**सीमा शुल्क आयुक्त का कार्यालय, एनएस-III**
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-III
केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमा शुल्क भवन
CENTRALIZED ADJUDICATION CELL, JAWAHARLAL NEHRU CUSTOM HOUSE,
**न्हावा शेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -**400 707
NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA-400707

File No: S/10-170/2024-25/COMMR./GR.IV/CAC/JNCH Date : 29.09.2025
SCN No: 1569/2024-25/CC/Gr.IV/NS-III/CAC/JNCH dt. 03.01.2025

| | | |
|---|---|---|
| DIN | : | 20250978NX000012121F |
| | | आदेश की तिथि : 28.09.2025<br>Date of Order<br>जारी किए जाने की तिथि : 29.09.2025<br>Date of Issue |
| आदेश सं.<br>Order No. | : | 210/2025-26/आयुक्त/एनएस-III/ सीएसी/जेएनसीएच<br>210/2025-26 /Commr./NS-III /CAC/JNCH |
| पारितकर्ता<br>Passed by | : | श्री विजय रिशी<br>SH. VIJAY RISI<br>आयुक्त, सीमाशुल्क (एनएस-3), जेएनसीएच, न्हावा शेवा<br>Commissioner of Customs (NS-III), JNCH, Nhava Sheva |
| पक्षकार (पार्टी)/ नोटिसी का नाम<br>Name of Party/ Noticee | : | मेसर्स विवांता इंटरनेशनल और अन्य<br>M/s. Vivanta International and others |

मूलआदेश
**ORDER-IN-ORIGINAL**

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्तिको जारी की जाती है, उसके उपयोग के लिए नि:शुल्क दी जाती है।
   The copy of this order in original is granted free of charge for the use of the person to whom it is issued.
2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम १९६२ की धारा १२९(ए (के तहत इस आदेश के विरुद्ध सी ई एस टी ए टी, पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीज़नल बेंच(, ३४, पी .डी .मेलोरोड, मस्जिद (पूर्व(, मुंबई– ४०० ००९ को अपील कर सकता है, जो उक्तअधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।
   Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

3. अपील दाखिल करने संबंधी मुख्य मुद्दे:-
   Main points in relation to filing an appeal:-

| | | |
|---|---|---|
| **फार्म**<br>**Form** | : | फार्म न .सीए ३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से कमसे कम एक प्रति प्रमाणित होनी चाहिए)<br><br>Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy) |
| **समय सीमा**<br>**Time Limit** | : | इस आदेश की सूचना की तारीख से ३ महीने के भीतर<br><br>Within 3 months from the date of communication of this order. |
| **फीस**<br>**Fee** | : | (क) एक हजार रुपये–जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५ लाख रुपये या उस से कम है।<br><br>(a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.<br><br>(ख) पाँच हजार रुपये– जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५ लाख रुपये से अधिक परंतु ५० लाख रुपये से कम है।<br><br>(b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakh<br><br>(ग) दस हजार रुपये–जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्तिकी रकम ५० लाख रुपये से अधिक है।<br><br>(c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh. |
| **भुगतान की रीति**<br>**Mode of Payment** | : | क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सी ई एस टी ए टी, मुंबई के पक्षमें जारी किया गया हो तथा मुंबई में देय हो।<br><br>A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank. |
| **सामान्य**<br>**General** | : | विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, १९९२, सीमाशुल्क (अपील) नियम, १९८२ सीमाशुल्क, उत्पादन शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, १९८२ का संदर्भ लिया जाए।<br><br>For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred. |

4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उस में माँगे गये शुल्क अथवा उद्गृहीत शास्ति का ७.५ % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमाशुल्क अधिनियम, १९६२ की धारा १२८ के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी ।

Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129 of the Customs Act 1962.

F. No. S/10-170/2024-25/COMMR./GR.IV/CAC/JNCH

SCN No. 1569/2024-25/CC/Gr.IV/NS-III/CAC/JNCH dt. 03.01.2025

**Brief Facts**

On the basis of Information gather by Directorate of Revenue Intelligence (DRI), Sub-Regional Unit, Vapi ("DRI Vapi" for the sake of brevity) Show Cause Notice no. **1569/2024-25/CC/Gr.IV/NS-III/CAC/JNCH dated 03.01.2025** was issued to four Proprietorship firms viz. **Vivanta International** (IEC-AHTPA1064A) having address Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza GIDC Vapi; **Ascent International** (IEC-ABWPH4340R) having address Third Floor, Shop No. 313, Skylon Co. Op. Housing Society Vapi; **Vikranta Impex** (IEC-AACPJ4996Q) having address Shop No. 9 Ground Floor, Shivhari Residency, New Garnala Road, Vapi and **Vrunda International** (IEC-BSCPM6046B), having address Ground Floor, Shop No.6, Sahajanandpark B, Srv No. 892/1/1, Kilvani Road, Amli Silvassa. The said four proprietorship firms have imported huge quantity of the Stainless-Steel Seamless Pipes (Hot/Cold Rolled) under CTH 7304 utilizing the Advance Authorization Scheme as per the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 and diverted/sold the goods so imported into the Domestic Tariff Area in violation of the condition(s) of Notification No. 21/2023-Customs, dated 01.04.2023. Scrutiny of the Advance Licenses issued by DGFT to these four proprietorship concerns indicated that they had declared a common supporting manufacturer, namely **Prudent Stainless Private Limited**, having address at Plot No A2-229/1 GIDC, Umbergaon-396170. The details of these importers are as under:

**Table 1: Details of the 4 importers**

| Sr. No. | Name of the importer | IEC No. | Registered address | Name of the Proprietor |
|---|---|---|---|---|
| 1. | Vikanta Impex | AACPJ4996Q | Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi West, Vapi-396191. | Shri Mahesh Joshi |
| 2. | Vivanta International | AHTPA1064A | Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza, Aditya Birla Circle, ShashijitInfraprojects Ltd Corporate Office, GIDC Vapi, Vapi-396195. | Shri Nitin Ranganath Anchan |
| 3. | Ascent International | ABWPH4340R | Third Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi- 396195. | Shri Atul Shashikant Herekar |
| 4. | Vrunda International | BSCPM6046B | Ground Floor, Shop No.6, Sahajanand, Park B, Survey No. 892/1/1 Kilvani Road, Amli Silvassa-396230. | Shri Anand Menon |

**2.** Acting upon the said information, searches were conducted at the relevant addresses/premises by the officers of DRI Vapi.

**2.1** A search was conducted on 26.12.2023 at the registered premises of **Vivanta International** at Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza GIDC Vapi, and a Panchnama was drawn in the presence of independent witnesses. At the said address, a signboard of M/s Vivanta International was observed, and upon entry, Shri Chirag Pravin Patel,

introduced himself as a trustee of IDA Foundation and stated that the premises had been used for IDA Foundation's administrative work since November 2023. He shared that M/s. Vivanta International had taken the space on rent in July 2022 but had not paid rent for the last 7–8 months. It was informed that the premises, approximately 200 sq. ft. in size, belonged to his wife, Smt. Aakruti Jain, and mother-in-law, Smt. Shashi Ajit Jain. He produced a conveyance Deed, Rent Agreement, and stated that the lease was arranged through their CA, Shri Rahul Kala and further mentioned that ***M/s. Vivanta International's owner had neither visited nor operated from the said premises since July 2022***. On further enquiry about the owner, CA Rahul Kala informed him (Shri Chirag Pravin Patel) over the phone that the main person, who contacted him for taking the premises on rent on behalf of M/s. Vivanta International was a person named Shri Vipin (Mobile No. 9558312505). During the search, no document related to M/s. Vivanta International was found at the said premises.

**2.2** A search was attempted of the registered premises of **Ascent International** at Third Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi on 26.12.2023 but as the premises was locked, search could not be executed and a Panchnama dated 26.12.2023 was drawn at the premises in the presence of two independent panchas. During the panchnama proceedings, it was gathered that the owner of the premises is Shri Prasant Manohar Patil (9924789891) (UID no. 93993228 1093) who resided at D-404, Sun Residency, Daman Road, Chala, Vapi-396191. Shri Prasant Manohar Patil telephonically informed the officers that he is the owner of premises and the premises was given on rent to Shri Atul S Herekar by him. After some time, Shri Prasant Manohar Patil reached the said premises and produced the rent agreement of the premises and informed that ***he had not received the rent of last six months and the tenant, who had the key of the premises, was also not in his contact***; that the key of the premises was not available with him. Shri Prasant M Patil called a person named Shri Vipin Chaturvedi (9558312505) (consultant of Shri Atul S Herekar's Proprietorship concern i.e. Ascent International) who had initially introduced him to Shri Atul S Herekar for giving the said premises on rent. Shri Vipin Chaturvedi telephonically informed that he is the consultant of Shri Atul S Herekar, but that he was not in Vapi at the material time. Thereafter, the officers in the presence of panchas and owner, sealed the premises with DRI seal with a request to not tamper with the same without the permission of DRI Vapi.

**2.3** A search was attempted at the registered premises of **Vikranta Impex** at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Khumbarwad, Vapi(W)-396191 on 26.12.2023 but it was found to be locked and therefore search could not be executed and a Panchnama dated 26.12.2023 was drawn at the said premises in the presence of two independent panchas. During the panchnama proceedings, it was observed that shop was locked with a signage displaying "Vikranta Impex, Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Khumbarwad, Vapi(W)-396191, Mob: 8087130955" on the upper portion of shutter of the shop. The security guard informed that the said shop belonged to Shri Murjibhai (Mob. No. i.e 9377675994), who later confirmed on phone that he had rented the shop to Vikranta Impex. While he could not recall the proprietor's name, he mentioned that the lease was arranged through a person named Shri Vipinbhai (Mobile No.9157614289). The security guard added that he had never observed business activity at Shop no: 9 Ground Floor, Shivhare Residency, New Garnala Road, Khumbarwad, Vapi(W). Thereafter, the officer in front of the panchas sealed the Shop No. 9, Ground Floor, Shivhare Residency, New Garnala Road, Khumbarwad, Vapi (W)-396191 and informed Murjibhai telephonically to advice the proprietor of M/s. Vikranta Impex to Contact DRI Vapi Sub regional unit, 5$^{th}$ floor, Fortune square, Vapi. Thereafter, the officers in front of panchas informed Murjibhai that a copy of panchnama is pasted on shutter of Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Khumbarwad, Vapi(W)-396191 for further proceedings and information to the proprietor of M/s. Vikranta Impex.

**2.4** A search was attempted at the registered premises of **Vrunda International** at Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa on 26.12.2023 but as it was locked, search could not be executed and a Panchnama dated 26.12.2023 was drawn at the premises in the presence of two independent panchas. During the panchnama proceedings, a Signboard of Vrunda International was observed. On inquiries with the nearby persons, one Shri Anand Menon (Mobile- 9321158755) was identified as the concerned person related to Vrunda International. The officers called Shri Anand Menon but Shri Anand Menon refused to come at the premises as he was in Mumbai. Thereafter, the officers in presence of the Panchas, sealed the lock with DRI seal with a request to not tamper the same without permission of DRI, sub-Regional Unit, Vapi and informed the same to Shri Anand Menon telephonically.

**2.5** A search was conducted on 27.12.2023 at the registered premises of **Prudent Stainless Private Limited**, Plot No A2-229/1 GIDC, Umbergaon-396170 and a Panchnama dated 27.12.2023 was drawn at the premises in the presence of independent panchas. During the panchnama proceedings at the premises of supporting manufacturer i.e. Prudent Stainless Private Limited, it was learnt that said proclaimed none of the 04 Proprietorship concerns had ever sent any imported steel pipes to the premises of supporting manufacturer. It was further revealed that there was ***no stock of goods imported under the Advance Authorization scheme at the premises of Prudent Stainless Private Limited***. Further, the documentary evidences obtained from the said premises of Prudent Stainless Private Limited revealed that ***the goods imported by the above mentioned four proprietorship concerns had never been received in the premises of the supporting manufacturer for any processing***. Shri Satyapal, supervisor cum Production in-charge of M/s Prudent Stainless Pvt. Ltd., informed the officers in presence of the panchas that Shri Kamlesh Hiralal Joshi and Sanjay Kumar Amarkant Mishra are the Directors in the said Company; Shri Mukesh Soni is the accountant and Shri Vipin Chaturvedi is the consultant in the Company. It was also noticed that the premises is a large factory premises in which several machines were installed. During the search, one person named Shri Vipin Chaturvedi and Shri Mukesh Soni came to the premises and joined the search operation. Shri Vipin Chaturvedi in the presence of the Panchas informed that he had been working in the steel pipe industry since the last 15-20 years and is a consultant of the said company and Shri Mukesh Soni informed the officers in the presence of the panchas that he is a part time accountant in the said firm. Shri Satyapal also informed the officers that they are having the facility/capacity of manufacturing steel pipe from steel sheet and to change the size of seamless steel pipes.

On being asked about relation of the said Company (Prudent Stainless Private Limited) with Vivanta International, Ascent International, Vikranta Impex, Vrunda International in connection to supply of imported Stainless Steel Seamless Rolled Pipes Grade 304 under Advance Authorisation scheme to Prudent Stainless Private Limited, Shri Mukesh Soni informed the officers that the company did not have any sale, purchase, job-work etc. related transaction with Vivanta International, Vikranta Impex & Vrunda International till date and that they had had only one high seas purchase from Ascent International. Further Shri Mukesh Soni also informed in the presence of panchas that the stock lying as on 27.12.2023 was not related to any of the entities namely Vivanta International, Ascent International, Vikranta Impex, Vrunda International. On being specifically asked whether any goods were received by the said firm from Vivanta International, Ascent International, Vikrant a Impex, Vrunda International for job work purposes as the name of M/s Prudent Stainless Pvt. L1td. is reflected as supporting manufacturer in Advance Licence copies of Vivanta International, Ascent International, Vikranta Impex, Vrunda International. Shri Mukesh Soni informed in the presence of panchas that they had not received any goods from the above-mentioned proprietorship entities for job work or for any other purpose and gave a letter dated 27.12.2023 informing the same. On being asked, Shri Vipin Chaturvedi stated that he facilitated the deal between the above-mentioned four entities

and Prudent Stainless Private Limited became ready to become a supporting manufacturer in the Advance Authorization license application. On being asked regarding the agreement and other related documents to become the supporting manufacturer, Shri Mukesh Soni and Shri Vipin Chaturvedi informed the officers that both the Directors of the said company would be able to answer the same. The officers in presence of the panchas systematically searched the premises and found that there was no document related to job work such as Job Work challans, invoices related to Job Work from any of the Proprietorship entities i.e Vivanta International, Ascent International, Vikranta Impex, Vrunda International.

**2.6** Shri Mahesh Joshi, the Proprietor of M/s. Vikranta Impex appeared before DRI for opening of the premises which was sealed earlier and then, the registered premises of M/s. **Vikranta Impex**, Shop No. 9, Shiv Hari Residency, Vapi Station Road, Vapi, Gujarat, 396195 was searched on 02.01.2024 and a Panchnama dated 02.01.2024 was drawn at the premises in the presence of independent panchas. During the panchnama proceedings it was observed that the shop was locked and was having the seal of DRI Vapi intact on it. Thereafter, Shri Mahesh Joshi in presence of the panchas, with the help of officers removed the seal and opened the lock of the said premises. On opening the said shop, the panchas and the officers found that there was no stock of imported Stainless-steel seamless Pipes (Hot/Cold Rolled) imported under Advance Authorisation scheme under Noti. No. 21/2023-CUS Dated 01.04.2023 in the said premises. The officers in the presence of the panchas resumed some relevant documents like IEC Copy, UDYAM Certificate, rent agreement copy, HDFC Bank remittance slips, bills of entry, commercial invoices, packing list, bills of lading, transport documents, document related to CHA I M Logistics, Tax invoices, Country of Origin certificates etc.

**2.7** The registered premises of **Vishnu Cargo Movers**, A-503, fifth floor, Satlej Residency Co-Operative Housing Society, Plot No. 8B and 8E, Sector 35, Kamothe, Raigad, Maharashtra-410209 was searched on 08.01.2024 and a Panchnama dated 08.01.2024 was drawn at the premises in presence of independent panchas and Shri Madan Chaudhary, the concerned person of M/s. Vishnu Cargo Movers. During the panchnama proceedings, on being asked Shri Madan Chaudhary informed that he is engaged in the business of transport and is managing two transport firms viz. Vishnu Movers Cargo (in the name of his wife Smt. Mintu Devi Madan Chaudhary) and Vishnu Transport (in his own name as Proprietor). He had given his residential address in GST registration for Vishnu Cargo Movers but presently he is operating and managing business of Vishnu Cargo Movers and Vishnu Transport from the office address i.e. Shubham Archade Sector-22, Plot No. 17, Shop No.-11, Kamothe, Navi Mumbai, Pin-410209. On being asked Shri Madan Chaudhary informed the officers that Vishnu Cargo Movers is a GST registered entity having GSTIN No.27BLLPM0275L1ZO and Vishnu Transport is not registered with GST. Shri Madan Chaudhary also informed that all the documents viz. Bilty/LR/Challan, invoices, registers etc. are maintained at the office address i.e. Shubham Archade Sector-22, Plot No. 17, Shop No.-11, Kamothe, Navi Mumbai, Pin-410209. Thereafter, the officers in presence of the Panchas and Shri Madan Chaudhary, systematically searched the said premises and found no incriminating documents in relation to the ongoing enquiry.

**2.8** The registered premises of **Vishnu Transport**, Shubham Arcade, Sector-28, Plot No. 17, Shop No.11, Kamothe, Navi Mumbai -410209 was searched on 08.01.2024 and a Panchnama dated 08.01.2024 was drawn at the premises in the presence of independent panchas and Shri Madan Chaudhary, concerned person of M/s. Vishnu Cargo Movers & M/s Vishnu Transport. During the Panchnama proceedings, a sign board of Vishnu Transport was observed to be displayed there. Shri Madan Chaudhary informed that he is the Proprietor in Vishnu Transport since 2004-2005 and operates and manages Vishnu Cargo Movers since 2017. After the search proceedings, documents related to Vivanta International, Vikranta Impex, Vrunda International

and Ascent International viz. Invoices, bank statement, Ledgers and Register entries for the period April, 2023 onwards were resumed. On being asked Shri Madan Chaudhary informed that he used to becontacted for transportation in respect of above-mentioned entities viz. Vivanta International, Vikranta Impex, Vrunda International and Ascent International from employees of CHA (M/s I M Logistics) i.e. Shri Navnath (Mob No.9930380740) and Smt. Sujata (Mob No. 9833576210). Shri Madan Chaudhary also informed that he came to know that the above said 4 firms pertain to Shri Vipin Chaturvedi as Shri Vipin Chaturvedi through his mobile no.9824188754 used to enquire about delivery of goods of the above said four firms i.e. Vivanta International, Vikranta Impex, Vrunda International and Ascent International.

**2.9** The registered premises of **Satya Steel**, Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 was searched on 08.01.2024 and a Panchnama dated 08.01.2024 was drawn at the premises and a sign board of Satya Steel having GST Registration No. 27BCNPP1592C1ZF was found displayed there. One person came forward and introduced himself as Shri Suraj Pal, in-charge of the said premises. Thereafter, officers requested him to call the concerned person of the firm, Shri Suraj Pal called Shri Subhash bhai (9920201513) and Shri Subhash bhai informed that Shri Prakash Khadye, concerned person for Satya Steel, would be coming. The officers found that it is a warehouse in which different steel pipes were lying and no kind of manufacturing facility was there. On being asked by the officers about the relation of the said firm i.e. Satya Steel with Vivanta International, Ascent International, Vikranta Impex, Vrunda International in connection to the supply of imported Stainless Steel Seamless Rolled Pipe Grade 304 under Advance Authorisation scheme to Satya Steel, Shri Prakash Khadye the authorized person of Satya Steel informed the officers that Satya Steel has relations with these firms. Further, Shri Prakash Khadye also informed in presence of panchas that the present lying stock of steel pipes as on date 08.01.2024 is related to Vrunda International and Satya Steel. The officers took inventory of the lying stock i.e. Steel Pipes in the presence of panchas and others and Shri Vikram, PMI Tester from Honesty Metal Testing Service, who tested the grade of steel pipes and the panchas and officers found the same as under:

**Table 2: Details of steel pipes lying in the premises of Satya Steel**

| Sr. No. | Description and Grade | Size of the pipe | No. of Pieces | Bundle marked as |
|---|---|---|---|---|
| 1. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 82 | A. |
| 2. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 42 | B. |
| 3. | S S Seamless Pipe (Grade-304) | 42.2*3.56 | 47 | C. |
| 4. | S S Seamless Pipe (Grade-304) | 88.9*3.05 | 18 | D. |
| 5. | S S Seamless Pipe (Grade-304) | 48.15*3.30 | 40 | E. |
| 6. | S S Seamless Pipe (Grade-304) | 60.3*8.74 | 18 | F. |
| 7. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 20 | G. |
| 8. | S S Seamless Pipe (Grade-304) | 114.3*3.05 | 11 | H. |

| | | | | |
|---|---|---|---|---|
| 9. | S S Seamless Pipe (Grade-304) | 60.3*5.54 | 21 | I. |
| 10. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 105 | J. |
| 11. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 111 | K. |
| 12. | S S Seamless Pipe (Grade-304) | 33.4*3.38 | 96 | L. |
| 13. | S S Seamless Pipe (Grade-304) | 33.6*3.58 | 80 | M. |
| **14.** | **S S Seamless Pipe (Grade-316)** | **219.1*8.18** | **42** | **N.** |
| **15.** | **S S Seamless Pipe (Grade-316)** | **89*3** | **47** | **O.** |
| 16. | S S Seamless Pipe (Grade-304) | 273.3*12.7 | 9 | P. |
| 17. | S S Seamless Pipe (Grade-304) | 219*12.7 | 8 | Q. |
| **18.** | **S S Seamless Pipe (Grade-316)** | **26.7*5** | **113** | **R.** |
| 19. | S S Seamless Pipe (Grade-304) | 63.5*1.5 | 30 | S. |
| 20. | S S Seamless Pipe (Grade-304) | 25.4*2 | 90 | T. |
| 21. | S S Seamless Pipe (Grade-304) | 15.88*1.20 | 369 | U. |
| 22. | S S Seamless Pipe (Grade-304) | 19.05*2 | 120 | V. |
| 23. | S S Seamless Pipe (Grade-304) | 26*13 | 194 | W. |
| 24. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 203 | X. |
| 25. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 47 | Y. |

**2.9.1** Shri Vikram, PMI Tester, Honesty Metal Testing Service tested the grade of steel pipes in presence of panchas and submitted report No. HMTS/758 dated 08.01.2024 declaring that all above bundles of pipe as per the list are of Grade-304, except bundles marked as N, O & R which are of 316 Grade. The Officers in presence of panchas also found that the bundles marked as S, T, U, V, W were imported goods of UAE origin having marking of BIS with CML no. 4100040960 on the sticker. Further Shri Prakash Khadye in presence of panchas, informed the officers that the bundle marked as S, T, U, V, W were imported by Satya Steel. Further, Shri Prakash Khadye also informed that remaining goods other than the bundle marking of N, O, R, S, T, U, V, W belongs to Vrunda International/other concerned Proprietorship concerns in respect of which inquiry is going on. Shri Madan Chaudhary in presence of the panchas also informed the officer that on various occasions, he has delivered the goods of Vivanta International, Ascent International, Vikranta Impex, Vrunda International imported under advance authorization scheme at this premise of Satya Steel.

**2.9.2** The officers were of reasonable belief that the goods (bundles) marked above from A to Y except bundles marked as N, O, R, S, T, U, V, W were imported by Vivanta International, Ascent International, Vikranta Impex, Vrunda International imported under advance authorization scheme as per E-way bills available i.r.o. Bills of entry of these 4 firms, the goods imported i.e. Steel grade pipe 304 were delivered at the premise of Satya Steel. Further the goods

imported under advance authorization scheme cannot be diverted in the local market other than at the places mentioned under the advance authorization license. Accordingly, the officers under reasonable belief detained the goods i.e. bundle marked from A to Y except bundles of marking N, O, R, S, T, U, V, W under the provisions of Customs Act,1962. The detained goods were handed over to Shri Prakash Khadye under Supratnama dated 08.01.2024.

**2.10** The registered premises of **Vrunda International**, Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa was searched on 10.01.2024 and a Panchnama dated 10.01.2024 was drawn at the premises in presence of independent panchas and Shri Anand Menon, the Proprietor of M/s. Vrunda International, who voluntarily appeared after being contacted. During the panchnama proceedings, it was observed that the said premises is locked and sealed with DRI Vapi seal under Panchnama dated 26.12.2023. The officers further informed panchas that Shri Anand Menon, Proprietor of M/s. Vrunda International, Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, Kilvani Road, AmliSilvassa was summoned to appear at DRI Vapi office and that Shri Anand Menon had informed telephonically from his mobile no. 9920816443 that he was at his office premises along with the key of the above said premises (Shop). Thereafter, Shri Anand Menon in the presence of panchas, with the help of officers removed the seal and opened the lock of the said premise i.e. shop. On opening the said shop, the panchas and the officers found that the said shop was of approx. 10*25 feet along with two bifurcated cabins. The panchas and the officers searched the premises and found that there was no physical stock of imported Stainless-steel seamless Pipes (Hot/Cold Rolled) imported under Advance Authorisation scheme under Noti. No. 21/2023-CUS Dated 01.04.2023 in the said premises. Further officers found that, there was no document i.r.o. Vrunda International lying in the premise.

**2.11** The **residential premises of Shri Atul Shashikant Herekar**, Proprietor of Ascent International, 401, Casario 3rd Avenue D wing, CaspianaDombivali East, Kalyan, Thane, Maharashtra-421204 was searched on 10.01.2024 and a Panchnama dated 10.01.2024 was drawn at the premises.During the course of panchnama proceedings,Shri Atul Shashikant Herekar informed that he did not know about any business activity of Ascent International as Shri Vipin Chaturvedi handled and controlled Ascent International. On being asked Shri Atul Shashikant Herekar informed the officer that presently he had 5 mobile numbers of Shri Vipin Chaturvedi as 9558312505, 9824188754, 9681875150, 9157614285, 8734846887 and one mobile number of office staff of Shri Vipin Chaturvedi as 7982669270 (Mukesh). The officers in the presence of Panchas and Shri Atul Shashikant Herekar, systematically searched the said premises and found no incriminating documents in relation to ongoing investigation.

**2.12** The registered premises of **Ascent International**, Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi was searched on 11.01.2024 and a Panchnama dated 11.01.2024 was drawn at the premise. During the panchnama proceedings, it was observed that the said premise is already locked, which was sealed with DRI Vapi seal under Panchnama dated 26.12.2023. Shri Atul Shashikant Herekar appeared in the office along with key of the above said premise (Shop). On reaching in front of shop, it was observed that shop was locked and had the seal of DRI Vapi intact on it. Shri Atul Shashikant Herekar in presence of the panchas, with the help of officers removed the seal and opened the lock of the said premise i.e. shop. On opening the said shop, there was another door of aluminum frame with glass which was also locked. Shri Atul Shashikant Herekar opened the lock of the said aluminum door. After opening that aluminum door, it was found that the said shop is of approx. 10*20 feet size along with an attached toilet. There were also two cabins made of aluminum frame. The panchas and the officers noted that there was only one table, two-three chairs and some documents were lying on the table of the premise. The officers before the panchas systematically searched the premises and found that

there was no stock of Stainless-steel seamless Pipes (Hot/Cold Rolled) imported under Advance Authorisation scheme under Noti. No. 21/2023-CUS Dated 01.04.2023 in the said premise. The officers recovered some relevant documents like IEC Copy, UDYAM Certificate, rent agreement copy, HDFC Bank remittance slips, bills of entry, commercial invoices, packing list, bills of lading, transport documents, tax invoices of CHA I M logistics, Country of origin certificates etc. in respect of Ascent International and resumed the same under the panchnama proceedings.

**3. Oral Evidences:**

**3.1** During the course of investigation, **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex**was summoned and his statement was recorded on 02.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. He has been in contact with Shri Vipin Chaturvedi since 2018 who used to come to ICD Tumb for clearance of imported consignments; that in the beginning of the year 2023, Shri Vipin Chaturvedi came to ICD Tumb for his work and during normal conversation offered him to start import in his(Shri Joshi's) name and assured that he would handle all the work; that he agreed to the offer and then, after some time in the month of April, 2023, Shri Vipin Chaturvedi again approached him and asked for a copy of his PAN and Aadhar card to complete all necessary formalities for GST registration. After issuance of GSTIN, Shri Vipin Chaturvedi again approached him to create an IEC in the name of Vikranta Impex. He also stated that Shri Vipin had convinced him to purchase a new mobile number for carrying out all the transactions and to handover the new mobile to him (Shri Vipin Chaturvedi), to handle all the transactions related to the new GST and IEC etc. So, he took a new SIM having Mobile no. (8087130955) and handed it over to Shri VipinChaturvedi; that the Mobile no. mentioned in GST and IEC registration is with Shri Vipin Chaturvedi to carry out all the transactions. He further stated that the official email id of his Proprietorship concern i.e. vikrantaimpex2023@gmail.com, was also created by Shri Vipin Chaturvedi who handles and operates the said email id.

ii. On being asked, he further stated that initially, Shri Vipin Chaturvedi had informed him that he would carry out import export business via Vikranta Impex and later on Shri Vipin Charturvedi informed him that he is going to import steel goods through the IEC of Vikranta Impex and offered to give him Rs.25000/- per container; that he was not aware exactly what items were imported and how Shri Vipin Chaturvedi would give him Rs.25000/-.

iii. He further admitted that he had not applied for any DGFT license himself and that it was Shri Vipin Chaturvedi who had applied for DGFT license online on behalf of Vikranta Impex by using his new mobile no. He further stated that he came to know about this DGFT license when the application reached ICD Tumb and that he had called Vipin Chaturvedi to know about the issuance of this license; that Shri Vipin Chaturvedi had then informed that he would export against the import made under advance authorization scheme.

iv. On being asked, he further stated that he did not know any person from M/s. Prudent Stainless Private Ltd.; that Shri Vipin Chaturvedi is the person who procured the DGFT license and arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.

v. He was not aware about the goods imported by Shri Vipin Chaturvedi through his firm Vikranta Impex; he agreed that there was no stock of the imported goods at the registered premises of Vikranta Impex.

vi. He agreed to the fact that no stock of Vikranta Impex had been sent to the premises of M/s. Prudent Stainless Pvt. Ltd.

vii. He agreed that the factory unit at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is a dummy office taken for GST registration by Shri Vipin Chaturvedi.

viii. On being asked about rent agreement, he stated that he had never met Shri Murji Premji Katarmali.e the owner of the premises and it was Shri Vipin Chaturvedi who gave him the rent agreement documents to sign and used the same for GST registration. He also stated that the premise at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is looked after by Shri Vipin Chaturvedi and the key of the shop was also kept by him.

ix. He also stated that he had no idea regarding the exact duty evasion but he agreed that the duty evaded based on the documents shown to him by the officers appeared to be more than Rs.3.4 Crores approx.He also stated that all these 3 bills of entry were filed at Nhava Sheva port and Shri Vipin Chaturvedi had arranged the CHA and transportation of these imported goods.

x. He accepted that for the goods imported under Advance authorisation scheme actual user condition apply and the imported goods under the scheme cannot be diverted/sold to the premises other than the one mentioned in the Advance Licence i.e. in the domestic market but stated that he was not aware that these imported goods have been diverted in the local market. He further informed that the fact of diversion of said goods had been noticed by him only after inquiry was initiated by DRI.

**3.2** During the course of investigation, **Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transpor**t and **authorized signatory of Vishnu Cargo Movers** was summoned and statement of Shri Madan Harishchandra Chaudhary dated 09.01.2024 was recorded under Section 108 of the Customs Act, 1962 wherein, he inter-alia stated that: -

i. He agreed with the Panchnama dated 08.01.2024 drawn at A-503, fifth floor, Satlej Residency Co-Operative Housing Society, Plot No. 8B and 8E, Sector 35, Kamothe, Raigad, Maharashtra-410209, Panchnama dated 08.01.2024 drawn at Shubham Arcade, Sector-28, Plot No. 17, Shop No.11, Kamothe, Navi Mumbai -410209 and Panchanama dated 08.01.2024 drawn at Plot No.1840, Kalamboli Steel Market, Navi Mumbai, Kalamboli, Maharashtra-410218

ii. He stated that he is engaged in the business of transportation of goods since 2005 and that presently, he is the proprietor of Vishnu Transport and operates and manages Vishnu Cargo Movers too.

iii. He stated that he had transported goods of all these four proprietorships concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International; that he did not know much about their business activities, but that all these four proprietorship concerns imported Steel Pipes from Nhava Sheva.

iv. He was contacted by the CHA firm M/s. I M Logistics for transportation of goods and that he had received payments in respect of transportation services for all the above said proprietorship concerns in his bank account from the CHA firm- M/s. I M Logistics.

v. He stated that the imported goods of all the above said proprietorship concerns were delivered at different plot nos. of Kalamboli Steel Market; that he did not know the exact plot no. where the imported goods were delivered and unloaded; that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi who informed about concerned recipients of imported goods over mobile; that as per directions received, he used to share vehicle no. and driver no. with the concerned recipient and then, a person belonging to the concerned recipient firm/person used to inform the driver

about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.

vi. Imported goods of all these four proprietorship concerns were delivered to the Godowns of concerned recipients i.e. Seth Steel Pvt. Ltd., Steelage Overseas Private Limited and Dev Steel & Alloys; that Shri Vipin Chaturvedi would telephonically inform the name of the recipient of imported goods, after which he used to send the details of driver, his mobile no. and vehicle no. to the concerned recipients.

vii. On perusal of print outs of E-way bills through which imported goods of proprietorship concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International were imported under advance authorisation license from Nhava Sheva port to Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218, he stated that some truck nos. mentioned in E-way bills do not belong to him, in fact these Truck nos. were manipulated. He also stated that these e-way bills were not generated by him; that in fact as per his knowledge, e-way Bills used to be generated by Shri Vipin Chaturvedi as he used to give details of vehicle and driver to Shri Vipin Chaturvedi initially for loading from Nhava Sheva. Further, he stated that Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218 is the address of a Godown where imported goods of Shri Vipin Chaturvedi's firms used to be regularly unloaded.

**3.3** During the course of investigation, **Shri Vaibhav Satish Shelar**, **G Card Holder, Partner and Authorized Signatory of I M Logistics,** was summoned and his statement of dated 09.01.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. He was looking after the work of Prakash Steelage, where Shri Vipin Chaturvedi used to work earlier; that Shri Vipin Chaturvedi had approached him and informed that he intended to start his own business and requested him to handle the Customs clearance.

ii. On being asked regarding the relation with Vivanta International, Ascent International, Vikranta Impex, Vrunda International, he stated that Shri Vipin Chaturvedi had approached him in 2023 to handle the Customs clearance related work as a CHA for the import clearance of these entities. Accordingly, all the proprietors of these firms had approached him and he did KYC of the 04 proprietorship entities.

iii. He had arranged transportation i.r.o. above 4 proprietorship concerns through Shri Madan Chaudhary and that he would be the right person to inform the destination of goods (steel pipes grade 304) imported under advance authorization scheme. However, as per invoices raised by Vishnu transport, it appeared that goods were delivered at Kalamboli.

iv. He agreed that these 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex, Vrunda International appeared to be managed by one-person Shri Vipin Chaturvedi and that the imported goods i.e. steel pipes grade 304 imported under advance authorisaton scheme had been diverted into the local market upon the instructions of Shri Vipin Chaturvedi as he had arranged and engaged all the service providers related to import of these goods.

**3.4** During the course of investigation, **Shri Atul Shashikant Herekar**, **Proprietor of M/s. Ascent International** was summoned and his statement was recorded on 10.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

**i.** In the year 2022, he asked Shri Vipin Chaturvedi for help to buy an auto-rickshaw for his livelihood; that after some time based on Shri Vipin Chaturvedi’s invitation he and his colleague Shri Nitin Anchan went to Vapi to meet Shri Vipin Chatruvedi who explained

to them that he would initiate Proprietorship firms in their name and would give them Rs.25000/- per month per person for this work; that Shri Vipin Chatruvedi proposed that he would start import and export in the newly opened firms and he (Shri Vipin Chaturvedi) would manage and control all the business activities of the newly opened entities in their name.

**ii.** He accepted the offer of Shri Vipin Chaturvedi and after some time he and Nitin Anchan (his friend) gave the requested documents viz. Aadhar card, PAN etc to Shri Vipin Chaturvedi. He also admitted that Shri Vipin Chaturvedi had also convinced him to purchase a new mobile number needed to carry out all the transactions and to handover this mobile to him and hence, he took a new SIM having Mobile no. which he did not remember and handed it over to Shri Vipin Chaturvedi. This mobile number, which was in GST and IEC registration, used to be carried by Shri Vipin Chaturvedi to carry out all the transactions of Ascent International. Further, he also stated that the official email id of Ascent International was also created by Shri Vipin Chaturvedi who handles and operates the same.

**iii.** He and Shri Nitin Anchan approached Shri Vipin Chaturvedi who opened a firm named Vivanta International in the name of Shri Nitin Anchan; that Shri Vipin Chaturvedi offered monthly remuneration to Shri Nitin Anchan as well; that he had received Rupees 2-2.5 lacs in either cash or in account from Shri Vipin Chaturvedi.

**iv.** He further stated that Shri Vipin Chaturvedi informed him that he would carry out import export business in Ascent International and that later, he came to know about the product and other details through DGFT license.

**v.** He did not know about the CHA and Transporter, who were engaged for the import and transportation of goods under Advance Authorization by Ascent International as he has never communicated with either CHA or transporter and that he had never received any documents related to imported goods under Advance Authorization by Ascent International.

**vi.** On being asked about the DGFT License, he stated that Shri Vipin Chaturvedi had applied for DGFT license for import under Advance Authorization for Ascent International and Vivanta International.

**vii.** He further stated on perusal of Panchnama dated 26.12.2023 drawn at 3rd Floor, Shop No. 313, Skylon Co. Op. Housing Society, Vapi that the said shop is registered premises of Ascent International and is a rented premise. He also stated that he had never met the owner of the said premises; that it was Shri Vipin Chaturvedi who had arranged all documents etc and that he had just signed the documents in respect of Rent Agreement, GST registration and IEC registration etc.

**3.5** During the course of investigation, **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International,** was summoned and statement of Shri Nitin Ranganath Anchan was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein, he inter-alia stated that: -

**i.** He was in touch with Shri Vipin Chaturvedi as he was handling DGFT related works of M/s VIPRA IMPEX (in which Shri Vipin Chaturvedi is the Proprietor) and another company M/s Prudent Stainless Pvt. Ltd.

**ii.** He stated that after the 2nd wave of COVID, he contacted his friend Shri Atul Herekar who contacted Shri Vipin Chaturvedi formally for help, to get rid of the financial crisis being faced by him; that Shri Vipin Chaturvedi called him and his friend at Vapi to meet them and accordingly, both the friends i.e. Shri Atul Herekar

and Shri Nitin Ranganath Anchan came to Vapi to get help from Shri Vipin Chaturvedi.

**iii.** He further stated that he along with his friend met Shri Vipin Chaturvedi at his apartment, that Shri Vipin Chaturvedi appraised them of his plan to import steel items in small quantity and export some items, and to give them fixed remuneration of Rs.25,000/- per month. That Shri Vipin Chaturvedi offered to start a proprietorship concern in his name and assured that, he would handle all the work related to it and that he just needed to sign the documents for GST registration, opening of Bank account and IEC.

**iv.** On being asked he further explained that in the year 2022, Shri Vipin Chaturvedi again approached him and asked for copy of PAN and Aadhar card and all other documents to complete all necessary formalities needed for taking GST registration and opening of bank accounts; that he further stated that in the year 2020, just before the COVID wave, he had taken IEC M/s. Pensaile Exim in his name and thought of starting some consultancy work, although due to COVID situation nothing could be done in that IEC.

**v.** He further stated that when Shri Vipin Chaturvedi tried to take new IEC, the registration could not be done at that point of time and later, the modification of the earlier IEC was carried out with the name changed to Vivanta International. He further admitted that he was convinced by Shri Vipin Chaturvedi to take a new SIM and mobile no. to carry out all the transactions and to handover this mobile to handle all the transactions related to GST, Bank and IEC related transaction etc.; that he took a new SIM having Mobile no. (8128353190) and handed it over to Shri Vipin Chaturvedi.

**vi.** He further revealed that the Mobile no. in the GST registration and IEC registration used to be with Shri Vipin Chaturvedi to carry out all the transactions. Further official email id of his Proprietorship firm i.e. vivantaintl2022@gmail.com, was also created by Shri Vipin Chaturvedi, who handled and operated this email id. He further revealed that he never had any access of this mobile number or this e-mail id.

**vii.** That Shri Vipin Chaturvedi is the person, who arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.

**viii.** He agreed to the Panchnama dated 26.12.2023 drawn at Block No. C Shop No. 23, 3rd Floor, Girnar, Khushboo, Plaza, GIDC Vapi-396195 that there was no stock of Vivanta International at the premise. That the proprietor Shri Nitin Ranganath Anchan had visited the premises only once and he had no any idea of the stock of goods; that he did not know how and when the goods were imported by Shri Vipin Chaturvedi.

**ix.** That he was not aware whether any imported goods were sent to M/s. Prudent Stainless Private Limited or not but after perusing the Panchnama dated 27.12.2023 he agreed that no goods imported by Vivanta International were sent to the premises of M/s. Prudent Stainless Pvt. Ltd. He further explained that Shri Vipin Chaturvedi gave him the rent agreement documents to sign which were used for GST registration. That the premises at BLOCK NO. C SHOP NO. 23, 3RD FLOOR, GIRNAR, KHUSHBOO, PLAZA, GIDC VAPI-396195 is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.

**x.** He stated that Shri Vipin Chaturvedi had arranged the CHA and transportation of the goods imported vide the 5 bills of entry in the name of Vivanta International and Shri Vipin Chaturvedi would be able to answer the details of the Port, CHA and transportation and whereabouts of the destined location/buyers.

**xi.** He agreed that duty of appx. Rs 6 crores had been evaded on the imports done through Vivanta International as per documents shown to him.

**3.6** During the course of investigation, **Shri Anand Menon, Proprietor of M/s. Vrunda International**, was summoned and statement of Shri Shri Anand Menon dated 11.01.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

**i.** That he had been in contact with Shri Vipin Chaturvedi since 2016 and that the first time he met him was through a commonly known person at Kherdi, Silvassa and that ever since he had been in regular contact with Shri Vipin Chaturvedi telephonically.

**ii.** That in the year 2020, Shri Vipin Chaturvedi approached him with a business idea and that he agreed to the offer and provided his KYC documents in lieu of Rs.10,000 per month; that Shri Vipin Chaturvedi offered him to initiate a firm on his name and assured that he would handle all the works and that he just needed KYC documents to create an IEC.

**iii.** That he was also convinced to take a new SIM and mobile no. in his name that was needed to carry out all the transactions such as registration of GST, opening of Bank account and taking IEC from DGFT; that he was convinced to handover this mobile to Shri Vipin Chaturvedi, so as to handle all the transactions related to GST and IEC etc.; that he took a new SIM having Mobile no. (9321158755) and handed it over to Shri Vipin Chaturvedi; that this Mobile no. was used in GST and IEC registration; that the mobile no. remained with Shri Vipin Chaturvedi in order to carry out all the transactions.; that the official email ID of his proprietorship concern vrundainternationalsil@gmail.com, was also created by Shri Vipin Chaturvedi for all the transactions and registrations; that Shri Vipin Chaturvedi handles and operates this email id.

**iv.** On being asked he replied that Shri Vipin Chaturvedi informed that he would carry out import export business under the cover of Vrunda International legally and that he would use his name; that Shri Vipin Chaturvedi had informed him that he was going to import steel products through the IEC of his firm and offered him Rs.10,000/- per month; that he agreed to the deal offered by Shri Vipin Chaturvedi; that he received the amount in his bank account from Shri Vipin Chaturvedi 4-5 times in multiples of Rs.50,000/- (for every 5 month).

**v.** On being asked he stated that Shri Vipin Chaturvedi had applied for DGFT license online on behalf of Vrunda International by using new mobile numbers given to him; that he did not know any person from M/s. Prudent Stainless Private Ltd.; that Shri Vipin Chaturvedi is the right person to answer these questions.

**vi.** He agreed to the Panchnama Dated 10.01.2024 Drawn at registered premise of Vrunda International i.e. Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa that there was no stock of imported goods nor any documents related to M/s Vrunda International at the said premises.

**vii.** That he was not aware as to whether any imported goods were sent to M/s. Prudent Stainless Private limited or not but after perusing the Panchnama dated 27.12.2023, he admitted that no goods imported using advance authorisation by Vrunda International was sent to premises of M/s. Prudent Stainless Pvt. Ltd.

**viii.** He also stated that the premises at Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa is looked after and was under control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him only.

**ix.** That he had never met nor talked to the owner of the premises, and that he does not even know what is the role of CHA. He further stated that Shri Vipin Chaturvedi is the person who had contacted the CHA.

**x.** That on perusal of the Panchnama Dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, he stated that goods imported using advance authorisation by Vrunda International were sent to this premise.

**xi.** That he had no idea of any case booked against him or his proprietorship concern but once in 2021, he went to Delhi with Shri Vipin Chaturvedi to some Govt. office related to taxation and there also he told the officers that Shri Vipin Chaturvedi handled the work related to his proprietorship concern.

**xii.** That he admitted that due to circumstances and financial stress caused by loans and credit cards his financial condition worsened which led him to accept the offer of Shri Vipin Chaturvedi to generate additional income; that he never knew that he would be doing such things and would be involved in the evasion of Government duty; that his circumstances led to this duty evasion of more than 1.5 crores approx. in the name of Vrunda International.

