj Rajinder Kalla alias Pankaj Sharma,
C-5/141-B, Keshav Puram, North West Delhi - 110 035
3. Shri Sidharth Gupta,
N.K 555, Ward Number 28, Charnjitpura, Jalandhar - 144 002.
4. Shri Sultan, Proprietor of M/s S.N. Traders,
H.No-103, Noorani Market, Khurji Khas,
Krishna Nagar, East Delhi - 110 051
5. Shri Mukesh Hariram, Commission Agent,
Yuvraj Park, Behind The Fern Hotel, Dhrub,
Mundra, Kutchh, Gujarat - 370 421

Copy to:

1. The Additional Director, DRI, Ahmedabad Zonal Unit
2. The Assistant Commissioner, EDI, Customs Mundra (For uploading on Mundra Customs Website)