**3.7** During the course of investigation, **Shri Atul Shashikant Herekar, Proprietor of M/s. ASCENT INTERNATIONAL,** was summoned and his statement was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

**i.** He agreed that there was no stock of imported goods at the premises of Ascent International Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195. He admitted that the documents resumed from the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195, pertaining to GST registration, IEC registration, Rent Agreement, documents related to imports made by Ascent International and consisted of a copy of his PAN and Aadhar etc. He also admitted that he had visited the premises only twice, once at the time of GST registration and second at the time of opening of bank account and that he did not have any idea of the stock of goods. He did not know, how and when the goods were being imported by Shri Vipin Chaturvedi.

**ii.** He agreed to the Panchnama dated 27.12.2023 drawn at Prudent Stainless Private Limited, Plot No A2-229/1 GIDC, Umbergaon-396170, Gujarat, that no stock of imported goods of Ascent International had been found except one high sea purchase from Ascent International.

**iii.** That he had never met Shri Prashant Manohar Patil, the owner of the office premises, and that it was Shri Vipin Chaturvedi who gave him rent agreement documents to sign which were used for GST registration. He also stated that the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195 is looked after by and is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.

**iv.** On perusal of documents, he agreed that there are total three bills of entry and the details of which are as under:

**Table 3: Details of imports of Ascent International**

| Sr.No. | BE NUMBER | BE DATE | TOTAL ASSESSABLE VALUE | QUANTITY |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 1 | 6714117 | 04-07-2023 | 6277835 | 28427 Kgs |
| 2 | 6728913 | 05-07-2023 | 6133924 | 28407 Kgs |
| 3 | 6768906 | 07-07-2023 | 5683361 | 26772 Kgs |
| | | | **18095120** | |

**v.** That Shri Vipin had arranged the CHA and transportation of these goods imported vide above mentioned 3 bills of entry and that Shri Vipin Chaturvedi would be able to answer regarding the Port of import, CHA and transportation details and whereabouts of the destined location/buyers.

**vi.** He further admitted that Shri Vipin Chaturvedi handled and controlled a mobile number which had been taken in his name and that he had given this mobile number in all registration/bank account details etc, therefore, access and control of bank account of Ascent International was also with Shri Vipin Chaturvedi.

**vii.** He further admitted that due to his circumstances and financial stress caused by treatment of his father and later due to Covid situation, his financial condition worsened which led him to be involved with Shri Vipin Chaturvedi; that he was not aware that he would be doing such thing and would be involved in the evasion of government duty; he admitted that his circumstances led to duty evasion of more than 3.5 crores approx. in the name of Ascent International .

**3.8** During the course of investigation, **Shri Kamlesh Joshi, Director of M/s. Prudent Stainless Pvt. Ltd.,** was summoned and his statement dated 20.02.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. That he and Shri Sanjay Mishra are the directors in M/s. Prudent Stainless Pvt. Ltd. and that the company is engaged in the processes related to manufacturing, polishing, drawing, annealing and pickling etc. related to pipes and tubes from the raw material like steel coil and mother hollow.

ii. That, Shri Vipin Chaturvedi had advised them to start a company, which could do job works related to manufacturing of pipes, polishing of pipes, drawing of pipes, annealing and pickling of pipes and tubes. He further stated that Shri Vipin Chaturvedi had told him that he would procure job work related to the processes as detailed above for their company; that thereafter, he and Shri Sanjay Mishra established this new company viz. Prudent Stainless Pvt. Ltd. in the beginning of the year 2020; that initially, they received job works from various other entities with the help of Shri Vipin Chaturvedi. He further stated that since the beginning of Prudent Stainless Pvt. Ltd., Shri Vipin Chaturvedi had been providing job works to Prudent Stainless Pvt. Ltd.; that Shri Vipin Chaturvedi worked as a consultant in Prudent Stainless Pvt. Ltd. and was looking after the overall functioning of the company although his salary or remuneration was not fixed but that sometimes, he was being given some amount in the account of his wife. He also admitted that he purchased a new mobile no. 9687875150 for the company Prudent Stainless Pvt. to carry out all the transactions but in the year 2022, he handed over the said mobile no. to Shri Vipin Chaturvedi to handle all the transactions related to Prudent Stainless Pvt. Ltd. as he was not interested in the day-to-day activities of Prudent Stainless Pvt. Ltd. Further, he also stated that official email id i.e. info@prudentstainless.com of Prudent Stainless Pvt. Ltd. was created by Shri Vipin and that he handles and operates the same as he was looking after the operation of the company. He and Shri Sanjay Mishra met Shri Vipin Chaturvedi at Prakash Steelage.

iii. That, Shri Vipin Chaturvedi informed him that Prudent Stainless Pvt. Ltd. would receive job work from the above-mentioned proprietorship concerns namely, M/s Vivanta International,M/s Vikranta Impex, M/s Ascent International and Vrunda International; that however, no goods for job work processing were received by M/s Prudent Stainless Pvt. Ltd. from the above mentioned four proprietorship concerns nor any job work was done by the company M/s Prudent Stainless Pvt. Ltd for these firms.

iv. That, he perused the advance licences issued by the DGFT to the four Proprietorship Concerns and agreed that the name of M/s Prudent Stainless Pvt. Ltd. is reflected as the supporting manufacturer in the mentioned copy of the advance License. He further stated that Shri Vipin Chaturvedi informed him and the other director that M/s Prudent Stainless Pvt. Ltd will get job work from these Four Proprietorship concerns and apart from this they have no relation or business transaction with these four proprietorship concerns. Further, he stated that only once M/s Prudent Stainless Pvt. Ltd. had done a high Seas purchase of goods on 03.04.2023 from M/s Ascent International.

v. He further stated that, he had perused the consent letter given by M/s Prudent Stainless Pvt. Ltd. to M/s Ascent International (IEC-ABWPH4340R) for undertaking Job Work; that Shri Vipin Chaturvedi had informed that M/s Prudent Stainless Pvt. would get Job Work from the above four proprietorship concerns and he managed to get the consent letter.

vi. He stated that he did not personally know the proprietors of Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that Shri Vipin Chaturvedi had only informed him that their company M/s Prudent Stainless Pvt. Ltd. would get the job work from these four proprietorship concerns.

vii. He further stated that M/s Prudent Stainless Pvt. Ltd. had not received any goods for job work processing from these four proprietorship concerns.

viii. He perused the Panchnama dated 27.12.2023 drawn at the registered premise of M/s Prudent Stainless Pvt. Ltd. and stated that M/s Prudent Stainless Pvt. Ltd. had not done any transaction related to sale purchase, job work etc with Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and in fact, had only one transaction with Ascent International related to a high seas purchase. He further admitted that no stock of goods related to the four proprietorship concerns was ever received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time. He further stated that Shri Vipin Chaturvedi had informed him that the goods related to these four proprietorship concerns were diverted at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218.

ix. He further stated that Shri Vipin Chaturvedi only had contacted the CHA as well as the transporter for providing the services to M/s Prudent Stainless Pvt. Ltd.

x. He also stated that he had come to give submissions as per the directions of Shri Vipin Chaturvedi who was handling the activity of M/s Prudent Stainless Pvt. Ltd. and further information could be provided by him (Shri Vipin Chaturvedi) only.

**3.9** During the course of investigation, **Shri Satya Pal, Proprietor of M/s. Satya Steel** was summoned and statement of Shri Satya Pal was recorded on 20.02.2024 under Section 108 of the Customs Act, 1962, wherein he inter-alia stated that-

**i.** Shri Vipin Chaturvedi used to manage the day-to-day activities of Prudent Stainless Private Limited and that he works on the instructions of Shri Vipin Chaturvedi and that he did not get any instruction from the Directors of Prudent Stainless Private Limited i.e.

Kamlesh Joshi and Sanjay Mishra and usually got instructions only from Shri Vipin Chaturvedi.

**ii.** He stated that, Shri Vipin Chaturvedi had asked him to give his Aadhar card and PAN card for creation of a new proprietorship concern i.e. Satya Steel in his name; that he had given the documents to Shri Vipin Chaturvedi in good faith; that Shri Vipin Chaturvedi had created new IEC and took GST Registration in his name. He further stated that upon the instructions of Shri Vipin Chaturvedi, in 2023, he purchased a new mobile no. 8758244701 for the firm Satya Steel to carry out all the transactions and handed over the said mobile no. to Shri Vipin. Further, the official email id i.e. satyasteel2023@gmail.-com of Satya Steel was created by Shri Vipin Chaturvedi who handles and operates the same. He further stated that bank accounts of Satya Steel were also handled by Shri Vi-pin Chaturvedi only and the premises of Satya Steel i.e. Ground, Plot number 1840, Kalamboli Steel Market Road, Road Number 24, kalamboli steel market, Navi Mumbai, Raigad, Maharashtra, 410218 is on rent and this premises is also under the control of Shri Vipin Chaturvedi.

**iii.** He further stated that he had neither communicated with the CHA or Transporter nor had he received any documents related to imported goods of Satya Steel and that Shri Vipin Chaturvedi managed all the activities.

**iv.** He stated that Shri Vipin is the right person to talk about the detailed activities under-taken by Satya Steel and the transactions carried out by Satya Steel.

**v.** That it was shri Vipin Chaturvedi who informed him regarding the Summons issued to him in relation to an enquiry in connection with Satya Steel; that Shri Vipin Chaturvedi had called him to Mumbai at the registered premises of Satya Steel and through a person Shri Veeru submitted the documents of Satya Steel to him. Shri Vipin Chaturvedi had also instructed him to sign on the covering letter dated 03.02.2024 and took signature from him on some other documents viz invoices etc. As per instructions of Shri Vipin Chaturvedi, he had sent these documents through courier to the office of DRI Vapi; that he had also seen some stock of Steel pipes lying at the registered premises of Satya Steel and Shri Vipin Chaturvedi also informed that goods at the premise of Satya steel had been detained by the DRI.

**vi.** He stated that Shri Vipin Chaturvedi had applied for the licenses of these proprietorship entities and used to manage the work of these 4 entities; that sometimes Shri Vipin Chaturvedi instructed him to get stamp papers in the name of these firms and that he had never met any of the Proprietors of Vivanta International, Ascent International, Vikranta Impex, Vrunda International; that Shri Vipin Chaturvedi had informed that the supporting manufacturer of these 4 Proprietorship firms is M/s. Prudent Stainless Pvt. Ltd. However, in the whole year, no stock of Vivanta International, Ascent International, Vikranta Impex, Vrunda International came at the premises of Prudent Stainless Private Limited as per him; that he was working as supervisor at Prudent Stainless Private Lim-ited and used to be aware of stocks received.

**vii.** Shri Satya Pal perused the Panchnama dated 27.12.2023 drawn at the registered premises of M/s Prudent Stainless Pvt. Ltd. at ground, plot no A2-229/1, GIDC, Umber-gaon, Valsad, Gujarat, 396170 and stated that M/s Prudent stainless Pvt. Ltd had not done any transaction related to sale /purchase, job work etc with the Vivanta Interna-tional (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that there was only one transaction with Ascent International related to a High seas purchase. He further stated that no stock of goods related to the four Proprietorship concerns was received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time.

**viii.** Shri Satya Pal perused the Panchnama dated dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and stated that the goods related to these four proprietorships concerns viz Vivanta International, Ascent International, Vikranta Impex, Vrunda International that had been imported under advance authorization scheme were diverted to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 as informed by Shri Vipin Chaturvedi. He further stated that he and Shri Vipin Chaturvedi had also informed Shri Prakash Khadye that goods of these 4 concerned firms have been diverted to the premises of Satya Steel and presently most of the goods imported under advance authorization scheme of Vrunda International were lying there and that some of the imported goods under advance scheme belonged to other 3 Proprietorship concerns.

**ix.** On perusal of the copies of E-way Bills it was noticed that the goods imported by Vivanta International, Ascent International, Vikranta Impex, Vrunda International imported under advance authorization scheme were sent to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218. He further agreed that goods detained at the premise of Satya Steel under Panchnama dated 08.01.2024 are liable for seizure/ confiscation as the goods imported under advance authorisation scheme should not have been diverted in the local market.

**3.10** During the course of investigation, **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** was summoned and statement of Shri Darshak Mayur Shah was recorded on 01.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

**i.** M/s Steelage Overseas Private Limited has business transaction/relation only with Vrunda International; that Shri Vipin Chaturvedi was the person who had established business relation with M/s Vrunda International.

**ii.** He submitted the purchase ledgers, invoices, e-way bills i.r.o. Vrunda International and the details of purchases made by the company M/s Steelage Overseas Pvt. Ltd. Further he told that the company had purchased Steel Pipes, Coils and Sheets from M/s Vrunda International.

**iii.** He further stated that M/s Vishnu transport was the transporter engaged for the delivery of goods purchased from M/s Vrunda International by M/s Steelage Overseas Private Limited.

**iv.** He further stated that he is not the financer or beneficiary of import done by Vrunda International; that the company M/s Steelage Overseas Pvt. Ltd had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda International on a few occasions. Further, he stated that he does not know whether goods imported under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through the above-mentioned business entity i.e. Vrunda International to Steelage Overseas Private Limited or not and that they had purchased all the goods at the prevailing market rate only.

**v.** That Shri Vipin Chaturvedi used to arrange and provide the information regarding the availability of the imported material and rate; that he used to place the order telephonically and purchase the imported goods as per the trading needs and during final transaction and delivery of the goods, he would learn that the invoices had been generated in the name of Vrunda International; that he had never done any direct transaction with Vrunda International.

**3.11** During the course of investigation, **Shri Ashok Seth, Karta of Seth Steel,** was summoned and statement of Shri Ashok Seth dated 12.04.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

- **i.** He acknowledged that his firm, Seth Steel, has business transactions and relations with Vrunda International, Vivanta International, Ascent International and Satya Steel. He clarified that Seth Steel has no transactions with Vikranta Impex. He further stated that they had purchased various items such as steel pipes, coils, and sheets from these entities and Shri Vipin Chaturvedi facilitated these transactions.
- **ii.** On being asked, he stated that Shri Vipin Chaturvedi was known to him for the past 30 years, as he and Shri Vipin Chaturvedi were associated with M/s Prakash Steelage Limited, where he was one of the Directors.
- **iii.** He submitted documents viz details of purchases made from Vrunda International, Vivanta International, Ascent International and Satya Steel.
- **iv.** He also stated that he had not purchased imported goods under advance authorization scheme from the mentioned firms. He clarified that they had purchased different imported goods such as steel welded pipes and SS HR/CR coils and sheets from these firms through Shri Vipin Chaturvedi. He also stated that goods purchased from these firms were sold to different buyers in the domestic market, and currently, no stock of goods purchased from these entities is available at their premises.
- **v.** He denied being the financer or beneficiary of imports done by these firms and stated that sometimes, he has purchased imported goods such as steel pipes and coils from these firms at prevailing market rates.
- **vi.** He also stated that he didn't know much about the four Proprietorship entities but had dealt directly with Shri Vipin Chaturvedi, who had arranged and provided information about imported materials and rates. He mentioned that during the final transaction and delivery, he used to learn that invoices had been generated in the name of these entities.

**3.12** During the course of investigation, **Shri Ashok Seth, Director of Seth Steelage Private Limited**, was summoned and his statement was recorded on 12.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

- **i.** M/s Seth Steelage Private Limited, has business transactions and relations with Vivanta International, Ascent International and Satya Steel. Seth Steelage Private Limited has no transactions with Vikranta Impex and Vrunda International. He further agreed that he had purchased various items such as steel pipes, coils, and sheets from the mentioned entities which were arranged by shri Vipin Chaturvedi.
- **ii.** He also stated that to the best of his knowledge, Seth Steelage Private Limited had not purchased goods imported under the advance authorization scheme by Vivanta International, Ascent International and Satya Steel.
- **iii.** He denied being the financer or beneficiary in the import done by these three Proprietorship entities and stated that on a few occasions, he has purchased imported goods such as steel pipes and coils from these entities at prevailing market rates. He clarified that, he had never purchased Stainless-Steel Seamless Pipe Grade 304 from these entities.
- **iv.** He further stated that he did not know much about Vivanta International, Ascent International and Satya Steel and that he had dealt directly with Shri Vipin Chaturvedi for business transactions.

**4. <u>Court Cases during the course of investigation and the statement of Shri Vipin Chaturvedi</u>**

**4.1** In view of the facts revealed during the investigation, it appeared that the Proprietorship concerns Vivanta International, Ascent International, Vikranta Impex and Vrunda International were engaged in the import of Stainless Steel Seamless Pipe (Hot/Cold Rolled) (CTH Subhead 7304), under Advance Authorization Scheme under the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 and the imported goods were diverted /sold in Domestic Tariff Area, thereby violating the condition(s) of the Notification No. 21/2023-Customs dated 01.04.2023. The Advance Authorization Scheme was misused for evading the applicable Customs Duty.

**4.2** The investigation also revealed that Shri Vipin Chaturvedi is the master mind in the case, who had planned the entire scheme of importing Stainless Steel Seamless Pipe (Hot/Cold Rolled) (CTH Subhead 7304), under Advance Authorization and diverting the duty-free imported goods in Domestic Tariff Area, thereby violating the condition(s) of the Notification No. 21/2023-Customs, dated 01.04.2023. The proprietor of all the four importing entities stated that they had shared their legal documents with Shri Vipin Chaturvedi on his request as a part of the plan of opening firms in their name but under the control of Shri Vipin Chaturvedi. Although the import was done in the name of these four Proprietorship firms, Shri Vipin Chaturvedi was the beneficial owner, controller and sole decision-maker in these Proprietorship concerns initiated by using their documents. Shri Vipin Chaturvedi was summoned to produce documents, to confront evidences on record and to cooperate in the investigation. However, he did not cooperate with the investigation and remained unreachable/non-responsive to Nine summons issued to him.

**4.3** Further, Shri Vipin Chaturvedi filed an anticipatory bail application Criminal Misc. Application No.73 OF 2024 before the Hon'ble District & Sessions Court Valsad at Vapi which was rejected by the Hon'ble District & Sessions Court, Vapi on 21.02.2024.

**4.4** Further, a Criminal Complaint was registered before the Hon'ble District & Sessions Court Valsad at Vapi against the accused vide Criminal Complaint no.599/2024 registered on 15.02.2024 under section 174 and 175 of Indian Penal Code. The case was decided vide order dated 20.04.2024 in favour of the department.

**4.5** Shri Vipin Chaturvedi then filed Special Criminal Application No. 2214 of 2024 before the High Court of Gujarat at Ahmedabad. The Hon'ble High Court of Gujarat vide order dated 09.04.2024 ordered the accused to appear before the office of DRI, Sub-regional Unit at Vapi on 15.04.2024. Shri Vipin Chaturvedi appeared on the directions/order of the Hon'ble High Court of Gujarat in the matter and his statement was recorded on 15.04.2024 under Section 108 of the Customs Act, 1962.

**4.6 <u>STATEMENT OF SHRI VIPIN CHATURVEDI:</u>**

i. He produced the documents in respect of the four proprietorship concerns M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International.

ii. He agreed with the Panchnama dated 26.12.2023 drawn at the registered premises of **Vivanta International (IEC-AHTPA1064A)**; Panchnama dated 11.01.2024 at the premises of **Ascent International (IEC-ABWPH4340R)**; Panchnama dated 02.01.2024 at the premises of **Vikranta Impex (IEC-AACPJ4996Q)**, Panchnama dated 10.01.2024 at the premises of **Vrunda International (IEC-BSCPM6046B)**, Panchnama dated

27.12.2023 drawn at the registered premise of **M/s Prudent Stainless Pvt. Ltd.** and Panchnama dated 08.01.2024 Drawn at the registered premise of **Satya Steel.**

iii. He perused the following statements and agreed with the contents stated therein: -

a. Statement dtd 02.01.2024 of Shri Mahesh Joshi, Prop of Vikranta
b. Impex.
c. Statement dtd 09.01.2024 of Shri Madan Chaudhary.
d. Statement dated 09.01.2023 of Shri Vaibhav Satish Shelar, I M Logistics.
e. Statement dtd 10.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.
f. Statement dtd 11.01.2024 of Shri Nitin Rangnath Anchan, Prop of Vivanta International.
g. Statement dtd 11.01.2024 of Shri Anand Menon, Prop of Vrunda International.
h. Statement dtd 11.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.
i. Statement dtd 20.02.2024 of Shri Kamlesh Joshi, Director of Prudent Stainless Pvt. Ltd.
j. Statement dtd 20.02.2024 of Shri Satya Pal, Prop. of Satya Steel.
k. Statement dtd 01.04.2024 of Shri Darshak Mayur Shah of Steelage Overseas Private Limited.
l. Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steel HUF.
m. Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steelage Private Limited.

iv. He stated that he is the proprietor of **M/s Vipra Impex**, a proprietorship firm dealing with SS Sheets, SS Coils, and SS pipes (seamless and non-seamless). He mentioned that he also provides consultancy services in technical and commercial fields related to trading, procurement, import, and export of these products.

v. He admitted that all the four proprietors viz M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International are well known to him from last 10 years. He mentioned that these proprietors needed financial assistance, so he advised them to start import-export businesses related to steel pipes, coils, and sheets. He stated that he had provided consultancy to them for the business in their Proprietorship entity. He denied being the controller or financer of these four proprietorship firms. However, he admitted that he managed all the activities of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International.

vi. He further acknowledged that Prudent Stainless Private Limited was the supporting manufacturer in the DGFT licenses of Vivanta International, Ascent International, Vikranta Impex, and Vrunda International. He clarified that no stock from these firms had ever reached the premises of Prudent Stainless Private Limited in the year 2023. He mentioned that goods imported under the Advance Authorisation scheme by these firms were diverted to the registered premises of M/s Satya Steel and subsequently sold in the local market.

vii. He perused the copies of E-way Bills and confirmed the fact that goods imported by Vivanta International, Ascent International, Vikranta Impex, and Vrunda International under the Advance Authorisation scheme were destined for the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and endorsed the documents. He agreed that goods detained at the premises of Satya Steel under the Panchnama dated 08.01.2024 were liable for seizure and confiscation as they were diverted illegally and sold in the local market and had not complied with the conditions of the Advance Authorisation scheme.

viii. He stated that he doesn't know the exact value of the goods detained at the premises of Satya Steel. He committed to provide the total weighment and value of the detained goods within 1-2 weeks after matching with the packing list of Bills of Entry. He also agreed with the Supratnama dated 08.01.2024 provided by Shri Prakash Khadye, Authorized person of Satya Steel. He admitted that the value of goods imported under the Advance Authorization scheme was approximately Rs. 8 crores, with the total duty evasion amounting to approximately Rs.13.95 crores.

ix. He admitted that he had sold the imported SS Seamless pipes under the Advance Authorization scheme to Dev Steel and Alloys in Kalamboli market. He clarified that Dev Steel and Alloys was not aware that the goods imported under the Advance Authorization scheme was sold to them. He confirmed that, he had sold the goods at market rate.

**4.7 <u>Arrest of Shri Vipin Chaturvedi:</u>**

**4.7.1** Thus, investigation indicated that Shri Vipin Chaturvedi was the mastermind of the plan of illegal diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. and he admitted in his statement dated 15.04.2024 to his involvement in the offence committed under the Customs Act, 1962 leading to evasion of Customs Duty to the tune of Rs.13.95 Cr.

**4.7.2** It emerged from the investigation that Shri Vipin Chaturvedi got the KYC documents and other details of the Four proprietors mentioned in the foregoing paras, in lieu of an agreed sum, and used their firms to import goods duty-free under Advance Authorization Scheme and later, diverted these goods into the domestic market in violation of the conditions of the Advance Authorization license and Notification No. 21/2023-Customs, dated 01.04.2023, thereby evading Customs duty to the tune of Rs.13.95 Crores and in the process importing such goods on which **Anti-Dumping Duty is applicable**.

**4.7.3** In view of the above, it appeared that Shri Vipin Chaturvedi has committed an offence of the nature described under Section 135 (1)(a) & (b) of Customs Act, 1962, punishable under Section 135 (1)(i)(A) and 135 (1)(i)(B) of Customs Act, 1962, as he has knowingly concerned himself with the diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. in violation of the conditions laid down under the Notification No. 21/2023-Customs, dated 01.04.2023 and license issued under Advance Authorization Scheme.

**4.7.4** Further, it appeared that all these acts on the part of Shri Vipin Chaturvedi have rendered the impugned goods i.e. Steel pipes (grade 304) of 360 MTs approx. totally valued at Rs. 8.12 approx. diverted after being imported duty-free under Advance Authorizations, liable to confiscation under the provisions of Section 111(o) of the Customs Act, 1962. It appeared that in the process, duty evasion in the instant case is Rs.13.95 Cr. Approx.

**4.7.5** The accused in the past had abstained from the summons issued to him to give evidences and produce documents and not co-operated in the investigation. Accordingly, Shri Vipin Chaturvedi was arrested by DRI, Vapi.

**4.8** A second statement of Shri Vipin Chaturvedi was recorded on 17.04.2024 under Section 108 of the Customs Act, 1962 during his custodial remand period from 16.04.2024 to 18.04.2024 wherein, he inter-alia admitted that -

i. The role of the proprietors of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International in the management and functioning of these proprietorship concerns was very limited and these entities were being managed by himself. He explained that all the proprietors were known to him and were seeking a

source of income; that he gave them the idea to initiate a business related to import and export of items such as SS Sheets, SS Coils, and SS pipes. He offered to manage their export-import business for an agreed sum but clarified that these proprietors had no role in the day-to-day activity related to the import of goods in their concerns.

ii. He stated that the proprietors knew that the goods had been imported under advance license; that apart from goods imported under advance license, there were normal imports in these firms.

iii. He stated that he had played the role of a mediator, managing the import of goods in these proprietorship concerns; that his extensive experience in the field and his connections with various buyers, allowed him to earn some profit; that he could not estimate the exact amount earned.

iv. He mentioned that the amounts given to the proprietors varied; that for instance, he had paid Shri Mahesh Joshi of M/s. Vikranta Impex on a per-container basis, while payments to the proprietors of M/s. Ascent International, M/s. Vrunda International, and M/s. Vivanta International were monthly, albeit irregular due to the business stabilization process. He recalled paying sometimes in cash and sometimes into their accounts, although he couldn't remember exact details.

v. He stated that the CHA, I M Logistics, was aware that the goods were being imported under advance license. He clarified that he himself coordinated with the CHA for import under advance authorization and that the proprietors were not actively involved or aware of these activities.

vi. He also stated that the CHA only provided transportation and clearance services. He mentioned that he generated E-way bills for the imported goods and provided them to the transporter. He emphasized that the CHA had no idea about the diversion of goods as he generated all the E-way bills under the names of the proprietorship concerns.

vii. He also stated that the transporter was likely unaware that the goods were imported under advance license and were not being sent to the registered premises of the proprietorship concerns. He mentioned that he had generated all the E-way bills in the name of the concerns but with the address of the KalamboliGodown. He explained that the Proprietors never contacted the transporter and had no knowledge about their operations.

viii. He contacted the owners of the registered premises through local property dealers. He mentioned that after consultation with the owners, he facilitated the lease agreements for GST registration and IEC purposes.

ix. He provided the contact details from the GST and IEC registrations of the proprietorship concerns, mentioning that he and his accountant operated these SIMs and email IDs as per requirements for banking, GST, and other departments. He clarified that the mobile phone SIMs were taken in the names of the respective proprietors for operational purposes.

x. He mentioned that he used these SIMs and email IDs primarily on a Vivo phone. He further stated that he had lost the Vivo phone while commuting from Silvassa to Vapi, leading to the loss of the SIM cards. He admitted to not reporting the loss of SIMs due to the ongoing investigation and lack of operation in the proprietorship concerns.

xi. He denied intentionally destroying evidence and asserted that he used the phone numbers and SIM cards with the proprietors' authorization for operational purposes.

xii. He acknowledged that outstanding payments were reflected in the ledgers of M/s. Ascent International, M/s. Vikranta Impex, and M/s. Vivanta International from Dev Steel & Alloys. He clarified that the SS seamless pipes imported under the advance authorization scheme had already been sold to M/s. Dev Steel & Alloys and that some goods had been detained by DRI Vapi office at Satya Steel's premises.

xiii. He stated that the detained goods at Satya Steel's premises possibly included imports belonging to these four proprietors. He mentioned that most of the detained goods were imported under the advance license, particularly those of Vrunda International. He noted that some SS seamless pipes were imported under advance authorization, while others were normal imports.

xiv. He explained that invoices regarding the sale of goods to M/s. Dev Steel & Alloys were not prepared because goods imported under the advance license cannot be sold in the open market and he sold these goods in cash without preparing invoices.

xv. He mentioned his extensive experience in the sector and his contacts with buyers and sellers, including M/s. Dev Steel & Alloys, who had contacted him for the supply of SS Seamless pipes imported under the advance authorization scheme.

xvi. M/s. Dev Steel & Alloys was unaware that the goods were imported under advance authorization when they purchased them. He reiterated that he had also sold normal imported goods to them.

**4.9** Shri Vipin Chaturvedi was summoned once more and his Statement was again recorded on 24.05.2024 under Section 108 of the Customs Act, 1962 due to the retraction of statement filed by him in the court of Addl. Chief Judicial Magistrate of Vapi, wherein he inter-alia admitted that

i. He had been shown his retraction letter dated 18.04.2024, submitted in the court of Addl. Chief Judicial Magistrate of Vapi, at Vapi wherein he stated that He had not retracted from whole of his statement but only on some of the parts/points of his statements; that No threat, pressure and duress were given to him during his statement; that he is not the controller and main person of the four different firms. On perusal of the same, he put his dated signature in token of agreeing upon it. He also stated that he had managed the activities of these 4 importers as a consultant and 04 importers are also equally responsible for the import made by these firms under advance authorization scheme.

ii. He had been shown his earlier two statements dated 15.04.2024 and 17.04.2024 and he stated that contents in his previous statements are almost correct but that as he stated earlier, he had managed the activities of these four importers/Proprietors as consultant and these 04 importers are also equally responsible for the import made by these firms under advance authorization scheme. It is the responsibility of these 4 importers/Proprietors to not violate the conditions of government scheme and he was not the only beneficiary from the evasion of customs duty. He just got the benefit of his consultation fees.

iii. On being asked about the statements of these 4 proprietorship firms which suggest that all the 4 concerned Proprietors were working in private sector in different firms/companies; that they were not actively involved in the business concerned; that from the statement of CHA, Vaibhav Shelar and the transporter Shri Madan Chaudhary, it appeared that he was managing the whole affairs of these 4 proprietorship concerns as they had never met these 4 proprietors and had never communicated with them in any way for any transaction. He accepted that, he had managed the whole works/activities of all these Proprietorship concerns viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International but as a consultant.

iv. On being further asked that the statements of Shri Satya Pal, Ashok Seth and Shri Darshak Mayur Shah suggested that he was the controller/financer of these firms as they have also consulted him for the business dealing of these 4 firms, he stated that, he is not the financer of these entities. He had managed and controlled the activities of all these firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and

M/s. Vivanta International with the consent of these proprietors; that they had decided to import the goods in the Proprietorship entities and that he managed to sell these imported goods to various buyers in the local market, who needed these goods; that he had managed all the activities with their consent.

v. On being asked about the value of detained goods of different sizes of imported steel pipes of these 4 firms detained under panchnama dated 08.01.2024 at the premise of Satya Steel, he stated that he had submitted all the relevant details vide email dated 21.05.2024**,** which wassent from email of M/s. Satya Steel. That, the said importers/ Proprietors and Satya steel have provided assessable value for the particular items in the Panchnama and Supratnama both dated 08.01.2024, as per BOEs and that Goods have the assessable value of Rs.50,83,767/- (excluding the detained goods marking viz E, F, M, P, Q). He further stated that the said goods belonged to Vrunda International, Vivanta International and Vikrana Impex imported under advance authorization scheme. Further, the detained goods having marking viz E, F, M, P, Q is not matching with the size of goods imported under advance authorization scheme by the said importers/ proprietors.

vi. On being asked regarding the earlier statements, he stated that he had sold the goods i.e. SS Seamless pipes imported under advance authorisation scheme from the premise of Satya Steel to Dev steel and alloys.

vii. On being further asked about the bank account statements of these 4 Proprietorship concerns in which huge payment is received from various other firms such as Seth Steel, Seth Steelage etc. as well, he replied that he had mostly sold the goods i.e. SS Seamless pipes imported under Advance Authorisation scheme, in the Kalamboli market to Dev Steel and Alloys and on one or two instances SS Seamless pipes imported under Advance Authorisation by Vrunda International were sold to Steelage Overseas Private Ltd.

viii. He further stated that these four proprietors have regular import apart from import under advance authorisation scheme and that they had sold these imported goods to various buyers through GST invoices

ix. On being asked whether Dev Steel and Alloys and Steelage Overseas Private Limited was the financer/beneficiary of these imported goods viz SS Seamless pipes imported under advance authorisation scheme or Dev Steel and alloys and Steelage overseas Private Limited was having the idea that the goods sold to them were imported under advance authorisation, he stated that Dev Steel and Alloys and Steelage Overseas Private Limited had no idea regarding the same. He further stated that he had sold the imported goods viz SS Seamless pipes imported under Advance Authorisation scheme to Dev Steel and Alloys and Steelage Overseas Private Limited and they are beneficiaries of these imported goods without GST invoices and payments were received in the bank accounts of these 4 proprietorship concerns.

x. On being asked regarding the sale of goods of these 4 proprietorship concerns without GST Invoices being a violation of GST act and evasion of GST as well. He replied that, there is evasion of Customs duty which includes BCD, SCD, Anti-Dumping and IGST at the time of import by these 4 importers; that at the time of import, IGST was exempted and it is the part of Customs Duty; that had they paid the IGST at the time of import, they would be eligible to get credit as well. So particularly, there is not GST evasion at all. Although by the act of contravention, there is indeed evasion of Customs duty including BCD, SCD, Anti-Dumping Duty and IGST.

**5. <u>Investigation from the buyers of imported goods: -</u>**

**5.1** During the course of investigation, **Shri BechraramDewasi, partner in M/s Dev Steel and alloys** 1st Floor, 101, Rajgiri Apartment Cooperative Housing Society Wing, A, Khemraj

Shri krishnadas Marg, Khetwadi,13th Lane, Girgaon, Mumbai, Maharashtra,400004 was summoned and statement of Shri Bechraram Dewasi was recorded on 28.05.2024 under Section 108 of the Customs Act, 1962 wherein, he inter-alia stated that-

i. He did not know these 4 Proprietors personally and knew the name of three of the Proprietorship concerns namely M/s Vivanta International, M/s Vikranta Impex and M/s Ascent International.

ii. That, he is a trader of SS Sheets, SS Coils, SS Plates and SS Pipes and Shri Vipin Chaturvedi had arranged the deal between these three proprietorship entities and the partnership Firm M/s Dev Steel and Alloys. He further revealed that he used to give payment to these proprietorship concerns in their account as and when directed by Shri Vipin Chaturvedi and on advance basis too.

iii. That he did not know whether Shri Vipin Chaturvedi is the Controller/Financer of these three proprietorship concerns but, he had purchased goods through Shri Vipin Chaturvedi, with whom, he was in regular contact. He had followed the instructions of Shri Vipin Chaturvedi regarding payment and used to get the delivery of goods whenever and wherever required.

iv. He admitted that he had not prepared invoices related to these goods and had sold these goods to various buyers namely M/s Ramdev Trading, Ramdev Impex LLP and M/s. Chanchal Metal and Tubes and payment was received in his bank accounts.

v. He is not the financer of these three Proprietorship concerns and when Shri Vipin Chaturvedi contacted him to supply SS Sheet, SS Coils, SS Plates etc, he insisted for advance payment and conveyed that he would supply goods through these three proprietorship concerns; that initially he supplied SS Coils to him as per requirement but later on he offered to give discount from the market rate for purchase of SS pipes from him; that Shri Vipin Chaturvedi further told that the payment has to be done in the respective accounts of these three proprietors and as per his instructions, he started payment in respective account of these three proprietors and the delivery of goods was managed by Shri Vipin Chaturvedi.

vi. He perused the copies of E-way Bills under which it was reflected that goods imported by Vivanta International, Ascent International, Vikranta Impex, under Advance Authorization scheme were destined at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and agreed with the same. But he stated that he doesn't know about M/s Satya Steel and that they have no business relation with M/s Satya Steel.

vii. He did not have any idea that the goods sold to him were from these three Proprietors and were imported under advance license scheme.

viii. He further stated that M/s Dev Steel and alloys usually deals in SS Coils and Shri Vipin Chaturvedi was in regular touch with him, who offered to arrange SS coils for him and hence he gave advance to him; that later on, he was offered SS pipes from him at a discounted rate, but he does not know whether the goods supplied to him were imported under advance license by these three proprietors.

ix. That, he had purchased the goods and was supposed to make the payment of Rs.7.08 Cr.approx. and that still payment of Rs.75 Lakhs is due.

x. That, he had perused the e-way bill, and stated that Shri Vipin Chaturvedi arranged the delivery of goods at the registered premises of M/s Dev Steel and Alloys and that there is evasion of duty by these three proprietors.

**5.2** During the course of investigation, **Shri Bheekh Singh Rathod**, *authorized person in M/s Chanchal Metal and Tubes* Shop No. 10, 105 Ratanasadan, Maruti Mandir Marg,5th Kumbharwada, Mumbai -400004 was summoned and statement of Shri Bheekh Singh Rathod

was recorded on 07.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. He is the manager in Chanchal Metal & Tubes, which is a proprietorship entity in the name of Ratan Kunwar Rathore who is his wife and is a trading business entity dealing mainly in SS Plates, SS Sheets, SS Coils and SS pipes (seamless and non-seamless) procured locally as well as imported.

ii. He stated that he knew Shri Vipin Chaturvedi since last 15 years when he was working in Prakash Steelage Limited, where he himself was also working.

iii. He stated that he did not know these 4 Proprietors; that he did not have any sale-purchase transactions with these 4 proprietorships concerns i.e. M/s Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R) M/s Vikranta Impex (IEC-AACPJ4996Q) and M/s Vrunda International (IEC-BSCPM6046B) till date.

iv. He did not have any sale-purchase transaction with any firm related to Shri Vipin Chaturvedi.

v. He knew Shri BechraramDewasi for last 25 years as they both were working in Prakash Steelage Limited; that M/s Dev Steel and Alloys is a trader of SS Sheets, SS Coils, SS Plates and SS Pipes and hence, he started business dealing with M/s Dev Steel and Alloys.

vi. On being asked he replied that, he did not know that the goods purchased from M/s Dev Steel and alloys were from three proprietors who had imported goods under Advance License scheme or otherwise. He stated that he knew about the imported goods and that the goods purchased by him from M/s Dev Steel and Alloys were imported goods. He further said that he had also imported SS Coils and SS Sheets with payment of Customs Duty; that he is also engaged in trading of these goods which are procured locally.

vii. That he had purchased these goods as per market rate or slightly below the market rate; that the transportation was arranged by M/s Dev Steel and alloys and that he received these goods i.e. SS Seamless pipes in trucks not in containers.

viii. He also accepted that for some of the goods i.e. SS Seamless Pipes, purchased from M/s Dev Steel and alloys, M/s Dev Steel and alloys has not prepared invoices related to these goods and that partial payment was still due.

ix. That he did not have any transactions with M/s Satya Steel and Prudent Stainless Pvt. Ltd and does not know any concerned person in these business entities.

**5.3** During the course of investigation, **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** (GSTIN-27AAACF9624N1Z6) having address at Mezanine Floor, Office No. 105-A, Kushal Bhavan, 65, Maruti Mandir Marg, 5th Kumbharwada Lane, Mumbai, Maharashtra, 400004 was summoned and statement of Shri Darshak Mayur Shah was again recorded on 13.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. He has business transactions/relations with Vrunda International only out of the various proprietorship concerns and further said that Shri Vipin Chaturvedi was the person through whom they had established business relation with M/s Vrunda International.

ii. That Steelage Overseas Private Limited had received imported goods i.e. imported SS Seamless pipes from Vrunda International through Shri Vipin Chaturvedi and he had no idea that Vrunda International had sold SS Seamless pipes imported under advance authorisation scheme to Steelage Overseas Private Limited; that sometime later, after discussion with Shri Vipin Chaturvedi, it was known that on a few occassions, Shri Vipin had supplied SS Seamless pipes imported under advance authorisation scheme to their company.

iii. That goods purchased from Vrunda international were sold to different buyers in the domestic market; that therefore stock of goods purchased from Vrunda international was not available at any of their premises.

iv. That M/s Steelage Overseas Private Limited had never done any direct transaction with Vrunda International nor does he know the Proprietor of Vrunda International.

v. That, Shri Vipin had provided GST invoices, both dated 01.09.2023, i.r.o. goods purchased from Vrunda International.

vi. He submitted documents in respect of purchase of imported SS Seamless pipes vide Invoice No. VR/012/23-24 and VR/013/23-24, both dated 01.09.2023 they had purchased 14,084 KGs and 14,664 KGs respectively. Further E-way bills and E-invoices had also been generated for these purchases and Payments were made through RTGS/NEFT only and the same was reflected in their bank account statements as well as in ledgers submitted earlier.

vii. That M/s Steelage Overseas Private Limited is not the financer or beneficiary of imports done by Vrunda International. On a few occasions they had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda International; that, he was not aware as to whether any imported goods under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through Vrunda International to M/s Steelage Overseas Private Limited or not.

viii. On being further asked, he stated that from ledgers submitted earlier, it is reflected that they had continuous purchase of SS Welded pipes, Steel Coils, Steel Sheets etc. along with two instances of purchase of SS Seamless pipes during FY 2023-24, from Vrunda International through GST invoices and payments were also made in Bank Accounts of Vrunda International.

**5.4** During the course of investigation, **Shri HajaramPiraram Purohit, Authorized person and manager in M/s Ramdev Trading and Marketing** (Current firm name is M/s Alliance Stainless) having address at Girgaon 1st floor, 109, Plot No.1/764/765, Omkar CHS Khetwadi3rd Lane, Girgaon, Mumbai-400004 was summoned and statement of Shri HajaramPiraram Purohit was recorded on 13.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. He stated that he did not know Shri Vipin Chaturvedi and that M/s. Ramdev Trading and Marketing had never carried out any transaction with Shri Vipin Chaturvedi; that M/s. Ramdev Trading and Marketing had never availed any type of service of Shri Vipin Chaturvedi.

ii. That, he does not know the four Proprietorship concerns namely M/s Vivanta International (IEC-AHTPA1064A), Vikranta Impex (IEC-AACPJ4996Q), M/s Ascent International (IEC-ABWPH4340R) and M/s Vrunda International (IEC-BSCPM6046B) and that M/s. Ramdev Trading and Marketing had no business relations or any transaction with the above mentioned four proprietary firms.

iii. He knew Shri BechraramDewasi since the last 2-3 years as partner in M/s. Dev Steel and Alloys and that M/s. Ramdev Trading and Marketing had business relations related to trading with Shri BechraramDewasi as they both were in similar line of business.

iv. He knew about the advance license scheme of Government of India and that M/s. Ramdev Trading and Marketing had purchased goods i.e SS Sheet, SS Coils, SS Plates and SS Pipes from M/s Dev Steel and Alloys but did not know that the goods purchased from M/s Dev Steel and Alloys were related to imports made under Advance License scheme; that he knew that the goods purchased by M/s. Ramdev Trading and Marketing from M/s Dev Steel and alloys were imported goods; that M/s. Ramdev Trading and Marketing is also engaged in the trading of goods, which are procured locally.

v. That, M/s. Ramdev Trading and Marketing has purchased these goods as per prevailing market rate or slightly below the market rate; that transportation was arranged by M/s Dev Steel and alloys and the purchased goods i.e. SS Seamless pipes were received in trucks/lorry.

vi. He accepted that partial payment for the imported goods sold to M/s Ramdev Trading and Marketing by M/s Dev Steel and Alloys is due. Further, he stated that M/s. Ramdev Trading and Marketing (Now Alliance Stainless) used to give loan to M/s. Dev Steel and Alloys @ 15% pa.

vii. That he does not have exact details and that M/s Dev Steel and alloys had already submitted the details i.r.o. sale of goods to M/s. Ramdev Trading and Marketing as communicated by them; that M/s. Ramdev Trading and Marketing has mainly purchased imported SS Seamless Pipes from M/s Dev Steel and alloys during FY 2023-24.

viii. That, M/s. Ramdev Trading and Marketing does not have any transaction with M/s Satya Steel and Prudent Stainless Pvt. Ltd and M/s. Ramdev Trading and Marketing is not having any business dealing them. Even he personally did not know any concerned person from these entities.

**5.5** During the course of investigation, Shri HajaramPiraram Purohit, Authorized person and manager in M/s Ramdev Impex LLP **h**aving address at Girgaon 1st floor, 109, Plot No.1/764/765, Omkar CHS Khetwadi,3rd Lane, Girgaon, Mumbai-400004 was summoned and statement of Shri Hajaram Piraram Purohit dated 13.06.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. That, he does not know the four Proprietorship concerns namely M/s Vivanta International (IEC-AHTPA1064A), Vikranta Impex (IEC-AACPJ4996Q), M/s Ascent International (IEC-ABWPH4340R) and M/s Vrunda International (IEC-BSCPM6046B) and that M/s. Ramdev Trading and that M/s. Ramdev Impex LLP had no business relations or any transaction with the above mentioned Four Proprietary firms.

ii. As stated earlier, he did not know Shri Vipin Chaturvedi and that M/s. Ramdev Impex LLP had never carried out any transaction with Shri Vipin Chaturvedi.

iii. That he knew Shri BechraramDewasi, who is in similar line of business; that M/s. Ramdev Impex LLP started business dealing with M/s Dev Steel and Alloys which is also engaged in the trading of such goods.

iv. M/s. Ramdev Impex LLP had purchased these goods at market rate or slightly below the market rate; that transportation was arranged by M/s Dev Steel and Alloys and that the purchased goods were i.e. SS Seamless pipes were received in trucks/ lorry.

v. He accepted that for some of the goods i.e. SS Seamless Pipes, purchased from M/s Dev Steel and Alloys, invoices had not been prepared related to these goods and partial payment is still due.

vi. That, he doesn't have exact details, but that M/s Dev Steel and alloys had already submitted the details i.r.o. sale of goods to M/s. Ramdev Impex LLP and that M/s. Ramdev Impex LLP had mainly purchased imported SS Seamless Pipes from M/s Dev Steel and alloys during FY 2023-24.

vii. That, M/s. Ramdev Impex LLP did not have any transactions with M/s Satya Steel and Prudent Stainless Pvt. Ltd and M/s. Ramdev Impex LLP is not having any business dealing with them; that he personally did not know any concerned person from these business entities.

**5.6** Since the analysis of Call Data Records (CDR) linked to key individuals involved, was pending, a request was made to the Pr. Commissioner of Customs, Nhava Sheva-V (Appraising Group), Jawaharlal Nehru Customs House, Nhava Sheva, Tal: Uran, Dist.-Raigad, Maharashtra-400707 for grant of time to issue show cause and the Pr. Commissioner of Customs, Nhava Sheva-V (Appraising Group), Jawaharlal Nehru Customs House vide letter F.No.CUS/APR/SCN/847/2024-Gr.IV/NS-III/JNCH dated 03.07.2024 accorded extension of time period for issuance of SCN by further period of six months i.e.up to 07.01.2025 in terms of Section 110(2) read with Section 124 of Customs Act, 1962.

**6. Statement of Shri Vipin Chaturvedi after enquiry with the buyers of the Goods imported under advance Authorization license.**

**6.1** Further statement of Shri Vipin Kanhaiyalal Chaturvedi dated 25.06.2024 was recorded under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. M/s Dev Steel and Alloys and Steelage Overseas Private Limited are traders and they deal in various goods such as SS Sheets, SS coils, SS Plates and SS pipes; that as per their requirement both the buyers had contacted him for purchase of goods. He also admitted that he had arranged the transportation for these goods to the destined location and that as per his instruction the goods used to be delivered at particular locations.

ii. That, he had sold the goods imported by the four proprietors under advance license to M/s Dev Steel and Alloys at price slightly lower than the market rate, but it was not much below the market rate; that he had sold goods to M/s Steelage Overseas Pvt Ltd. at the prevailing market rate; that since he has experience in this field and he used to look after the day to day activities of all these firms, based on his experience and analytical abilities, he had decided the rate at which the goods were to be sold in the market.

iii. The goods imported under advance license i.e. SS seamless pipes were sold to the buyers in loose form in trucks/lorries and that they had received payment in advance on some occasions and that sometimes it was received after delivery of goods; that some payment is still pending with M/s Dev Steel and alloys in respect of imported goods.

iv. He also gave the details of Shri Anand Menon i.e proprietor of M/s Vrunda International; that he knew Shri Anand Menon since last 8 years and came in his contact through their friend at Silvassa; that Shri Anand Menon is presently working in some software company; that M/s Vrunda International was started in the year 2020. He further stated that he knew the Proprietor of M/s. Vikranta Impex, since 4-5 years, when he used to go to ICD Tumb and that Shri Mahesh Joshi is working in a CHA company i.e. M/s Ajay Logistics and that he also permanently resides in Mumbai. He further stated that Shri Atul Shashikant Herekar is the Proprietor of M/s Ascent International and Shri Nitin Ranganath Anchan is the Proprietor of M/s. Vivanta International and that they both also reside permanently in Mumbai and that he knows both of them since the last ten years; that he came in contact with these two persons through M/s R S Impex (OPC) Pvt. Ltd. where they were employed and that M/s R S Impex(OPC) Pvt. Ltd. is a company mainly engaged in the procurement and closure of DGFT licence and other works related to DGFT; that Shri Sunil Rao is the director of M/s R S Impex (OPC) Pvt. Ltd. and he came in his contact with regard to DGFT license related works of Prakash Steelage.

v. That as stated earlier, Mukesh Soni was the accountant who has prepared all the financial documents related to these four proprietors. He further stated that he and sometimes Mukesh Soni, the accountant coordinated bank transactions, GST, DGFT and other government departments' compliances as per his directions. Further, usually the SIMs and email IDs pertaining to these 4 entities were operated by him.

vi. He further admitted that he conveyed to the partner of M/s Dev Steel and Alloys that advance payment had to be done in the account of the three Proprietors and that he would arrange goods at the rate below market rate and M/s Dev Steel and Alloys became ready and hence the imported goods under advance license i.e. SS seamless Pipes Grade -304 were supplied to him; that M/s Dev Steel and alloys had made advance payment on various occasions but still some payment was due to them.

vii. That he had not prepared any GST invoice for the supply of goods i.e. SS seamless Pipes Grade -304 to M/s Dev Steel and Alloys as it was not demanded by them and that he had prepared GST invoice for the supply of goods to M/s Steelage Overseas Private Limited as the same was demanded by M/s Steelage Overseas Private Limited.

viii. That M/s Dev Steel and alloys had paid the amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr respectively in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively towards the imported goods i.e SS seamless Pipes Grade -304 as per mutual agreed terms at the decided rate; that an amount of approx. Rs.75 Lakhs was due and had yet not been paid by them; that the amount had been paid in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.

ix. That he had not made full payment to different overseas suppliers and the Payment i.r.o. Zhejiang Bangnuo Steel Pipe Co. for one container of Vrunda International and Wenzhou Yimo Trading Co. Ltd. for two containers of Vivanta International is still pending.

**7.** During the course of investigation, a letter dated 21.05.2024 was received by DRI, Vapi regarding the valuation and ownership of goods detained on 08.01.2024 at the premises of M/s Satya Steel, Plot No.1840, Kalamboli Street Market, Kalamboli, New Mumbai. The said letter was endorsed by the Proprietor of M/s Satya Steel as well as the four Proprietors namely Vikranta Impex, Vivanta International, Vrunda International and Ascent International. As a result, the statement of all the four proprietors as well as the Proprietor of M/s Satya Steel and Shri Vipin Chaturvedi was recorded.

**7.1** The final statement of **Shri Atul Shashikant Herekar, Proprietor of M/s. ASCENT INTERNATIONAL** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. He further perused the letter dated 21.05.2024 issued by Satya Steel and endorsed the said document and stated that he had not gone through the contents of the letter dated 21.05.2024 issued by Satya Steel at the time of signing the said letter in proper manner.

ii. He further admitted that he was under panic situation, as he had received notices from Income Tax department regarding major transactions in Ascent International and was worried; that he contacted Shri Vipin Chaturvedi to enquire about the status of the case; that Shri Vipin Chaturvedi gave him the said letter dated 21.05.2024 issued by Satya Steel to sign on it and said that the letter would help them to get out of this mess, hence, he was not in the condition to understand about the content and in good faith he signed the said letter.

iii. He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing some goods detained at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, by DRI and that the said letter also had his endorsement in respect of valuation of goods.

iv. He admitted that he does not have any idea about goods imported by Ascent International and that Shri Vipin Chaturvedi controlled and handled all the activities of

Ascent International, therefore Shri Vipin Chaturvedi may know whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.

v. He further admitted that due to circumstances and panic situation created due to continuous email from Income Tax Department and the present investigation had puzzled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding it properly to close the case and accepted that, this is an act of negligence which has facilitated the evasion of Duty

**7.2** The final Statement of **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

1. He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner.
2. He stated that he panicked on account of the ongoing investigation and contacted Shri Vipin Chaturvedi and asked about the status of the case. He stated that the case is being handled and would be sorted out and gave the letter dated 21.05.2024 to sign on it; that Shri Vipin Chaturvedi further convinced him saying that the said letter would help them get out of this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.
3. He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.
4. He admitted that he did not have any idea about goods imported by M/s. Vivanta International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vivanta International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to Kalamboli Godown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.
5. He further admitted that due to circumstances and present investigation had baffled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding its contents, in the hope that it would help close the ongoing investigation. He accepted that this is an act of negligence which has facilitated the evasion of Duty in the past.

**7.3** The final Statement of **Shri Anand Menon, Proprietor of M/s. Vrunda International** was recorded on 29.07.2024 under Section 108 of the Customs Act, 1962 wherein he interalia stated that-

i. He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner issued by Satya Steel. He stated that he was panicking due to the ongoing investigation by DRI and had contacted Shri Vipin Chaturvedi and that Shri Vipin Chaturvedi had convinced him that the said letter will help to end this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.

ii. He perused the contents of the said letter and endorsed it by understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.

iii. He admitted that he does not have any idea about goods imported by M/s. Vrunda International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vrunda International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.

iv. He admitted that due to the current circumstances, he was under stress and in a state of panic. In this situation, based on the advice of Shri Vipin Chaturvedi, and in order to resolve the matter, he signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending its contents at that point of time. Further, he was in a state of hurry as at that time and he came out of the office during working hours. He further admitted that, this is an act of negligence which has facilitated the evasion of Duty.

**7.4** The final statement of **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex**, was recorded on 31.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:

i. He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner. He stated that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign on the letter. He had put his signature on the above-mentioned letter dated 21.05.2024 on the advice of Shri Vipin Chaturvedi in good faith.

ii. He stated that after perusing the contents of the said letter, he stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.

iii. He further admitted that, he had no idea about the goods imported by M/s Vikranta Impex. As stated by earlier, Shri Vipin Chaturvedi controlled and handled all the activities of M/s Vikranta Impex. Therefore, he would be able to answer whether the imported goods were transported to the KalamboliGodown at Plot No. 1840, Kalamboli Steel Market, Kalamboli, New Mumbai 410218 or not.

iv. He admitted that due to his negligence, he acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and that he had signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending the contents at that point of time. Further, he admitted that, this is an act of negligence which had facilitated the evasion of Duty.

**7.5** The final statement of **Shri Satya Pal, Proprietor of M/s. Satya Steel (GSTIN-27BCNPP1592C1ZF)**, was recorded on 02.08.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that-

i. He had perused the letter dated 21.05.2024 issued by Satya Steel and had signed the said letter and that he had gone through the contents of letter dated 21.05.2024 issued by his proprietorship concern i.e. Satya Steel at the time of signing the said letter in proper manner. He admitted that that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign the said letter.

ii. That he had perused the contents of the said letter and stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No. 1840,

Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.

iii. He stated that he had visited the registered premises of Satya Steel at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, two-three time; that the first time he went to that premise in the month of August, 2023 on the instruction of Shri Vipin Chaturvedi for checking the delivery of stainless-steel pipe; that he used to check the thickness of pipes which were delivered at that premise; that the second time he went to that premise in the month of December, 2023 again on the instruction of Shri Vipin Chaturvedi for delivering some documents related to import to the registered premise of Satya Steel; that the third time he went to that premise on 03.07.2024 for weighment iro Stainless Steel Pipe on the request of DRI officers.

iv. He admitted that when he went to that premises for first time and second time, he was not aware that the said premises belong to Satya Steel and Satya Steel was registered in his name as Proprietorship concern. He further stated that when Shri Vipin Chaturvedi asked him to go to Kalamboli, he had thought that it was work related to Prudent Stainless Private Limited but in the first week of January, 2024 Shri Vipin Chaturvedi had asked him to sign an authorization letter and that it was then that he came to know that Shri Vipin Chaturvedi created a proprietorship concern in the name of Satya Steel.

v. He stated that he had heard the name of Shri BechraramDewasiwho was employed at Prakash Steelage Ltd; that he had not heard about M/s. Dev Steel & Alloy.

vi. He admitted his negligence and stated that he had acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and without comprehending the contents at that point of time. He accepted that this is an act of negligence which had facilitated the evasion of Duty.

vii. He perused Seizure Memo dated 03.07.2024 and endorsed the said seizure memo and stated that he was present at the registered premise of M/s. Satya Steel i.e. Plot No. 1840, Kalamboli Steel Market Road, Road No. 24, Kalamboli, Navi Mumbai-410218, when DRI officers did the weighment of detained goods under the Panchnama dated 03.07.2024.

viii. He admitted that he had not shared any details through email dated 21.05.2024 and that Shri Vipin Chaturvedi would have sent the email. Further, he agreed that he was present at the time of weightment of the detained goods of marking A,B,X,C,D,G,Y,H,I,J,K,L as per the panchnama dated 08.01.2024 and the same matched with the imported goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/- but all these details were shared by Shri Vipin Chaturvedi and that only he could tell more specifically about the ownership of goods.

ix. He admitted that he is the proprietor of M/s. Satya Steel only for name; that he had done whatever was directed by Shri Vipin Chaturvedi and Shri Vipin Chaturvedi could tell about the owner of detained goods of marking E, F, M, P, Q.

**7.6** During the course of investigation, the final statement of **Shri Vipin Kanhaiyalal Chaturvedi** was recorded on 29.11.2024 under Section 108 of the Customs Act, 1962 wherein he interalia stated that-

i. The letter dated 21.05.2024 and the related documents were prepared by him as he was the consultant of these entities and all the details and documents were available with

him; that therefore, he had prepared the documents and letter dated 21.05.2024 and got it signed from all the Proprietors as well as from the proprietor of M/s Satya Steel.

ii. He reiterated that all the Proprietors needed money and hence he had advised them to initiate Proprietorship Firm in their name and suggested them the business of trading of steel items and import of other steel items and acted only as consultant in their Proprietorship firm. He further stated that all the Proprietors were having knowledge about whatever had been done by him.

iii. On being asked that the statement of the Proprietors suggest that he has not just acted as consultant but has taken each and every decision of the Proprietorship firm. That he had collected KYC documents, taken premises on rent, taken GST registration, opened Bank accounts, registered for Import Export Code, procured advance authorization license from DGFT, brought business by dealing with importers, imported goods under advance authorization license, planned the diversion of goods imported under Advance Authorization, caused the goods to be diverted from the port in the local market and sold the goods. All these acts suggest that at each and every point he was the decision-maker and the whole plan was hatched by him. In response to the question he replied that he had done each and every activity in the said firm but he had communicated each and every step to all the Proprietors.

iv. On being further asked that the proprietors had no knowledge as to whom the imported goods were sold or who was their CHA or transporters and what their firm's mobile no. and e-mail Id was. In response the question he replied that as stated earlier he had acted as their consultant only.

v. He further stated that apart from these four proprietorship firms, he was the consultant of M/s Prudent Stainless Pvt. Ltd. and M/s Satya Steel and was working from the office of M/s Aarav Consultancy, in which his wife Smt. Rachna Vipin Chaturvedi is the proprietor and whose office was located at 10th Floor, Office No. A-1013, Sonorous-A, Silvassa Road, Vapi, Valsad, Gujarat, 396191.

vi. He further admitted that he had checked and shared the details of goods detained vide Panchnama dated 08.01.2024, through email dated 21.05.2024 sent by Satya Steel. Further, he agreed that the detained goods with marking A,B,X,C,D,G,Y,H,I,J,K,L were matched with goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/-as per the Bills of Entry and agreed with the valuation of goods by empanelled Chartered Engineer according to which the value of goods marked E,F,M,P,Q as per detention under panchnama dated 08.01.2024 was arrived to be Rs.29,00,768/-.

vii. He also agreed with the valuation done by Shri G. Venkatpathy M., Govt empanelled CE. He also stated that he had not received the payment of Rs.75 lakhs from Shri BecharamDewasi.

## 8. FINANCIAL INVESTIGATIONS:

**8.1** From the evidences collected from the various persons involved in transportation, buyers and other persons, it was evident that duty-free goods imported under Advance Authorization Scheme by these Four proprietors during the period April 2023 to Dec. 2023 had been diverted/sold in open market leading to evasion of applicable Customs duties. During the course of investigation, this office sought the financial transaction details from banks in the form of account statements and other documents. Details of correspondence done is as under:

**Table:4 Details of Communication with Banks**

| Sr. No. | Name of the Bank | Letter through which Details Sought from the banks | Concerned Firm |
|---|---|---|---|
| 1) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Ascent International and Vivanta International |
| 2) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Vikranta Impex |
| 3) | ICICI Bank | DRI/FatulAZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Vikranta Impex |
| 4) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Vrunda International |
| 5) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Dev Steel and alloys |

**8.2** Further, Shri Vipin Chaturvedi in his statement dated 15.04.2024 provided the documents in respect of the 4 Proprietors on whose name the import was done under the Advance License Scheme. From the bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys, it came to notice that huge amount was transferred in the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and alloys. Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr were credited in the accounts of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively by M/s Dev Steel and alloys. This amount was paid to in respect of goods imported under advance license and sold to M/s Dev Steel and Alloys.

**8.3** It is forthcoming that goods imported duty-free i.e. SS Seamless pipes Grade 304 by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex were sold to M/s Dev Steel and Alloys without GST invoices. This fact is corroborated by the statements of Shri Vipin Chaturvedi and Shri BechraramDewasi, Partner of M/s Dev Steel and Alloys. Further from the documents i.r.o. Vrunda International and Steelage Overseas Private Limited, it appeared that imported duty-free SS Seamless pipes Grade 304 imported by Vrunda International were sold to Steelage Overseas Private Limited through GST invoices and rest of the goods of Vrunda International were seized at the premises of Satya Steel. Further, from the scrutiny of bank statements and ledgers, following chart is prepared, which presents a clear picture that M/s Dev Steel and Alloys played a substantial role in the diversion of duty-free imported goods and M/s Dev Steel and Alloys has purchased most of the goods imported under advance authorization licence by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.

**Table 5: Financial Analysis of the concerned 4 proprietorship firms**

| Sr. No. | BE. NO. | BE. DATE | IM-PORTER | SUP-PLIER | ITEM SERIAL NUM-BER | Assess-able Value as per Bill | Comments |
|---|---|---|---|---|---|---|---|

| | | | | | | **of Entry** | |
|---|---|---|---|---|---|---|---|
| 1 | 6714117 | 04-07-2023 | Ascent International | Zhejiang Xintongda Special Steel Ma | 1 | 4704353 | (1) Rs. 62,25,000/- lakhs received on 27.06.23 from M/s. *Dev steel and Alloys*<br><br>(2) Payment of Rs.62,26,917/- made on 28.06.2023 to overseas supplier. |
| 2 | 6714117 | 04-07-2023 | Ascent International | Zhejiang Xintongda Special Steel Ma | 2 | 773282 | |
| 3 | 6714117 | 04-07-2023 | Ascent International | Zhejiang Xintongda Special Steel Ma | 3 | 800200 | |
| 4 | 6728913 | 05-07-2023 | Ascent International | Zhejiang Xintongda Special Steel Ma | 1 | 6133924 | (1) Rs. 48,00,000/- received from M/s. *Dev Steel and Alloys* on 07.07.2023<br><br>(2) payment of Rs.42,88,098/- only made on 07.07.2023 to overseas Supplier |
| 5 | 6768906 | 07-07-2023 | Ascent International | Wenzhou Yimo Trading Co., Ltd. | 1 | 5683361 | (1) Rs.56,50,000/- received from CHANCHAL METAL on 30.06.2023<br><br>(2) Payment of Rs. 56,27,053/- made to overseas supplier on 01.07.2023<br><br>(3) later (17.08.23 to 23.08.23) amount (Rs.56,50,000/-) was paid back to Chanchal Metal (ap- |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | peared to have been a Loan) |
| 6 | 7395720 | 17-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5713437 | (1) Rs. 57,00,000/-received on 17.08.2023 from M/s. *Dev Steel and Alloys* and payment of Rs.56,97,595/-made to overseas supplier. |
| 7 | 7492486 | 23-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5736721 | (1) Rs. 57,00,000/- received from M/s. *Dev Steel and Alloys* on 28.08.2023, *(*2)payment of Rs.56,62,854/-made to overseas supplier on 29.08.2023 |
| 8 | 7876353 | 16-09-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5796609 | (1) Rs. 58,50,000/- receive from M/s. *Dev Steel and Alloys* on 09.11.2023, and payment of Rs.57,68,270/-made to overseas supplier (Wenzhou) on 10.11.2023 |
| 9 | 6855131 | 13-07-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 5623284 | (1) Rs. 57,00,000/-received on 14.07.2023 from M/s. *Dev Steel and Alloys*<br>(2) payment of Rs.55,69,475/-made to overseas supplier (Wenzhou) on 15.07.2023 |
| 10 | 696448 | 20- | Vivanta In- | Zhejiang | 1 | 5993284 | (1) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 9 | 07-2023 | ternational | Xintongda Special Steel Ma | | | Rs.60,00,000/- received from M/s. *Dev Steel and Alloys* on 24.07.2023, (2) Rs. 59,23,571/- made to overseas supplier (Zhejiang) on 24.07.2023. |
| 11 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 1 | 606924 | (1) Rs.6,00,000/- received from Ascent International on 04.07.2023, and Rs.6,00,000/- lakhs given to yimo (overseas supplier) on 05.07.2023.<br><br>(2) Rs. 38,00,000/- lakhs received from VIPRA IMPEX on 29.07.2023, more than Rs.13,00,000/- received from others on 31.07.2023<br><br>(3) Rs.51,41,818/- lakhs given to overseas supplier (Yimo) on 31.07.2023. |
| 12 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 2 | 5129538 | |
| 13 | 8292620 | 13-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 6058548 | No payment made to overseas Supplier for this consignment yet |
| 14 | 8345621 | 17-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., | 1 | 6033629 | No payment made to overseas Supplier |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Ltd. | | | for this consignment yet |
| 15 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 1 | 6273602 | Payment of Rs.99,50,514/- made to overseas supplier for this consignment on 18.07.2023. Payment of Rs.1,00,00,000/- made by Steelage Overseas Private Limited to Vrunda International on 17.07.2023 |
| 16 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 2 | 2800262 | |
| 17 | 8795482 | 16-11-2023 | Vrunda International | Zhejiang Bangnuo Steel Pipe Co., Lt | 1 | 7414566 | Payment not made to overseas supplier for this consignment yet |

The above table described the import transactions across various entities, highlighting precise financial flows from M/s. Dev Steel & Alloys and M/s. Steelage Overseas Private Limited to these four proprietorship concerns which were used for overseas payment. **Ascent International** made payment of Rs. 62,26,917/- and Rs. 42,88,098/- to overseas suppliers viz. Zhejiang Xintongda and Wenzhou Yimo, respectively. M/s. Dev Steel and Alloys made payment of Rs. 62,25,000/- and Rs. 48,00,000/- for payment to overseas suppliers. Similarly, **Vikranta Impex** handled Rs. 57,00,000/- (17-08-2023) and Rs. 57,36,721/- (23-08-2023), funded by M/s. Dev Steel and Alloys, making near-matching payments to Wenzhou Yimo. **Vivanta International** processed substantial amounts, including Rs. 60,00,000/- from M/s. Dev Steel and Alloys, for payment of Rs. 59,23,571/- to Zhejiang. Outstanding payments. Lastly, **Vrunda International** managed Rs. 1,00,00,000/- received from Steelage Overseas for making payment of Rs. 99,50,514/- to Wenzhou Sparkling, while Rs. 74,14,566/- for a Zhejiang consignment remains unpaid. Overall, the data reflects synchronized receipts from M/s. Dev Steel & Alloy and M/s. Steelage Overseas Private Limited and payments to overseas suppliers with some pending liabilities.

**8.4** Further, on scrutiny of Bank Statement of Shri Vipin Kanhaiyalal Chaturvedi and his proprietorship concern i.e. Vipra Impex, it was observed that Shri Vipin Chaturvedi received a huge amount from bank accounts of these proprietorship concerns i.e. Ascent International, Vivanta International, Vikranta Impex and Vrunda International. A summary of amount received by Shri Vipin Chaturvedi is as under:

**Table 6: <u>Amount Received by Shri Vipin Chaturvedi from the concerned 4 proprietorship firms</u>**

| Sr. No. | COD_ACCT_NO | ACCOUNT_TITLE | DAT_POST | TXT_TXN_DESC | COD_DRCR | AMT_TXN_INR |
|---|---|---|---|---|---|---|
| 1 | *74105023548 0 | VIPIN CHATURVEDI | 10-Mar-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-31438082471DC | C | 240000 |
| 2 | *74105023548 0 | VIPIN CHATURVEDI | 13-Apr-23 | IMPS-310310667546-ASCENT INTERNATIONAL-ICIC-xxxxxxxx0633-vkc | C | 75000 |
| 3 | *74105023548 0 | VIPIN CHATURVEDI | 03-May-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-32061704371DC | C | 110000 |
| 4 | *74105023548 0 | VIPIN CHATURVEDI | 11-May-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-32170965901DC | C | 15000 |
| 5 | *74105023548 0 | VIPIN CHATURVEDI | 13-May-23 | RTGS Cr-ICIC0000011-ASCENT INTERNATIONAL-Vipin K Chaturvedi-ICICR42023051300505070 | C | 300000 |
| 6 | *50200027604746 | VIPRA IMPEX | 20-May-23 | 50200047585206-TPT-vipra-VRUNDA INTERNATIONAL | C | 50000 |
| 7 | *50200027604746 | VIPRA IMPEX | 22-May-23 | 50200047585206-TPT-vipra-VRUNDA INTERNATIONAL | C | 202422 |
| 8 | *74105023548 0 | VIPIN CHATURVEDI | 03-Jun-23 | IMPS-315414506654-ASCENT INTERNATIONAL-ICIC-xxxxxxxx0633-Vipin | C | 120000 |
| 9 | *74105023548 0 | VIPIN CHATURVE | 18-Jun-23 | IMPS-316911640109- | C | 200000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | DI | | ASCENT INTER-NATIONAL-ICIC-xxxxxxxx0633-Vipin | | |
| 10 | *74105023548 0 | VIPIN CHATURVEDI | 26-Jun-23 | RTGS Cr-ICIC0000011-ASCENT INTER-NATIONAL-Vipin K Chaturvedi-ICICR42023062600535298 | C | 500000 |
| 11 | *74105023548 0 | VIPIN CHATURVEDI | 08-Jul-23 | NEFT Cr-ICIC0SF0002-ASCENT INTER-NATIONAL-Vipin K Chaturvedi-32850148531DC | C | 400000 |
| 12 | *74105023548 0 | VIPIN CHATURVEDI | 14-Jul-23 | NEFT Cr-ICIC0SF0002-ASCENT INTER-NATIONAL-Vipin K Chaturvedi-32921082101DC | C | 250000 |
| 13 | *50200027604746 | VIPRA IMPEX | 19-Aug-23 | 50200047585206-TPT-vipra-VRUNDA INTERNATIONAL | C | 800000 |
| 14 | *50200027604746 | VIPRA IMPEX | 08-Sep-23 | 50200047585206-TPT-vipra-VRUNDA INTERNATIONAL | C | 200000 |
| 15 | *74105023548 0 | VIPIN CHATURVEDI | 20-Sep-23 | NEFT Cr-ICIC0SF0002-ASCENT INTER-NATIONAL-Vipin K Chaturvedi-33725676441DC | C | 100000 |
| 16 | *74105023548 0 | VIPIN CHATURVEDI | 04-Nov-23 | FT - Cr - 50200083445047 - VIKRANTA IMPEX | C | 225000 |
| 17 | *74105023548 0 | VIPIN CHATURVEDI | 21-Nov-23 | NEFT Cr-ICIC0SF0002-ASCENT INTER-NATIONAL-Vipin K Chaturvedi-34445340541DC | C | 150000 |
| 18 | *74105023548 0 | VIPIN CHATURVEDI | 21-Nov-23 | FT - Cr - 50200083445047 - VIKRANTA | C | 100000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | IMPEX | | |
| 19 | *50200027604746 | VIPRA IMPEX | 05-Dec-23 | 50200047585206-TPT-Vipra-VRUNDA IN-TERNATIONAL | C | 100000 |
| 20 | *50200027604746 | VIPRA IMPEX | 13-Dec-23 | 50200047585206-TPT-Vipra-VRUNDA IN-TERNATIONAL | C | 2000000 |
| 21 | *50200027604746 | VIPRA IMPEX | 01-Feb-24 | 50200047585206-TPT-Viprs-VRUNDA IN-TERNATIONAL | C | 2650000 |
| | **Total** | | | | | **8787422** |

The table shows Shri Vipin Kumar Chaturvedi, proprietor of Vipra Impex, receiving substantial amounts which reflect his gain in the said offense of diversion. His account reflects significant credits from Ascent International, including Rs. 5,00,000/- (26-Jun-23) and Rs. 4,00,000/- (08-Jul-23). Vipra Impex also received large sums through transfers, such as Rs. 20,00,000/- (on 13-Dec-23) and Rs. 26,50,000/- (on 01-Feb-24). The total credited amount of Rs. 87,87,422/- suggests considerable and potential gain by Shri Vipin Chaturvedi.

**8.5** The documentary evidences, the oral evidences and the Financial investigation revealed that Shri Vipin Chaturvedi orchestrated the import of Stainless Steel seamless Pipes under Advance authorization license and kept control over the activities of these entities and was financially benefited from duty-free imports facilitated through multiple entities, including Ascent International, Vivanta International, Vikranta Impex, and Vrunda International, under the Advance Authorization Scheme. By using these firms as facade, Shri Vipin Chaturvedi managed the end-to-end import operations, including acquiring GST and IEC registrations, engaging customs house agents, and directing transportation of imported goods at the destination of his choice. The imported goods, specifically stainless-steel seamless pipes, intended for export processing, were instead diverted to the domestic market, violating the scheme regulations. Shri Vipin Chaturvedi leveraged his control over the firms, their financial accounts, and documentation to generate substantial financial gains while evading customs duties amounting to crores of rupees. The above transactions reflected his financial gains during the import carried out by Shri Vipin Chaturvedi through the Four Proprietorship concerns operated by him. Further, various evidences have pointed out that Shri Vipin Chaturvedi has carried out a number of cash transactions in these firms. On analysis of the bank statement of four proprietorship concerns, it has been noticed that substantial cash amount was deposited and withdrawn at various point of time which also substantiates that he was involved in cash transactions and had gained through cash component too.

**8.6** The financial investigation reveals that Dev Steel & Alloys played a key role in financially benefiting Shri Vipin Kumar Chaturvedi through transactions with firms such as Ascent International, Vivanta International, Vikranta Impex, and Vrunda International. Dev Steel & Alloys initially made advance payments to these firms, purportedly for procuring stainless-steel seamless pipes imported duty-free under the Advance Authorization Scheme. However, the company later purchased these goods in cash, bypassing the scheme's intended purpose. Instead of processing the imported goods for export, they were diverted and sold in the local market. This allowed Dev Steel & Alloys to profit from the price difference created by duty-free imports, acquiring the goods at rates significantly lower than market prices. This scheme highlights the

misuse of duty-free imports for local sales and the financial gains accrued by Dev Steel & Alloys in connivance with Shri Vipin Chaturvedi.

## 9. CDR Data Analysis:

### 9.1 Analysis of Mobile numbers associated with proprietorship concerns i.e. Vikranta Impex, Vivanta International, Ascent International, Vrunda International, their proprietors i.e. Shri Mahesh Joshi, Shri Atul Shashikant Herekar, Shri Anand Menon and Shri Nitin Ranganath Anchan and Vipin Kanhaiyalal Chaturvedi:

**9.1.1** During the course of the investigation, it came to light that the following mobile numbers —8087130955 (Vikranta Impex), 9321158755 (Vrunda International), 8128353190 (Vivanta International), and 9054714370 (Ascent International)—were registered with GSTIN, DGFT, and banks under the names of the respective proprietorship firms but were being used by Shri Vipin Chaturvedi alone. This fact was acknowledged by Shri Vipin Chaturvedi and all four proprietors in their respective statements. The details of the registered owners of these mobile numbers, as per the SDR received from telecom agencies, are as follows:

**Table 7: Registered Owners of the Concerned Mobile Numbers**

| Mobile Number | Registered Name |
|---|---|
| 8087130955 (Airtel) | Shri Mahesh Joshi (Proprietor of Vikranta Impex) |
| 9321158755 (Reliance Jio) | Anand Menon<br>(Proprietor of Vrunda International |
| 8128353190<br>(Airtel) | Shri Nitin Ranganath Anchan<br>(Proprietor of Vivanta International) |
| 9054714370<br>(Airtel) | Shri Atul Shashikant Herekar<br>(Proprietor of Ascent International) |

**9.1.2** Upon examining the CDR data of the aforementioned numbers, it was observed that the tower locations of all these four mobile numbers was concentrated near the premises of M/s. Prudent Stainless Steel, where Shri Vipin Chaturvedi primarily used to handle works, as well as near Shri Vipin Chaturvedi's residential premises. This pattern persisted throughout the analysis period from July 2023 to November 2023 and closely matched the primary locations associated with Shri Vipin Chaturvedi's mobile number, 9558312505. This strongly indicates that the numbers were being used by a single individual, namely Shri Vipin Kanhaiyalal Chaturvedi. Furthermore, it is evident that all four mobile numbers were used by the same individual in Vapi, Gujarat, and their locations shifted simultaneously both within and outside Vapi, including to Mumbai, during the same timelines. The table below presents the maximum tower locations for these mobile numbers:

**Table 8: Result of Location Analysis of the Official Mobile Numbers of the 4 Proprietorship firms**

| Sr. No. | Name of firm / person | Mobile no. | Maximum location no.1 | Maximum location no.1 No.2 |
|---|---|---|---|---|
| 1 | Vikranta Impex | 8087130955 | Near Prudent Stainless Steel "20.16398, 72.77948" | Near Vipin's Residence "20.39502, 72.89382" |
| 2 | Vrunda International | 9321158755 | Hutch wer on Plot no. C-1, gidc, Umbergaon-396165 Gujarat (Near Prudent Stainless Steel) | PIYUSHBHAI-9723551777, Fortune Squre mall, Nr, Check Post, Vapi Challa Gujarat (Near Vipin's Residence at Chala Vapi) |
| 3 | Vivanta International | 8128353190 | Near Prudent Stainless Steel "20.16398, 72.77948" | Near Vipin's Sonorous Office "20.37222, 72.91779" |
| 4 | Ascent International | 9054714370 | Near Prudent Stainless Steel "20.16398, 72.77948" | Near Vipin's Sonorous Office "20.37222, 72.91779" |
| 5 | Shri Vipin Chaturvedi | 9558312505 | Near Prudent Stainless steel "20.16398, 72.77948" | Near Vipin's Sonorous Office "20.16773, 72.78058" |

**9.2 Analysis of Personal Mobile numbers associated with proprietors of Vikranta Impex, Vivanta International, Ascent International and Vrunda International in Comparison to mobile numbers used by Shri Vipin Chaturvedi:**

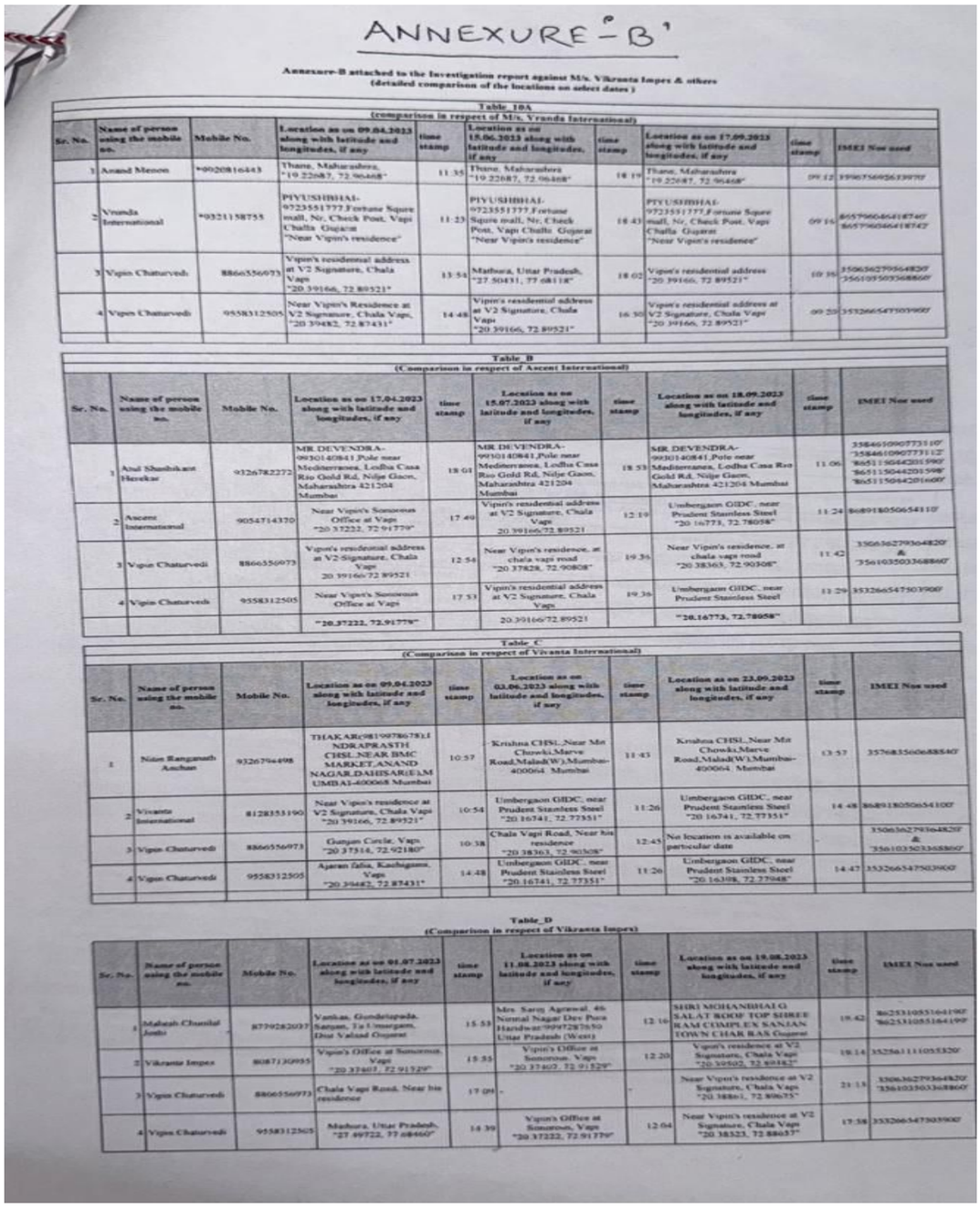
**9.2.1** During the course of the investigation, it was revealed that the following personal mobile numbers—8779282037 (Mahesh Joshi), 9326782272 (Atul Shashikant Herekar), 9326794498 (Nitin Ranganath Anchan), and 9920816443 (Anand Menon)—were used exclusively by the respective individuals for personal purposes. The details of the registered owners of these mobile numbers, as per the SDR data obtained from telecom agencies, are as follows:

**Table 9: Owners of Concerned Mobile Numbers as per Registration Details**

| Mobile Number | Registered Name |
|---|---|
| 8779282037 (Reliance Jio) | Mahesh Chunilal Joshi (Proprietor of M/s. Vikranta Impex) |
| 9326782272 (Reliance Jio) | Atul Shashikant Herekar (Proprietor of M/s. Ascent International) |
| 9326794498 (Reliance Jio) | Nitin Ranganath Anchan (Proprietor of M/s. Vivanta International) |
| 9920816443 (Airtel) | Anand Menon (Proprietor of M/s. Vrunda International) |

**9.2.2** Upon reviewing the CDR data of the above-mentioned numbers, it was observed that the tower locations for the personal mobile numbers of the four proprietors were primarily in Mumbai or areas near their residential and workplace locations. This aligns with the statements of the proprietors, who confirmed that they reside in Mumbai and that their proprietorship concerns were operated by Shri Vipin Chaturvedi and that they took new number for the transaction in their Proprietorship concerns and handed over the same to Shri Vipin Chaturvedi. Additionally, the location data indicates that Shri Mahesh Joshi, proprietor of Vikranta Impex, was mostly present in Umbergaon (where he works) during the day and in Mumbai (where he resides) in the evenings.

Significantly, it was observed that **the locations of the personal mobile numbers used by the four proprietors never coincided, at any point of time, with the locations of the official mobile numbers associated with their respective firms.** Further scrutiny of the CDR data for all the personal numbers of the four proprietors, the mobile numbers associated with their firms, and Shri Vipin Chaturvedi's mobile number reveals that the locations and timestamps of calls made from the firms' official numbers consistently align with Shri Vipin Chaturvedi's movements. At the same time, the four proprietors were located far away, either in Mumbai or Umbergaon. A detailed comparison of the locations on select dates is provided in **Table10A to 10D** attached this Show Cause Notice as **Annexure-B.**



ANNEXURE-B'

**Annexure-B attached to the Investigation report against M/s. Vikranta Impex & others**
**(detailed comparison of the locations on select dates )**

**Table_10A**
**(comparison in respect of M/s. Vrunda International)**

| Sr. No. | Name of person using the mobile no. | Mobile No. | Location as on 09.04.2023 along with latitude and longitudes, if any | time stamp | Location as on 15.06.2023 along with latitude and longitudes, if any | time stamp | Location as on 17.09.2023 along with latitude and longitudes, if any | time stamp | IMEI Noe used |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Anand Menon | +9920816443 | Thane, Maharashtra "19.22687, 72.96468" | 11:35 | Thane, Maharashtra "19.22687, 72.96468" | 18:19 | Thane, Maharashtra "19.22687, 72.96468" | 09:12 | 359675695639705 |
| 2 | Vrunda International | +9321158755 | PIYUSHBHAI-9723551777,Fortune Squre mall, Nr, Check Post, Vapi Chalta Gujarat "Near Vipin's residence" | 11:23 | PIYUSHBHAI-9723551777,Fortune Squre mall, Nr, Check Post, Vapi Chalta Gujarat "Near Vipin's residence" | 18:43 | PIYUSHBHAI-9723551777,Fortune Squre mall, Nr, Check Post, Vapi Chalta Gujarat "Near Vipin's residence" | 09:16 | 865796046418740 865796046418742 |
| 3 | Vipin Chaturvedi | 8866356973 | Vipin's residential address at V2 Signature, Chala Vapi "20.39166, 72.89521" | 13:54 | Mathura, Uttar Pradesh, "27.50431, 77.68118" | 18:02 | Vipin's residential address "20.39166, 72.89521" | 10:39 | 350636270364820 356103503688660 |
| 4 | Vipin Chaturvedi | 9558312505 | Near Vipin's Residence at V2 Signature, Chala Vapi, "20.39482, 72.87431" | 14:48 | Vipin's residential address at V2 Signature, Chala Vapi "20.39166, 72.89521" | 16:30 | Vipin's residential address at V2 Signature, Chala Vapi "20.39166, 72.89521" | 09:29 | 353266547503900 |

**Table_B**
**(Comparison in respect of Ascent International)**

| Sr. No. | Name of person using the mobile no. | Mobile No. | Location as on 17.04.2023 along with latitude and longitudes, if any | time stamp | Location as on 15.07.2023 along with latitude and longitudes, if any | time stamp | Location as on 18.09.2023 along with latitude and longitudes, if any | time stamp | IMEI Noe used |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Atul Shashikant Herekar | 9326782272 | MR.DEVENDRA-9930140841,Pole near Mediterranea, Lodha Casa Rio Gold Rd, Nilje Gaon, Maharashtra 421204 Mumbai | 18:08 | MR.DEVENDRA-9930140841,Pole near Mediterranea, Lodha Casa Rio Gold Rd, Nilje Gaon, Maharashtra 421204 Mumbai | 18:53 | MR.DEVENDRA-9930140841,Pole near Mediterranea, Lodha Casa Rio Gold Rd, Nilje Gaon, Maharashtra 421204 Mumbai | 11:06 | 358461090773110' '358461090773112' '865115044205990' '865115044205998' '865115044201600' |
| 2 | Ascent International | 9054714370 | Near Vipin's Sonorous Office at Vapi "20.37222, 72.91779" | 17:49 | Vipin's residential address at V2 Signature, Chala Vapi 20.39166/72.89521 | 12:19 | Umbergaon GIDC, near Prudent Stainless Steel "20.16773, 72.78058" | 11:24 | 868918050654110' |
| 3 | Vipin Chaturvedi | 8866356973 | Vipin's residential address at V2 Signature, Chala Vapi 20.39166/72.89521 | 12:54 | Near Vipin's residence, at chala vapi road "20.37828, 72.90308" | 19:36 | Near Vipin's residence, at chala vapi road "20.38363, 72.90308" | 11:42 | 350636279364820' & '356103503688660' |
| 4 | Vipin Chaturvedi | 9558312505 | Near Vipin's Sonorous Office at Vapi | 17:53 | Vipin's residential address at V2 Signature, Chala Vapi | 19:36 | Umbergaon GIDC, near Prudent Stainless Steel | 11:29 | 353266547503900' |
| | | | "20.37222, 72.91779" | | 20.39166/72.89521 | | "20.16773, 72.78058" | | |

**Table_C**
**(Comparison in respect of Vivanta International)**

| Sr. No. | Name of person using the mobile no. | Mobile No. | Location as on 09.04.2023 along with latitude and longitudes, if any | time stamp | Location as on 03.06.2023 along with latitude and longitudes, if any | time stamp | Location as on 23.09.2023 along with latitude and longitudes, if any | time stamp | IMEI Noe used |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Nitin Ranganath Anchan | 9326794498 | THAKAR(9819978678)LINDRAPRASTH CHSL,NEAR BMC MARKET,ANAND NAGAR,DAHISAR(E),MUMBAI-400068 Mumbai | 10:57 | Krishna CHSL,Near Mit Chowki,Marve Road,Malad(W),Mumbai-400064 Mumbai | 11:43 | Krishna CHSL,Near Mit Chowki,Marve Road,Malad(W),Mumbai-400064 Mumbai | 13:57 | 357683560688540 |
| 2 | Vivanta International | 8128353190 | Near Vipin's residence at V2 Signature, Chala Vapi "20.39166, 72.89521" | 10:54 | Umbergaon GIDC, near Prudent Stainless Steel "20.16741, 72.77351" | 11:26 | Umbergaon GIDC, near Prudent Stainless Steel "20.16741, 72.77351" | 14:48 | 868918050654100' |
| 3 | Vipin Chaturvedi | 8866356973 | Gunjan Circle, Vapi "20.37314, 72.92180" | 10:38 | Chala Vapi Road, Near his residence "20.38363, 72.90308" | 12:45 | Not location is available on particular date | - | 350636279364820' & '356103503688660' |
| 4 | Vipin Chaturvedi | 9558312505 | Ajaran Jalia, Kachigaam, Vapi "20.39482, 72.87431" | 14:48 | Umbergaon GIDC, near Prudent Stainless Steel "20.16741, 72.77351" | 11:26 | Umbergaon GIDC, near Prudent Stainless Steel "20.16398, 72.77948" | 14:47 | 353266547503900' |

**Table_D**
**(Comparison in respect of Vikranta Impex)**

| Sr. No. | Name of person using the mobile no. | Mobile No. | Location as on 01.07.2023 along with latitude and longitudes, if any | time stamp | Location as on 11.08.2023 along with latitude and longitudes, if any | time stamp | Location as on 19.08.2023 along with latitude and longitudes, if any | time stamp | IMEI Noe used |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Mahesh Chunilal Joshi | 8779282037 | Vankas, Gondeirapada, Satpati, Tal Umergam, Dist Valsad Gujarat | 15:53 | Mrs. Saroj Agrawal, 4b Nirmal Nagar Dev Pura Haridwar 9997287650 Uttar Pradesh (West) | 12:16 | SHRI MOHANBHAI G SALAT BOOF TOP SHREE RAM COMPLEX SANJAN TOWN CHAR RAS Gujarat | 19:42 | 862531055164190' 862531055164199' |
| 2 | Vikramz Impex | 8087130935 | Vipin's Office at Sonorous, Vapi "20.37407, 72.91729" | 15:55 | Vipin's Office at Sonorous, Vapi "20.37407, 72.91729" | 12:20 | Vipin's residence at V2 Signature, Chala Vapi "20.39502, 72.89182" | 19:14 | 352561111055320' |
| 3 | Vipin Chaturvedi | 8866356973 | Chala Vapi Road, Near his residence | 17:09 | - | - | Near Vipin's residence at V2 Signature, Chala Vapi "20.38861, 72.89675" | 21:13 | 350636279364820' 356103503688660' |
| 4 | Vipin Chaturvedi | 9558312505 | Mathura, Uttar Pradesh, "27.49722, 77.68460" | 14:39 | Vipin's Office at Sonorous, Vapi "20.37222, 72.91779" | 12:04 | Near Vipin's residence at V2 Signature, Chala Vapi "20.38323, 72.88657" | 17:58 | 353266547503900' |

**9.2.3** Based on the above evidences it is clear that the mobile numbers registered in the names of the Proprietors of Vivanta International, Vikranta Impex, Vrunda International and Ascent International were actually used by Shri Vipin Chaturvedi for transactions in respect of these entities. The analysis indicates that Shri Vipin Chaturvedi was managing and controlling the operations of all Four Proprietorship firms and was carrying the mobile numbers with him as admitted by him and the Four Proprietors in their statements. The Call Detail Records (CDR) analysis shows that Shri Vipin Chaturvedi was the primary user of the mobile numbers associated with these firms, even though the numbers were officially registered under different proprietors. This strongly suggests that the proprietors were not independently operating their firms and that Shri Vipin Chaturvedi was exercising direct control over their activities. These findings indicate the misuse of credentials and coordinated management of all Four Proprietorship firms by Shri Vipin Chaturvedi for financial gains.

**9.2.4** The analysis of Call Detail Records (CDR) and supporting documents confirms the involvement of Shri Vipin Chaturvedi in operating and controlling multiple proprietorship firms viz. Vikranta Impex, Vrunda International, Vivanta International, and Ascent International, under the guise of their respective proprietors. The CDR data reveals that mobile numbers registered under these firms, which were intended for official business operations, were predominantly used in locations corresponding to Shri Vipin Chaturvedi's activities and residential address. The spatial and temporal alignment of the locations of these mobile numbers with Shri Vipin Chaturvedi's personal numbers demonstrates a pattern of single-user behavior, irrespective of the purported proprietors' distinct physical locations, typically in Mumbai or Umbergaon. Further corroboration emerges from the proprietors' statements admitting their limited knowledge and involvement in business operations, emphasizing Shri Vipin Chaturvedi's direct control over firm activities, including the handling of GST registrations, IECs, and communications with service providers like transporters and customs agents. Additionally, inconsistencies in location data, such as mobile towers and timestamp comparisons, substantiate the claim that it was Shri Vipin Chaturvedi, rather than the registered proprietors, who executed the business activities of these firms.

**10. Seizure and Quantification of duty: -**

**10.1** The analysis if e-way Bill demonstrated that the imported goods under Advance Authorization license after importation were diverted to the address Plot No 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 from the port of import i.e. Nahva Sheva. Hence in anticipation of recovering the diverted goods, search was also conducted at the aforementioned address which was registered in the name of M/s Satya Steel. During the search proceedings Stainless steel pipes of various Grades and different sizes were found at the premises belonging to Satya Steel. The proprietor/concerned person of M/s Satya Steel could not give the details related to the goods lying at that premises on the day of search. In the absence of any document to trace the identity of goods belonging to these Four Proprietorship concerns under advance license the available goods at the premises of M/s Satya Steel were detained on 08.01.2024 under Panchnama dated 08/01/2024 and Supratnama dated 08/01/2024.

**10.2** The said importers and Satya steel vide letter dated 20.05.2024 provided assessable value as per BOEs and it was informed that Goods detained (excluding the detained goods having marking viz E, F, M, P, Q) under Panchnama and Supratnama both dated 08/01/2024, i.e. 803 No of pipes are having weighment of 21.642 MTs and assessable value of goods is Rs.50,83,767/-. Further, these goods were matched with the import documents and found to belong to Vrunda International, Vivanta International and Vikranta Impex, imported under advance authorization scheme. Further, the detained goods having marking viz E, F, M, P, Q did not match with the size/specification of the materials imported under advance authorization scheme by the said importers.

**10.3** To ascertain the value of detained goods, the Panchnama dated 03.07.2024 was drawn, wherein the weighment of the detained goods in the presence of Panchas, Shri Satyapal Proprietor of M/s Satya Steel, Shri G. Venkatpathy M., Govt. empaneled Chartered Engineer was carried out and it was found that weight of the detained goods of marking A,B,X,C,D,G,Y,H,I,J,K,L as per panchnama dated 08.01.2024, is matching with the weight mentioned in the annexure provided by Satya steel vide email dated 21.05.2024. Accordingly, after matching the details with Bills of Entry and supporting documents submitted therewith at the time of import, it was concluded that detained goods of marking A, B, X, C, D, G, Y, H, I, J, K, L i.e. 803 Number of pipes have weighment 21.642 MTs and assessable value of Rs.50,83,767/- and they belong to Vrunda International, Vivanta International and Vikranta Impex as detailed above. Further, Shri G. Venkatpathy M., Govt empaneled Chartered Engineer

cited value of detained goods of marking E, F, M, P, Q to be Rs.29,00,768/-. M/s Satya steel or any of the four proprietorship firms under investigation have failed to provide the necessary documents to establish the identity or ownership of detained goods of marking E, F, M, P, Q.

**10.4** Accordingly, the goods i.e. total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and Vikranta Impex, assessed at value of Rs.50,83,767/- and the goods i.e. total 155 PCs of Stainless-steel seamless Pipes of grade 304 of marking E,F,M,P,Q found at the premises of M/s Satya Steel, assessed at value of Rs. 29,00,768/- were seized subsequently under Seizure Memo dated 03.07.2024 under Section 110 of the Customs Act, 1962 under reasonable belief that the said goods are liable to confiscation under Section 111 of the Customs Act, 1962.Further, during the investigation, it could not be established that the seized goods of marking E, F, M, P, Q found at the premises of M/s Satya Steel are of offending nature linked with the imported goods under advance authorization. The documentary evidences established that the dimension of goods of marking E,F, M, P, Q do not match with the dimension mentioned in the packing list of goods imported under advance license by the said four proprietorship concerns. Hence no proposal for confiscation of the same is being made.

**10.5** As per Notification No. 31/2022-Customs (ADD) dated 20.12.2022, Anti-Dumping Duty is applicable onStainless-Steel Seamless Tubes and Pipes. After scrutiny of records and documents, it was observed that Vrunda International had imported Stainless-Steel Seamless Tubes and Pipes from the Manufacturer- Zhejiang Bangnuo Steel Pipe Co., Ltd., therefore, Anti-Dumping Duty at the rate of 114 USD per MT was applicable on goods imported by Vrunda International. Other proprietorship concerns viz. Vikranta Impex, Vivanta International and Ascent International imported Stainless-Steel Seamless Tubes and Pipes from the other manufacturers of China, therefore, Anti-Dumping Duty at the rate of 3801 USD per MT is applicable on goods imported by Vikranta Impex, Vivanta International and Ascent International.

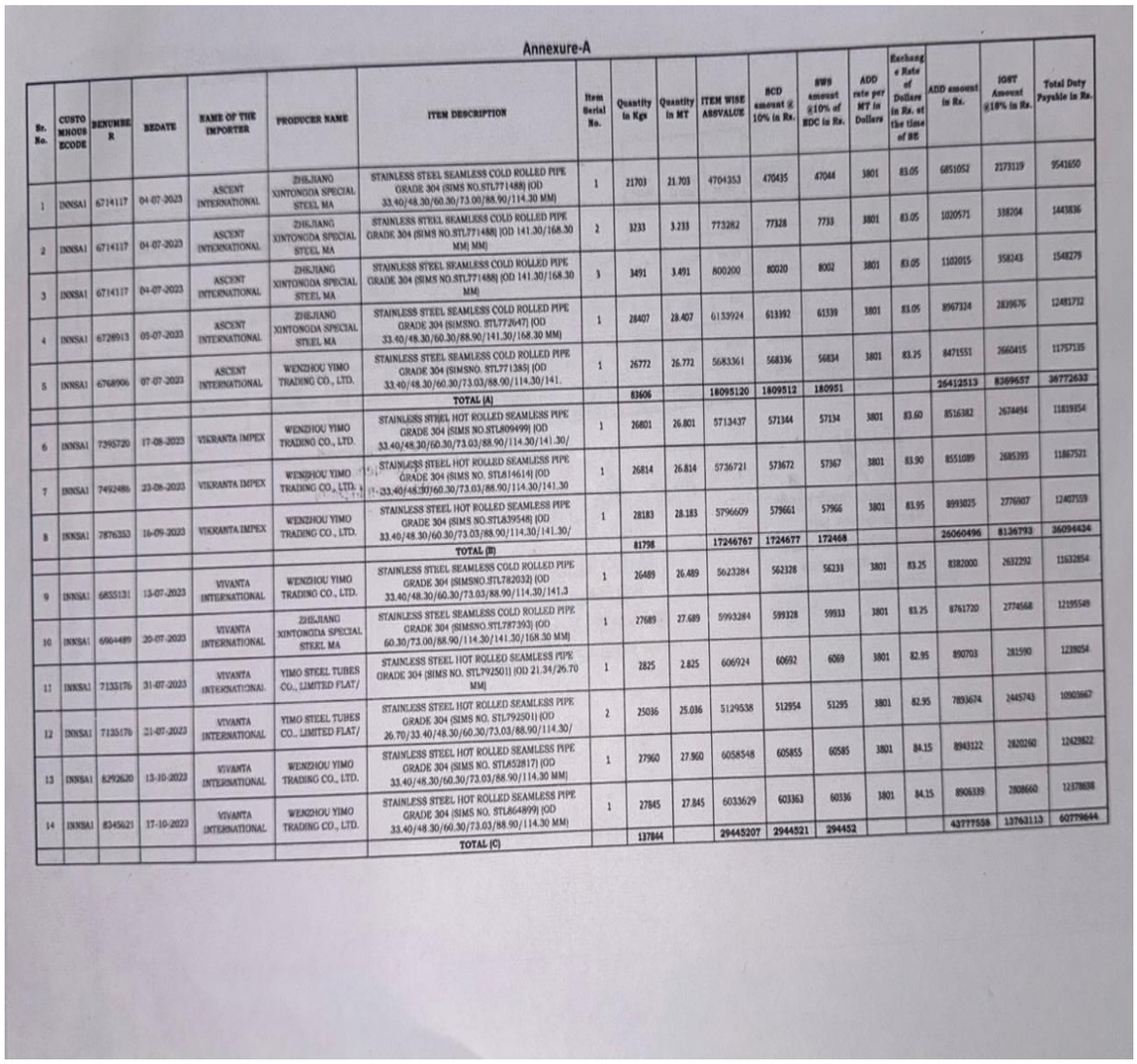
**10.6** Vikranta Impex, Vivanta International, Ascent International and Vrunda International under the control of Shri Vipin Chaturvedi, had imported **360.25 MTs** of goods viz. Stainless Steel Seamless Pipe (Hot/Cold Rolled) having value of **₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only)** under Advance Authorization Scheme through JNCH Nhava Sheva (INNSA1) Port and Mundra (INMUN1) Port wherein the duty foregone was **₹13,93,97,786 /- (Thirteen Crores Ninety three Lakhs Ninety Seven Thousand Seven Hundred Eighty Six Rupees Only)** during the period from 04.07.2023 to 16.11.2023 by illicitly availing the exemption from payment of duty benefit as per Notification No. 21/2023-Customs dated 01.04.2023, as amended (**details as per Annexure A**) and further diverted those imported goods in local market. Table having details of assessable value and duty forgone is prepared as below:

**TABLE 11: Details of Assessable Value and Duty Foregone of Offending Goods**

| Sr. No. | Bills of Entry Details | Assessable Value (In ₹) | Duty including ADD Forgone | Concerned Port |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1 | ANNEXURE-A | ₹7,22,01,659/- | ₹13,62,65,488/- | JNCH Nhava Sheva (INNSA1) |

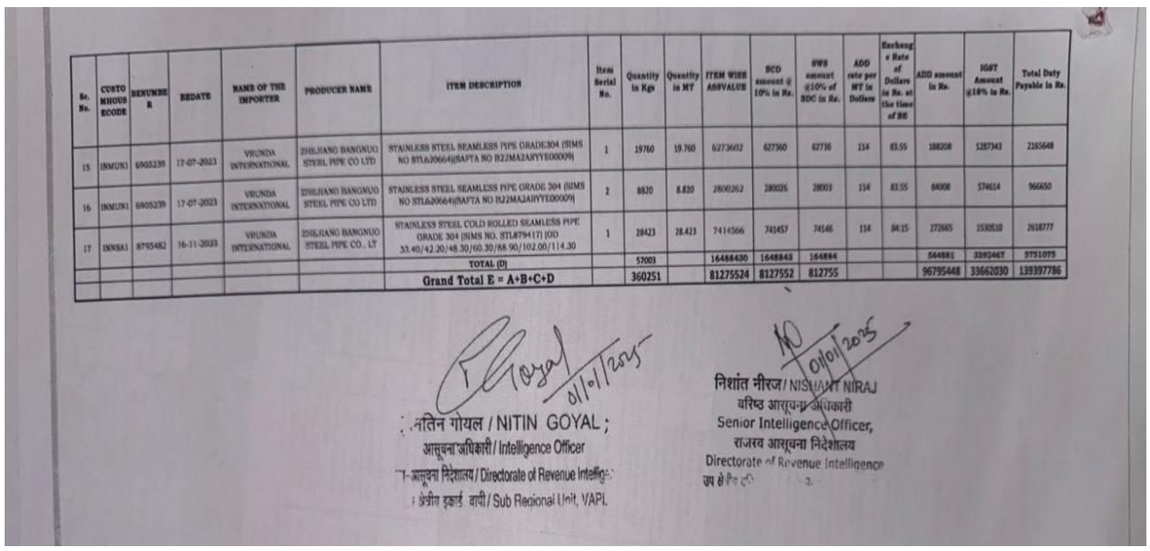
| | | | | |
|---|---|---|---|---|
| 2 | | **₹90,73,864/-** | **₹31,32,298/-** | **Mundra Port (INMUN1)** |
| | **Total** | **₹8,12,75,524/-** | **₹13,93,97,786/-** | |

**ANNEXURE A**



Annexure-A

| Sr. No. | CUSTOMHOUSECODE | BENUMBER | BEDATE | NAME OF THE IMPORTER | PRODUCER NAME | ITEM DESCRIPTION | Item Serial No. | Quantity in Kgs | Quantity in MT | ITEM WISE ASSVALUE | BCD amount @ 10% in Rs. | SWS amount @10% of BDC in Rs. | ADD rate per MT in Dollars | Exchange Rate of Dollars in Rs. at the time of BE | ADD amount in Rs. | IGST Amount @18% in Rs. | Total Duty Payable in Rs. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | INNSA1 | 6714117 | 04-07-2023 | ASCENT INTERNATIONAL | ZHEJIANG XINTONGDA SPECIAL STEEL MA | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMS NO.STL771488) [OD 33.40/48.30/60.30/73.00/88.90/114.30 MM) | 1 | 21703 | 21.703 | 4704353 | 470435 | 47044 | 3801 | 83.05 | 6851052 | 2173319 | 9541650 |
| 2 | INNSA1 | 6714117 | 04-07-2023 | ASCENT INTERNATIONAL | ZHEJIANG XINTONGDA SPECIAL STEEL MA | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMS NO.STL771488) [OD 141.30/168.30 MM) MM] | 2 | 3233 | 3.233 | 773282 | 77328 | 7733 | 3801 | 83.05 | 1020571 | 338204 | 1443836 |
| 3 | INNSA1 | 6714117 | 04-07-2023 | ASCENT INTERNATIONAL | ZHEJIANG XINTONGDA SPECIAL STEEL MA | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMS NO.STL771488) [OD 141.30/168.30 MM) | 3 | 3491 | 3.491 | 800200 | 80020 | 8002 | 3801 | 83.05 | 1102015 | 358243 | 1548279 |
| 4 | INNSA1 | 6728913 | 05-07-2023 | ASCENT INTERNATIONAL | ZHEJIANG XINTONGDA SPECIAL STEEL MA | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMSNO. STL772647) [OD 33.40/48.30/60.30/88.90/141.30/168.30 MM) | 1 | 28407 | 28.407 | 6133924 | 613392 | 61339 | 3801 | 83.05 | 8967324 | 2839676 | 12481732 |
| 5 | INNSA1 | 6768906 | 07-07-2023 | ASCENT INTERNATIONAL | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMSNO. STL771385) [OD 33.40/48.30/60.30/73.03/88.90/114.30/141. | 1 | 26772 | 26.772 | 5683361 | 568336 | 56834 | 3801 | 83.25 | 8471551 | 2660415 | 11757135 |
| | | | | | | TOTAL (A) | | 83606 | | 18095120 | 1809512 | 180951 | | | 26412513 | 8369657 | 36772633 |
| 6 | INNSA1 | 7395720 | 17-08-2023 | VIKRANTA IMPEX | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO.STL809499) [OD 33.40/48.30/60.30/73.03/88.90/114.30/141.30/ | 1 | 26801 | 26.801 | 5713437 | 571344 | 57134 | 3801 | 83.60 | 8516382 | 2674494 | 11819354 |
| 7 | INNSA1 | 7492486 | 23-08-2023 | VIKRANTA IMPEX | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL814614) [OD 33.40/48.30/60.30/73.03/88.90/114.30/141.30 | 1 | 26814 | 26.814 | 5736721 | 573672 | 57367 | 3801 | 83.90 | 8551089 | 2685393 | 11867521 |
| 8 | INNSA1 | 7876353 | 16-09-2023 | VIKRANTA IMPEX | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO.STL839548) [OD 33.40/48.30/60.30/73.03/88.90/114.30/141.30/ | 1 | 28183 | 28.183 | 5796609 | 579661 | 57966 | 3801 | 83.95 | 8993025 | 2776907 | 12407559 |
| | | | | | | TOTAL (B) | | 81798 | | 17246767 | 1724677 | 172468 | | | 26060496 | 8136793 | 36094434 |
| 9 | INNSA1 | 6855131 | 13-07-2023 | VIVANTA INTERNATIONAL | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMSNO.STL782032) [OD 33.40/48.30/60.30/73.03/88.90/114.30/141.3 | 1 | 26489 | 26.489 | 5623284 | 562328 | 56233 | 3801 | 83.25 | 8382000 | 2632292 | 11632854 |
| 10 | INNSA1 | 6904489 | 20-07-2023 | VIVANTA INTERNATIONAL | ZHEJIANG XINTONGDA SPECIAL STEEL MA | STAINLESS STEEL SEAMLESS COLD ROLLED PIPE GRADE 304 (SIMSNO.STL787393) [OD 60.30/73.00/88.90/114.30/141.30/168.30 MM] | 1 | 27689 | 27.689 | 5993284 | 599328 | 59933 | 3801 | 83.25 | 8761720 | 2774568 | 12195548 |
| 11 | INNSA1 | 7135176 | 31-07-2023 | VIVANTA INTERNATIONAL | YIMO STEEL TUBES CO., LIMITED FLAT/ | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL792501) (OD 21.34/26.70 MM] | 1 | 2825 | 2.825 | 606924 | 60692 | 6069 | 3801 | 82.95 | 890703 | 281590 | 1239054 |
| 12 | INNSA1 | 7135176 | 31-07-2023 | VIVANTA INTERNATIONAL | YIMO STEEL TUBES CO., LIMITED FLAT/ | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL792501) [OD 26.70/33.40/48.30/60.30/73.03/88.90/114.30/ | 2 | 25036 | 25.036 | 5129538 | 512954 | 51295 | 3801 | 82.95 | 7893674 | 2445743 | 10903667 |
| 13 | INNSA1 | 8292620 | 13-10-2023 | VIVANTA INTERNATIONAL | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL852817) [OD 33.40/48.30/60.30/73.03/88.90/114.30 MM] | 1 | 27960 | 27.960 | 6058548 | 605855 | 60585 | 3801 | 84.15 | 8943122 | 2820260 | 12429822 |
| 14 | INNSA1 | 8345621 | 17-10-2023 | VIVANTA INTERNATIONAL | WENZHOU YIMO TRADING CO., LTD. | STAINLESS STEEL HOT ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL864899) [OD 33.40/48.30/60.30/73.03/88.90/114.30 MM) | 1 | 27845 | 27.845 | 6033629 | 603363 | 60336 | 3801 | 84.15 | 8906339 | 2808660 | 12378838 |
| | | | | | | TOTAL (C) | | 137844 | | 29445207 | 2944521 | 294452 | | | 43777558 | 13763113 | 60779644 |



| Sr. No. | CUSTOMHOUSECODE | BENUMBER | BEDATE | NAME OF THE IMPORTER | PRODUCER NAME | ITEM DESCRIPTION | Item Serial No. | Quantity in Kgs | Quantity in MT | ITEM WISE ASSVALUE | BCD amount @ 10% in Rs. | SWS amount @10% of BDC in Rs. | ADD rate per MT in Dollars | Exchange Rate of Dollars in Rs. at the time of BE | ADD amount in Rs. | IGST Amount @18% in Rs. | Total Duty Payable in Rs. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | INMUN1 | 6905239 | 17-07-2023 | VRUNDA INTERNATIONAL | ZHEJIANG BANGNUO STEEL PIPE CO LTD | STAINLESS STEEL SEAMLESS PIPE GRADE304 (SIMS NO STL620664)(SAFTA NO B22MA2ARYYE00009) | 1 | 19760 | 19.760 | 6273602 | 627360 | 62736 | 114 | 83.55 | 188208 | 5287343 | 2185648 |
| 16 | INMUN1 | 6905239 | 17-07-2023 | VRUNDA INTERNATIONAL | ZHEJIANG BANGNUO STEEL PIPE CO LTD | STAINLESS STEEL SEAMLESS PIPE GRADE 304 (SIMS NO STL620664)(SAFTA NO B22MA2ARYYE00009) | 2 | 8820 | 8.820 | 2800262 | 280026 | 28003 | 114 | 83.55 | 84008 | 574614 | 966650 |
| 17 | INNSA1 | 8795482 | 16-11-2023 | VRUNDA INTERNATIONAL | ZHEJIANG BANGNUO STEEL PIPE CO., LT | STAINLESS STEEL COLD ROLLED SEAMLESS PIPE GRADE 304 (SIMS NO. STL879417) [OD 33.40/42.20/48.30/60.30/88.90/102.00/114.30 | 1 | 28423 | 28.423 | 7414566 | 741457 | 74146 | 114 | 84.15 | 272665 | 1530510 | 2618777 |
| | | | | | | TOTAL (D) | | 57003 | | 16488430 | 1648843 | 164884 | | | 564881 | 3392467 | 5751075 |
| | | | | | | Grand Total E = A+B+C+D | | 360251 | | 81275524 | 8127552 | 812755 | | | 96795448 | 33662030 | 139397786 |

01/01/2025

नितिन गोयल / NITIN GOYAL;
आसूचना अधिकारी / Intelligence Officer
राजस्व आसूचना निदेशालय / Directorate of Revenue Intelligence
क्षेत्रीय इकाई वापी / Sub Regional Unit, VAPI.

01/01/2025

निशांत नीरज / NISHANT NIRAJ
वरिष्ठ आसूचना अधिकारी
Senior Intelligence Officer,
राजस्व आसूचना निदेशालय
Directorate of Revenue Intelligence

## 11. Legal Provisions applicable in the case: -

**A. The Foreign Trade (Development and Regulation) Act, 1992**

I. ***Section 3:*** *Powers to make provisions relating to imports and exports. —*
*(1) The Central Government may, by Order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating imports and increasing exports.*

*(2) The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the 1 [import or export of goods or services or technology]:*
*[Provided that the provisions of this sub-section shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefits under the foreign trade policy or is dealing with specified services or specified technologies.]*
*(3) All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.*

*[(4) Without prejudice to anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods shall be prohibited for import or export except, as may be required under this Act, or rules or orders made thereunder.]*

II. ***Section 11:*** *Contravention of provision of this Act, rules, orders and exports and import policy: - 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 export and import policy for the time being in force.*

**B. <u>CUSTOMS ACT, 1962</u>: -**

I. ***Section 2(3A)-*** *"**beneficial owner"** means the person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported.*
II. ***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 of the Customs Act, 1962.*
***III. Recovery of duties not levied or not paid or short levied or short paid or erroneously refunded: -***

***Section 28(4):*** *Where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of,*

*(a) collusion; or*
*(b) any wilful mis-statement; or*
*I suppression of facts,*
*by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.*

***IV. Interest on delayed payment of duty: -***

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

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

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

*(a) the duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and*

*(b) such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.*

*V.* ***Section 111: - Confiscation of improperly imported goods, etc.: -***

***Sub Section 111 (o)*** *stipulates that any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer.*

*VI.* ***Section 112- Penalty for improper importation of goods, etc. –****Any person –*

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

*(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing or in any other manner dealing with the goods which he knows or has reason to believe are liable to confiscation under Section 111;*

*Shall be liable to penalty as envisaged in sub clause (i) to (v) of the said Section.*

***VII. Section 114A- Penalty for short levy or non-levy of duty in certain cases:-***

*Where the duty has not been levied or has been shor-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.*

***VIII. 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 purpose of this act, shall be liable to a penalty not exceeding five times the value of goods.*

IX. ***Section 110: Seizure of goods, documents and things: -***

*(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods:*

*Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.*

*(2) Where any goods are seized under sub-section (1) and no notice in respect thereof is given under clause (a) of section 124 within six months of the seizure of the goods, the goods shall be returned to the person from whose possession they were seized:*

*Provided that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend such period to a further period not exceeding six months and inform the person from whom such goods were seized before the expiry of the period so specified.*

***C. Foreign Trade (Regulation) Rules, 1993***

I. ***RULE 14:*** *Prohibition regarding making, signing of any declaration, statement or documents: -*

*No person shall make, sign or use or cause to be made, signed or used any declaration, statement or document for the purposes of obtaining a license or importing any goods knowing or having reason to believe that such declaration, statement or document is false in any material particular.*

**D. <u>NOTIFICATIONS UNDER THE CUSTOMS ACT, 1962</u>: -**

I. The conditions for import of the inputs under Advance Authorization and their utilization has statutory backing in **Notification No. 21/2023-CUSTOMS dated 01.04.2023** which, among other things, states that:

**<u>The Central Government notifies Regarding implementation of AdvanceAuthori-sationSchemeunder ForeignTradePolicy,2023</u>**

*G.S.R. .....(E).-In exercise of the powers conferred by sub-section (1) of section 25 ofthe Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is-necessary in the public interest so to do, hereby exempts materials imported into Indiaa-gainst a valid Advance Authorisation issued by the Regional Authority in terms of para-graph 4.03 of the Foreign Trade Policy (hereinafter referred to as the said authorisa-tion) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51of1975) and from the whole of the ad-ditional duty, leviable thereon under sub-sections(1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compen-sation cess leviable thereon under sub-section(9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely:-*

*(i) that the said authorization is produced before the proper officer of customs at*

*the time of clearance for debit;*

*(ii) …….*

*(iii) …….*

*…….*

*(vii) that in respect of imports made after the discharge of exports obligation in full, iffacility of input tax credit under relevant Goods and Service Tax law on inputs used formanufacturer and supply of goods exported has beenavailed, then the importer shall, at the time of clearance of the imported materials, furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture and supply of taxable goods (other than nil rated or fully exempt supplies) and to submit a certificate from a chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used*

*……*

*(x) that the export obligation as specified in the said authorization (both in value and quantity terms) is discharged within the period specified in the said authorization or within such extended period as maybe granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorisation :Provided that an Advance Intermediate authorization holder shall discharge export obligation by supplying the resultant products to exporter in terms ofparagraph 4.05(c)(ii) of the Foreign Trade Policy; Provided further that not withstanding anything contained herein above for the said authorisations where the exemption from integrated tax and the goods and service tax compensation cess leviable thereon under subsection(7)and sub-section(9) of section 3 of the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by physical exports or by making domestic supplies mentioned at serial numbers 1,2 and 3 of the Table contained in notification No.48/2017-Central Tax, dated the 18th October, 2017 published, vide number G.S.R1305(E),dated the 18th October, 2017;*

*(xi) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;*

*(xii) that the said authorization shall not be transferred and the said materials shall not be transferred or sold: Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant goods and services tax provisions permitting transfer of materials for job work;*

*(xiii) that in relation to the said authorization issued to a merchant exporter, any bond required to be executed by the importer in terms of this notification shall be executed jointly by the merchant exporter and thesupporting manufacturer binding themselves jointly and severally to comply with the conditions specified in this notification.*

*2. Where the materials are found defective or unfit foruse, the said materials may be re-exported back to the foreign supplier within six months from the date of clearance of the said material or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow: Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported. Explanation,*

*-For the purposes of this notification,-*

*(I) "dutiable goods" means excisable goods which are not exempt from central excise duty and which are not chargeable to 'nil' rate of central excise duty;*

*(II) ……..*

*(III) ....*

*(VII) .....*

**12. Summary of Investigation:**

**12.1** From the facts discussed in the foregoing paras, documentary evidences gathered during the investigation, oral evidences gathered from recording of statements of various personsand digital evidences gathered, the following facts emerge: -

**12.1.1** Information was received by DRI Surat that four Proprietorship concerns viz. Vivanta International, Vapi; Ascent International, Vapi; Vikranta Impex, Vapi and Vrunda International, AmliSilvassa had imported huge quantity of Stainless Steel Seamless Pipes (Hot/Cold Rolled) under Advance Authorization Scheme under the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 and diverted /sold the goods imported under Advance Authorizations in the Domestic Tariff Area in violation of the condition(s) of Notification No. 21/2023-Customs, dated 01.04.2023 and the Foreign Trade Policy. Further, all these proprietorship concerns had declared a common supporting manufacturer, namely Prudent Stainless Private Limited Plot No A2-229/1 GIDC, Umbergaon-396170, as per the advance license issued by DGFT.

**12.1.2** During search operations at the premises of Ascent International, Vikranta Impex and Vrunda International on 26.12.2023, it was observed that all these 03 premises are shops which were closed on the day of search and the proprietors or concerned persons of the proprietorship firms were not available to open these shops. Accordingly, the shops were sealed with DRI Lac seal under different Panchnamas dated 26.12.2023 drawn at the respective premises. Further, during search operation at the premise of Vivanta International, it was found that it was a small office premise taken on rent and there was no stock of imported goods or documents related to Vivanta International at the said premise. In fact, an NGO i.e. IDA Foundation was found to be operating from the said premises since November 2023 and the said premises was not being used by Vivanta International at the material time.

**12.1.3** During the Panchnama proceedings dated 27.12.2023 at the premises of supporting manufacturer i.e. Prudent Stainless Private Limited, it came to notice that all the 04 Proprietorship concerns had never sent any imported steel pipes to the premises of the declared supporting manufacturer. It was further revealed that there was no stock of goods imported under the Advance Authorization scheme, at the premises of Prudent Stainless Private Limited. Further, the documentary evidences found at the said premises of Prudent Stainless Private Limited revealed that the goods imported by the above mentioned four proprietorship concerns had never been received in the premises of the Supporting manufacturer. All these facts were corroborated by the oral evidences gathered during the statements of the Director, manager handling day to day operation of M/s Prudent Stainless Pvt. Ltd., the documentary evidences such as e-way bills, the statement of Custom Broker, the statement of transporter and the statement of Shri Vipin Chaturvedi.

**12.1.4** Search at the premises of M/s. Vikranta Impex was carried out on 02.01.2024 in the presence of Shri Mahesh Joshi, Proprietor of the said firm and it was noticed that the premises of M/s. Vikranta Impex was a small shop, which was vacant, having no machinery or

facility for manufacturing or processing of Stainless-Steel Seamless Pipe (Hot/Cold Rolled) and it was amply clear that it had never been used for any manufacturing activity. Shri Mahesh Joshi informed that he came once for the GST registration along with Shri Vipin Chaturvedi. Further, Mahesh Joshi in his statement stated that Shri Vipin Chaturvedi offered to start a business related to import in the name of Shri Mahesh Joshi in lieu of money. Shri Vipin Chaturvedi had stated that he would handle all the works and offered to give Rs.25000/- per container to Shri Mahesh Joshi for providing all legal KYC documents to create the proprietorship firm and later on import was done and the imported goods under the advance authorization license was sold/diverted in open market. Hence, the facts emerged that the imported goods were neither received at the registered address nor at the premises of the supporting manufacturer and were diverted/sold in the Domestic Tariff Area i.e. the open market.

**12.1.5** Further, during search operation on 08.01.2024 at Shubham Arcade, Sector-28, Plot No. 17, Shop No.11, Kamothe, Navi Mumbai -410209 - the premises of Vishnu Transport, documents related to Vivanta International, Vikranta Impex, Vrunda International and Ascent International were found and resumed from the premises. Shri Madan Chaudhary, the concerned person of Vishnu Transport informed that he used to get orders for transport in respect of the 4 firms from employees of CHA firm (I M Logistics). Shri Madan Chaudhary also informed that these 4 firms pertained to Shri Vipin Chaturvedi as Shri Vipin Chaturvedi through his mobile no. 9824188754 used to enquire about delivery of goods of these 4 firms and as per his direction the imported goods were delivered at different locations.

**12.1.6** Further, during search operation on 08.01.2024 at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, it was found that the said premise belonged to Satya Steel and some stock of goods were lying there. Shri Prakash Khadye, consultant of the firm M/s Satya Steel informed that the stock of goods lying in the premises of Satya Steel belonged to Vrunda International. Further, during the search operation, Shri Madan Chaudhary, the transporter, informed that the imported goods belonging to these four proprietorship firms namely Vivanta International, Ascent International, Vikranta Impex, Vrunda International had been delivered at this premises, belonging to Satya Steel on some occasions earlier too. Accordingly, some goods viz Steel Pipes Grade 304 allegedly belonging to these 4 firms, were detained under reasonable belief that the same may be liable to confiscation. Thus, it became amply clear that the imported goods under the Four Proprietorship concerns were diverted to the premises of Satya Steel and were sold in the Kalamboli steel market to different domestic buyers.

**12.1.7** Shri Vaibhav Satish Shelar, the G Card Holder, Partner and authorized signatory of I M Logistics in his statement admitted that Shri Vipin Chaturvedi had contacted him to work as a CHA and handle the Customs clearance related works for Vivanta International, Ascent International, Vikranta Impex and Vrunda International. He further stated that he had arranged the transportation of the above 4 proprietorship concerns through Shri Madan Chaudhary, the concerned person of Vishnu Transport and the authorized signatory of Vishnu Cargo Movers. He also admitted and submitted documents **(RUD-43)** which has proved that the goods imported under advance license were delivered at Kalamboli,although the same should have been delivered at the premises of the four proprietorship concerns or at the premise of supporting manufacturer i.e. M/s. Prudent Stainless Steel. He further stated that all the said 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex and Vrunda International were managed by Shri Vipin Chaturvedi and the imported goods i.e. steel pipes grade 304 imported under advance authorization scheme have been transported and delivered at Kalamboli as per the instructions of Shri Vipin Chaturvedi.

**12.1.8** Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transport and authorized signatory of Vishnu Cargo Movers in his statement admitted that the transportation of all the goods related to the above four proprietorship concerns had been carried out by him and that he had been contacted by CHA firm, M/s. I M Logistics for transportation of goods. He further stated that all the imported goods of the above said four proprietorship concerns were delivered at Kalamboli Steel Market. He further stated that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi, who used to inform about the concerned recipient of imported goods telephonically. Only after receiving directions from Shri Vipin Chaturvedi, he used to share the vehicle no. and driver no. to the concerned recipient and ultimately, people of concerned recipient used to inform the driver about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.

**12.1.9** Search at premises of Ascent International in the presence of Shri Atul Shashikant Herekar, Proprietor of Ascent International, was carried out on 10.01.2024. During the search, documents related to M/s. Ascent International were resumed and it was noticed that the premises of M/s. Ascent International was a small shop, which was vacant, having no machinery or facility for manufacturing or processing of Stainless-Steel Seamless Pipe (Hot/Cold Rolled)). As per the information given by Shri Atul Shashikant Herekar, it had never been used by him. He just came once for the GST registration purpose along with Shri Vipin Chaturvedi for KYC. Shri Atul Shashikant Herekar in his statement admitted that he contacted Shri Vipin Chaturvedi for monetary help. When Shri Vipin Chaturvedi offered Rs.25,000/- per month in return for his consent to start a proprietorship firm in his name, on his documents but where Shri Vipin Chaturvedi would be the de-facto head, he agreed. Shri Vipin Chaturvedi had assured that he would handle all the works related to import and export of this firm. He conveyed that they had to start a new proprietorship concern, where Shri Vipin Chaturvedi would be the de-facto owner and decision-maker, even though the legal documents would be in the name of Shri Atul Shashikant Herekar. Shri Atul Shashikant Herekar accepted this offer and gave all the necessary documents viz. Aadhar card, PAN etc. to Shri Vipin Chaturvedi, who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc. Shri Atul Shashikant Herekar has visited the premises of Ascent International two times, once for taking the GST registration and 2nd time for opening of Bank account. During the course of investigation, it became amply clear from the evidences gathered that the imported goods were neither received at the registered address nor at the premises of the supporting manufacturer but were diverted/sold in local market.

**12.1.10** Shri Ranganath Anchan, the Proprietor of M/s. Vivanta International, tendered in his statement stated that he knew Shri Vipin Chaturvedi since 2016. In the year 2021, after second wave of COVID his friend Atul Shashikant Herekar contacted Shri Vipin Chaturvedi for help and Shri Vipin Chaturvedi called him with his friend Atul Shashikant Herekar to meet at Vapi. Shri Vipin Chaturvedi offered Rs.25,000/- per month to Shri Ranganath Anchan in return for his consent to provide the legal documents for opening a proprietorship firm in his name where Shri Vipin Chaturvedi would be the de-facto controller and decision-maker. He assured that he would handle all the work related to import and export. Further, Shri Ranganath Anchan and Atul Shashikant Herekar were offered 25,000/- per month for creating and initiating their proprietorship concern where the actual control of decision-making would lie with Shri Vipin Chaturvedi and they would just be the proprietors on paper. Shri Ranganath Anchan also accepted this offer and gave all the documents necessary to create a firm, viz. Aadhar card, PAN etc., to Shri Vipin Chaturvedi who did all the procedural formalities for GST registration, opening of Bank account etc.

**12.1.11** Further, a search at the premises of Vrunda International, in the presence of Shri Anand Menon was carried out on 10.01.2024. During the search, it was noticed that the premises of M/s. Vrunda International was a small shop, which was a vacant place having no machinery or facility for manufacturing or processing of Stainless-Steel Seamless Pipe (Hot/Cold Rolled). It was a vacant place that had been closed from a very long time and it was not being used. Shri Anand Menon in his statement stated that he knew Shri Vipin Chaturvedi since 2016. In the year 2020, Shri Vipin Chaturvedi offered Rs.10,000/- per month to him to start a proprietorship firm based on his legal documents but where Shri Vipin Chaturvedi would be the de-facto head. He assured that he would handle all the works related to import and export and conveyed that they had to start a new proprietorship concern for this. Further, Shri Anand Menon accepted the offer of Shri Vipin Chaturvedi and gave all the documents viz. Aadhar card, PAN etc. to Shri Vipin Chaturvedi who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc. The premises were under the control of Shri Vipin Chaturvedi, who also kept the key of the said premises of Vrunda International. Further, Shri Anand Menon stated that he did not know anything about the operations and the import-export activity being carried out by Vrunda International. Hence, it emerged that the imported goods were neither received at the registered address nor at the premises of the supporting manufacturer and were diverted/sold.

**12.1.12** The statements of the various key persons clearly indicated that the goods viz. Stainless-Steel Seamless Pipe (Hot/Cold Rolled) were imported under Advance Authorization Scheme under the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 by the above mentioned four firms, and were diverted /sold in Domestic Tariff Area, thereby violating the condition(s) of the Notification No. 21/2023-Customs, dated 01.04.2023. Further, as per the advance license issued by DGFT to all these proprietorship concerns there was a common supporting manufacturer namely Prudent Stainless Private Limited, Plot No A2-229/1 GIDC, Umbergaon-396170 and investigation has revealed that the imported goods were never sent to the premises of supporting manufacturer. Further, these proprietorship concerns do not have the facility for manufacturing or processing of goods. The registered addresses of these proprietorship concerns are small shops or offices devoid of any manufacturing/processing facility. Hence, it appear that the intention and purpose of these importers namely Ascent International, Vikranta Impex, Vrunda International and Vivanta International, since the very inception, was to illegally divert goods imported duty-free under advance authorization scheme into the local market and evade Customs Duty on it.

**12.1.13** Further, during the search operation at the premises of Prudent Stainless Private Limited Plot No A2-229/1 GIDC, Umbergaon-396170 which has been shown as a supporting Manufacturer in the license, it was found that neither any stock of goods imported by these four proprietorship concerns was lying at the premises of the supporting manufacturer nor any stock of goods has ever been sent to the premises belonging to Prudent Stainless Private Limited Plot No A2-229/1 GIDC, Umbergaon-396170 for any type of processing/manufacturing.

**12.1.14** Further, during search operation at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, it emerged that the said premises belonged to Satya Steel and the imported goods belonging to these four proprietorship firms namely Vivanta International, Ascent International, Vikranta Impex, Vrunda International has been delivered to this premises in the past.

**12.1.15** From the above it appeared that Shri Vipin Chaturvedi engaged the Proprietorship concerns Vivanta International, Ascent International, Vikranta Impex and Vrunda International to cause import of Stainless Steel Seamless Pipe (Hot/Cold Rolled) under Advance Authorization Scheme under the provisions of the Customs Notification No. 21/2023-Customs

dated 01.04.2023 and the imported goods were diverted /sold in Domestic Tariff Area, thereby violating the condition(s) of the Notification No. 21/2023-Customs, dated 01.04.2023. The provisions of the Foreign Trade policy in respect of the Advance Authorization Scheme and the Conditions of the Customs notification No. 21/2023-Customs dated 01.04.2023 was violated in the process and Customs Duty evaded.

**12.1.16** Shri Vipin Chaturvedi emerges as the master mind in the case. The proprietor of all the four importing firms have stated that they had shared their legal documents with Shri Vipin Chaturvedi, on his request, and that Shri Vipin Chaturvedi was the de-facto owner and sole decision-maker of the firms opened by using the documents of these four Proprietors. Shri Vipin Chaturvedi was summoned for cooperating in the investigation ,howeverhe appeared for investigation only on the directions/order of the Hon'ble High Court of Gujarat in the matter and in his statement inter-alia admitted that he knew all these 4 proprietors for the last 10 years. All the proprietors needed money. So, he suggested to them to start import-export business related to steel Pipes, Coils and Sheets and suggested them to initiate proprietorship concerns in their names and assured them to handle the works related to the Proprietorship firms.; that he has managed all the activities of these four firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International; that he had applied for the licenses of these firms, managed to open the account of these units, obtained GST registration as per procedure etc.; that he knew that the supporting manufacturer of Vivanta International, Ascent International, Vikranta Impex, Vrunda International, as per the DGFT licenses issued to them, is Prudent Stainless Private Limited; that during the entire year, no stock of Vivanta International, Ascent International, Vikranta Impex, Vrunda International was sent to the premises of Prudent Stainless Private Limited; that goods imported under Advance Authorization scheme by Vivanta International, Ascent International, Vikranta Impex, Vrunda International were diverted to the registered premise of Satya Steel and out of these diverted goods, some goods were further sold thereafter in the local market; that the goods of these 4 firms never reached the registered premises of Prudent Stainless Private Limited or the original premises mentioned in the registration of these units; that goods imported under Advance Authorization scheme were of the value of Rs.8 crores approx. and duty evaded on these duty-free imports was Rs.13.95 crores approx..

**12.1.17** Thus, inference of the investigation is that Shri Vipin Chaturvedi was the mastermind of the plan of illegal diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. who exercised effective control over the goods imported by misuse of the Advance Authorization Scheme. In fact, the goods were imported on behalf of Shri Vipin Chaturvedi in the name of these four entities, who's proprietors had no say or control in running of these firms, with their role being limited to getting regular financial remuneration from Shri Chaturvedi in lieu of use of their firm's credentials. In terms of Section 2 (3A) of the Customs Act, 1962, ***"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"***. Thus, in the instant case Shri Chaturvedi comes across as the ***"beneficial owner"*** in terms of Section 2 (3A) of the Customs Act, 1962. He has also admitted to his involvement in the offence committed under the Customs Act, 1962 in his statements.

**12.1.18** It has emerged from the investigation that Shri Vipin Chaturvedi got the KYC documents and other details of the four proprietors mentioned in the foregoing paras, in lieu of an agreed sum, and used their firms to import goods duty-free under Advance Authorization Scheme and later on diverted these goods into the domestic market in violation of the conditions of the Advance Authorization license and Notification No. 21/2023-Customs, dated 01.04.2023, thereby evading Customs duty to the tune of Rs.13.95 Crores including Anti-Dumping Duty.

**12.1.19** In view of the above, Shri Vipin Chaturvedi appeared to have committed an offence of the nature described under Section 135(1)(a) & 135 (1)(b) of Customs Act, 1962, punishable under Section 135 (1)(i)(A) & 135(1)(i)(B) of Customs Act, 1962, as he has knowingly concerned himself in diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. in violation of the conditions laid down under the Notification No. 21/2023-Customs, dated 01.04.2023 and license issued under Advance Authorization Scheme.

**12.1.20** Further, all these acts on the part of Shri Vipin Chaturvedi have rendered the impugned goods i.e. imported duty-free Steel pipes (grade 304) of 360 MTs approx. totally valued at Rs. 8.12 approx. (Eight Crores Twelve Lacs approx..) illegally diverted into local market liable to confiscation under the provisions of Section 111(o) of the Customs Act, 1962. Duty evasion in the instant case is Rs.13.95 Cr approx.

**12.1.21** Shri Vipin Chaturvedi provided the documents in respect of these concerned 4 proprietorship concerns. The bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys showed that huge amount of money was transferred to the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and Alloys. The investigation more significantly revealed that M/s Dev Steel and Alloys although has shown the outstanding amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr with M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively. This total outstanding amount of Rs.6.43 Crores approx was adjusted with the sale of imported goods from these three entities. This fact was accepted by Shri BechraramDewasi, Partner of M/s. Dev Steel & Alloys that he has received imported goods in lieu of this amount. But, in reality the imported goods i.e stainless steel seamless pipes was sold to them in lieu of this outstanding amount and the imported goods were sold in cash without any GST invoice. Accordingly, M/s Dev Steel and Alloys was one of the significant abettors of this illegal diversion of SS seamless pipes imported under advance license. M/s Dev Steel and Alloys received the imported goods under advance license from Shri Vipin Chaturvedi at prices below the market rate and hence the imported duty-free SS Seamless pipes Grade 304, was sold to M/s Dev Steel and Alloys. Further, goods related to M/s Vrunda International was sold to M/s Steelage Overseas Pvt. Ltd. who had done payment of Rs.1.65 Cr to M/s Vrunda International.

**12.1.22** Therefore, it is clear that imported duty-free goods i.e. SS Seamless pipes Grade 304, of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex were sold to M/s Dev Steel and Alloys without GST invoices by Shri Vipin Chaturvedi. This fact is also corroborated by the statements of Shri Vipin Chaturvedi and Shri BechraramDewasi, Partner of M/s Dev Steel and Alloys. Further, it is significant to note that the imported goods under advanced license purchased by M/s Dev Steel and Alloys in cash was further sold to other buyers in the market.

**12.1.23** Further from the documents i.r.o. Vrunda International and Steelage Overseas Private Limited, it appeared that in case of Vrunda International, imported duty-free SS Seamless pipes Grade 304, were sold to Steelage Overseas Private Limited through GST invoices and rest of the goods of Vrunda International was seized at the premises of Satya Steel. Shri Vipin Chaturvedi has stated in his statement that they have sold some goods to Steelage Overseas Private Limited without GST invoices as well. The goods related to M/s Vrunda International was sold to M/s Steelage Overseas Pvt. Ltd., who had done payment of Rs.1.65 Cr to M/s Vrunda International as reflected in the ledgers and bank statements of M/s Vrunda International. Accordingly, Steelage Overseas Private Limited was involved in the purchase of goods imported under advance license from Shri Vipin Chaturvedi through Vrunda International.

**12.1.24** It is significant to notice that Shri Madan Chaudhary, Proprietor of Vishnu Cargo Movers admitted that he has delivered the goods related to 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex, Vrunda International as per instruction of Shri Vipin Chaturvedi at different location in the Kalamboli Steel Market. He further agreed that these entities were being managed by one-person Shri Vipin Chaturvedi.

**12.1.25** Shri Vaibhav Satish Shelar, the G Card Holder, Partner and authorized signatory of I M Logistics in his statement accepted that Shri Vipin Chaturvedi had contacted him to work as Customs Broker/CHA and handle the Customs clearance related works for Vivanta International, Ascent International, Vikranta Impex and VrundaInternational.All the Proprietors have stated that they have never contacted M/s I M Logistics for import clearance and the CHA and transportation was arranged by Shri Vipin Chaturvedi.

**12.1.26** Shri Kamlesh Joshi, Director of M/s. Prudent Stainless Pvt. Ltd, Plot No A2-229/1 GIDC, Umbergaon-396170, Gujarat, had admitted this fact that all activities of M/s. Prudent Stainless Pvt. Ltd were being looked after by Shri Vipin Chaturvedi. It is also pertinent that the name of M/s Prudent Stainless Pvt. Ltd was reflecting in the advance license's documents of these 4 concerned proprietors. Accordingly, DGFT has issued the advance license to these 4 concerned proprietors viz M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International on the support and strength of manufacturing facility available at Prudent Stainless Pvt. Ltd. Accordingly Prudent Stainless Pvt. Ltd has abetted this act of diversion by helping Shri Vipin Chaturvedi to divert imported duty-free SS Seamless pipes Grade 304, in the local market.

**12.1.27** Shri Satyapal, Proprietor of Satya Steel, Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, have helped Shri Vipin Chaturvedi to operate his legal firm i.e. Satya Steel and consciously gave his KYC documents and initiating the Proprietorship firm, where the diverted goods were allowed to be stored and some of the goods came to be seized. By recourse to this act, he has helped in abetment by Shri Vipin Chaturvedi to divert imported duty-free SS Seamless pipes Grade 304, in the local market. Premise of Satya Steel was used for first diversion of the imported duty-free SS Seamless pipes Grade 304. Later from there, the goods were further sold in the local market.

## 13. Contravention of Statutory Provisions:

**13.1** As discussed in forgoing paras, the Four Proprietorship concerns viz. Vivanta International ;Ascent International; Vikranta Impex and Vrunda International respectively had imported huge quantity of the Stainless Steel Seamless Pipe (Hot/Cold Rolled) (CTH Subhead 7304) under Advance Authorization Scheme under the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 and diverted/sold all the goods imported under Advance Authorization in Domestic Tariff Area and violated the condition(s) of the Notification No. 21/2023-Customs, dated 01.04.2023.

**13.2** As per the terms and conditions of Notification No. 21/2023-CUSTOMS dated 01.04.2023 read with relevant provisions of Foreign Trade Policy 2023, in order to avail exemption from payment of duty, four Proprietorship concerns were required to deliver the duty-free imported goods at their registered premises or at the premise of supporting manufacturer as per Actual User Conditions of the said notifications. After delivering the same to their registered premises/ supporting manufacturer premise, they were required to process the same for manufacture of finished goods. However, the said materials might be transferred to a job worker for processing subject to complying with the conditions specified in the relevant CBIC notifications permitting transfer of materials for job work. Now, as per the evidence available on

record and discussed in the foregoing paragraphs, it appeared that the conditions/provisions of the Advance Authorization License issued to four Proprietorship concerns for effecting duty free clearance of impugned goods were not followed by the said four Proprietorship concerns and the goods imported under the impugned Advance Authorization License were diverted/sold in the open market in as such condition and accordingly the actual user condition (and physical incorporation in export products) requiring fulfillment of export obligation was violated. The condition No. (xii) of Notification No. 21/2023-CUSTOMS dated 01.04.2023 had also been violated. Consequently, four Proprietorship concerns viz Vivanta International, Ascent International, Vikranta Impex, Vrunda International were not entitled to avail benefit of duty-free clearance in terms of Notification No. 21/2023-CUSTOMS dated 01.04.2023 and as such the duty of Customs but for exemption along with the interest at the applicable rate is recoverable.

**13.3** From the facts discussed in forgoing paras and material evidences available on record, it appeared that Shri Vipin Chaturvedi controller of Vivanta International, Ascent International, Vikranta Impex, Vrunda International, was having knowledge of provisions of Customs Act, 1962 and deliberately sold the duty-free goods viz. imported SS Seamless pipes Grade 304, in the local market and without payment of the applicable duties of Customs. He orchestrated a scheme of diversion of goods imported duty free under Advanced Authorization in contravention of the provisions of Chapter 4 of the Foreign Trade Policy FTP 2023 read with Notification No. 21/2023-CUSTOMS dated 01.04.2023, in as much as they had diverted **360.25 MTs of goods viz. imported SS Seamless pipes Grade 304**, imported under the said Scheme for using the same in the export of the resultant products but actually sold in the local market. They had diverted the goods knowingly in the local market to make huge illegal profits. The said duty-free goods were supposed to be exported or disposed of in accordance with the provisions of the FTP 2023 and above said notification but Shri Vipin Chaturvedi violated the conditions of the FTP 2023 and did not fulfill the requisite compliance and conditions for import of duty-free inputs & export thereof as envisaged under Advance Authorization Scheme read with the condition of Notification No. 21/2023-CUSTOMS dated 01.04.2023.

**13.4** In light of the facts discussed in the foregoing paras and material evidence available on records, it appeared that Vivanta International, Ascent International, Vikranta Impex, Vrunda International had violated/contravened the provisions of Notification No. 21/2023-CUSTOMS dated 01.04.2023 read with the provisions of Chapter 4 of Export & Import Policy 2023 in as much as they had imported **360.25 MTs of goods viz. imported SS Seamless pipes Grade 304** having value ₹8,12,75,523.64 for which duty foregone amounts to **₹13.95 crores approx.** against Advance Authorisation Scheme and were diverted into the local market as such for sale and were not actually utilized for intended purpose and for fulfillment of its export obligation as envisaged in the said license.

**13.5** The violation/infringement of actual user condition and other conditions on the part of Vivanta International, Ascent International, Vikranta Impex, Vrunda International were further confirmed by way of various evidences and the statements of the concerned persons as discussed in forgoing paras.

**13.6** In view of foregoing discussion, the said goods imported under 13 Bills of Entry under Advance Authorization Licence appeared liable to confiscation under Section 111(o) of Customs Act, 1962 for contravention of the conditions of the relevant notification, Advance Authorisation Scheme, Exim Policy. Also, their act of diversion of the said goods is to be treated as smuggling as per Section 2(39) of the Customs Act, 1962. Thus, Vivanta International, Ascent International, Vikranta Impex, Vrunda International by their acts of commission and/or omission have

rendered themselves liable for penalty under the provisions of Section 112 of Customs Act, 1962.

**13.7** By such acts Vivanta International, Ascent International, Vikranta Impex, Vrunda International by way of willful mis-statement and suppression of facts, fraudulently availed benefits of FTP 2023 in as much as they failed to export the resultant product and violated the provisions of Rule 14 of the Foreign Trade (Regulations) Rules, 1993 read with Section 11 of the Foreign Trade (Development and Regulations) Act, 1992. Further, the duty free imported SS Seamless pipes Grade 304 were diverted in local market in violation of the above said provisions and therefore contravened the provisions of Section 3 of Foreign trade (Development & Regulation) Act, 1992.

**13.8** The Customs Duty amounting to Rs. 13.95 crores approx. (leviable on the illicitly cleared imported goods viz. **360.25 MTs of goods viz. imported SS Seamless pipes Grade 304)** is therefore liable to be recovered in terms of proviso to Section 28(4) of Customs Act, 1962 read with the provisions of Notification No. 21/2023-CUSTOMS dated 01.04.2023. Shri Vipin Chaturvedi through Vivanta International, Ascent International, Vikranta Impex, Vrunda International by adopting the above modus had violated the statutory conditions as laid down for Advance Authorization license under Notification No. 21/2023-CUSTOMS dated 01.04.2023 and evaded the aforesaid Customs duty by reason of collusion, wilful mis-statement and suppression of facts. The Licences under Advance Authorisation Scheme were obtained, mis-utilised& mis-represented and the facts that no manufacturing facilities were available in the premises of Vivanta International, Ascent International, Vikranta Impex, Vrunda International was suppressed from the Customs authorities & DGFT Authorities while effecting duty free clearances and the very same fact that the exempted goods were admittedly sold in the domestic market very clearly establishes mis-statement of the facts on the part of Vivanta International, Ascent International, Vikranta Impex, Vrunda International who had obtained the licence on actual user basis and there upon invocation of provision of Section 28(4) of Customs Act, 1962 for the purpose of demand of duty is attracted. Interest at applicable rate is also liable to be recovered in terms of provisions of Section 28AA of Customs Act 1962. In view of the above discussions, it appeared that Shri Vipin Chaturvedi along with Vivanta International, Ascent International, Vikranta Impex, Vrunda International by their acts of omission and commission, had made the goods liable for confiscation under Section 111 of the Customs Act, 1962 and evaded Customs duty amounting to Rs. 13.95 crores approx. therefore rendered themselves liable for penalty under section 112(a) & 112(b) of the Customs Act, 1962. The act of evasion of duty by reason of collusion & suppression of facts on the part of Shri Vipin Chaturvedi had rendered them liable for Penal action under Section 114A of the Customs Act 1962.

**13.9** M/s. Steelage Overseas Private Limited, Mezanine Floor, Office No. 105-A, Kushal Bhavan, 65, Maruti Mandir Marg, 5th Kumbharwada Lane, Mumbai, Maharashtra, 400004, liable for Penal action under Section 112(a), Section and 112(b) of the Customs Act, 1962 separately.

**13.10** M/s. Dev Steel and alloys, 1st Floor, 101, Rajgiri Apartment Cooperative Housing Society Wing A, KhemrajShrikrishnadas Marg, Khetwadi 13th Lane, Girgaon, Mumbai, Mumbai, Maharashtra, 400004, liable for penal action under Section 112(a) and Section 112(b) of the Customs Act, 1962 separately.

**13.11** M/s. Prudent Stainless Private Limited, Plot No A2-229/1 GIDC, Umbergaon-396170, Gujarat, liable for Penal action under Section 112(a) and Section 112(b) of the Customs Act, 1962 separately.

**13.12** M/s. Shri Satyapal, Proprietor of Satya Steel, Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, liable for Penal action under Section 112(a) and Section 112(b) of the Customs Act, 1962 separately.

**14.** Post the enactment of Finance Act, 2022 and introduction of notification 28/2022-Customs (NT) dated 31.03.2022, the jurisdiction having highest amount of duty involved shall be the Common Adjudicating Authority. In the instant case, the same shall be The Commissioner of Customs, NS-III Jawaharlal Nehru Custom House, Nhava Sheva, Raigad, Navi Mumbai as the highest duty-free import was from the JNCH Nhava Sheva (INNSA1).

**In view of the above: -**

**15. Shri Vipin Kanhaiyalal Chaturvedi,** B-702, V-2 Signature, Vapi daman road, Chala Vapi, Gujarat 396191, controller and actual/ beneficial owner of (i) Ascent International (IEC-ABWPH4340R) having address Third Floor, Shop No. 313, Skylon Co. Op. Housing Society Vapi, (ii) Vikranta Impex (IEC-AACPJ4996Q) having address Shop No. 9 Ground Floor, Shivhari Residency, New Garnala Road, Vapi, (iii) Vivanta International (IEC-AHTPA1064A) having address Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza GIDC Vapi & (iv) Vrunda International (IEC-BSCPM6046B), Ground Floor, Shop No.6, Sahajanandpark B, Srv No. 892/1/1, Kilvani Road, Amli Silvassa, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why:,

**15.1** **360.251 MTs** of Stainless Steel Seamless Pipes (Hot/Cold Rolled) having declared assessable value of **₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only)** which had been imported by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended (**details as per Annexure A** should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Out of the said goods imported, only total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and Vikranta Impex, assessed at value of Rs.50,83,767/- which were seized on 03.07.2024 are physically available for confiscation. Remaining imported goods are not physically available for confiscation.

**15.2** Differential Customs duty amounting to **₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only)** including Anti-Dumping Duty foregone on import of **360.251 MTs** of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at **₹8,12,75,524/-** by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended, (**details as per Annexure A**), should not be demanded and recovered from him under Section 28(4) of the Customs Act, 1962.

**15.3** Interest at the appropriate rate on the above said duty amount from the date of importation of the goods till the payment of such duty should not be recovered under Section 28 AA of the Customs Act, 1962 from him.

**15.4** Penalty should be imposed on Shri Vipin Kanahaiyalal Chaturvedi under Section 112(a) of the Customs Act, 1962 for act or omission which rendered the imported goods liable to confiscation.

**15.5** Penalty should be imposed on Shri Vipin Kanahaiyalal Chaturvedi under Section 112(b) of the Customs Act, 1962 for carrying, removing, depositing, harboring, keeping, concealing, selling and dealing with the goods which were liable to confiscation.

**15.6** Penalty should be imposed on Shri Vipin Kanahaiyalal Chaturvedi under Section 114 A of the Customs Act, 1962.

**16.** Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex, residing at C-203, Sai Dham Tower, Achole Road, Nalasopara (East), Mumbai-401209, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on him under Section 112(a) & 112(b).

**17.** Shri Anand Menon, Proprietor of M/s. Vrunda International, residing at 40, Kanchan Room 304, Vasant Vihar CHS, Pokhran Road No. 2, Thane, Maharashtra – 400610, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on him under Section 112(a) & 112(b) of the Customs Act, 1962.

**18.** Shri Atul Shashikant Herekar, Proprietor of Ascent International, 401, Casario 3rd Avenue D wing, CaspianaDombivali East, Kalyan, Thane, Maharashtra-421204 were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on him under Section 112(a) & 112(b) of the Customs Act, 1962.

**19.** Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International, residing at 501-502, Building No.10, Sector 6 Shanti Garden Meera Road (East) Thane-401107, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on him under Section 112(a) & 112(b) of the Customs Act, 1962.

**20.** M/s. Dev Steel & Alloys, 1st Floor, 101, Rajgiri Apartment Cooperative Housing Society Wing-A, Khemraj Shri krishnadas Marg, Khetwadi 13th Lane, Girgaon, Mumbai, Mumbai, Maharashtra,400004, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should be not imposed on them under Section 112(a) and Section 112(b)of the Customs Act, 1962.

**21.** M/s. Steelage Overseas Private Limited, Mezanine Floor, Office No. 105-A, Kushal Bhavan, 65, Maruti Mandir Marg, 5th Kumbharwada Lane, Mumbai, Maharashtra, 400004, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on them under Section 112(a) and Section 112(b) of the Customs Act, 1962.

**22.** M/s. Prudent Stainless Private Limited, Plot No A2-229/1 GIDC, Umbergaon-396170, Gujarat, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on them under Section 112(a) and Section 112(b) of the Customs Act, 1962.

**23.** Shri Satyapal, Proprietor of Satya Steel, Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, were called upon to Show Cause to the Commissioner of Customs, NS-III, Jawaharlal Nehru Custom House, Nhava Sheva, Tal-Uran, Dist.- Raigad, Maharashtra-400707 within 30 days of the receipt of this notice as to why penalty should not be imposed on him under Section 112(a) and Section 112(b) of the Customs Act, 1962.

**Written Submission**

24. Noticee no.1 Shri Vipin Kanhaiyalal Chaturvedi vide his reply dated 09.09.2025 and 10.09.2025 submitted the following:-

- At the outset, the Noticee unequivocally and emphatically denies all the allegations, averments, and propositions of law contained in the SCN, except those which are specifically admitted herein.

- The Noticee acted as professional consultant with expertise in the domain of import and export of steel products for four newly established proprietorship firms, namely, M/s Ascent International, M/s Vikranta Impex, M/s Vivanta International, and M/s Vrunda International. The proprietors of these firms, being new entrants into the complex field of international trade, required expert guidance to navigate procedural intricacies, establish contacts with suppliers and buyers, and ensure necessary compliance. The narrative presented in the impugned SCN, characterizing the Noticee as the "mastermind" behind an alleged fraudulent scheme, constitutes a gross mischaracterization of what was, in reality, a legitimate professional engagement.

- The Noticee was professionally engaged by the proprietors of these four independent proprietorship firms—M/s Ascent International, M/s Vikranta Impex, M/s Vivanta International, and M/s Vrunda International—each duly established as legitimate entities holding valid Importer-Exporter Codes (IEC) and GST registrations, specifically for carrying out international trade in steel products. Due to new entrants to the complex arena of international commerce, these proprietors required comprehensive consultancy support. Consequently, they engaged the noticee as consultant for extending operational and logistic support by coordinating with Customs House Agents, transporters, suppliers, and buyers. This hands-on work was a normal part of the consultancy job and did not give the Noticee any ownership or control over the firms.

- The imports of Stainless Steel Seamless Pipes, detailed in Annexure-A to the SCN, were effected against valid and subsisting Advance Authorizations duly issued by the competent authority, the DGFT, under the provisions of the Foreign Trade Policy (FTP) 2023. At the time of each import, all procedural requirements under the Customs Act, 1962, were meticulously followed. The Bills of Entry correctly declared the AA license numbers, and the benefit of Customs Notification No. 21/2023-Customs dated 01.04.2023 was claimed openly. Furthermore, the importers executed the requisite bonds with Customs, legally binding themselves to fulfil the conditions of the notification, thereby securing the revenue in case the importers fails to fulfil export obligation in given time period.

- With respect to the Show Cause Notice's observation regarding M/s. Prudent Stainless Private Limited being named the "common supporting manufacturer," it is submitted that this was a wholly accurate and bona fide disclosure at the time of filing the Advance Authorisation applications, fully compliant with Para 4.10 of the Foreign Trade Policy (FTP) 2023. The nomination reflected the genuine operational structure then contemplated, as Prudent Stainless possessed the requisite capacity and was logistically viable. The subsequent decision to divert some consignments to alternate job-workers was a prudent commercial response to post-licensing market developments, such as fluctuating transport costs and the availability of more efficient processors, aimed at preserving commercial viability. This operational flexibility is not only a standard business practice but is also expressly anticipated and permitted under Para 4.12 of the FTP, which provides a mechanism for changing supporting manufacturers. Therefore, to contend that a subsequent, commercially necessary, and legally permissible logistical adjustment retroactively falsifies a declaration that was true when made is both factually misplaced and legally untenable, as a statement cannot be tainted by future events navigated in the ordinary course of business.

- Further, It is most respectfully submitted that the present SCN is fundamentally premature and has been issued without any legal cause of action having arisen. The entire edifice of the SCN is built on the allegation that the Noticees have violated the conditions of the AA scheme by diverting the imported goods. However, the primary condition of the AA scheme is the fulfilment of an Export Obligation (EO) within a specified time frame.

- As per the Foreign Trade Policy and the Handbook of Procedures, the Export Obligation Period (EOP) under an Advance Authorization is typically 18 months from the date of issuance of the authorization, which can be extended further upon application. The imports in the present case were made during the period July 2023 to November 2023. The SCN itself was issued on 08.01.2025. A simple calculation reveals that at the time of the DRI investigation and the subsequent issuance of the SCN, the 18-month EOP for all the subject authorizations was still valid and running.

- The AA scheme is structured as a covenant between the exporter and the Government, where duty-free access to inputs is granted in exchange for a promise of future exports within a stipulated period. Until this period expires, there can be no legal "default" or "breach" of the export obligation. The department, by issuing this SCN, has pre-judged a future failure and is attempting to penalize an intent that it has inferred, rather than a contravention that has actually occurred and crystallized in law. This action is not only premature but also undermines the very framework of the AA scheme, which is designed to provide exporters with the necessary flexibility and time to secure international orders and complete their business cycle. Therefore, the SCN, having been issued before the expiry of the EOP, is devoid of legal sanction and ought to be quashed on this preliminary ground alone.

- **Rebuttal to Allegation of Shri Vipin Chaturvedi as 'Mastermind' and 'Beneficial Owner'**: The SCN, in paragraphs 4.2, 12.1.16, 12.1.17, and 12.2.1, has painted the Noticee as the "mastermind" and "beneficial owner" of the imported goods, reducing the proprietors to mere name-lenders. This characterization is a gross distortion of the facts and a misapplication of the law, which the Noticee vehemently denies.

    - **Mischaracterization of the Consultant's Role**: It is respectfully submitted that the Noticee’s extensive involvement in the operational manage-

ment of the four firms—M/s Ascent International, M/s Vikranta Impex, M/s Vivanta International, and M/s Vrunda International—was purely professional, arising directly from his engagement as a consultant. Each of these entities was independently set up by proprietors who, being new entrants into international trade, required comprehensive assistance. Accordingly, they retained the Noticee to handle operational logistics, liaise with Customs House Agents, transporters, suppliers, and buyers, and manage daily operational tasks locally in Vapi. From the very outset of the investigation, including the search conducted at M/s Prudent Stainless Pvt. Ltd., the Noticee transparently identified himself as a consultant. The fact that he undertook responsibilities related to coordinating operational and logistics support, merely reflects diligent discharge of his professional duties within the consultancy arrangement. Interpreting these legitimate consultancy activities as indicative of clandestine ownership or beneficial control constitutes a fundamental misunderstanding of both the consultancy relationship and standard commercial practice.

- **Legal Analysis of "Beneficial Owner" under Section 2(3A)**:

The concept of "beneficial owner" was introduced into the Customs Act, 1962, as an anti-avoidance measure to target the ultimate financial beneficiary of any fraudulent transaction, not to penalize professional consultants or agents. Section 2(3A) defines a "beneficial owner" as "any person on whose behalf the goods are being imported... or who exercises effective control over the goods being imported". The department has selectively focused on the "effective control" limb while completely failing to establish the "on whose behalf" limb.The department's case crumbles when subjected to financial scrutiny. The SCN alleges that the Noticee orchestrated this scheme for substantial financial gain, yet it provides no evidence to support this. In fact, the department's own investigation reveals the contrary. The financial analysis in the SCN shows that payments from domestic buyers like M/s. Dev Steel & Alloys were credited directly into the bank accounts of the respective importing firms, not the Noticee's personal account. These funds were then utilized by the firms to make payments to the overseas suppliers of the goods. This clearly demonstrates that the financial transactions were for the sustenance of the firms' business operations. While the SCN points out that the Noticee's accounts received credits amounting to ₹87.87 lakhs , this amount, spread over a period of intense activity involving multiple firms and large-value consignments, is entirely consistent with professional fees, commissions, or reimbursements, advances. It pales in comparison to the alleged duty evasion of ₹13.93 crores and does not in any way suggest that the Noticee was the ultimate beneficiary of the entire operation. The department has failed to establish a money trail proving that the profits from the alleged diversion flowed to the Noticee. Without proving that the goods were imported "on behalf of" the Noticee for his ultimate financial enrichment, the charge of being a "beneficial owner" remains an unsubstantiated inference.

- **Evidentiary Value of Statements Recorded under Section 108:** The SCN leans heavily on the statements of the co-noticee proprietors, who have allegedly implicated the Noticee as the controller of all affairs. It is a settled principle of law that statements of co-accused are a very weak form of evid-

ence and require strong, independent corroboration. These statements are inherently self-serving, as the proprietors had every incentive to shift the blame onto their consultant to mitigate their own liability as the legal owners of the firms and the goods. More importantly, the Noticee formally retracted any inculpatory part of his own statement dated 15.04.2024 by filing a retraction affidavit before the learned Additional Chief Judicial Magistrate, Vapi, on 18.04.2024, at the earliest available opportunity. It is trite law, as laid down by the Hon'ble Supreme Court in cases like *Vinod Solanki v. Union of India*, that a retracted confession cannot form the sole basis for an adverse finding and must be corroborated by independent and cogent evidence. The department has failed to bring any such independent evidence on record that corroborates the retracted portions of the statement. The reliance on these statements is therefore misplaced and contrary to the principles of natural justice. The SCN places significant reliance on the Call Detail Record (CDR) analysis, which shows that the mobile numbers registered in the names of the firms were frequently located at or near the Noticee's office or residence in Vapi. This data, far from being incriminating, actually corroborates the Noticee's defense.

| CDR Finding (as per SCN) | Defense's Interpretation & Factual Context |
|---|---|
| Official mobile numbers of firms located near Shri Chaturvedi's office/ residence in Vapi. | This is consistent with his role as the Vapi-based consultant managing operations and Logistics for Mumbai-based proprietors. Official business was conducted from his operational base. |
| Personal numbers of proprietors located in Mumbai/Thane. | This proves the proprietors were not in Vapi and had delegated the day-to-day work to Shri Chaturvedi, reinforcing the principal-agent relationship. |
| Simultaneous movement of all firm numbers with Shri Chaturvedi's number. | This indicates he carried the phones required for business, a practical necessity for a consultant handling multiple clients' urgent operational and logistics matters. It does not prove ownership of the businesses themselves. |

- **Rebuttal to Allegation of Misuse of AA Scheme and Diversion of Goods**: The SCN alleges that the Noticees misused the AA scheme by diverting the goods to the domestic market with an intent to evade duty, equating this act to "smuggling". This conclusion is premature and legally flawed.

    - The Noticee was engaged only as a consultant and never owned or imported the goods. Accusing him of "smuggling" by diverting the goods into the domestic market—and claiming he intentionally misused the Advance Authorisation scheme to evade duty—is therefore baseless and factually wrong.

    - **Even Otherwise, there is No Final or Irremediable Diversion**: Even otherwise also, It is denied that the goods were ever permanently diverted for domestic sale. Moving the pipes to Satya Steel's Kalamboli warehouse—or any other site—was purely a logistical step for temporary storage or to position them closer to export gateways and downstream processors in Mumbai, not a sale. Every transfer was fully transparent, with official E-way Bills generated under the GST framework, which is wholly inconsistent with any attempt at illicit diversion. Throughout, the goods remained subject to export obligations and constructive customs control, secured by the bond the importer had executed.

- **The Act of Diversion is Not "Smuggling"**: The SCN's attempt to brand this alleged post-import violation as "smuggling" under Section 2(39) is a gross mischaracterization of the law. Smuggling involves clandestine import or export. Here, the imports were made openly, declared to Customs, and cleared under a valid authorization. The Hon'ble Supreme Court, in the landmark case of *Union of India v. Sampat Raj Dugar*, has held that if an import is made under a valid license, it is a lawful import, and a subsequent breach of a post-import condition does not retrospectively render the import an act of smuggling. Furthermore, as held in *East India Commercial Co. v. Collector of Customs*, a license remains valid until it is cancelled by the issuing authority. In this case, the AA licenses were valid at the time of import and have not been cancelled by the DGFT to date. Therefore, the goods cannot be treated as smuggled goods.

- **Absence of *Mens Rea* (Guilty Mind)**: The department has failed to prove any *mens rea* or guilty intent on the part of the Noticee. There is no evidence to suggest that the Noticee or the firms intended to defraud the government from the outset. Their actions—obtaining valid licenses, declaring imports, executing bonds—are consistent with a bona fide intent to engage in export business. Any subsequent procedural lapse or failure to adhere to the logistical plan does not automatically imply a criminal mind. The Hon'ble Supreme Court in *Hindustan Steel Ltd. v. State of Orissa* has held that a penalty, being quasi-criminal in nature, should not be imposed for a mere technical or venial breach of a statutory obligation, unless there is evidence of deliberate defiance, dishonesty, or contumacious conduct. No such conduct has been proven against the Noticee.

- **Rebuttal to Demand of Duty and Invocation of Extended Period**: The SCN seeks to recover the customs duty of ₹13,93,97,786/- by invoking the extended period of limitation under the proviso to Section 28(4) of the Customs Act, 1962. This demand is legally unsustainable.

  - **Why Section 28(4) Cannot Apply**: The five-year "extended period" under Section 28(4) can be used only when duty is lost because the importer hid facts, made a false statement, or colluded to commit fraud with intent to evade the payment of duty, at the time the Bill of Entry was assessed. None of that happened here. At import, the firms clearly declared that the pipes were being brought in under valid Advance Authorisations and openly claimed the exemption in Notification 21/2023-Cus. Customs examined the documents, assessed the Bills of Entry, and correctly waived duty, exactly as the law then required. The department's grievance is that, after clearance, the firms allegedly did not follow every condition attached to the exemption. That is a post-import issue, not a suppression of facts during assessment. The proper way to address any later breach is to invoke the bond the importer executed or to proceed under DGFT rules—not to reopen the assessment through Section 28(4). Using the fraud provision in these circumstances misstates the law and is time-barred.

  - **Revenue is Secured by Bond and the Precedent of Titan Medical Systems**: It is reiterated that the entire duty foregone was secured by a legally enforceable bond, meaning the revenue was never at risk of an irrecoverable loss. More fundamentally, the entire duty demand is contrary to the law laid down by the Hon'ble Supreme Court in ***Titan Medical Systems Pvt. Ltd. v. Collector of Customs*. The Apex Court has unequivocally held that *"…..Once an advance licence was is-***

***sued and not questioned by the licensing authority, the customs authorities cannot refuse exemption on an allegation that there was misrepresentation. If there was any misrepresentation, it was for the licensing authority to take steps in that behalf…..".*** Thus, as long as the advance license are valid and has not been cancelled by the DGFT, the Customs authorities cannot deny the benefit of the corresponding exemption notification. As the AA licenses in present case remain valid and uncancelled by the DGFT, the Customs department has no jurisdiction to unilaterally decide that the exemption was "wrongly availed" and proceed to demand duty. The SCN is a direct contravention of this binding precedent. On this ground itself the impugned SCN deserves to be dropped.

- **Rebuttal to Proposed Confiscation and Penalties**: The proposals for confiscation and imposition of multiple penalties are premature, excessive, and legally flawed.
    - **Confiscation under Section 111(o)**: Confiscation of goods under Section 111(o) is a consequence of a breach of a condition of exemption. As submitted earlier, the primary condition of fulfilling the export obligation had not been breached as the time limit for the same had not expired. Therefore, the goods were not liable for confiscation at the time the SCN was issued. The department's reliance on cases like *Sheshank Sea Foods Pvt. Ltd. v. UOI* is misplaced, as in that case, the violation (domestic sale of inputs) was conclusively established and the EO period had passed, which is not the situation here.
    - **Penalties under Sections 112 and 114A**: The proposal to impose penalties under Sections 112(a), 112(b), and 114A on the Noticee is untenable.
    - In summary, the Noticees respectfully assert that treating the case as one of outright duty evasion is not justified. As far as the Importers are prepared to fulfil the export obligations to the extent possible or otherwise discharge duty with interest as a compliance measure.
- **SUBMISSIONS ON THE JURISDICTION OF DGFT & PROVISIONS FOR REGULARIZATION**:
    - **Bona Fide Default and Regularization Provisions**: Jurisdiction of DGFT in Matters Related to License Conditions: The Advance Authorization (AA) scheme operates under the Foreign Trade Policy (FTP) and is administered exclusively by the Directorate General of Foreign Trade (DGFT). Any alleged breach or violation of license conditions, especially relating to the non-fulfilment of export obligations, thus falls primarily within the jurisdiction of the DGFT under the Foreign Trade (Development & Regulation) Act, 1992. The role of Customs authorities, by design, is limited to enforcement at the time of importation, granting duty exemptions based on valid authorizations issued by the DGFT. **As categorically affirmed by the Hon'ble Supreme Court in Titan Medical Systems Pvt. Ltd. vs Collector Of Customs [2003 (151) ELT 254 (SC)], Customs authorities do not have jurisdiction to independently challenge or override a license issued by the DGFT**. They must necessarily await a determination or declaration of default, cancellation, or withdrawal by the DGFT before initiating any consequential enforcement action. In the present matter, no such adverse determination has been made by the DGFT against any of the licenses involved.

- **Provision for Regularization of Bona Fide Defaults**: The Foreign Trade Policy is designed not solely to impose penalties, but also to offer structured remedies to exporters in cases of genuine and bona fide defaults. Paragraph 4.49 of the Hand-book of Procedures and various amnesty and regularization schemes periodically introduced by the Government explicitly provide mechanisms allowing exporters to regularize shortfalls in fulfilling export obligations. Exporters can rectify any defaults by paying the customs duty saved along with applicable interest, thereby securing government revenue. This clearly indicates the policy intention to offer legitimate pathways to compliance rather than automatically classifying all in-stances of non-performance as intentional fraud or acts of smuggling. In this case, the Noticee and the involved importing entities have consistently shown a willing-ness to comply with legal requirements. They remain ready to regularize any shortfall in export obligations through payment of the appropriate duties and in-terest as per established procedures. Such willingness underlines their good faith and fundamentally contradicts any allegations suggesting a deliberate and premed-itated intent to evade customs duties

- In view of above, the Noticee once again emphasizes that he acted solely as an external consultant; the imported goods and the attendant customs obligations have always rested with the individual importers. This is evident from the fact that, at every stage—including after issuance of the Show Cause Notice—applications for provisional release were filed exclusively by the importers, never by the Noticee, thereby reaffirming their undisputed ownership and responsibility. Further, because each importer executed a bond with Cus-toms guaranteeing payment of any duty and interest that might become payable, the Gov-ernment's revenue is already fully secured under Section 143 of the Customs Act. In these circumstances, no statutory basis exists to raise a duty demand or impose penalties on the Noticee, who neither owned the goods nor executed the bond. The present pro-ceedings stem from business exigencies and, at most, errors of judgment by the importers —not from any fraudulent design orchestrated by the Noticee. Furthermore, the importers remain ready to honour their bonds—either by completing the export obligations or, if necessary, by paying the duty saved with applicable interest through the regularisation mechanism provided in the Foreign Trade Policy. Accordingly, noticee respectfully re-quest that the proceedings initiated against the Noticee under the impugned Show Cause Notice be dropped in the interests of justice.

- Preliminary Objections and Denial of Allegations: At the outset, the Noticee unequivocally denies all allegations, inferences, and legal propositions contained in the Impugned SCN, except those expressly admitted herein. It is submitted that the SCN is vitiated by serious procedural and legal infirmities. Notably, the documents relied upon ("RUDs") were supplied to the Noticee only on 01.09.2025, nearly eight months after the SCN's issuance, thereby breaching the principles of natural justice. As clarified by CBEC's Master Circular 1053/02/2017-CX dated 10.03.2017, a show cause notice must be served along with all relied-upon documents for adjudication to validly commence. The delayed provision of RUDs has effectively meant that the SCN was completely served only on 01.09.2025, and the Noticee's time to respond should be counted from that date. Proceeding without timely supply of RUDs has severely prejudiced the Noticee's defense and violates the mandate of law (as also recognized in judicial dicta. The Noticee therefore objects to the SCN on this ground alone. Subject to and without waiving these objections, the Noticee submits this comprehensive reply on merits,

demonstrating that the SCN is founded on misapprehensions of fact and law and deserves to be dropped in its entirety.

- Synopsis of SCN Allegations: The Impugned SCN alleges that four proprietorship firms – M/s Vikranta Impex, M/s Vivanta International, M/s Ascent International, and M/s Vrunda International – imported approximately 360.251 MT of stainless steel seamless pipes valued at Rs. 8.12 crore during July–November 2023 under Advance Authorisations, availing duty exemption under Notification No. 21/2023-Cus. It is alleged that instead of utilizing these inputs for manufacturing export goods, the firms *diverted/sold* the pipes in the domestic market. The SCN accuses Shri Vipin Chaturvedi (the Noticee) of having planned and orchestrated this diversion, labelling him the *"mastermind"* and "beneficial owner" of the goods (within the meaning of Section 2(3A) of the Customs Act). It is alleged that the Noticee effectively controlled the firms (with the proprietors being figureheads), and that together the noticees "intentionally misused" the Advance Authorisation scheme to evade duty. On this premise, the SCN claims that the imports violated the conditions of the scheme and Notification, rendering the goods liable to confiscation under Section 111(o) of the Customs Act and making the Noticee liable to penalties under Sections 112(a), 112(b) and 114A, apart from possible action under the Foreign Trade (Development & Regulation) Act, 1992. The SCN invokes the extended period under the proviso to Section 28(4) of the Customs Act to demand approx. Rs. 13.94 crore of customs duty forgone, along with applicable interest, from the Noticee, alleging that the duty exemption was "wrongly availed" ab initio. The principal grounds of defense, as elaborated below, are:

- the SCN is premature since the export obligation period was still running and no default had crystallized;

- none of the Advance Authorisations have been cancelled or adjudicated as defaulted by the DGFT, so the Customs authorities lack jurisdiction to recover duty (per the Supreme Court judgment in *Titan Medical Systems*);

- the allegations of diversion/smuggling are factually and legally untenable, as the goods were imported and handled openly with no mens rea, and remained under bond/security;

- the Noticee was merely a consultant/facilitator with no ownership of goods, and the evidence of "beneficial ownership" is speculative and unsupported (there is no financial trail to him, and statements of co-noticees have either been retracted or are uncorroborated); and

- the SCN suffers from procedural improprieties including failure to supply Annexure-A (Duty Calculation Sheet) and internal contradictions in the evidence (e.g. claims of GST-paid transactions vs. cash sales) that fatally undermine the Department's case.

- Professional Role of the Noticee – No Ownership or Control: The Noticee respectfully submits that he is a professional consultant with decades of experience in the import/export of steel products. In the present case, he was engaged by the proprietors of the four subject firms (Vikranta, Vivanta, Ascent, Vrunda – each a newly established proprietary concern with valid IEC and GST registrations) to provide end-to-end consultancy and operational support for their trading business. These first-time importers sought the Noticee's expertise to navigate complex trade procedures, connect with suppliers/buyers, and ensure compliance with customs and DGFT requirements. The

Impugned SCN's narrative, portraying the Noticee as the "mastermind" of a fraudulent scheme, grossly mischaracterizes a legitimate professional engagement. While the Noticee did actively coordinate logistics and documentation (as any engaged consultant would), at no point did he assume any ownership or beneficial interest in the goods or the firms' business. All critical business decisions – including applying for licenses, importing goods, and disposing of goods – were made *in the names of and by* the respective proprietors, who held themselves out as the importers of record. The Noticee's hands-on involvement (liaising with Customs brokers, transporters, job-workers, etc.) was a normal facilitation role that did not vest him with control over the firms or the imports. In other words, the proprietors simply delegated procedural tasks to the Noticee while retaining full ownership and responsibility for their businesses. This crucial context negates the SCN's premise that the Noticee was the puppet-master "controlling" dummy importers – on the contrary, the importers are genuine entrepreneurs who admittedly relied on the Noticee's advice, but remained the real actors and obligees under the Advance Authorisation scheme.

- **Imports against Valid Authorisations** – No Misdeclaration: Each import was effected against a valid and subsisting Advance Authorisation issued by the DGFT under FTP 2023 (details of quantity/value/licence numbers appear in Annexure-A to the SCN). The Bills of Entry expressly declared the AA numbers and claimed exemption under Notification No. 21/2023-Cus., dated 01.04.2023 (as cited in the SCN). Customs verified the declarations and permitted duty-free clearance against bonds under Section 143 of the Customs Act, 1962, fully securing the revenue for any eventual shortfall. On these admitted facts, there was no misstatement or suppression at assessment—the exemption was availed openly on the strength of facially valid licences. Critically, none of the AAs has been suspended/cancelled or adjudged in default by DGFT to date of the SCN; under the FT(D&R) framework, a licence remains operative until cancelled by the competent licensing authority. In law, imports made under a valid (uncancelled) licence cannot be treated as "smuggled" or otherwise illegal merely because a post-import condition is later alleged to be breached. The Supreme Court has affirmed that (i) a licence obtained even by misrepresentation is voidable, not non est, and remains good until cancelled; and (ii) a subsequent breach of licence conditions does not retrospectively render the import illegal. *(East India Commercial Co. Ltd. v. Collector of Customs, Calcutta, AIR 1962 SC 1893 = 1983 (13) E.L.T. 1342 (SC), (34–36); see also Union of India v. Sampat Raj Dugar, 1992 (58) E.L.T. 163 (SC))*. Additionally, where AAs stand uncancelled, Customs cannot deny the exemption or demand duty by going behind the licence; any post-import shortfall lies within DGFT's domain/bond enforcement. *(Titan Medical Systems (P) Ltd. v. Collector of Customs, 2003 (151) E.L.T. 254 (SC))*.

- Change of Supporting Manufacturer (Prudent Stainless) – No Impropriety: The SCN notes that M/s Prudent Stainless Pvt. Ltd. was declared as the common supporting manufacturer in the AA applications, yet no goods were ultimately sent to, or processed at, Prudent's premises. That factual outcome does not convert the original disclosure into a false declaration or "misuse". Under FTP 2023, an Advance Authorisation may be held by a manufacturer-exporter or a merchant-exporter tied to a supporting manufacturer—this structure is expressly recognised in policy. Operationally, the Handbook of Procedures (HBP) 2023 provides a clear mechanism to add/change the manufacturing/processing arrangement post-issuance: the authorisation holder may endorse the name of any manufacturer/jobber/supporting manufacturer on the authorisation with the Regional Authority; upon such endorsement, both become jointly

and severally liable for EO, and endorsement can also be routed via Customs under GST job-work rules in specified cases. These provisions exist precisely to accommodate business-driven shifts in processing locations. In our case, Prudent was genuinely nominated at the application stage (consistent with the initial plan and capacity). Subsequent commercial/logistical considerations led to using alternate job-work/processing facilities closer to the market/ports. Such re-routing is policy-permissible subject to the endorsement procedure above; it does not retroactively falsify the original nomination, which was true when made. The movement/processing was undertaken with proper documentation. Absent proof from the Department that the Noticee failed to follow, or was denied, the endorsement mechanism under the HBP, the mere fact that Prudent ultimately did not receive goods cannot be equated to a false declaration or scheme misuse. In short, the scheme rules were adhered to by utilising the supporting-manufacturer framework and the post-issuance endorsement pathway contemplated by FTP/HBP.

- **SCN Issued Prematurely** – Export Obligation Period Still Open at the time of issuance of SCN: The entire edifice of the SCN is built on the premise that the Noticee's side has violated the conditions of the Advance Authorisation scheme by diverting the goods and not fulfilling the export obligation. However, the SCN conspicuously ignores a fundamental fact: at the time it was issued (08.01.2025), no legal cause of action had arisen yet, because the export obligation period (EOP) was still running. Under the FTP and Handbook of Procedures, an Advance Authorisation typically carries an initial EOP of 18 months from the date of issue of authorisation (which can be further extended with permission). Here, the imports were made between July 2023 and November 2023. The corresponding Advance Authorisations would have been issued shortly prior to those imports. Therefore, even without any extension, the 18-month EOP for these licenses would extend well into 2024 (and even into mid-2025 for the later imports). By the Department's own chronology, the DRI commenced investigation and the Commissioner issued the SCN in January 2025 – well before the 18-month period expired for any of the imports. In other words, at the time of SCN issuance, the primary condition of the Advance Authorisation scheme – namely, the obligation to complete the requisite exports within the allowed period – was not yet due. It is a settled legal position that until the due date for fulfilment of export obligation passes, an importer cannot be said to be in "default" of that obligation. The AA scheme is essentially a contract between the government and the authorisation holder: duty-free inputs are provided in expectation of future exports within a stipulated timeframe. Until that timeframe expires (or the DGFT terminates the licence for some reason), the holder is not in breach. By proceeding against the Noticee (and others) in the middle of the EOP, the Department has pre-judged a default that had not yet occurred. This premature action is not supported by any provision of law – it short-circuited the scheme's operation. Indeed, the proper course (if the Department feared potential non-fulfilment) would have been to monitor the exports or alert DGFT, not to allege a violation before the due date. The Hon'ble Supreme Court's decision in *Titan Medical Systems Pvt. Ltd. v. Collector of Customs* is instructive: the Court deprecated Customs authorities for initiating demand proceedings when the Advance Licence's export deadline was still running, noting that such action was pre-mature and without jurisdiction. The present SCN is a textbook case of premature adjudication and on this ground alone it is unsustainable.

- No completed breach / diversion — goods under bond; allegation remains unproven: The allegation that the goods were "diverted for local sale to permanently evade export" is

specifically denied. As on the SCN date, the export-obligation period was still running and the imports stood secured by bonds; hence, no completed breach could have arisen. Any alleged movement or storage at domestic premises (e.g., third-party warehouse) — even if assumed for argument — is, per se, a logistical step and does not amount to diversion or abandonment of export intent. The Department's own materials (RUDs) refer to transportation supported by e-way bills and to GST-invoiced banking-channel transactions asserted by third parties. Without admitting their correctness, we point out that, if those very records are relied upon, they negate clandestinity and are inconsistent with a theory of smuggling or suppression. Conversely, the SCN's insinuation of cash dealings is unsupported by any cash seizure, ledger, or bank trail and is therefore speculative. All statements relied upon against the noticees are disputed: copies were not furnished with the SCN and have been provided only recently; the noticee retract any inculpatory portions as obtained under duress/constraint, and they insist on cross-examination of every maker and on strict compliance with Section 138B. Pending such proof, the Department has not established either (i) a completed breach of the notification conditions within the EOP, or (ii) any mens rea to evade duty. Without prejudice, policy provides a regularisation pathway (duty + interest) if any shortfall is eventually determined; this statutory framework — along with the executed bonds — undercuts any premise of permanent revenue loss.

- No "Smuggling" – Breach of a Post-Import Condition is Not Clandestine Import: The allegation that the subject imports constitute "smuggling" is specifically denied. Under the Customs Act, "smuggling" (s.2(39)) turns on acts/omissions that render goods liable to confiscation under s.111/113; it does not convert an otherwise lawful import into a clandestine one merely because a post-import condition is later alleged to be unfulfilled. The imports here were openly cleared against valid, operative Advance Authorisations, with duty exemption availed under the notified scheme and bonds under s.143 securing revenue. The Hon'ble Supreme Court has clarified that an import made under a valid licence is a lawful import, and a subsequent breach of licence conditions does not retrospectively taint the import as illegal or "smuggled." *(Union of India v. Sampat Raj Dugar, 1992 (58) E.L.T. 163 (S.C.); East India Commercial Co. Ltd. v. Collector of Customs, AIR 1962 SC 1893 = 1983 (13) E.L.T. 1342 (S.C.), (34–36).* Further, where the licence/AA remains uncancelled, Customs cannot deny the exemption by going behind the licence; any issue of post-import performance lies in DGFT's domain/bond enforcement. *(Titan Medical Systems (P) Ltd. v. Collector of Customs, 2003 (151) E.L.T. 254 (S.C.).)* At most, if—after expiry of the export-obligation period and due process—a completed breach of the notification conditions is established, consequences (including potential action under s.111(o)) may arise at that stage. To invoke s.2(39) now to brand the initial import itself as "smuggling" is premature and legally untenable. The goods were lawfully imported; any later lapse (if proved) is addressed by the FTP regularisation/bond framework, not by retroactively re-characterising the import as clandestine.

- No mens rea / no intent to evade duty — scheme architecture negates "evasion" theory.: The allegation of a pre-meditated scheme to evade customs duty is specifically denied. The record discloses no evidence of wilful misstatement, suppression, collusion or fraud at the time of assessment—the only stage that could trigger s.28(4)/s.114A. The Supreme Court has repeatedly held that extended limitation and fraud-based penalties require a positive act of deception, not mere non-fulfilment of a post-import condition or procedural lapse. *(Uniworth Textiles Ltd. v. CCE, 2013 (288) E.L.T. 161 (S.C.);*

*Continental Foundation v. CCE, 2007 (216) E.L.T. 177 (S.C.); Nizam Sugar Factory v. CCE, 2006 (197) E.L.T. 465 (S.C.))*. Crucially, the Advance Authorisation scheme itself disincentivises and legally precludes "evasion": if export obligation is not fulfilled, the duty automatically becomes payable with interest, and each import is secured by a bond under s.143 of the Customs Act. Thus, even hypothetically, there is no rational or legal avenue to "evade" duty—the liability is inbuilt and enforceable, with revenue fully secured. At most, a later shortfall (if established after the EOP and due process) gives rise to regularisation (duty + interest) under the FTP/HBP framework; it does not evidence an original intent to defraud. All objective indicators are inconsistent with clandestinity: the imports were openly cleared against valid, uncancelled AAs; material facts were fully declared; and movements/sales relied upon by the Department themselves (to the extent they cite GST e-invoices/e-way bills/banking channels) negate a theory of secret diversion. In law, penalties are not to be imposed for technical or venial breaches where there is no guilty intent. *(Hindustan Steel Ltd. v. State of Orissa, 1978 (2) E.L.T. 159 (S.C.) [04-08-1969]). Accordingly, invoking s.28(4) and s.114A (or treating the case as one of "suppression/fraud") is factually unwarranted and legally unsustainable in the absence of mens rea at the assessment stage; any consequence of a later EO shortfall lies within DGFT/bond enforcement and FTP regularisation—not in fraud-based customs penalties.*

- Rebuttal to duty demand and extended limitation: The proposed demand of Rs. 13,93,97,786/- invoking the extended 5-year period under s.28(4) is untenable on facts and in law.

- Inapplicability of the extended period — no fraud/suppression at assessment: The proviso to s.28(4) applies only where non-levy/short-levy is "by reason of collusion or any wilful misstatement or suppression of facts" at the assessment stage. The exemption was openly claimed under Notif. 21/2023-Cus. (01.04.2023) against valid AAs, with full disclosure on the Bills of Entry and bonds under s.143 securing revenue. The Department's grievance, if any, arises post-import (alleged handling during the export-obligation period), not from any deception at assessment. On settled law, extended limitation cannot be pressed absent a positive act of wilful misstatement/suppression: *Uniworth Textiles Ltd. v. CCE*, 2013 (288) E.L.T. 161 (S.C.); *Continental Foundation v. CCE*, 2007 (216) E.L.T. 177 (S.C.); *Nizam Sugar Factory v. CCE*, 2006 (197) E.L.T. 465 (S.C.); *Pushpam Pharmaceuticals Co. v. CCE*, 1995 (78) E.L.T. 401 (S.C.). Accordingly, only the normal period under s.28(1) could ever be in play (and even then, there was no short-levy at import—duty was not levied by design due to a facially valid exemption). Further, issuing an SCN mid-EOP attempts to rewrite the scheme by treating an uncrystallised, post-import contingency as a past assessment error—impermissible in law. Any post-import shortfall is addressed by bond enforcement/FTP regularisation, not by resort to the fraud limb of s.28(4).

- Demand barred on jurisdictional principle — Titan Medical Systems applies: More fundamentally, the AAs in question stand uncancelled. The Supreme Court in Titan Medical Systems (P) Ltd. v. Collector of Customs, 2003 (151) E.L.T. 254 (S.C.), held that where a licence issued by DGFT remains in force, Customs cannot go behind the licence to deny exemption or raise demand on an allegation of "misuse/misrepresentation"; if there is a breach, DGFT must act. The same principle flows from East India Commercial Co. Ltd. v. Collector of Customs, AIR 1962 SC 1893 = 1983 (13) E.L.T. 1342 (S.C.), which treats imports under a valid, uncancelled licence

as lawful; a later breach does not retro-taint the import. Here, no DGFT cancellation/default finding exists. The demand is therefore ultra vires, and on this ground alone the SCN merits dropping.

- Procedural fatality — incomplete SCN and delayed RUDs vitiate adjudication.

- The SCN repeatedly relies on "Annexure-A (Duty Calculation)", yet complete workings (rate-wise/BE-wise mapping) were not furnished contemporaneously, impeding verification of quantification.

- Relied-Upon Documents (RUDs) listed in Annexure-C were supplied to the noticee only on 01.09.2025, long after SCN service. This violates the Department's own Master Circular No. 1053/02/2017-CX (10.03.2017), which requires service of the SCN along with all relied documents to afford an effective defence. Courts have treated failure to furnish relied documents as a denial of natural justice: *MOHAMMED FARIZ & CO. v. CC, Cochin*, 2019 (369) E.L.T. 218 (Ker.); *Sri Balaganesan Spinners v. Jt. Commr. of Customs, Tuticorin*, 2021 (377) E.L.T. 510 (Mad.). The Supreme Court has further underscored procedural safeguards (including the right to confront evidence) in *Andaman Timber Industries v. CCE*, 2015 (324) E.L.T. 641 (S.C.). Given the belated RUD supply, the SCN was not effectively served until 01.09.2025; any adjudication attempt before that date is premature, and even now the compressed timeline prejudices defence. These lapses warrant quashing of the SCN; at the very least, the Department's evidence must be viewed with caution and the demand set aside for want of due process.

- Proposed confiscation under Section 111(o) — not tenable (premature and jurisdictionally unsound):

- No completed breach when SCN was issued: Section 111(o) attaches only when a conditional-exemption condition "is not observed". The Hon'ble Supreme Court holds that the "occasion for taking action under clause (o) arises only when the condition is not observed within the prescribed period (or, if none, within a reasonable period)." *Union of India v. Sampat Raj Dugar*, 1992 (58) E.L.T. 163 (S.C.). Here, on the SCN date, the export-obligation (EO) period was running (and is extendable under policy). There was, therefore, no crystallised non-observance capable of attracting s.111(o).

- Customs cannot go behind an uncancelled Advance Authorisation. The Supreme Court further holds that once an Advance Licence/Authorisation issued by DGFT remains uncancelled, Customs cannot unilaterally deny the scheme exemption or proceed as if the licence were invalid; alleged misuse, if any, lies within DGFT/bond enforcement. *Titan Medical Systems (P) Ltd. v. Collector of Customs*, 2003 (151) E.L.T. 254 (S.C.); see also *East India Commercial Co. Ltd. v. Collector of Customs*, AIR 1962 SC 1893 = 1983 (13) E.L.T. 1342 (S.C.) (licence obtained even by misrepresentation is voidable, not non est, until cancelled). In the present matter, no DGFT cancellation/default order exists.

- Seizure/departmental acts that impede EO militate against confiscation. When departmental restraint precludes performance within the EO window, confiscation on the footing of non-observance is premature. The Tribunal so held in *Gaur Impex v. CC, Chennai*, 2004 (175) E.L.T. 696 (Tri.-Chennai), setting aside s.111(o) confiscation/fine/penalty where goods were seized before EO expiry, with specific observations that the importer had time (including provision for extension) to fulfil EO.

- Gaur Impex — correct use and factual distinction. The Department may cite subsequent proceedings in Commissioner of Cus. (Sea Export), Chennai v. Gaur Impex, 2009 (240) E.L.T. 166 (Mad.), followed by SLP dismissal, 2010 (249) E.L.T. A28 (S.C.). Those were fact-specific: the Madras High Court found the assessee not an actual user/manufacturer, resting the result on misrepresentation about existence of a manufacturing unit under an actual-user licence, and permitted appropriation of the bank guarantee. Our case is materially different: (a) the imports are under merchant-exporter + supporting-manufacturer architecture expressly permitted under FTP 2023, not an "manufacturer-actual user" paradigm; (b) no DGFT cancellation or adverse finding exists; and (c) the EO period was live when DRI action intervened. Most importantly, binding Supreme Court law in *Sampat Raj Dugar* and *Titan Medical* governs; a High Court ruling—particularly on distinguishable facts and from another State—cannot override Supreme Court ratio or be applied to rewrite the AA scheme at Nhava Sheva.

- No foundation, no fine. Where goods are not yet "liable to confiscation" under s.111(o) (for want of a completed breach), proposals for redemption fine under s.125 and penalty under s.112 cannot survive. The Department's alternative theory—confiscate in absentia and impose fine-in-lieu for goods already sold—fails at the threshold because liability to confiscation itself is not made out in the absence of a matured breach.

- Rebuttal to allegation of "beneficial owner" / de-facto control (Section 2(3A)): Statutory touchstone. Section 2(3A) defines "beneficial owner", in relation to goods, as the person on whose behalf the goods are imported/exported or who exercises effective control over the goods. The Department must, therefore, prove either (a) the imports were on behalf of Shri Vipin Chaturvedi, or (b) he exercised effective control in the sense of dominion consistent with proprietary interest—not mere authorised operational handling.

- Consultant/agent ≠ beneficial owner (no import "on his behalf"). The record shows a classic principal–agent set-up, not a hidden principal:

- Titles/permissions in proprietors' names: IEC, GST, bank accounts, Advance Authorisations, bonds under s.143, Bills of Entry and import contracts are all in the names of the four proprietorships.

- Express delegation by proprietors: The proprietors handed over firm mobiles/emails/credentials to the Noticee to *operate the business on their behalf*; this is consistent with an empowered consultant managing filings, logistics and vendor coordination—not ownership.

- Scheme architecture permits this model: The FTP/AA framework itself recognises merchant-exporters, supporting manufacturers and outsourced job work. Operational management by a consultant within this framework does not transmogrify into beneficial ownership.

- Therefore the Imports were made "on account of" the license-holding firms, who are the real principals. Section 2(3A) is not a catch-all to re-characterise every hands-on consultant as the owner.

- Financial trail disproves "true beneficiary" theory: The SCN's own narrative admits that buyer payments (e.g., from Dev Steel/Steelage) were credited to the importers' bank accounts and that e-invoices/e-way bills were issued in the firms' names. By contrast, the

credits of around Rs. 87.87 lakh into Vipra Impex (the Noticee's sole-proprietorship) are banked, book-recorded receipts consistent with consultancy/trading margins, not a clandestine recoup of the full value of diverted goods. Crucially, the SCN does not link those credits to any specific import consignment, bill of entry, or buyer payment stream; nor does it show funding of the imports by the Noticee. On this financial record, the beneficial-owner premise collapses: the firms bore the commercial risk and received sale proceeds; the Noticee earned at most a fee/margin—that does not confer beneficial title.

- Statements/CDRs are insufficient and, on balance, exculpatory:

- Co-noticee statements: Self-serving efforts by proprietors to minimise their role ("we knew nothing; Vipin did all") cannot, without independent corroboration, establish beneficial ownership or a funding nexus. Noticee request for Cross examination of all such co-noticees whose statements were relied against the noticee.

- Noticee's own statements: The Noticee's statement(s) under s.108, when read with his contemporaneous clarification/retraction (RUD-27A, 18.04.2024), deny that he is the "controller/main person" and affirm his role as consultant. A partial retraction directly on the core attribution of ownership/control dilutes probative value unless the Department produces independent corroboration—which it has not.

- CDR/location analysis: Call-detail/location parity between "firm phones" and the Noticee proves only coordination, which is equally consistent with authorised management. CDRs do not prove who owned/financed the goods or who held title/dominion at law.

- "Effective control" requires dominion over the goods, not administrative busy-ness: Even if the Noticee supervised logistics, vendor interface, drafting letters, etc., that shows operational control delegated by principals, not beneficial control in the sense contemplated by s.2(3A). The Department points to heavily involved conduct; it does not show dominion over custody/title, funding, or decision-making for his own account. Absent such proof, the legal threshold of "effective control over the goods" is not met.

- Burden and standard: "Beneficial owner" is a fact-intensive, exceptional piercing of form. The burden lies on the Department to displace facial ownership evidenced by licences, bonds, B/Es, invoices, bank credits in the firms' names. With no funding trail, no title documents, no proprietary instructions, and only uncorroborated statements/CDRs, that burden is not discharged.

- In a nutshell the s.2(3A) allegation is misconceived. On the documents and money trail, the proprietors/firms remain the owners/principals; the noticee Shri Vipin Chaturvedi acted as an authorised consultant/agent within the FTP framework. The Department has not shown that the goods were imported on his behalf or that he exercised beneficial dominion over them. The plea that he is the "beneficial owner" should therefore be rejected, and any derivative proposals for personal penalty premised on that characterisation ought to fail.

- Penalties under Sections 112(a), 112(b) and 114A — inapplicable to a consultant; unsustainable on facts and law:

- Section 114A cannot, as a matter of law, be imposed on a consultant: Section 114A applies only to "the person who is liable to pay duty" determined under Section 28

pursuant to wilful mis-statement/suppression. The person so liable here—on the Department's own case—is the importer (the four proprietorship concerns), not Mr. Vipin Chaturvedi, who is neither the importer nor the beneficial owner, nor the declarant on the Bills of Entry. A consultant/agent is not a 'person liable to pay duty' under Section 28 and therefore falls outside the charging ambit of Section 114A. Consequently, the proposed equal penalty under s.114A against Mr. Chaturvedi is without jurisdiction and must be dropped ex facie.

- Predicate failure: no sustainable confiscation ⇒ no s.112: Penalties under Sections 112(a)/(b) presuppose that the goods are "liable to confiscation" under Section 111. As shown in Ground 11 (and 10.1–10.3), s.111(o) is not attracted while the export-obligation period was alive and the Advance Authorisations were valid/uncancelled. The Supreme Court in UOI v. Sampat Raj Dugar, 1992 (58) E.L.T. 163 (S.C.) holds that action under s.111(o) arises only upon non-observance of the condition within the prescribed/reasonable period; Titan Medical Systems, 2003 (151) E.L.T. 254 (S.C.), and East India Commercial Co., 1983 (13) E.L.T. 1342 (S.C.) forbid Customs from denying scheme benefit while the licence stands. With the confiscation premise missing, s.112(a)/(b) cannot be invoked.

- Ingredients of s.112 are not met against a consultant acting under mandate:

- No act/omission "rendering goods liable to confiscation" (s.112(a)): Noticee's role was operational facilitation under express mandates from the proprietors (licence holders)—liaison with CHA/transporters, coordination, document collation—not any act at the time of import that rendered the goods liable to confiscation. Imports were openly cleared against valid AA with bonds under s.143 in place.

- No knowledge/reason to believe goods were liable (s.112(b)): The statutory mens rea requires knowledge or reason to believe the goods were confiscable. Given the facially valid licences, Customs-cleared BE, documented movements (e-invoices/e-way bills), and the recognised FTP architecture (merchant exporter/supporting manufacturer), there was no basis for Mr. Chaturvedi to believe the goods were "liable to confiscation". The Supreme Court has set aside penalties where bona fide belief and absence of contumacious conduct is evident: Akbar Badruddin Jiwani v. CC, 1990 (47) E.L.T. 161 (S.C.); the classic principle in Hindustan Steel Ltd. v. State of Orissa, 1978 (2) E.L.T. (J-159) (S.C.) that penalty is not to be imposed for technical/venial lapses absent guilty intent.

- Section 114A also fails on its own ingredients (even apart from (i) above): Extended limitation/114A require wilful mis-statement or suppression with intent to evade at the assessment stage. The Department's grievance is post-import/EO-compliance in nature. As the Supreme Court held in Pushpam Pharmaceuticals, 1995 (78) E.L.T. 401 (S.C.), "suppression" means deliberate concealment; and in Uniworth Textiles, 2013 (288) E.L.T. 161 (S.C.), mere non-compliance absent intent to evade does not satisfy the proviso to s.28(4). With no wilful mis-statement/suppression at import, s.28(4) fails, and s.114A (which mirrors it) automatically collapses.

- Bar on double penalties: Even arguendo, the proviso to s.114A bars simultaneous penalties under s.112/s.114 for the same act. The SCN's omnibus proposal to levy s.112 and s.114A together is legally impermissible. The Department must elect; on facts and law, neither survives scrutiny.

- Evidentiary deficit; retracted statements cannot found a penalty on a consultant: The case against Mr. Chaturvedi rests substantially on statements that stand retracted (retraction dated 18.04.2024 – RUD-27A) and on CDRs which demonstrate only coordination, not culpable knowledge. A retracted confession requires independent corroboration before it can be acted upon: K.I. Pavunny v. Asst. Collector, 1997 (90) E.L.T. 241 (S.C.); Vinod Solanki v. UOI, (2009) 11 SCC 558. The Department has produced no funding trail, documents of title, unaccounted cash, or instructions evidencing intentional abetment by Mr. Chaturvedi.

- In view of above it is clear that the Noticee, Mr. Vipin Chaturvedi, being a consultant/agent and not the importer or person liable to duty, cannot be visited with s.114A; and with no sustainable confiscation, no guilty knowledge, and no corroborated evidence, penalties under s.112(a)/(b) are equally untenable. Consistent with Sampat Raj Dugar, Titan Medical, Akbar Badruddin Jiwani, Pushpam and Uniworth, all proposed penalties against him warrant dropping in toto.

- Jurisdictional Demarcation (DGFT vs. Customs) and Availability of Regularisation:

- AA scheme is administered by DGFT; Customs honours licence and secures revenue: Under the FT(D&R) Act and FTP, Advance Authorisation (AA) licences are issued, monitored and—if warranted—cancelled by DGFT. Customs' role at import is to give effect to the licence and the conditional exemption and to secure the revenue by bond/BG. Whether an authorisation holder has defaulted in export obligation (EO), or whether a licence is liable to cancellation, is primarily a DGFT determination. The Supreme Court has underscored this separation of functions: Customs cannot, on its own, impeach the validity of a subsisting AA licence or deny exemption on an allegation of misrepresentation unless the licensing authority has acted (licence cancelled/held invalid). *Titan Medical Systems Pvt. Ltd. v. CCE* (2003) 151 E.L.T. 254 (S.C.). Likewise, imports made under a valid, uncancelled licence are lawful, and post-import lapses do not retrospectively taint the import (*UOI v. Sampat Raj Dugar*, 1992 (58) E.L.T. 163 (S.C.)).

- No DGFT action; licences subsist—Customs demand is premature and over-steps: In the present matter, no DGFT SCN, cancellation, or EO-default order exists against the noticee firms. The AA licences remain valid. In these circumstances, Customs cannot unilaterally treat the licences as non-est, nor pre-judge an "EO default" before DGFT has even commenced proceedings. Any duty recovery on account of non-fulfilment is, by design, triggered consequent to DGFT's determination or under the bond if EO is finally not met within the permissible/extended period. To proceed as if default stands established is jurisdictionally infirm and procedurally premature. (See *Titan Medical Systems* (supra).)

- FTP/HBP provide structured regularisation—policy intent is revenue realisation, not criminalisation: The FTP/HBP provide regularisation for bona fide lapses by payment of duty saved plus interest; the Government has also run amnesty/regularisation windows for AA/EPCG EO shortfalls (e.g., DGFT Public Notice No. 02/2023-24 dated 01.04.2023, "Amnesty Scheme for One-time Settlement of Default in Export Obligations"), which explicitly allow holders to come forward and discharge duty/interest in lieu of punitive consequences. These policy instruments reflect the scheme's remedial orientation—to protect revenue through bond enforcement/regularisation rather than to brand every shortfall as "smuggling" or impose penal confiscation at the threshold.

- Consultant's locus: even assuming arguendo a future EO shortfall, liability (if any) runs against the licence-holders under bond, not against a consultant: Shri Vipin Chaturvedi is not the importer or licence-holder; he executed no bonds and holds no authorisation. The statutory obligation to fulfil EO or, in the alternative, to pay duty with interest rests on the authorisation holders. Therefore, penal action against a consultant predicated on an unproven "EO default"—particularly before DGFT has determined any default—is legally misconceived.

- Given (i) the subsisting validity of the AA licences; (ii) absence of any DGFT default/cancellation order; and (iii) the availability of regularisation ensuring full protection of revenue, the present SCN—so far as it proceeds on an assumed EO breach, proposes confiscation under s.111(o), and presses penalties against a non-importer consultant—ought to be dropped.

- In view of the above detailed submissions, the SCN against Noticee, Shri Vipin Chaturvedi—who functioned only as an external consultant/facilitator and not as importer/beneficial owner—is liable to be **dropped as time-barred and on merits**: there was **no wilful misstatement or suppression at the time of import**, the Advance Authorisation benefit was claimed **openly on the face of the Bills of Entry**, bonds under s.143 were executed, and Customs assessed/cleared the goods with full knowledge; consequently **s.28(4) (five-year extended period)** is **inapplicable**, leaving only **s.28(1)'s normal limitation** to apply. Further, **service** of a show-cause notice in quasi-judicial proceedings is effective **only when the noticee is furnished the relied-upon documents** enabling a meaningful reply; here the **RUDs were supplied only on 01.09.2025**, so the **effective date of service of impugned SCN is 01.09.2025**. On that footing, and given that the concerned clearances were in **2023–24**, the demand is **beyond the normal period** and **hit by limitation**. On merits too, (i) with **no DGFT cancellation/default**, Customs cannot impeach subsisting AAs or re-write scheme compliance (see **Titan Medical Systems**, **Sampat Raj Dugar**, **East India Commercial**); (ii) **s.111(o)** is premature absent expiry of EO/regularisation; (iii) the **beneficial-owner** allegation under **s.2(3A)** fails for want of any funding/ownership trail, as all licences, bonds, B/Es, invoices and banking lie in the importers' names; and (iv) **penalties under ss.112(a)/(b) and 114A** cannot survive—**mens rea** at import is absent, **s.28(4)/s.114A** predicates are unmet, and **114A** cannot coexist with **s.112** for the same act. With revenue fully secured under the importers' bonds and regularisation available under FTP/HBP, punitive action against a **non-importer consultant** is legally untenable and unnecessary; the **SCN be set aside in toto** as **time-barred** and **unsustainable on merit**.

- For the reasons elaborated above, the Noticee prays for **discharge from all allegations** in the Impugned SCN. It is prayed that the proposals to demand duty, confiscate goods or impose penalties on the Noticee be **dropped**. The Noticee also requests the opportunity of personal hearing to further explain his case, if so required.

24.1 Noticee no. 02 Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex vide submission dated 10.09.2025 submitted the following:-

- At the very outset, the Noticee unequivocally denies all allegations, averments, and legal propositions made in the SCN, except those specifically admitted herein. The SCN proceeds on a misapprehension of facts, a misinterpretation of law, and unfounded presumptions unsupported by cogent or admissible evidence. It is material to note that the primary noticee, Shri Vipin Chaturvedi, has already placed on record detailed

submissions on the substantive issues of limitation and merits. In contrast, the present Noticee has been called upon only to show cause why a penalty under Section 112(a)/(b) should not be imposed. Accordingly, without prejudice to the submissions of the main noticee, the present Noticee confines his reply to the limited scope of penalty, and submits as follows.

- M/s Vikranta Impex is a proprietorship concern of Shri Mahesh Joshi, engaged in the business of trading and export of stainless steel products. The firm holds a valid Importer-Exporter Code (IEC) and had obtained one or more Advance Authorisations from the DGFT in 2023 for import of stainless steel seamless pipes (Grade 304) duty-free, against an obligation to export resultant products within the prescribed period. The Advance Authorisation licenses obtained by the Noticee (details of which are on record in the SCN Annexures) were valid and in force during the period of import, and have not been cancelled or suspended by the DGFT to date. These licenses entitled the Noticee to import the specified goods without payment of customs duty, under Notification No. 21/2023-Cus dated 01.04.2023, as amended, subject to the condition of fulfilling the stipulated export obligations.

- In pursuance of the above scheme, the Noticee imported stainless steel seamless pipes during the period from July 2023 to November 2023. The imports were made against Advance Authorisation, for the declared purpose of utilizing them in the manufacture of goods for export (directly or through supporting manufacturers). The imported goods were duly declared in Bills of Entry filed at Nhava Sheva port, citing the Advance Authorisation details and claiming exemption under Notification 21/2023-Cus. Customs assessed and allowed duty-free clearance after verifying the license and bonds. In total, Noticee (along with the other three firms) imported approximately 360.251 MT of stainless steel seamless pipes valued at ₹8.12 crore under the Advance Authorisation scheme. All requisite bonds under Section 143 of the Customs Act (double the duty forgone, as per standard practice) were executed by the Noticee at the time of import, securing the duty liability in the event of any default. Thus, the revenue's interests were fully protected at import.

- The Noticee submit that they are relatively small, Mumbai-based exporters with limited infrastructure near the port/ICD and minimal prior experience in handling bulk imports, customs clearance, and logistics. To ensure smooth operations, they engaged Shri Vipin Chaturvedi, a consultant based in Vapi, Gujarat, to assist in day-to-day procedural and logistical tasks on their behalf. His engagement was strictly on a professional fee/commission basis. The scope of his role, as authorised by the Noticee, was confined to liaising with customs brokers, arranging transportation and warehousing, coordinating with job-workers or supporting manufacturers, and ensuring routine compliance with Customs and DGFT procedures. He was never the importer, owner, or ultimate beneficiary of the goods. The importer themselves remained the licence holder under the Advance Authorisation scheme, executed the licence applications and bonds, and bore the statutory obligation to fulfil the export obligation or discharge the duty with interest if required. Thus, legal and economic ownership always vested in the Noticee. The SCN's own financial analysis confirms this, showing that the proceeds of domestic sales were credited to the importers' bank accounts, not to Shri Chaturvedi. Only limited amounts were received by him, in the form of consultancy commission/remuneration, consistent with his role as a facilitator. Further, the Noticee submit that to the extent his any statements recorded under Section 108 have been construed to suggest that Shri

Chaturvedi was the real owner or that the Noticee knowingly participated in evasion, such portions are specifically retracted and denied. This retraction is being made at the first available opportunity, after supply of the relied upon documents on 01.09.2025. The consistent and correct position of the Noticee is that Shri Chaturvedi acted only as their consultant, and they never misled the Department nor intended to evade any duty.

- No Basis for Penalty under Section 112 (a)/(b):

  (i) Statutory pre-conditions not met. Section 112 of the Customs Act is a consequential provision – it only applies if the imported goods are first liable to confiscation under Section 111. For a penalty under Section 112(a), the Department must show an act or omission by the Noticee that legally rendered the goods confiscable. For Section 112(b), the Department must additionally prove that the Noticee knew or had reason to believe the goods were liable to confiscation. In the present case, neither requirement is satisfied – the goods were not confiscable (as explained below), and accordingly the importer had no reason to believe they were.`

  (ii) Predicate confiscability under Section 111(o) fails. The threshold condition for any penalty here would be that the goods were liable to confiscation under Section 111(o). That condition is not met. Each import was made under a facially valid Advance Authorisation (AA), which was openly declared in the Bills of Entry and duly cleared against bonds under Section 143 of the Customs Act. Notably, none of these licences have been suspended or cancelled by the DGFT. Consistent with the rulings of the Hon'ble Supreme Court (e.g. Titan Medical Systems and Sampat Raj Dugar), so long as a license remains valid (uncancelled), Customs cannot deem the import itself illegal or invoke Section 111(o) unless and until a license condition is actually breached after import (for example, failure to fulfill the export obligation within the allowed period). As of the SCN's issue date, the core condition of the Advance Authorisation – the Export Obligation (EO) within the prescribed period – had not even become due or been finally violated. There was no crystallized breach at that time. Moreover, even if a shortfall in EO occurs later, the Foreign Trade Policy (FTP) and Handbook of Procedures (HBP) explicitly allow regularisation of such shortfall by payment of duty and interest, rather than treating the import as smuggled. Without a completed breach of the license conditions, Section 111(o) is not attracted – and if Section 111 is not attracted, any penalty under Section 112 collapses at the outset.

  (iii) No "act/omission" by the importer that made the goods confiscable. There was no act or omission by the importer at the time of import that violated any law or condition. In fact, the Noticee fully complied with all legal requirements at the import stage:

    - Declared the Advance Authorisation licence number and claimed the duty exemption under the applicable Customs Notification (e.g. No. 21/2023-Cus) upfront in the Bill of Entry;

    - Executed the required bond to secure revenue (covering the duty liability in case of any default in meeting the EO);

- Accounted for the goods properly, and maintained records of their movement/use.

Given these steps, the imports were entirely transparent and in accordance with law. If any issues arose post-import – such as sending materials to job-workers for processing, commercial re-routing of goods to different units, or even eventual domestic sale of finished products – those are matters of license compliance to be handled via DGFT procedures or bond enforcement. They are not clandestine activities at the import stage. In short, nothing the importer did (or failed to do) during import made the goods liable to confiscation. Therefore, Section 112(a) (penalizing acts/omissions rendering goods confiscable) does not apply in this case.

(iv) No knowledge or reason to believe of confiscability (Section 112(b) inapplicable). For a penalty under Section 112(b), the law requires proof that the person knew or had reason to believe, at the time of dealing with the goods, that they were liable to confiscation. Here, the importer's state of mind was objectively bona fide. All indications are that the importer believed everything was lawful because:

- The imports were made duty-free by design under a government scheme (Advance Authorisation) and were cleared with Customs' full knowledge and approval.

- The licences were and are valid and in force (no cancellation).

- The importer had furnished bonds, meaning Customs had a security to cover duties if something went wrong – a scenario far from a smuggling situation.

- All subsequent dealings with the goods (sale or transfer) were through legitimate documentation, negating any notion of clandestine removal.

A person operating in a completely transparent manner under an active licence and bond cannot realistically be said to "know" that the goods are liable to confiscation. In other words, Section 112(b) cannot be invoked because there is no evidence (let alone proof) of the importer's guilty knowledge at any stage.

(v) No mens rea; penalty is discretionary and not automatic. Even assuming for argument's sake that Section 112 could be invoked, penalty is never mandatory – it is discretionary and should depend on the culpability of the offender. In this case, there is a complete absence of mens rea (guilty intent) on the importer's part. The records show no willful misstatement or suppression by the importer at the time of assessment. On the contrary, the importer disclosed everything truthfully (the existence of the AA licence, the intended use of the exemption, etc.) and Customs allowed the exemption after due verification. The Hon'ble Supreme Court's principle in Hindustan Steel Ltd. vs. State of Orissa applies here: penalties should not be imposed for technical or venial breaches of law, or in cases where there is no conscious or deliberate defiance of the law. Given the bona fide conduct of the importer, imposing a heavy penalty would be unwarranted. The adjudicating authority has the discretion to refrain from penalizing in such circumstances, and we urge that no penalty be imposed at all, or at least a very lenient view be taken, in light of the good faith demonstrated.

(vi) Evidentiary weakness—statements and inferences. The SCN appears to rely on certain statements recorded under Section 108 of the Customs Act and some call records to allege that the importers knew of a wrongful diversion scheme. However, to whatever limited extent any such statement implicated this importer, the Noticee has since retracted or clarified the statement at the first available opportunity (immediately upon being given effective access to the SCN and RUDs). For instance, as soon as the Noticee received the SCN and its annexed documents (on 01.09.2025), he promptly submitted a retraction, denying any statements that suggested the goods were owned by Mr. Vipin Chaturvedi or that there was intent to evade duty, and affirmed that he (the importer) remained the responsible party under the bond. It is well settled that a retracted statement has very weak probative value unless it is corroborated by independent evidence. Here, no independent credible evidence has been produced to show any guilty knowledge or conspiracy by the importer. The call records and coordination cited in the SCN at best indicate operational logistics (such as coordinating deliveries or processing of goods) – they do not prove the mental element required under Section 112(b). In summary, the evidentiary basis for alleging conscious wrongdoing by the importer is flimsy. A mere retracted Section 108 statement, uncorroborated by external evidence, is insufficient to sustain a penalty.

(vii) Revenue is fully protected; FTP allows regularisation of any default.: It is important to note that the Government's revenue interest is completely safeguarded in these imports. The importer has executed bonds equal to the duty liability, meaning if there is any failure to fulfil the export obligation, Customs can recover the duty (with interest) against the bond. In fact, the Foreign Trade Policy and Handbook of Procedures expressly provide a mechanism for regularisation: if an Advance Authorisation holder falls short of the export obligation, they can simply pay the applicable duty and interest for the shortfall to regularise the case without any penal action. The policy envisions a financial cure for shortfalls, treating them as compliance issues rather than offenses. Given this context, invoking a punitive provision like confiscation (Section 111(o)) and penalty (Section 112) – which are meant for smuggled or deliberately misdeclared goods – is disproportionate and unwarranted. The existence of a policy-based remedy reinforces that no malafide intent should be presumed; at most, a commercial failure to meet targets can be handled by paying dues, not by penalties.

(viii) No legal foundation for penalty under Section 112: Because the goods are not actually liable to confiscation under Section 111 (for all the reasons above) and there is no evidence of the importer's knowledge or intent to violate the law, the very jurisdictional foundation for imposing a penalty under Section 112(a) or 112(b) falls away. In other words, the Department has not made out the basic conditions needed to invoke Section 112. Therefore, the proposed penalties should be dropped in their entirety against the importers. Without prejudice to the above submissions, if the adjudicating authority still finds any contravention, we urge a very lenient, token penalty at most – reflecting the facts that the imports were transparently executed, the duty liability is secured, the licences remain valid (no cancellation by DGFT), and the importer has acted in good faith throughout. There was no "conscious defiance of law" here, and thus any penalty (if at all considered) should be nominal.

24.2 Noticee no. 03 Shri Anand Menon, Proprietor of M/s. Vrunda International vide submission dated 10.09.2025 submitted the following:-

- At the very outset, the Noticee unequivocally denies all allegations, averments, and legal propositions made in the SCN, except those specifically admitted herein. The SCN proceeds on a misapprehension of facts, a misinterpretation of law, and unfounded presumptions unsupported by cogent or admissible evidence. It is material to note that the primary noticee, Shri Vipin Chaturvedi, has already placed on record detailed submissions on the substantive issues of limitation and merits. In contrast, the present Noticee has been called upon only to show cause why a penalty under Section 112(a)/(b) should not be imposed. Accordingly, without prejudice to the submissions of the main noticee, the present Noticee confines his reply to the limited scope of penalty, and submits as follows.

- M/s Vrunda International is a proprietorship concern of Shri Anand Menon, engaged in the business of trading and export of stainless steel products. The firm holds a valid Importer-Exporter Code (IEC) and had obtained one or more Advance Authorisations from the DGFT in 2023 for the import of stainless steel seamless pipes (Grade 304) duty-free, against an obligation to export resultant products within the prescribed period. The Advance Authorisation licences obtained by the Noticee (details of which are recorded in the SCN Annexures) were valid and subsisting during the period of import and have not been cancelled or suspended by the DGFT to date. These licences entitled the Noticee to import the specified goods without payment of customs duty under Notification No. 21/2023-Cus. dated 01.04.2023, as amended, subject to fulfilment of the stipulated export obligations. At the time of import and clearance, all requirements were duly complied with, including declaration of the licence details on the Bills of Entry and execution of bonds under Section 143 of the Customs Act, 1962, thereby fully securing the revenue interest of the Government.

- In pursuance of the above scheme, the Noticee imported stainless steel seamless pipes during the period from July 2023 to November 2023. The imports were made against Advance Authorisation, for the declared purpose of utilizing them in the manufacture of goods for export (directly or through supporting manufacturers). The imported goods were duly declared in Bills of Entry filed at Nhava Sheva port, citing the Advance Authorisation details and claiming exemption under Notification 21/2023-Cus. Customs assessed and allowed duty-free clearance after verifying the license and bonds. In total, Noticee (along with the other three firms) imported approximately 360.251 MT of stainless steel seamless pipes valued at ₹8.12 crore under the Advance Authorisation scheme. All requisite bonds under Section 143 of the Customs Act (double the duty forgone, as per standard practice) were executed by the Noticee at the time of import, securing the duty liability in the event of any default. Thus, the revenue's interests were fully protected at import.

- The Noticee submit that they are relatively small, Mumbai-based exporters with limited infrastructure near the port/ICD and minimal prior experience in handling bulk imports, customs clearance, and logistics. To ensure smooth operations, they engaged Shri Vipin Chaturvedi, a consultant based in Vapi, Gujarat, to assist in day-to-day procedural and logistical tasks on their behalf. His engagement was

strictly on a professional fee/commission basis. The scope of his role, as authorised by the Noticee, was confined to liaising with customs brokers, arranging transportation and warehousing, coordinating with job-workers or supporting manufacturers, and ensuring routine compliance with Customs and DGFT procedures. He was never the importer, owner, or ultimate beneficiary of the goods. The importer themselves remained the licence holder under the Advance Authorisation scheme, executed the licence applications and bonds, and bore the statutory obligation to fulfil the export obligation or discharge the duty with interest if required. Thus, legal and economic ownership always vested in the Noticee. The SCN's own financial analysis confirms this, showing that the proceeds of domestic sales were credited to the importers' bank accounts, not to Shri Chaturvedi. Only limited amounts were received by him, in the form of consultancy commission/remuneration, consistent with his role as a facilitator. Further, the Noticee submit that to the extent his any statements recorded under Section 108 have been construed to suggest that Shri Chaturvedi was the real owner or that the Noticee knowingly participated in evasion, such portions are specifically retracted and denied. This retraction is being made at the first available opportunity, after supply of the relied upon documents on 01.09.2025. The consistent and correct position of the Noticee is that Shri Chaturvedi acted only as their consultant, and they never misled the Department nor intended to evade any duty.

- No Basis for Penalty under Section 112 (a)/(b):

(i) Statutory pre-conditions not met. Section 112 of the Customs Act is a consequential provision – it only applies if the imported goods are first liable to confiscation under Section 111. For a penalty under Section 112(a), the Department must show an act or omission by the Noticee that legally rendered the goods confiscable. For Section 112(b), the Department must additionally prove that the Noticee knew or had reason to believe the goods were liable to confiscation. In the present case, neither requirement is satisfied – the goods were not confiscable (as explained below), and accordingly the importer had no reason to believe they were.`

(ii) Predicate confiscability under Section 111(o) fails. The threshold condition for any penalty here would be that the goods were liable to confiscation under Section 111(o). That condition is not met. Each import was made under a facially valid Advance Authorisation (AA), which was openly declared in the Bills of Entry and duly cleared against bonds under Section 143 of the Customs Act. Notably, none of these licences have been suspended or cancelled by the DGFT. Consistent with the rulings of the Hon'ble Supreme Court (e.g. Titan Medical Systems and Sampat Raj Dugar), so long as a license remains valid (uncancelled), Customs cannot deem the import itself illegal or invoke Section 111(o) unless and until a license condition is actually breached after import (for example, failure to fulfill the export obligation within the allowed period). As of the SCN's issue date, the core condition of the Advance Authorisation – the Export Obligation (EO) within the prescribed period – had not even become due or been finally violated. There was no crystallized breach at that time. Moreover, even if a shortfall in EO occurs later, the Foreign Trade Policy (FTP) and Handbook of Procedures (HBP) explicitly allow regularisation of such shortfall by payment of

duty and interest, rather than treating the import as smuggled. Without a completed breach of the license conditions, Section 111(o) is not attracted – and if Section 111 is not attracted, any penalty under Section 112 collapses at the outset.

(iii) No "act/omission" by the importer that made the goods confiscable. There was no act or omission by the importer at the time of import that violated any law or condition. In fact, the Noticee fully complied with all legal requirements at the import stage:

- Declared the Advance Authorisation licence number and claimed the duty exemption under the applicable Customs Notification (e.g. No. 21/2023-Cus) upfront in the Bill of Entry;

- Executed the required bond to secure revenue (covering the duty liability in case of any default in meeting the EO);

- Accounted for the goods properly, and maintained records of their movement/use.

Given these steps, the imports were entirely transparent and in accordance with law. If any issues arose post-import – such as sending materials to job-workers for processing, commercial re-routing of goods to different units, or even eventual domestic sale of finished products – those are matters of license compliance to be handled via DGFT procedures or bond enforcement. They are not clandestine activities at the import stage. In short, nothing the importer did (or failed to do) during import made the goods liable to confiscation. Therefore, Section 112(a) (penalizing acts/omissions rendering goods confiscable) does not apply in this case.

(iv) No knowledge or reason to believe of confiscability (Section 112(b) inapplicable). For a penalty under Section 112(b), the law requires proof that the person knew or had reason to believe, at the time of dealing with the goods, that they were liable to confiscation. Here, the importer's state of mind was objectively bona fide. All indications are that the importer believed everything was lawful because:

- The imports were made duty-free by design under a government scheme (Advance Authorisation) and were cleared with Customs' full knowledge and approval.

- The licences were and are valid and in force (no cancellation).

- The importer had furnished bonds, meaning Customs had a security to cover duties if something went wrong – a scenario far from a smuggling situation.

- All subsequent dealings with the goods (sale or transfer) were through legitimate documentation, negating any notion of clandestine removal.

A person operating in a completely transparent manner under an active licence and bond cannot realistically be said to "know" that the goods are liable to confiscation. In other words, Section 112(b) cannot be invoked because there is no evidence (let alone proof) of the importer's guilty knowledge at any stage.

(v) No mens rea; penalty is discretionary and not automatic. Even assuming for argument's sake that Section 112 could be invoked, penalty is never mandatory – it is discretionary and should depend on the culpability of the offender. In this case, there is a complete absence of mens rea (guilty intent) on the importer's part. The records show no willful misstatement or suppression by the importer at the time of assessment. On the contrary, the importer disclosed everything truthfully (the existence of the AA licence, the intended use of the exemption, etc.) and Customs allowed the exemption after due verification. The Hon'ble Supreme Court's principle in Hindustan Steel Ltd. vs. State of Orissa applies here: penalties should not be imposed for technical or venial breaches of law, or in cases where there is no conscious or deliberate defiance of the law. Given the bona fide conduct of the importer, imposing a heavy penalty would be unwarranted. The adjudicating authority has the discretion to refrain from penalizing in such circumstances, and we urge that no penalty be imposed at all, or at least a very lenient view be taken, in light of the good faith demonstrated.

(vi) Evidentiary weakness—statements and inferences. The SCN appears to rely on certain statements recorded under Section 108 of the Customs Act and some call records to allege that the importers knew of a wrongful diversion scheme. However, to whatever limited extent any such statement implicated this importer, the Noticee has since retracted or clarified the statement at the first available opportunity (immediately upon being given effective access to the SCN and RUDs). For instance, as soon as the Noticee received the SCN and its annexed documents (on 01.09.2025), he promptly submitted a retraction, denying any statements that suggested the goods were owned by Mr. Vipin Chaturvedi or that there was intent to evade duty, and affirmed that he (the importer) remained the responsible party under the bond. It is well settled that a retracted statement has very weak probative value unless it is corroborated by independent evidence. Here, no independent credible evidence has been produced to show any guilty knowledge or conspiracy by the importer. The call records and coordination cited in the SCN at best indicate operational logistics (such as coordinating deliveries or processing of goods) – they do not prove the mental element required under Section 112(b). In summary, the evidentiary basis for alleging conscious wrongdoing by the importer is flimsy. A mere retracted Section 108 statement, uncorroborated by external evidence, is insufficient to sustain a penalty.

(vii) Revenue is fully protected; FTP allows regularisation of any default.: It is important to note that the Government's revenue interest is completely safeguarded in these imports. The importer has executed bonds equal to the duty liability, meaning if there is any failure to fulfil the export obligation, Customs can recover the duty (with interest) against the bond. In fact, the Foreign Trade Policy and Handbook of Procedures expressly provide a mechanism for regularisation: if an Advance Authorisation holder falls short of the export obligation, they can simply pay the applicable duty and interest for the shortfall to regularise the case without any penal action. The policy envisions a financial cure for shortfalls, treating them as compliance issues rather than offenses. Given this context, invoking a punitive provision like confiscation (Section 111(o)) and penalty (Section 112) – which are meant for smuggled or deliberately misdeclared goods – is disproportionate and unwarranted. The existence of a policy-based remedy reinforces that no malafide intent should be presumed; at most, a

commercial failure to meet targets can be handled by paying dues, not by penalties.

(viii) No legal foundation for penalty under Section 112: Because the goods are not actually liable to confiscation under Section 111 (for all the reasons above) and there is no evidence of the importer's knowledge or intent to violate the law, the very jurisdictional foundation for imposing a penalty under Section 112(a) or 112(b) falls away. In other words, the Department has not made out the basic conditions needed to invoke Section 112. Therefore, the proposed penalties should be dropped in their entirety against the importers. Without prejudice to the above submissions, if the adjudicating authority still finds any contravention, we urge a very lenient, token penalty at most – reflecting the facts that the imports were transparently executed, the duty liability is secured, the licences remain valid (no cancellation by DGFT), and the importer has acted in good faith throughout. There was no "conscious defiance of law" here, and thus any penalty (if at all considered) should be nominal.

24.3 Noticee no. 04 shri Atul Shashikant Herekar, Proprietor of Ascent International vide submission dated 10.09.2025 submitted the following :-

- At the very outset, the Noticee unequivocally denies all allegations, averments, and legal propositions made in the SCN, except those specifically admitted herein. The SCN proceeds on a misapprehension of facts, a misinterpretation of law, and unfounded presumptions unsupported by cogent or admissible evidence. It is material to note that the primary noticee, Shri Vipin Chaturvedi, has already placed on record detailed submissions on the substantive issues of limitation and merits. In contrast, the present Noticee has been called upon only to show cause why a penalty under Section 112(a)/(b) should not be imposed. Accordingly, without prejudice to the submissions of the main noticee, the present Noticee confines his reply to the limited scope of penalty, and submits as follows.

- M/s Ascent International is a proprietorship concern of Shri Atul Shashikant Herekar, engaged in the business of trading and export of stainless steel products. The firm holds a valid Importer-Exporter Code (IEC) and had obtained one or more Advance Authorisations from the DGFT in 2023 for the import of stainless steel seamless pipes (Grade 304) duty-free, against an obligation to export resultant products within the prescribed period. The Advance Authorisation licences obtained by the Noticee (details of which are recorded in the SCN Annexures) were valid and subsisting during the period of import and have not been cancelled or suspended by the DGFT to date. These licences entitled the Noticee to import the specified goods without payment of customs duty under Notification No. 21/2023-Cus. dated 01.04.2023, as amended, subject to fulfilment of the stipulated export obligations. At the time of import and clearance, all requirements were duly complied with, including declaration of the licence details on the Bills of Entry and execution of bonds under Section 143 of the Customs Act, 1962, thereby fully securing the revenue interest of the Government.

- In pursuance of the above scheme, the Noticee imported stainless steel seamless pipes during the period from July 2023 to November 2023. The imports were made against Advance Authorisation, for the declared purpose of utilizing them in the manufacture of goods for export (directly or through supporting manufacturers). The

imported goods were duly declared in Bills of Entry filed at Nhava Sheva port, citing the Advance Authorisation details and claiming exemption under Notification 21/2023-Cus. Customs assessed and allowed duty-free clearance after verifying the license and bonds. In total, Noticee (along with the other three firms) imported approximately 360.251 MT of stainless steel seamless pipes valued at ₹8.12 crore under the Advance Authorisation scheme. All requisite bonds under Section 143 of the Customs Act (double the duty forgone, as per standard practice) were executed by the Noticee at the time of import, securing the duty liability in the event of any default. Thus, the revenue's interests were fully protected at import.

- The Noticee submit that they are relatively small, Mumbai-based exporters with limited infrastructure near the port/ICD and minimal prior experience in handling bulk imports, customs clearance, and logistics. To ensure smooth operations, they engaged Shri Vipin Chaturvedi, a consultant based in Vapi, Gujarat, to assist in day-to-day procedural and logistical tasks on their behalf. His engagement was strictly on a professional fee/commission basis. The scope of his role, as authorised by the Noticee, was confined to liaising with customs brokers, arranging transportation and warehousing, coordinating with job-workers or supporting manufacturers, and ensuring routine compliance with Customs and DGFT procedures. He was never the importer, owner, or ultimate beneficiary of the goods. The importer themselves remained the licence holder under the Advance Authorisation scheme, executed the licence applications and bonds, and bore the statutory obligation to fulfil the export obligation or discharge the duty with interest if required. Thus, legal and economic ownership always vested in the Noticee. The SCN's own financial analysis confirms this, showing that the proceeds of domestic sales were credited to the importers' bank accounts, not to Shri Chaturvedi. Only limited amounts were received by him, in the form of consultancy commission/remuneration, consistent with his role as a facilitator. Further, the Noticee submit that to the extent his any statements recorded under Section 108 have been construed to suggest that Shri Chaturvedi was the real owner or that the Noticee knowingly participated in evasion, such portions are specifically retracted and denied. This retraction is being made at the first available opportunity, after supply of the relied upon documents on 01.09.2025. The consistent and correct position of the Noticee is that Shri Chaturvedi acted only as their consultant, and they never misled the Department nor intended to evade any duty.

- No Basis for Penalty under Section 112 (a)/(b):

(i) Statutory pre-conditions not met. Section 112 of the Customs Act is a consequential provision – it only applies if the imported goods are first liable to confiscation under Section 111. For a penalty under Section 112(a), the Department must show an act or omission by the Noticee that legally rendered the goods confiscable. For Section 112(b), the Department must additionally prove that the Noticee knew or had reason to believe the goods were liable to confiscation. In the present case, neither requirement is satisfied – the goods were not confiscable (as explained below), and accordingly the importer had no reason to believe they were.`

(ii) Predicate confiscability under Section 111(o) fails. The threshold condition for any penalty here would be that the goods were liable to confiscation under Section 111(o). That condition is not met. Each import was made under a facially

valid Advance Authorisation (AA), which was openly declared in the Bills of Entry and duly cleared against bonds under Section 143 of the Customs Act. Notably, none of these licences have been suspended or cancelled by the DGFT. Consistent with the rulings of the Hon'ble Supreme Court (e.g. Titan Medical Systems and Sampat Raj Dugar), so long as a license remains valid (uncancelled), Customs cannot deem the import itself illegal or invoke Section 111(o) unless and until a license condition is actually breached after import (for example, failure to fulfill the export obligation within the allowed period). As of the SCN's issue date, the core condition of the Advance Authorisation – the Export Obligation (EO) within the prescribed period – had not even become due or been finally violated. There was no crystallized breach at that time. Moreover, even if a shortfall in EO occurs later, the Foreign Trade Policy (FTP) and Handbook of Procedures (HBP) explicitly allow regularisation of such shortfall by payment of duty and interest, rather than treating the import as smuggled. Without a completed breach of the license conditions, Section 111(o) is not attracted – and if Section 111 is not attracted, any penalty under Section 112 collapses at the outset.

(iii) No "act/omission" by the importer that made the goods confiscable. There was no act or omission by the importer at the time of import that violated any law or condition. In fact, the Noticee fully complied with all legal requirements at the import stage:

- Declared the Advance Authorisation licence number and claimed the duty exemption under the applicable Customs Notification (e.g. No. 21/2023-Cus) upfront in the Bill of Entry;

- Executed the required bond to secure revenue (covering the duty liability in case of any default in meeting the EO);

- Accounted for the goods properly, and maintained records of their movement/use.

Given these steps, the imports were entirely transparent and in accordance with law. If any issues arose post-import – such as sending materials to job-workers for processing, commercial re-routing of goods to different units, or even eventual domestic sale of finished products – those are matters of license compliance to be handled via DGFT procedures or bond enforcement. They are not clandestine activities at the import stage. In short, nothing the importer did (or failed to do) during import made the goods liable to confiscation. Therefore, Section 112(a) (penalizing acts/omissions rendering goods confiscable) does not apply in this case.

(iv) No knowledge or reason to believe of confiscability (Section 112(b) inapplicable). For a penalty under Section 112(b), the law requires proof that the person knew or had reason to believe, at the time of dealing with the goods, that they were liable to confiscation. Here, the importer's state of mind was objectively bona fide. All indications are that the importer believed everything was lawful because:

- The imports were made duty-free by design under a government scheme (Advance Authorisation) and were cleared with Customs' full knowledge and approval.

- The licences were and are valid and in force (no cancellation).

- The importer had furnished bonds, meaning Customs had a security to cover duties if something went wrong – a scenario far from a smuggling situation.

- All subsequent dealings with the goods (sale or transfer) were through legitimate documentation, negating any notion of clandestine removal.

A person operating in a completely transparent manner under an active licence and bond cannot realistically be said to "know" that the goods are liable to confiscation. In other words, Section 112(b) cannot be invoked because there is no evidence (let alone proof) of the importer's guilty knowledge at any stage.

(v) No mens rea; penalty is discretionary and not automatic. Even assuming for argument's sake that Section 112 could be invoked, penalty is never mandatory – it is discretionary and should depend on the culpability of the offender. In this case, there is a complete absence of mens rea (guilty intent) on the importer's part. The records show no willful misstatement or suppression by the importer at the time of assessment. On the contrary, the importer disclosed everything truthfully (the existence of the AA licence, the intended use of the exemption, etc.) and Customs allowed the exemption after due verification. The Hon'ble Supreme Court's principle in Hindustan Steel Ltd. vs. State of Orissa applies here: penalties should not be imposed for technical or venial breaches of law, or in cases where there is no conscious or deliberate defiance of the law. Given the bona fide conduct of the importer, imposing a heavy penalty would be unwarranted. The adjudicating authority has the discretion to refrain from penalizing in such circumstances, and we urge that no penalty be imposed at all, or at least a very lenient view be taken, in light of the good faith demonstrated.

(vi) Evidentiary weakness—statements and inferences. The SCN appears to rely on certain statements recorded under Section 108 of the Customs Act and some call records to allege that the importers knew of a wrongful diversion scheme. However, to whatever limited extent any such statement implicated this importer, the Noticee has since retracted or clarified the statement at the first available opportunity (immediately upon being given effective access to the SCN and RUDs). For instance, as soon as the Noticee received the SCN and its annexed documents (on 01.09.2025), he promptly submitted a retraction, denying any statements that suggested the goods were owned by Mr. Vipin Chaturvedi or that there was intent to evade duty, and affirmed that he (the importer) remained the responsible party under the bond. It is well settled that a retracted statement has very weak probative value unless it is corroborated by independent evidence. Here, no independent credible evidence has been produced to show any guilty knowledge or conspiracy by the importer. The call records and coordination cited in the SCN at best indicate operational logistics (such as coordinating deliveries or processing of goods) – they do not prove the mental element required under Section 112(b). In summary, the evidentiary basis for alleging conscious wrongdoing by the importer is flimsy. A mere retracted Section 108 statement, uncorroborated by external evidence, is insufficient to sustain a penalty.

(vii) Revenue is fully protected; FTP allows regularisation of any default.: It is important to note that the Government's revenue interest is completely safeguarded in these imports. The importer has executed bonds equal to the duty liability, meaning if there is any failure to fulfil the export obligation, Customs

can recover the duty (with interest) against the bond. In fact, the Foreign Trade Policy and Handbook of Procedures expressly provide a mechanism for regularisation: if an Advance Authorisation holder falls short of the export obligation, they can simply pay the applicable duty and interest for the shortfall to regularise the case without any penal action. The policy envisions a financial cure for shortfalls, treating them as compliance issues rather than offenses. Given this context, invoking a punitive provision like confiscation (Section 111(o)) and penalty (Section 112) – which are meant for smuggled or deliberately misdeclared goods – is disproportionate and unwarranted. The existence of a policy-based remedy reinforces that no malafide intent should be presumed; at most, a commercial failure to meet targets can be handled by paying dues, not by penalties.

(viii) No legal foundation for penalty under Section 112: Because the goods are not actually liable to confiscation under Section 111 (for all the reasons above) and there is no evidence of the importer's knowledge or intent to violate the law, the very jurisdictional foundation for imposing a penalty under Section 112(a) or 112(b) falls away. In other words, the Department has not made out the basic conditions needed to invoke Section 112. Therefore, the proposed penalties should be dropped in their entirety against the importers. Without prejudice to the above submissions, if the adjudicating authority still finds any contravention, we urge a very lenient, token penalty at most – reflecting the facts that the imports were transparently executed, the duty liability is secured, the licences remain valid (no cancellation by DGFT), and the importer has acted in good faith throughout. There was no "conscious defiance of law" here, and thus any penalty (if at all considered) should be nominal.

24.5 Noticee no. 05 Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International vide submission dated 10.09.2025 submitted the following:-

- At the very outset, the Noticee unequivocally denies all allegations, averments, and legal propositions made in the SCN, except those specifically admitted herein. The SCN proceeds on a misapprehension of facts, a misinterpretation of law, and unfounded presumptions unsupported by cogent or admissible evidence. It is material to note that the primary noticee, Shri Vipin Chaturvedi, has already placed on record detailed submissions on the substantive issues of limitation and merits. In contrast, the present Noticee has been called upon only to show cause why a penalty under Section 112(a)/(b) should not be imposed. Accordingly, without prejudice to the submissions of the main noticee, the present Noticee confines his reply to the limited scope of penalty, and submits as follows.

- M/s Vivanta International is a proprietorship concern of Shri Nitin Ranganath Anchan, engaged in the business of trading and export of stainless steel products. The firm holds a valid Importer-Exporter Code (IEC) and had obtained one or more Advance Authorisations from the DGFT in 2023 for the import of stainless steel seamless pipes (Grade 304) duty-free, against an obligation to export resultant products within the prescribed period. The Advance Authorisation licences obtained by the Noticee (details of which are recorded in the SCN Annexures) were valid and subsisting during the period of import and have not been cancelled or suspended by the DGFT to date. These licences entitled the Noticee to import the specified goods without payment of customs duty under Notification No. 21/2023-Cus. dated 01.04.2023, as amended, subject to fulfilment of the

stipulated export obligations. At the time of import and clearance, all requirements were duly complied with, including declaration of the licence details on the Bills of Entry and execution of bonds under Section 143 of the Customs Act, 1962, thereby fully securing the revenue interest of the Government.

- In pursuance of the above scheme, the Noticee imported stainless steel seamless pipes during the period from July 2023 to November 2023. The imports were made against Advance Authorisation, for the declared purpose of utilizing them in the manufacture of goods for export (directly or through supporting manufacturers). The imported goods were duly declared in Bills of Entry filed at Nhava Sheva port, citing the Advance Authorisation details and claiming exemption under Notification 21/2023-Cus. Customs assessed and allowed duty-free clearance after verifying the license and bonds. In total, Noticee (along with the other three firms) imported approximately 360.251 MT of stainless steel seamless pipes valued at ₹8.12 crore under the Advance Authorisation scheme. All requisite bonds under Section 143 of the Customs Act (double the duty forgone, as per standard practice) were executed by the Noticee at the time of import, securing the duty liability in the event of any default. Thus, the revenue's interests were fully protected at import.

- The Noticee submit that they are relatively small, Mumbai-based exporters with limited infrastructure near the port/ICD and minimal prior experience in handling bulk imports, customs clearance, and logistics. To ensure smooth operations, they engaged Shri Vipin Chaturvedi, a consultant based in Vapi, Gujarat, to assist in day-to-day procedural and logistical tasks on their behalf. His engagement was strictly on a professional fee/commission basis. The scope of his role, as authorised by the Noticee, was confined to liaising with customs brokers, arranging transportation and warehousing, coordinating with job-workers or supporting manufacturers, and ensuring routine compliance with Customs and DGFT procedures. He was never the importer, owner, or ultimate beneficiary of the goods. The importer themselves remained the licence holder under the Advance Authorisation scheme, executed the licence applications and bonds, and bore the statutory obligation to fulfil the export obligation or discharge the duty with interest if required. Thus, legal and economic ownership always vested in the Noticee. The SCN's own financial analysis confirms this, showing that the proceeds of domestic sales were credited to the importers' bank accounts, not to Shri Chaturvedi. Only limited amounts were received by him, in the form of consultancy commission/remuneration, consistent with his role as a facilitator. Further, the Noticee submit that to the extent his any statements recorded under Section 108 have been construed to suggest that Shri Chaturvedi was the real owner or that the Noticee knowingly participated in evasion, such portions are specifically retracted and denied. This retraction is being made at the first available opportunity, after supply of the relied upon documents on 01.09.2025. The consistent and correct position of the Noticee is that Shri Chaturvedi acted only as their consultant, and they never misled the Department nor intended to evade any duty.

- No Basis for Penalty under Section 112 (a)/(b):

  (i) Statutory pre-conditions not met. Section 112 of the Customs Act is a consequential provision – it only applies if the imported goods are first liable to confiscation under Section 111. For a penalty under Section 112(a), the Department must show an act or omission by the Noticee that legally rendered the goods confiscable. For Section 112(b), the Department must additionally prove that the Noticee knew or had reason to believe the goods were liable to

confiscation. In the present case, neither requirement is satisfied – the goods were not confiscable (as explained below), and accordingly the importer had no reason to believe they were.`

(ii) Predicate confiscability under Section 111(o) fails. The threshold condition for any penalty here would be that the goods were liable to confiscation under Section 111(o). That condition is not met. Each import was made under a facially valid Advance Authorisation (AA), which was openly declared in the Bills of Entry and duly cleared against bonds under Section 143 of the Customs Act. Notably, none of these licences have been suspended or cancelled by the DGFT. Consistent with the rulings of the Hon'ble Supreme Court (e.g. Titan Medical Systems and Sampat Raj Dugar), so long as a license remains valid (uncancelled), Customs cannot deem the import itself illegal or invoke Section 111(o) unless and until a license condition is actually breached after import (for example, failure to fulfill the export obligation within the allowed period). As of the SCN's issue date, the core condition of the Advance Authorisation – the Export Obligation (EO) within the prescribed period – had not even become due or been finally violated. There was no crystallized breach at that time. Moreover, even if a shortfall in EO occurs later, the Foreign Trade Policy (FTP) and Handbook of Procedures (HBP) explicitly allow regularisation of such shortfall by payment of duty and interest, rather than treating the import as smuggled. Without a completed breach of the license conditions, Section 111(o) is not attracted – and if Section 111 is not attracted, any penalty under Section 112 collapses at the outset.

(iii) No "act/omission" by the importer that made the goods confiscable. There was no act or omission by the importer at the time of import that violated any law or condition. In fact, the Noticee fully complied with all legal requirements at the import stage:

- Declared the Advance Authorisation licence number and claimed the duty exemption under the applicable Customs Notification (e.g. No. 21/2023-Cus) upfront in the Bill of Entry;

- Executed the required bond to secure revenue (covering the duty liability in case of any default in meeting the EO);

- Accounted for the goods properly, and maintained records of their movement/use.

Given these steps, the imports were entirely transparent and in accordance with law. If any issues arose post-import – such as sending materials to job-workers for processing, commercial re-routing of goods to different units, or even eventual domestic sale of finished products – those are matters of license compliance to be handled via DGFT procedures or bond enforcement. They are not clandestine activities at the import stage. In short, nothing the importer did (or failed to do) during import made the goods liable to confiscation. Therefore, Section 112(a) (penalizing acts/omissions rendering goods confiscable) does not apply in this case.

(iv) No knowledge or reason to believe of confiscability (Section 112(b) inapplicable). For a penalty under Section 112(b), the law requires proof that the person knew or had reason to believe, at the time of dealing with the goods, that they were liable

to confiscation. Here, the importer's state of mind was objectively bona fide. All indications are that the importer believed everything was lawful because:

- The imports were made duty-free by design under a government scheme (Advance Authorisation) and were cleared with Customs' full knowledge and approval.

- The licences were and are valid and in force (no cancellation).

- The importer had furnished bonds, meaning Customs had a security to cover duties if something went wrong – a scenario far from a smuggling situation.

- All subsequent dealings with the goods (sale or transfer) were through legitimate documentation, negating any notion of clandestine removal.

A person operating in a completely transparent manner under an active licence and bond cannot realistically be said to "know" that the goods are liable to confiscation. In other words, Section 112(b) cannot be invoked because there is no evidence (let alone proof) of the importer's guilty knowledge at any stage.

(v) No mens rea; penalty is discretionary and not automatic. Even assuming for argument's sake that Section 112 could be invoked, penalty is never mandatory – it is discretionary and should depend on the culpability of the offender. In this case, there is a complete absence of mens rea (guilty intent) on the importer's part. The records show no willful misstatement or suppression by the importer at the time of assessment. On the contrary, the importer disclosed everything truthfully (the existence of the AA licence, the intended use of the exemption, etc.) and Customs allowed the exemption after due verification. The Hon'ble Supreme Court's principle in Hindustan Steel Ltd. vs. State of Orissa applies here: penalties should not be imposed for technical or venial breaches of law, or in cases where there is no conscious or deliberate defiance of the law. Given the bona fide conduct of the importer, imposing a heavy penalty would be unwarranted. The adjudicating authority has the discretion to refrain from penalizing in such circumstances, and we urge that no penalty be imposed at all, or at least a very lenient view be taken, in light of the good faith demonstrated.

(vi) Evidentiary weakness—statements and inferences. The SCN appears to rely on certain statements recorded under Section 108 of the Customs Act and some call records to allege that the importers knew of a wrongful diversion scheme. However, to whatever limited extent any such statement implicated this importer, the Noticee has since retracted or clarified the statement at the first available opportunity (immediately upon being given effective access to the SCN and RUDs). For instance, as soon as the Noticee received the SCN and its annexed documents (on 01.09.2025), he promptly submitted a retraction, denying any statements that suggested the goods were owned by Mr. Vipin Chaturvedi or that there was intent to evade duty, and affirmed that he (the importer) remained the responsible party under the bond. It is well settled that a retracted statement has very weak probative value unless it is corroborated by independent evidence. Here, no independent credible evidence has been produced to show any guilty knowledge or conspiracy by the importer. The call records and coordination cited in the SCN at best indicate operational logistics (such as coordinating deliveries

or processing of goods) – they do not prove the mental element required under Section 112(b). In summary, the evidentiary basis for alleging conscious wrongdoing by the importer is flimsy. A mere retracted Section 108 statement, uncorroborated by external evidence, is insufficient to sustain a penalty.

(vii) Revenue is fully protected; FTP allows regularisation of any default.: It is important to note that the Government's revenue interest is completely safeguarded in these imports. The importer has executed bonds equal to the duty liability, meaning if there is any failure to fulfil the export obligation, Customs can recover the duty (with interest) against the bond. In fact, the Foreign Trade Policy and Handbook of Procedures expressly provide a mechanism for regularisation: if an Advance Authorisation holder falls short of the export obligation, they can simply pay the applicable duty and interest for the shortfall to regularise the case without any penal action. The policy envisions a financial cure for shortfalls, treating them as compliance issues rather than offenses. Given this context, invoking a punitive provision like confiscation (Section 111(o)) and penalty (Section 112) – which are meant for smuggled or deliberately misdeclared goods – is disproportionate and unwarranted. The existence of a policy-based remedy reinforces that no malafide intent should be presumed; at most, a commercial failure to meet targets can be handled by paying dues, not by penalties.

(viii) No legal foundation for penalty under Section 112: Because the goods are not actually liable to confiscation under Section 111 (for all the reasons above) and there is no evidence of the importer's knowledge or intent to violate the law, the very jurisdictional foundation for imposing a penalty under Section 112(a) or 112(b) falls away. In other words, the Department has not made out the basic conditions needed to invoke Section 112. Therefore, the proposed penalties should be dropped in their entirety against the importers. Without prejudice to the above submissions, if the adjudicating authority still finds any contravention, we urge a very lenient, token penalty at most – reflecting the facts that the imports were transparently executed, the duty liability is secured, the licences remain valid (no cancellation by DGFT), and the importer has acted in good faith throughout. There was no "conscious defiance of law" here, and thus any penalty (if at all considered) should be nominal.

24.6 No submission received from Noticee no. 06 M/s. Dev Steel & Alloys.

24.7 Noticee no. 7 M/s. Steelage Overseas Private Limited vide submission dated 10.09.2025 submitted the following:-

- At the outset, M/s Steelage Overseas Private Limited denies the allegations, inferences and legal propositions in the SCN, save and except what is expressly admitted. The SCN proceeds on a wrong premise that downstream, arm's-length purchases on GST invoices/e-invoices, supported by e-way bills and banking-channel payments, amount to abetment or knowledge-based dealing in goods liable to confiscation. Steelage is not an importer, not an AA licence-holder and not a bond-executor. It had no role in Bills of Entry, claims under Notification No. 21/2023-Cus., or export-obligation compliance. Allegations of "without-GST" supplies or that Steelage was "hand in glove" are uncorroborated, rest largely on third-party statements, and are contradicted by Steelage's records (purchase ledgers, GST invoices/e-invoices, e-way bills, RTGS/NEFT proofs).

Generic transporter narrations, without consignment-wise linkage to Steelage's documented receipts (invoice/e-way bill/vehicle No./LR–GRN mapping), cannot establish mens rea under Section 112(b) or any qualifying act/omission under Section 112(a). Steelage specifically denies any off-book procurement and puts the Department to strict consignment-wise proof. Steelage reserves its right to inspect all RUDs, to cross-examine the makers of relied-upon statements, and to insist on primary records (including Section 65B certificates for any electronic records).

- The statements recorded from Shri Darshak Mayur Shah, Director of M/s. Steelage Overseas Private Limited, particularly on 01.04.2024 (RUD-22) and 13.06.2024 (RUD-30), were made under duress pressure, without the benefit of adequate legal counsel, a comprehensive understanding of the complex legal framework governing the investigation, or indeed, full access to all relevant documents and records. It is a matter of record that the complete set of Relied Upon Documents, including his own detailed statements, was only provided to the Noticee on 01.09.2025—a mere nine days prior to this reply— thereby severely prejudicing the Noticee's ability to present a fully informed and legally sound defense. This is the first genuine opportunity for the Noticee to review the entire body of evidence with counsel. In these challenging circumstances, and to prevent any misuse or misinterpretation, M/s. Steelage Overseas Private Limited hereby unconditionally retracts and clarifies any and all portions of Shri Darshak Mayur Shah's earlier statements to the extent that they can be read as admitting The receipt of any goods without valid GST invoices/e-invoices or without a valid e-way bill; and/or Any contemporaneous knowledge at the time of purchase that the goods were imported under Advance Authorisation (duty-free) or were otherwise liable to confiscation. The Noticee emphatically states that M/s. Steelage Overseas Private Limited has consistently operated as a legitimate downstream buyer. All purchases were conducted at prevailing market rates and were transacted against valid GST invoices/e-invoices. The movement of goods was always undertaken under valid e-way bills, and all payments were meticulously processed through proper banking channels (RTGS/NEFT only). These facts stand firm and are not retracted. There has been no off-book procurement and no clandestine disposal by M/s. Steelage Overseas Private Limited. Furthermore, it is pertinent to highlight that Shri Vipin Chaturvedi himself explicitly stated in his recorded statement (RUD-27) that "Dev Steel and Alloys and Steelage Overseas Private Limited had no idea regarding the same," when asked if they knew that the goods sold to them were imported under advance authorisation. This crucial admission from the alleged mastermind directly corroborates Steelage's assertion of lack of contemporaneous knowledge. Any reliance on the Section 108 statements of Shri Darshak Mayur Shah must be strictly consignment-wise corroborated by independent and verifiable evidence, and M/s. Steelage Overseas Private Limited reserves the unequivocal right to cross-examine the makers of any relied-upon statements whose veracity is challenged herein.

- The Noticee, M/s. Steelage Overseas Private Limited, is a bona fide and established trader/stockist of stainless-steel products (pipes, tubes, coils, and sheets), operating from its lawful premises at Mezzanine Floor, Office No. 105-A, Kushal Bhavan, 65, Maruti Mandir Marg, 5th Kumbharwada Lane, Mumbai–400004. Its business operations, including the receipt, storage, and sale of goods, are consistently supported by regular commercial documentation, such as valid GST invoices/e-invoices, e-way bills, duly maintained goods-inward registers, comprehensive stock records, and verifiable banking proofs (RTGS/NEFT). Steelage is unequivocally not an importer, not an Advance Authorisation (AA) licence-holder, and not a bond-executor for any of the consignments

cited in the Impugned SCN. All import-side compliances, including the filing of Bills of Entry, exemption claims under Notification No. 21/2023-Customs, and bond execution/Export Obligation (EO) fulfilment, were exclusively undertaken by the respective importers, not by Steelage. Any material received by Steelage was post-clearance from Customs, supplied on proper GST invoices/e-invoices, moved under valid e-way bills, and meticulously paid for through legitimate banking channels (RTGS/NEFT only). The Noticee emphatically states that there has been no off-book procurement and no clandestine disposal by M/s. Steelage Overseas Private Limited. The Noticee has never undertaken any job-work or processing for the four proprietorship importers; it has dealt strictly as a downstream buyer/seller in the ordinary course of its legitimate business. There is no instance of off-book purchase, concealment, tampering, clandestine removal, or diversion directly attributable to Steelage. Any single arm's-length commercial purchase, whether high-value, high-seas, or domestic, as reflected in its records, stands on its own footing and does not render Steelage a beneficiary of the AA scheme or a participant in any alleged diversion. Any facilitation or communication by Shri Vipin K. Chaturvedi was therefore external and administrative in nature, pertaining to his consultant role, and does not evidence Steelage's knowledge of, or participation in, any alleged misuse of AA goods In sum, M/s. Steelage Overseas Private Limited's conduct is that of a law-abiding trader, engaged in normal business practices, and not that of a conspirator or abettor in any alleged scheme of duty evasion or diversion.

- No Basis for Penalty under Section 112 (a)/(b):

(ix) A penalty under Section 112 can arise only if the goods are first shown to be "liable to confiscation" under Section 111. Steelage is not the importer, not an AA licence-holder, and not a bond-executor. The consignments were imported by other entities under facially valid Advance Authorisations, declared in the Bills of Entry and cleared against bonds by Customs. There is no cancellation/suspension of these AAs by DGFT on record. As settled by the Supreme Court (e.g., *Titan Medical Systems*; *Sampat Raj Dugar*), imports under an extant, unchallenged licence cannot be retroactively treated as illegal/confiscable merely because an export obligation may later fall short. Even if an EO shortfall arises, the Foreign Trade Policy provides regularisation by duty/interest, not automatic confiscation. Absent a crystallised breach determined in due process, predicate confiscability under Section 111 (including 111(o)) fails.

(x) Even arguendo any risk of confiscation, there is no act or omission by Steelage that rendered the goods confiscable. All import-side compliances (AA, BE, exemption under Notif. 21/2023-Cus., bonds) were the importers' responsibility. Steelage acted only as a downstream buyer, purchasing goods on GST invoices/e-invoices, supported by e-way bills, and paying through banking channels. Steelage did not misdeclare, conceal, tamper with, transfer clandestinely, or re-export any goods. Allegations of "without-GST" supplies are specifically denied and are unsupported by any consignment-wise documentation or payment trail. Section 112(a) therefore does not apply.

(xi) No "knowledge or reason to believe" under Section 112(b) : Section 112(b) requires the Department to prove that Steelage knew or had reason to believe the goods were liable to confiscation at the time of dealing. Steelage was not involved in import clearance, licence conditions, or EO compliance. From Steelage's vantage, purchases duly cleared by Customs against bonds under valid AAs raised

no red flags. There is no confession, correspondence, financial trail, or third-party testimony showing Steelage's contemporaneous knowledge of any taint. Any later remark (if any) suggesting that "on a few occasions" goods might have been under AA is, at best, an after-the-fact understanding, not contemporaneous knowledge. Mens rea is absent; Section 112(b) cannot be invoked.

(xii) Section 111(o) is not triggered vis-à-vis Steelage: Section 111(o) presupposes a breach of a licence/notification condition. On the SCN date, no final breach stood determined; AAs remained valid; and the FTP/HBP provide administrative closure via duty/interest for any shortfall. Further, the SCN itself proceeds on the footing that Steelage was a buyer, not a processor/job-worker of AA inputs. There is therefore no actus reus at Steelage's end to engage 111(o) or, derivatively, Section 112.

(xiii) Evidentiary weakness—statements and inferences: The case against Steelage relies mainly on Section 108 statements and generic logistics assertions. Steelage has already placed on record a limited, precise retraction/clarification of any portions recorded under duress or beyond personal knowledge, especially any wording capable of being misconstrued as admitting contemporaneous knowledge or "without-GST" purchases. Uncorroborated or retracted statements have weak probative value. Generic transporter narratives, without consignment-wise mapping (invoice/e-way bill/vehicle/LR-GRN), do not establish the mental element under Section 112(b) or any qualifying act under Section 112(a).

(xiv) Revenue fully secured; proportionality: Any duty foregone is secured by importers' bonds, to which Customs has full recourse. The FTP architecture prefers financial regularisation of EO shortfalls to punitive treatment. Penalising a non-importer, downstream purchaser acting transparently would be disproportionate.

(xv) Penalty is discretionary; *Hindustan Steel* principle. Even where technically invocable, Section 112 penalties are not automatic. As per *Hindustan Steel*, penalties should not be imposed for technical/venial lapses or where conduct is bona fide and not contumacious. Steelage's conduct was documented, transparent, and bona fide; no penalty is warranted.

- Since the statutory pre-conditions for Sections 112(a)/(b) are not satisfied and mens rea is unproven, the proposals against M/s Steelage Overseas Pvt. Ltd. deserve to be dropped in toto. Without prejudice, if any adverse view is nevertheless taken, Steelage prays for a complete waiver, or at minimum, a token/lenient view commensurate with its purely downstream, limited, and good-faith role.

25.8 Noticee no. 08 M/s. Prudent Stainless Private Limited vide submission dated 10.09.2025 submitted thr following:-

- At the outset, the Noticee, M/s. Prudent Stainless Private Limited, unequivocally and emphatically denies all the allegations, averments, and propositions of law contained in the Impugned SCN, except those which are specifically admitted herein. It is submitted that the SCN is based on a complete misapprehension of the true facts, a misinterpretation of applicable legal provisions, and is founded upon flawed inferences and presumptions that are not supported by cogent or admissible evidence.

- The Noticee respectfully submits that the statement of Shri Kamlesh Hiralal Joshi, Director of M/s Prudent Stainless Pvt. Ltd., recorded under Section 108 on 20.02.2024 (RUD-20), was given when the Noticee did not have access to the complete investigation record or the relied-upon documents. Copies of the RUDs, including Shri Joshi's statement, were supplied to the Noticee only on 01.09.2025, affording the first meaningful opportunity to consult counsel and respond comprehensively. Upon review, the Noticee retracts/clarifies any portions of his earlier statements which may have inadvertently suggested that their company was falsely incorporated as the supporting manufacturer in the Advance Authorization licenses to give legitimacy to the imports and their involvement was limited to providing its name as a facade to facilitate the actual diversion operations. The Noticee's actions were always undertaken in the bona fide belief of engaging in legitimate business practices, and any perceived "negligence" was due to a lack of complete information and an over-reliance on the advice of a business associate, rather than any deliberate intent to violate customs law or abet an illegal activity. This reply will demonstrate that the Noticee lacked the requisite *mens rea* (guilty mind), a fundamental prerequisite for the imposition of penalties under Section 112 of the Act.

- The Noticee, M/s Prudent Stainless Pvt. Ltd., is a bona fide manufacturer/processor and trader of stainless-steel pipes and tubes, operating from Plot No. A2-229/1, GIDC, Umbergaon – 396170, Gujarat. Its premises comprise a factory/warehouse lawfully used for receipt, storage, in-process activities (drawing/annealing/pickling/polishing) and dispatch of goods under regular commercial documentation (tax invoices, delivery/job-work challans, gate registers and stock books). The Noticee is not an importer, not an Advance Authorisation (AA) licence-holder, and not a bond-executor for the consignments narrated in the SCN; all import-side compliances (BE filing, exemption claim under Notification No. 21/2023-Cus., bond execution) were undertaken by the respective importers, not by Prudent. To the extent any material was ever received/handled at Prudent, it was post-clearance from Customs and accompanied by proper documents in the ordinary course of business; no job-work receipts were taken from the four proprietorship importers named in the SCN, and there is no instance of concealment, tampering, clandestine removal or diversion attributable to Prudent. Any single, arm's-length commercial purchase (e.g., a high-seas/domestic purchase reflected in the records) stands on its own footing and does not render Prudent an AA beneficiary or participant in any scheme. For completeness, any operational assistance by Shri Vipin K. Chaturvedi was external/administrative in nature (communications/coordination) and does not evidence Prudent's knowledge of, or participation in, any alleged diversion of AA goods. In sum, the Noticee's actions were consistent with an honest businessman, not with a conspirator or abettor.

- No Basis for Penalty under Section 112 (a)/(b):

  (xvi) Confiscability threshold under Section 111 not met. A penalty under Section 112 presupposes that the goods are first shown to be "liable to confiscation" under Section 111. Prudent is not the importer, not an AA licence-holder, and not a bond-executor. The consignments were imported by other entities under facially valid Advance Authorisations, duly declared in Bills of Entry and cleared against bonds by Customs. There is no cancellation/suspension of the AAs by DGFT on record. As settled by the Supreme Court (e.g., *Titan Medical Systems*; *Sampat Raj Dugar*), imports effected under an extant, unchallenged licence cannot be

retroactively treated as illegal/confiscable merely on allegations of later EO shortfall. Even if any EO shortfall subsequently arises, the Foreign Trade Policy provides regularisation by duty/interest, not confiscation per se. Absent a crystallised breach determined in due process, the predicate confiscability under Section 111 (including 111(o)) fails.

(xvii) Even arguendo any risk of confiscation, there is no act or omission by Prudent that rendered the goods confiscable. Import-side compliances (licences, BE declarations, exemption under Notif. 21/2023-Cus., bonds) were exclusively undertaken by the importers. As per the SCN record, no AA inputs were received at Prudent for job-work/processing, and Prudent did not misdeclare, conceal, tamper with, transfer, or clandestinely dispose of any AA goods. Any limited commercial handling (e.g., a single arm's-length high-seas/domestic purchase) stands on its own footing and does not create AA-scheme liability for Prudent. Section 112(a) therefore does not apply.

(xviii) No "knowledge or reason to believe" under Section 112(b: Section 112(b) requires proof that Prudent knew or had reason to believe the goods were liable to confiscation. Prudent is a downstream manufacturer/processor/trader; it was not involved in the import clearance, documentation, or EO fulfilment. From Prudent's vantage, consignments that had been duly cleared by Customs against bonds under valid AAs presented no red flags. There is no confession, correspondence, financial trail, or third-party testimony evidencing Prudent's knowing participation in any diversion. Mens rea is wholly absent; 112(b) cannot be invoked..

(xix) Predicate under Section 111(o) specifically fails vis-à-vis Prudent: Section 111(o) presupposes a breach of a notification/licence condition. On the SCN date, no final breach stood determined; the AAs remained valid; and the FTP/HBP provide administrative closure via duty/interest for any EO shortfall. Further, even the SCN narrative records no receipt of AA inputs at Prudent's premises for processing—therefore no actus reus at Prudent's end to engage 111(o) or, derivatively, Section 112.

(xx) Evidentiary weakness—statements and inferences. The SCN relies primarily on Section 108 statements and logistics-level coordination. The Noticee has retracted/clarified any inadvertent admissions at the first effective opportunity after access to RUDs. Uncorroborated statements—particularly when retracted—carry weak probative value and cannot, absent independent corroboration, establish mens rea or abetment. Generic call records or delivery logistics do not prove the requisite mental element under Section 112(b). No independent corroboration ties Prudent to any knowing diversion.

(xxi) Revenue fully secured; proportionality: Any duty foregone is secured by the importers' bonds, to which Customs has full recourse. The FTP architecture prefers financial regularisation of EO shortfalls over punitive treatment. Imposing a penalty on a non-importer, downstream entity that acted transparently would be disproportionate..

(xxii) Penalty is discretionary; *Hindustan Steel* principle. Even where technically invokable, Section 112 penalties are not automatic. The Supreme Court has held

penalties should not be levied for technical/venial lapses or bona fide conduct lacking contumacious intent. Prudent's conduct was bona fide, documented, and cooperative; no penalty is warranted.

(xxiii) As the statutory pre-conditions for Sections 112(a)/(b) are unsatisfied and mens rea remains unproven, the proposals against Prudent Stainless Pvt. Ltd. merit dropping in toto. Without prejudice, if any adverse view is nevertheless taken, Prudent prays for a complete waiver, or at the very least a token/lenient view commensurate with its purely downstream, limited, and good-faith role.

25.9 Noticee no. 09 Shri Satyapal, Proprietor of Satya Steel vide submission dated 10.09.2025 submitted the following :-

- At the outset, the Noticee, Shri Satyapal, unequivocally and emphatically denies all the allegations, averments, and propositions of law contained in the SCN, except those which are specifically admitted herein. It is submitted that the SCN is based on a complete misapprehension of the facts, a misinterpretation of the applicable legal provisions, and is founded upon flawed inferences and presumptions that are not supported by cogent or admissible evidence.

- The Noticee respectfully submits that the statements recorded from him on 20.02.2024 (RUD-21) and 02.08.2024 (RUD-38) were made under considerable pressure, stress, and without the benefit of a comprehensive understanding of the entire investigation, the complex legal framework involved, or indeed, full access to all relevant documents and records, including his own detailed statements and other Relied Upon Documents (RUDs). It is a matter of record that copies of the relied upon documents (RUDs), including the Noticee's own statements, were only provided to him on 01.09.2025, a mere 9 days prior to this submission. This is the first genuine opportunity for the Noticee to review the entire body of evidence presented by the department, consult adequately with legal counsel, and present a fully informed and legally sound defense.

- Therefore, the Noticee hereby retracts and clarifies any portions of his earlier statements (RUD-21 and RUD-38) which may have inadvertently suggested that he was merely a "name proprietor" in a scheme masterminded by Shri Vipin Chaturvedi, or that he knowingly facilitated the illegal diversion of goods. The Noticee's actions were always undertaken in the bona fide belief of engaging in legitimate business practices, and any perceived "negligence" was due to a lack of complete information and an over-reliance on the advice of a business associate, rather than any deliberate intent to violate customs law or abet an illegal activity. This reply will demonstrate that the Noticee lacked the requisite *mens rea* (guilty mind), a fundamental prerequisite for the imposition of penalties under Section 112 of the Act.

- M/s. Satya Steel was established with the intention of conducting normal business operations, including trading and storage of steel goods. The premises at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, were indeed utilized as a warehouse for various steel pipes, which is a standard commercial practice for a trading firm. The Noticee maintains that the storage of goods at this location was consistent with ordinary business activities and Relationship with Shri Vipin Chaturvedi as a Business Consultant.

- It is true that certain duty-free imports (Stainless Steel Seamless Pipes Grade 304) were stored in Satya Steel's warehouse. However, these goods were imported under valid

Advance Authorisations by other licence-holders (Vrunda International, Vivanta International, Vikranta Impex, etc.), and the advance licences were declared in the Bills of Entry. The Noticee had no role in the importation process, customs declarations, or bond execution – those were lawfully handled by the actual importers. The storage of goods at Satya Steel's warehouse was done pursuant to normal commercial agreements; at the time of importation, Customs was fully informed of the AA licences and had accepted bonds, treating the clearance as lawful.

- Further, The Noticee vehemently denies any knowledge or "reason to believe" that the goods being stored or transacted through M/s. Satya Steel were part of an illegal diversion scheme or were liable for confiscation. His understanding was always that he was involved in legitimate trade and storage, and his agreement to store goods was a normal business practice. Indeed, the Noticee has asserted that any earlier statements suggesting otherwise were made under duress or without full comprehension. He has since clarified that he understood the goods to belong to the licence-holders and intended for export, and he maintained the requisite records of all transactions. In sum, the Noticee's actions were consistent with an honest businessman storing goods entrusted to him, not with a conspirator or abettor.

- No Basis for Penalty under Section 112 (a)/(b):

(xxiv) Confiscability threshold under Section 111 not met. Penalty under Section 112 can arise only if the goods are first shown to be "liable to confiscation" under Section 111. Satya Steel was not the importer; its role was confined to providing warehouse space. The consignments were imported by other entities under facially valid Advance Authorisations, duly declared in Bills of Entry and cleared against bonds by Customs. The licences have not been cancelled/suspended by DGFT. As settled by the Supreme Court (e.g., *Titan Medical Systems*; *Sampat Raj Dugar*), imports effected under an extant, unchallenged licence cannot be retroactively treated as illegal or confiscable merely on allegations of later shortfall. Even if any EO shortfall subsequently arises, the Foreign Trade Policy provides regularisation by duty/interest, not confiscation per se. Absent a crystallised breach, the predicate confiscability under Section 111 (including 111(o)) fails.

(xxv) No act/omission by the Noticee under Section 112(a). Assuming arguendo any risk of confiscation, there is no act or omission by Satya Steel that rendered the goods confiscable. The import processes (licences, declarations, exemption under Notif. 21/2023-Cus., bonds) were handled entirely by the importers. Satya Steel merely stored certain pipes in the ordinary course. It did not misdeclare, conceal, tamper with, transfer, or re-export the goods. The stock remained intact and openly available when officers visited. Passive storage cannot, by itself, constitute an act/omission "which rendered the goods liable to confiscation." Section 112(a) is therefore inapplicable.

(xxvi) No "knowledge or reason to believe" under Section 112(b). Section 112(b) requires proof that the person knew or had reason to believe the goods were liable to confiscation. Satya Steel had no such knowledge/belief. It was neither importer nor licence-holder nor bond-executor; it was not involved in clearance, documentation, or EO fulfilment. From a warehouse operator's vantage, consignments duly cleared by Customs against bonds under valid AAs presented

no red flags. Satya Steel did not conceal or dispose of the goods and derived no benefit from any alleged diversion. There is no confession, correspondence, financial trail, or third-party testimony showing Satya Steel's knowing participation. Mens rea is wholly absent; Section 112(b) cannot be invoked.

(xxvii) Predicate under Section 111(o) specifically fails. Section 111(o) presupposes breach of a notification/licence condition. On the SCN date, no final breach had crystallised; licences remained valid; and the FTP/HBP provide administrative closure via duty/interest if EO is not met. Without a completed breach determined in due process, invoking 111(o) (and consequently Section 112) is untenable.

(xxviii) Evidentiary weakness—statements and inferences. The SCN relies primarily on Section 108 statements and logistics-level coordination. The Noticee has retracted/clarified any inadvertent admissions at the first effective opportunity after access to RUDs. Uncorroborated statements—particularly when retracted—carry weak probative value and cannot, absent independent corroboration, establish mens rea or abetment. Generic call records or delivery logistics do not prove the requisite mental element under Section 112(b).

(xxix) Revenue fully secured; proportionality. Duty foregone stands secured by bonds executed by the importers; Customs has full recourse. The FTP architecture prefers financial regularisation of EO shortfalls over punitive treatment. Imposing a penalty on a non-importer warehouse that acted transparently would be disproportionate.

(xxx) Penalty is discretionary; *Hindustan Steel* principle. Even where technically invokable, Section 112 penalties are not automatic. The Supreme Court in *Hindustan Steel* holds penalties should not be levied for technical/venial breaches or where conduct stems from a bona fide belief rather than contumacious defiance. Satya Steel's conduct was bona fide, cooperative, and transparent; no penalty is warranted.

(xxxi) As the statutory pre-conditions for Sections 112(a)/(b) are not satisfied and mens rea is unproven, the proposals against Satya Steel merit dropping in toto. Without prejudice, if any view of contravention is nevertheless taken against others, the Noticee prays for a complete waiver, or at the bare minimum, a token/lenient view reflecting his purely passive, good-faith warehousing role.

**Personal Hearing**

**25.** All the noticees were given personal hearing opportunities as follows:-

| Sr.No | Date of PH | Noticees Attended |
|---|---|---|
| 1 | 04.08.2025 | No one appeared before the Adjudicating Authority. |
| 2 | 20.08.2025 | No one appeared before the Adjudicating Authority. |
| 3 | 10.09.2025 | Representative of Notice no. 01 to 05 and Noticee no. 07 to 09 appeared before the adjudicating authority on 11.09.2025. No one appeared on |

| | | |
|---|---|---|
| | | behalf of notice no. 06 M/s Dev Steel and Alloys. |

**It is on record that:-**

25.1 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 01 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 10.09.2025 and 11.09.2025.

25.2 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 02 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 11.09.2025.

25.3 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 03 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 11.09.2025.

25.4 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 04 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 11.09.2025.

25.5 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 05 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 11.09.2025.

25.6 Neither Noticee nor authorized/legal represenatative appeared virtually or physically before the adjudicating authority on 04.08.2025, 20.08.2025 and 10.09.2025.

25.7 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 07 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 12.09.2025 to be submitted on behalf of the noticee.

25.8 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 08 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 12.09.2025 to be submitted on behalf of the noticee.

25.9 Authorized Representative Shri Naresh Satwani on behalf of Noticee no. 09 appeared virtually before the adjudicating authority on 10.09.2025 and reiterated the written submission dated 12.09.2025 to be submitted on behalf of the noticee.

**DISCUSSION AND FINDINGS:**

**26.** I have carefully gone through the Show Cause Notice, material on record and facts of the case, as well as written submission made by the noticees. Accordingly, I proceed to decide the case on merit.

**Principle of natural justice**

26.1 Before going into the merits of the case, I find that in the instant case, in compliance of the provisions of Section 28(8) read with Section 122A of the Customs Act, 1962 and in terms of the principle of natural justice, personal hearing in this matter have been granted to the Noticee's on 04.08.2025, 20.08.2025 and 10.09.2025. It is on record that Authorized representative of Noticee no. 1, Noticee no. 2, Noticee no. 3, Noticee no. 4, Noticee no. 5, Noticee no. 7, Noticee no. 8 and Noticee no. 9 attended personal hearing virtually on 10.09.2025. Neither Noticee nor his authorized/legal representative attended Personal hearing physically or virtually on all the opportunities granted.

I thus find that the principle of natural justice has been followed and I can proceed ahead with the adjudication process. I also refer to the following case laws on this aspect-

- Sumit Wool Processors Vs. CC, Nhava Sheva [2014 (312) E.L.T. 401 (Tri. - Mumbai)]
- Modipon Ltd. Vs. CCE, Meerut [reported in 2002 (144) ELT 267 (All.)]

**27. Framing of issues**

Pursuant to a meticulous examination of the Show Cause Notice and a thorough review of the case records, the following pivotal issues have been identified as requisite for determination and adjudication:

**A. As to whether what is the scope and benefit of import under Advance Authorization read with Customs notification No. 21/2023 Customs dated 01.04.2023? And what are the conditions as per the said notification which are to be fulfilled by the importer for availing the benefits of the said notification?**

**B. As to whether Shri Vipin Chaturvedi (noticee no. 1) was the actual owner, controller and actual beneficiary of four proprietorship firms namely M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International, should not be held as mastermind instead of Shri Mahesh Joshi, Shri Anand Menon, Shri Atul Shashikant Herekar, and Shri Nitin Ranganath Anchan were made dummy owner of the same merely on papers by Shri Vipin Chaturvedi under a conspiracy of evasion of Customs Duty by way of misappropriating the benefits of Advance Authorization issued by DGFT read with Customs notification no. 21/2023 dt. 01.04.2023 by diverting the conditionally imported goods in the domestic market.**

**C. As to whether Differential Customs duty amounting to ₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only) including Anti-Dumping Duty foregone on import of 360.251 MTs of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at ₹8,12,75,524/- by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended, (details as per Annexure A to the Show Cause Notice), should be demanded and recovered from Shri Vipin Kanhaiyalal Chaturvedi controller and actual/ beneficial owner under Section 28(4) of the Customs Act, 1962 along with applicable interest under section 28 AA of the Customs Act, 1962.**

D. **As to whether 360.251 MTs of Stainless Steel Seamless Pipes (Hot/Cold Rolled) having declared assessable value of ₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only) which had been imported by Shri Vipin Kanhaiyalal Chaturvedi controller and actual/ beneficial owner of (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended (details as per Annexure A) should be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Out of the said goods imported, only total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and Vikranta Impex, assessed at value of Rs.50,83,767/- which were seized on 03.07.2024 are physically available for confiscation.**

**E. As to what is the effect furnishing of a Bond on liability to pay applicable Customs Duty and other charges?**

**F. As to whether Penalty should be imposed on Shri Vipin Kanahaiyalal Chaturvedi under Section 112(a) of the Customs Act, 1962 for act or omission, under Section 112(b) of the Customs Act, 1962 for carrying, removing, depositing, harboring, keeping, concealing, selling and dealing with the goods which rendered the imported goods liable to confiscation and under Section 114 A of the Customs Act, 1962.**

**G. Whether the contentions raised by the noticees have any merit in law or on facts.**

**H. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex.**

**I. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Anand Menon, Proprietor of M/s. Vrunda International.**

**J. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Atul Shashikant Herekar, Proprietor of Ascent International.**

**K. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International.**

**L. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Dev Steel & Alloys.**

**M. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Steelage Overseas Private Limited.**

**N. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Prudent Stainless Private Limited.**

**O. As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Satyapal, Proprietor of Satya Steel.**

**A. <u>Now I take up the first question as to whether what is the scope and benefit of import under Advance Authorization read with Customs notification No. 21/2023 Customs dated 01.04.2023? And what are the conditions as per the said notification which are to be fulfilled by the importer for availing the benefits of the said notification?</u>**

28. I observe that the four-proprietorship firm's namely M/sVikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International has filed 17 Past Bills of entry as mentioned in Annexure A, availing Customs Duty exemption benefit of advance authorization issued by DGFT read with Customs Duty exemption Notification no. 21/2023 dt 01.04.2023.

The said notification is reproduced below:-

*NOTIFICATIONNo. 21/2023-CustomsNew Delhi, the 1st April, 2023.*

*G.S.R. .....(E).-In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials imported into India against a valid Advance Authorisation issued by the Regional Authority in terms of paragraph 4.03 of the Foreign Trade*

*Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customsleviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty,leviable thereon under sub-sections(1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely:-*

***(i) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;***

***(ii) that the said authorisation bears,-***

***(a) the name and address of the importer and the supporting manufacturer in cases where the said authorisation has been issued to a merchant exporter; and***

***(b) the shipping bill number(s) and date(s) and description, quantity and value of exports of the resultant product in cases where import takes place after fulfillment of export obligation; or***

***(c) the description and other specifications where applicable of the imported materials and the description, quantity and value of exports of the resultant product in cases where import takes place before fulfillment of export obligation;***

***(iii) that the materials imported correspond to the description and other specifications where applicable mentioned in the authorisation and are in terms of para 4.12 of the Foreign Trade Policy and the value and quantity thereof are within the limits specified in the said authorisation;***

*(iv) that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;*

*(v)* ***that in respect of imports made after the discharge of export obligation in full, if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT Credit under CENVAT Credit Rules, 2017 has been availed, then the importer shall, at the time of clearance of theimported materials furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself,to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods and to submit a certificate, from the jurisdictional Central Excise officer or from a specified chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used:***

*Provided that if the importer pays additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2017;*

*(vi) that in respect of imports made after the discharge of export obligation in full, and if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT credit under CENVAT Credit Rules, 2017has not been availed and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (v);*

*(vii)that in respect of imports made after the discharge of exports obligation in full, if facility of input tax credit under relevant Goods and Service Tax law on inputs used for manufacturer and supply of goods exported has*
*been availed, then the importer shall, at the time of clearance of the imported materials, furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture and supply of taxable goods (other than nil rated or fully exempt supplies) and to submit a certificate from a chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used;*

*Provided that if the importer pays integrated tax and the goods and services tax compensation cess leviable on the imported materials under sub-section (7) and sub-section (9) respectively of section 3 of the said Customs Tariff Act on the imported materials but for the exemption contained herein, then such imported materials may be cleared without furnishing a bond specified in this condition;*

*(viii)that in respect of imports made after the discharge of export obligation in full, and if facility of input tax credit under relevant Goods and Service Tax law has not been availed on inputs used in the manufacture and supply of goods exported and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs, or the Assistant Commissioner of Customs, as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (vii);*
*(ix) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No.26/2023-Customs dated1stApril, 2023ora Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):*

*Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, inland container depot or through a land customs station within his jurisdiction;*

*(x)* ***that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within the period specified in the said authorisation or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorisation:***

***Provided that an Advance Intermediate authorisation holder shall discharge export obligation by supplying the resultant products to exporter in terms of paragraph 4.05(c) (ii) of the Foreign Trade Policy;***

*Provided further that notwithstanding anything contained hereinabove for the said authorisations where the exemption from integrated tax and the goods and service tax compensation cess leviable thereon under sub-section(7) and sub-section (9) of section 3 of the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by physical exports or by making domestic supplies mentioned at serial numbers 1,2 and 3 of the Table contained in notification No. 48/2017-Central Tax, dated the 18thOctober, 2017 published,videnumber G.S.R 1305(E), dated the 18thOctober, 2017;*
*(xi) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;*
*(xii) that the said authorisation shall not be transferred and the said materials shall not be transferred or sold:*

*Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant goods and services tax provisions permitting transfer of materials for job work;*

*(xiii) that in relation to the said authorisation issued to a merchant exporter, any bond required to be executed by the importer in terms of this notification shall be executed jointly by the merchant exporter and the supporting manufacturer binding themselvesjointly and severally to comply with the conditions specified in this notification.*

*2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within six months from the date of clearance of the said material or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow:*

***Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.***

*Explanation,-For the purposes of this notification, -*

*(I) "dutiable goods" means excisable goods which are not exempt from central excise duty and which are not chargeable to 'nil' rate of central excise duty;*

*(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2023, published by the Government of India inthe Ministry of Commerce and Industry, videnotification No. 01/2023, dated the 31st March,2023;*

*(III) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorized by him to grant an authorisation under the said Act;*

*(IV) "Manufacture" has the same meaning as assigned to it in paragraph 11.31of the Foreign Trade Policy;*

*(V) "Materials" means,-*

*(a) raw materials, components, intermediates, consumables, catalysts and parts which are required for manufacture of resultant product;*

*(b) mandatory spares within a value limit of ten per centof the value of the authorisation which are required to be exported along with the resultant product;*

*(c) fuel required for manufacture of resultant product;*

*(d) packaging materials required for packing of resultant product;*

*(VI) "Specified Chartered Accountant" means a statutory auditor or a Chartered Accountant who certifies the importer's financial records under the Companies Act, 2013 (18 of 2013) or the Income Tax Act, 1961 (43 of 1961) or the Central/State Goods and Services Tax Act.*

*(VII) "Supply of taxable goods" means a supply of goods which is leviable to tax under relevant Goods and Services Tax law*

28.1 In view of the above notification I observe that this notification grants full exemption from customs duties—including Basic Customs Duty, additional duties, IGST, GST Compensation Cess, and other applicable duties—on materials imported into India under a valid Advance Authorisation issued in accordance with the Foreign Trade Policy (FTP) 2023. However, this exemption is strictly conditional. The imported materials must correspond exactly to the description, specifications, quantity, and value as specified in the authorisation and as laid down in paragraph 4.12 of the FTP, which requires the materials to be used solely for the manufacture of the resultant export product. The exemption is available only if the Advance Authorisation is produced at the time of import clearance and the materials are not diverted for domestic use or sale. In cases where the export obligation has not yet been fulfilled at the time of import, the importer must execute a bond with adequate surety or security, binding themselves to pay the applicable customs duties with interest if they fail to comply with the export obligation or any other conditions specified in this notification. Thus, the exemption is not automatic but subject to strict compliance with the terms of the Advance Authorisation and procedural safeguards.

28.2 I observe that the most important condition for availing the duty exemption is the timely and complete discharge of the export obligation (EO) as prescribed in the Advance Authorisation.

The EO requires that the exporter physically export the resultant goods, manufactured using the imported materials, within the validity period of the authorisation or any extended period allowed by the Regional Authority (DGFT). The export obligation must be fulfilled in both quantity and value terms. Furthermore, paragraph 4.12 of the FTP mandates that the imported materials strictly correspond to the description and quantities authorized, ensuring no misuse. Bonds must be executed as a guarantee against non-fulfillment of EO or misuse of exemption. The relevant provisions of policy have been mentioned in Para 4 of the Foreign Trade Policy.

28.3 Para 4.12 of the FTP 2023 is reproduced below:-

*"(i)Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill.*

*(ii) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills.*

*(iii) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority shall allow only those inputs which have been specifically indicated in the shipping bill together with quantity.*

*(iv)The above provisions will also be applicable for supplies to SEZs and supplies made under Deemed exports. Details as given above will have to be indicated in the relevant Bill of Export, ARE-3, Central Excise certified Invoice / import document / Tax Invoice for export prescribed under the GST rules."*

28.4 **I observe that when Standard Input Output Norms (SION) allow the use of generic or alternative inputs, the specific inputs actually used in manufacturing the export product must be precisely indicated and endorsed in the shipping bill with exact quantities. The description of inputs in the shipping bill must match the Advance Authorisation exactly. In cases where multiple inputs share a single quantity norm, the quantities imported and used must be proportionate to their consumption in production and clearly reflected in the shipping documents. Only those inputs correctly declared in the shipping bill will be considered valid for discharge of export obligation or redemption of the authorisation. This condition applies equally to supplies to SEZs and deemed exports, requiring proper documentation under applicable GST and Central Excise rules to ensure compliance and avoid denial of benefits.**

28.5 Further I observe para 4.03 and 4.16 of the Foreign Trade Policy and the same are reproduced below:-

*Para 4.03 Advance Authorization*

*(i)* ***Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage****). In addition, fuel, oil,*

*catalyst which is consumed / utilized in the process of production of export product, may also be allowed.*

*(b) Advance Authorisation is issued for inputs in relation to resultant product, on the following basis:*

*(i) As per Standard Input Output Norms (SION) notified (available in Hand Book of Procedures);*

*OR*

*On the basis of self declaration as per paragraph 4.07 of Handbook of Procedures.*

*OR*

*Applicant-specific prior fixation of norm by the Norms Committee as per para 4.06 of Handbook of Procedures.*

*OR*

*On the basis of Self Ratification Scheme in terms of Para 4.06 of Foreign Trade Policy.*

*4.16 Actual User Condition for Advance Authorisation*

*(i)* ***Advance Authorisation and / or material imported under Advance Authorisation shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation.*** *However, Authorisation holder will have option to dispose of product manufactured out of duty free input once export obligation is completed.*

*(ii) In case where CENVAT/input tax credit facility on input has been availed for the exported goods, even after completion of export obligation, the goods imported against such Advance Authorisation shall be utilized only in the manufacture of dutiable goods whether within the same factory or outside (by a supporting manufacturer). For this, the Authorisation holder shall produce a certificate from Chartered Accountant at the time of filing application for Export Obligation Discharge Certificate to Regional Authority concerned. An AEO having valid certificate has the option to produce self declaration to this effect.*

*(iii) Waste / Scrap arising out of manufacturing process, as allowed, can be disposed off on payment of applicable duty even before fulfillment of export obligation.*

28.6 In view of the above, I find that Advance Authorization under para 4 of the Foreign Trade Policy read with Notitifcation no. 21/2023 dated 01.04.2023 allows the duty-free import of goods that are physically incorporated into the export product. This authorization is strictly subject to the 'Actual User' condition, meaning the imported materials and the authorization itself are non-transferable and must be used solely by the holder for manufacturing the export product.

28.7 I find that the provisions governing Advance Authorization facilitates the duty-free import of goods that are physically incorporated into the export product. The authorization for such imports is granted based on established norms, which may include Standard Input Output Norms (SION), self-declaration, or norms fixed by relevant authorities. Importantly, the Advance Authorization is subject to the 'Actual User' condition. This condition mandates that both the authorization and the imported goods are non-transferable and must be used exclusively by the holder for the production of the export product. The holder is prohibited from transferring the authorization or the imported materials to any other party, even after the export obligation has

been fulfilled. Disposal of the finished goods produced from such duty-free inputs is permitted only after the complete fulfillment of the export obligation.

Therefore, considering the above, it is concluded that the Advance Authorization under para 4 of the Foreign Trade Policy read with Notitifcation no. 21/2023 dated 01.04.2023 strictly enforces the use of duty-free imported goods by the actual user solely for export production, ensuring compliance with prescribed conditions to prevent misuse or diversion.

**B.Now I take up the next question as to whether Shri Vipin Chaturvedi (noticee no. 1) was the actual owner, controller and actual beneficiary of four proprietorship firms namely M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International, should not be held as mastermind instead of Shri Mahesh Joshi, Shri Anand Menon, Shri Atul Shashikant Herekar, and Shri Nitin Ranganath Anchan were made dummy owner of the same merely on papers by Shri Vipin Chaturvedi under a conspiracy of evasion of Customs Duty by way of misappropriating the benefits of Advance Authorization issued by DGFT read with Customs notification no. 21/2023 dt. 01.04.2023 by diverting the conditionally imported goods in the domestic market.**

29. In this regard I find that Shri Vipin Chaturvedi in his defense reply dated 09.09.2025 and 10.09.2025 has stated that has contended that his involvement in the operational management of four firms i.e. M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International was purely professional, arising directly from his engagement as a consultant not as Controller/Beneficial Owner.

29.1 I observe that investigation has brought out plethora of evidences undisputedly establishing Shri Vipin Chaturvedi as Beneficial Owner/ Controller of four proprietorship firms namely M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International which is enlisted below as per the Annexure-C of the SCN:-

(iv)

| | | |
|---|---|---|
| 39 | Statement dated 25.06.2024 of Shri Vipin Chaturvedi, Controller and actual beneficier of all four proprietorship firms viz. Vikranta Impex, Vivanta International, Ascent International and Vrunda International | RUD-33 |
| 40 | Statement dated 02.07.2024 of Shri Atul Shashikant Herekar, Proprietor of M/s. ASCENT INTERNATIONAL | RUD-34 |
| 41 | Statement dated 02.07.2024 of Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International | RUD-35 |
| 42 | Statement dated 29.07.2024 of Shri Anand Menon, Proprietor of M/s. Vrunda International | RUD-36 |
| 43 | Statement dated 31.07.2024 of Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex | RUD-37 |
| 44 | Statement dated 02.08.2024 of Shri Satya Pal, Proprietor of M/s. Satya Steel | RUD-38 |
| 45 | Statement dated 29.11.2024 of Shri Vipin Chaturvedi, Controller and actual beneficier of all four proprietorship firms viz. Vikranta Impex, Vivanta International, Ascent International and Vrunda International | RUD-39 |
| 46 | Letter through which Details Sought from the banks | RUD-40 |
| 47 | CDR Data | RUD-40A |
| 48 | Panchnama dated 03.07.2024 drawn at the premise of Satya Steel, Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 | RUD-41 |
| 49 | Bills of Entry and supporting documents | RUD-41A |
| 50 | Seizure Memo dated 03.07.2024 issued by Intelligence Officer, DRI Vapi | RUD-42 |
| 51 | Documents submitted by Shri Vaibhav Satish Shelar, Proprietor of G Card Holder, Partner and Authorized Signatory of I M Logistics, Cha | RUD-43 |

29.2 In view of the above evidence, I observe that during the search at the premises of M/s. Vikranta Impex Shri Mahesh Joshi, Proprietor of the said firm that he came to the premises of M/s Vikranta Impex only, that too for the GST registration along with Shri Vipin Chaturvedi. Further, Mahesh Joshi in his statement stated that **Shri Vipin Chaturvedi offered to start a business related to import in the name of Shri Mahesh Joshi in lieu of money. Shri Vipin Chaturvedi had stated that he would handle all the works and offered to give Rs.25000/- per container to Shri Mahesh Joshi for providing all legal KYC documents to create the proprietorship firm and later on import was done and the imported goods under the advance authorization license was sold/diverted in open market.** On detailed investigatiom the facts emerged that the imported goods were neither

received at the registered address nor at the premises of the supporting manufacturer and were diverted/sold in the Domestic Tariff Area i.e. the open market.

29.3 I further observe that during search operation on 08.01.2024 at the premises of Vishnu Transport, documents related to M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International and M/s Ascent International were found and resumed from the premises. During the search proceedings **Shri Madan Chaudhary also informed that these 4 firms pertained to Shri Vipin Chaturvedi as Shri Vipin Chaturvedi through his mobile no. 9824188754 used to enquire about delivery of goods of these 4 firms and as per his direction the imported goods were delivered at different locations.**

29.4 I further observe that **Shri Vaibhav Satish Shelar, the G Card Holder, Partner and authorized signatory of I M Logistics in his statement admitted that Shri Vipin Chaturvedi had contacted him to work as a CHA and handle the Customs clearance related works for Vivanta International, Ascent International, Vikranta Impex and Vrunda International**. He further stated that he had arranged the transportation of the above 4 proprietorship concerns through Shri Madan Chaudhary, the concerned person of Vishnu Transport and the authorized signatory of Vishnu Cargo Movers. He also admitted and submitted documents which has proved that the goods imported under advance license were delivered at Kalamboli, although the same should have been delivered at the premises of the four proprietorship concerns or at the premise of supporting manufacturer i.e. M/s. Prudent Stainless Steel. **He further stated that all the said 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex and Vrunda International were managed by Shri Vipin Chaturvedi and the imported goods i.e. steel pipes grade 304 imported under advance authorization scheme have been transported and delivered at Kalamboli as per the instructions of Shri Vipin Chaturvedi.**

29.5 I further observe that **Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transport and authorized signatory of Vishnu Cargo Movers in his statement admitted that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi, who used to inform about the concerned recipient of imported goods telephonically. Only after receiving directions from Shri Vipin Chaturvedi, he used to share the vehicle no. and driver no. to the concerned recipient** and ultimately, people of concerned recipient used to inform the driver about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.

29.6 I further observe that during search proceedings at premises of Ascent International in the presence of Shri Atul Shashikant Herekar, Proprietor of M/s Ascent International, was carried out on 10.01.2024. During the search, Shri Atul Shashikant Herekar informed that the premises was never been used by him. He just came once for the GST registration purpose along with Shri Vipin Chaturvedi for KYC. **Shri Atul Shashikant Herekar in his statement admitted that he contacted Shri Vipin Chaturvedi for monetary help. When Shri Vipin Chaturvedi offered Rs.25,000/- per month in return for his consent to start a proprietorship firm in his name, on his documents but where Shri Vipin Chaturvedi would be the de-facto head, he agreed. Shri Vipin Chaturvedi had assured that he would handle all the works related to import and export of this firm. He conveyed that they had to start a new proprietorship concern, where Shri Vipin Chaturvedi would be the de-facto owner and decision-maker, even though the legal documents would be in the name of Shri Atul Shashikant Herekar. Shri Atul Shashikant Herekar accepted this offer and gave all the necessary documents viz. Aadhar card, PAN etc. to Shri Vipin**

**Chaturvedi, who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc.**

29.7 I further observe that Shri Ranganath Anchan, the Proprietor of M/s. Vivanta International, in his statement stated that he knew Shri Vipin Chaturvedi since 2016. **In the year 2021, after second wave of COVID his friend Atul Shashikant Herekar contacted Shri Vipin Chaturvedi for help and Shri Vipin Chaturvedi called him with his friend Atul Shashikant Herekar to meet at Vapi. Shri Vipin Chaturvedi offered Rs.25,000/- per month to Shri Ranganath Anchan in return for his consent to provide the legal documents for opening a proprietorship firm in his name where Shri Vipin Chaturvedi would be the de-facto controller and decision-maker. He assured that he would handle all the work related to import and export. Further, Shri Ranganath Anchan and Atul Shashikant Herekar were offered 25,000/- per month for creating and initiating their proprietorship concern where the actual control of decision-making would lie with Shri Vipin Chaturvedi and they would just be the proprietors on paper. Shri Ranganath Anchan also accepted this offer and gave all the documents necessary to create a firm, viz. Aadhar card, PAN etc., to Shri Vipin Chaturvedi who did all the procedural formalities for GST registration, opening of Bank account etc.**

29.8 I further observe that **Shri Anand Menon in his statement stated that he knew Shri Vipin Chaturvedi since 2016. In the year 2020, Shri Vipin Chaturvedi offered Rs.10,000/- per month to him to start a proprietorship firm based on his legal documents but where Shri Vipin Chaturvedi would be the de-facto head. He assured that he would handle all the works related to import and export and conveyed that they had to start a new proprietorship concern for this. Further, Shri Anand Menon accepted the offer of Shri Vipin Chaturvedi and gave all the documents viz. Aadhar card, PAN etc. to Shri Vipin Chaturvedi who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc. The premises were under the control of Shri Vipin Chaturvedi, who also kept the key of the said premises of Vrunda International. Further, Shri Anand Menon stated that he did not know anything about the operations and the import-export activity being carried out by Vrunda International**.

29.9 **I observe that Shri Vipin Chaturvedi emerges as the master mind in the case. The proprietor of all the four importing firms have stated that they had shared their legal documents with Shri Vipin Chaturvedi, on his request, and that Shri Vipin Chaturvedi was the de-facto owner and sole decision-maker of the firms opened by using the documents of these four Proprietors. Shri Vipin Chaturvedi in his statement inter-alia admitted that he knew all these 4 proprietors for the last 10 years. All the proprietors needed money. So, he suggested to them to start import-export business related to steel Pipes, Coils and Sheets and suggested them to initiate proprietorship concerns in their names and assured them to handle the works related to the Proprietorship firms.; that he has managed all the activities of these four firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International; that he had applied for the licenses of these firms, managed to open the account of these units, obtained GST registration as per procedure etc.; that he knew that the supporting manufacturer of Vivanta International, Ascent International, Vikranta Impex, Vrunda International, as per the DGFT licenses issued to them, is Prudent Stainless Private Limited; that during the entire year, no stock of Vivanta International, Ascent**

**International, Vikranta Impex, Vrunda International was sent to the premises of Prudent Stainless Private Limited; that goods imported under Advance Authorization scheme by Vivanta International, Ascent International, Vikranta Impex, Vrunda International were diverted to the registered premise of Satya Steel and out of these diverted goods, some goods were further sold thereafter in the local market; that the goods of these 4 firms never reached the registered premises of Prudent Stainless Private Limited or the original premises mentioned in the registration of these units; that goods imported under Advance Authorization scheme were of the value of Rs.8 crores approx. and duty evaded on these duty-free imports was Rs.13.95 crores approx..**

29.10 I observe that inference of the investigation is that **Shri Vipin Chaturvedi was the mastermind of the plan of illegal diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. who exercised effective control over the goods imported by misuse of the Advance Authorization Scheme**. **In fact, the goods were imported on behalf of Shri Vipin Chaturvedi in the name of these four entities, who's proprietors had no say or control in running of these firms, with their role being limited to getting regular financial remuneration from Shri Chaturvedi in lieu of use of their firm's credentials.**

29.11 I observe that it has emerged that Shri Vipin Chaturvedi got the KYC documents and other details of the four proprietors mentioned in the foregoing paras, in lieu of an agreed sum, and used their firms to import goods duty-free under Advance Authorization Scheme and later on diverted these goods into the domestic market in violation of the conditions of the Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification No. 21/2023-Customs, dated 01.04.2023, thereby evading Customs duty to the tune of Rs.13.95 Crores including Anti-Dumping Duty.

29.12 **I observe that Shri Vipin Chaturvedi provided the documents in respect of these concerned 4 proprietorship concerns. The bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys showed that huge amount of money was transferred to the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and Alloys. The investigation more significantly revealed that M/s Dev Steel and Alloys although has shown the outstanding amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr with M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively. This total outstanding amount of Rs.6.43 Crores approx was adjusted with the sale of imported goods from these three entities. This fact was accepted by Shri Bechraram Dewasi, Partner of M/s. Dev Steel & Alloys that he has received imported goods in lieu of this amount. But, in reality the imported goods i.e stainless steel seamless pipes was sold to them in lieu of this outstanding amount and the imported goods were sold in cash without any GST invoice. Accordingly, M/s Dev Steel and Alloys was one of the significant abettors of this illegal diversion of SS seamless pipes imported under advance license. M/s Dev Steel and Alloys received the imported goods under advance license from Shri Vipin Chaturvedi at prices below the market rate and hence the imported duty-free SS Seamless pipes Grade 304, was sold to M/s Dev Steel and Alloys. Further, goods related to M/s Vrunda International was sold to M/s Steelage Overseas Pvt. Ltd. who had done payment of Rs.1.65 Cr to M/s Vrunda International.**

Now I take up the for detailed discussion the evidences which have been brought on records by the investigation. I observe that this evidence is undisputedly establishing that Shri Vipin

Chaturvedi is Master Mind and Controller/Beneficial Owner of the concerned 04 Proprietorship concerned.

**ORAL EVIDENCE ORCHASTERING SHRI VIPIN CHATURVEDI AS MASTERMIND, CONTROLLER AND BENEFICIAL OWNER OF THE CONDITIONALLY EXPEMTED IMPORTED GOODS**

29.13 I observe that statement of **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex was recorded on 02.01.2024** under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

***i.*** *He has been in contact with Shri Vipin Chaturvedi since 2018 who used to come to ICD Tumb for clearance of imported consignments; that in the beginning of the year 2023,* ***Shri Vipin Chaturvedi came to ICD Tumb for his work and during normal conversation offered him to start import in his (Shri Joshi's) name and assured that he would handle all the work; that he agreed to the offer and then, after some time in the month of April, 2023, Shri Vipin Chaturvedi again approached him and asked for a copy of his PAN and Aadhar card to complete all necessary formalities for GST registration. After issuance of GSTIN, Shri Vipin Chaturvedi again approached him to create an IEC in the name of Vikranta Impex. He also stated that Shri Vipin had convinced him to purchase a new mobile number for carrying out all the transactions and to handover the new mobile to him (Shri Vipin Chaturvedi), to handle all the transactions related to the new GST and IEC etc. So, he took a new SIM having Mobile no. (8087130955) and handed it over to Shri VipinChaturvedi; that the Mobile no. mentioned in GST and IEC registration is with Shri Vipin Chaturvedi to carry out all the transactions. He further stated that the official email id of his Proprietorship concern i.e. vikrantaimpex2023@gmail.com, was also created by Shri Vipin Chaturvedi who handles and operates the said email id.***

***ii.*** ***On being asked, he further stated that initially, Shri Vipin Chaturvedi had informed him that he would carry out import export business via Vikranta Impex and later on Shri Vipin Charturvedi informed him that he is going to import steel goods through the IEC of Vikranta Impex and offered to give him Rs.25000/- per container; that he was not aware exactly what items were imported and how Shri Vipin Chaturvedi would give him Rs.25000/-.***

***iii.*** *He further admitted that he had not applied for any DGFT license himself and* ***that it was Shri Vipin Chaturvedi who had applied for DGFT license online on behalf of Vikranta Impex by using his new mobile no. He further stated that he came to know about this DGFT license when the application reached ICD Tumb and that he had called Vipin Chaturvedi to know about the issuance of this license; that Shri Vipin Chaturvedi had then informed that he would export against the import made under advance authorization scheme.***

*iv.* *On being asked, he further stated that he did not know any person from M/s. Prudent Stainless Private Ltd.; that* ***Shri Vipin Chaturvedi is the person who procured the DGFT license and arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.***

*v.* *He was not aware about the goods imported by Shri Vipin Chaturvedi through his firm Vikranta Impex; he agreed that there was no stock of the imported goods at the registered premises of Vikranta Impex.*

*vi.* *He agreed to the fact that no stock of Vikranta Impex had been sent to the premises of M/s. Prudent Stainless Pvt. Ltd.*

vii. *He agreed that the factory unit at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is* ***a dummy office taken for GST registration by Shri Vipin Chaturvedi****.*

viii. *On being asked about rent agreement, he stated that he had never met Shri Murji Premji Katarmali the owner of the premises and it was* ***Shri Vipin Chaturvedi who gave him the rent agreement documents to sign and used the same for GST registration. He also stated that the premise at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is looked after by Shri Vipin Chaturvedi and the key of the shop was also kept by him.***

***ix.*** *He also stated that he had no idea regarding the exact duty evasion but he agreed that the duty evaded based on the documents shown to him by the officers appeared to be more than Rs.3.4 Crores approx.* ***He also stated that all these 3 bills of entry were filed at Nhava Sheva port and Shri Vipin Chaturvedi had arranged the CHA and transportation of these imported goods.***

x. *He accepted that for the goods imported under Advance authorisation scheme actual user condition apply and the imported goods under the scheme cannot be diverted/sold to the premises other than the one mentioned in the Advance Licence i.e. in the domestic market but stated that he was not aware that these imported goods have been diverted in the local market. He further informed that the fact of diversion of said goods had been noticed by him only after inquiry was initiated by DRI.*

29.14 In view of the above statement I find that it is an undisputed fact that Shri Vipin Chaturvedi was the de facto controller and beneficial owner of M/s Vikranta Impex. Although the firm was registered in the name of Shri Mahesh Joshi, Shri Vipin Chaturvedi exercised complete control over all critical functions including GST and IEC registrations, communication channels, physical premises established solely for GST compliance, and DGFT license procurement. He managed all import-export operations, transportation, and customs clearance without any substantive involvement of Shri Mahesh Joshi. Further, Shri Vipin Chaturvedi remunerated Shri Mahesh Joshi with Rs. 25,000/- per container for the use of his credentials

29.15 I observe that Statement of Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transport and authorized signatory of Vishnu Cargo Movers was recorded on 09.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

*i. He stated that he had transported goods of all these four proprietorships concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International; that he did not know much about their business activities, but that all these four proprietorship concerns imported Steel Pipes from Nhava Sheva.*

*ii. He stated that the imported goods of all the above said proprietorship concerns were delivered at different plot nos. of Kalamboli Steel Market;* ***that he did not know the exact plot no. where the imported goods were delivered and unloaded; that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi who informed about concerned recipients of imported goods over mobile; that as per directions received, he used to share vehicle no. and driver no. with the concerned recipient*** *and then, a person belonging to the concerned recipient firm/person used to inform the driver about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.*

*iii. Imported goods of all these four proprietorship concerns were delivered to the Godowns of concerned recipients i.e. Seth Steel Pvt. Ltd., Steelage Overseas Private Limited and Dev Steel & Alloys; that* ***Shri Vipin Chaturvedi would telephonically inform the name of the recipient of***

***imported goods, after which he used to send the details of driver, his mobile no. and vehicle no. to the concerned recipients.***

*iv. On perusal of print outs of E-way bills through which imported goods of proprietorship concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International were imported under advance authorisation license from Nhava Sheva port to Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218,* ***he stated that some truck nos. mentioned in E-way bills do not belong to him, in fact these Truck nos. were manipulated. He also stated that these e-way bills were not generated by him; that in fact as per his knowledge, e-way Bills used to be generated by Shri Vipin Chaturvedi as he used to give details of vehicle and driver to Shri Vipin Chaturvedi initially for loading from Nhava Sheva.*** *Further, he stated that Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218 is the address of a Godown where imported goods of Shri Vipin Chaturvedi's firms used to be regularly unloaded.*

29.16 In view of the above statement I find that it is evident that Shri Vipin Chaturvedi was the central figure controlling the operations of the four proprietorship concerns—Vivanta International, Vrunda International, Vikranta Impex, and Ascent International. The individual involved in transporting goods for these entities had limited knowledge of their operations and acted solely under Shri Vipin Chaturvedi's instructions. The goods were imported through Nhava Sheva port and delivered to various godowns in Kalamboli Steel Market, with unloading locations and recipient details communicated exclusively by Shri Vipin Chaturvedi. Shri Vipin Chaturvedi directed the diversion of goods into the domestic market, bypassing the premises of M/s Prudent Steel, the supporting manufacturer declared under the Advance Authorization license.

29.17 I observe that Statement of Shri Vaibhav Satish Shelar, G Card Holder, Partner and Authorized Signatory of I M Logistics was recorded on 09.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *On being asked regarding the relation with Vivanta International, Ascent International, Vikranta Impex, Vrunda International,* ***he stated that Shri Vipin Chaturvedi had approached him in 2023 to handle the Customs clearance related work as a CHA for the import clearance of these entities.*** *Accordingly, all the proprietors of these firms had approached him and he did KYC of the 04 proprietorship entities.*
ii. *He had arranged transportation i.r.o. above 4 proprietorship concerns through Shri Madan Chaudhary and that he would be the right person to inform the destination of goods (steel pipes grade 304) imported under advance authorization scheme. However, as per invoices raised by Vishnu transport, it appeared that goods were delivered at Kalamboli.*
iii. ***He agreed that these 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex, Vrunda International appeared to be managed by one-person Shri Vipin Chaturvedi and that the imported goods*** *i.e. steel pipes grade 304 imported under advance authorisaton scheme had been diverted into the local market upon the instructions of Shri Vipin Chaturvedi as he had arranged and engaged all the service providers related to import of these goods.*

29.18 In view of the above statement I find that Shri Vipin Chaturvedi was the person managing and controlling the operations of the four proprietorship firms—Vivanta International, Ascent International, Vikranta Impex, and Vrunda International. Although the CHA was formally approached by the individual proprietors of these entities for customs clearance and KYC was completed accordingly, CHA confirmed that all four firms managed by Shri Vipin Chaturvedi.

Furthermore, the CHA admitted that the imported goods—specifically steel pipes of grade 304 imported under the Advance Authorisation Scheme—were diverted into the local market upon the instructions of Shri Vipin Chaturvedi. It was also acknowledged that Vipin Chaturvedi was solely responsible for arranging and engaging all the service providers related to the import process.

29.19 I observe that Statement of **Shri Atul Shashikant Herekar**, **Proprietor of M/s. Ascent International** was recorded on 10.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. ***In the year 2022, he asked Shri Vipin Chaturvedi for help to buy an auto-rickshaw for his livelihood; that after some time based on Shri Vipin Chaturvedi's invitation he and his colleague Shri Nitin Anchan went to Vapi to meet Shri Vipin Chatruvedi who explained to them that he would initiate Proprietorship firms in their name and would give them Rs.25000/- per month per person for this work; that Shri Vipin Chatruvedi proposed that he would start import and export in the newly opened firms and he (Shri Vipin Chaturvedi) would manage and control all the business activities of the newly opened entities in their name.***

ii. ***He accepted the offer of Shri Vipin Chaturvedi and after some time he and Nitin Anchan (his friend) gave the requested documents viz. Aadhar card, PAN etc to Shri Vipin Chaturvedi. He also admitted that Shri Vipin Chaturvedi had also convinced him to purchase a new mobile number needed to carry out all the transactions and to handover this mobile to him and hence, he took a new SIM having Mobile no. which he did not remember and handed it over to Shri Vipin Chaturvedi. This mobile number, which was in GST and IEC registration, used to be carried by Shri Vipin Chaturvedi to carry out all the transactions of Ascent International. Further, he also stated that the official email id of Ascent International was also created by Shri Vipin Chaturvedi who handles and operates the same.***

iii. ***He and Shri Nitin Anchan approached Shri Vipin Chaturvedi who opened a firm named Vivanta International in the name of Shri Nitin Anchan; that Shri Vipin Chaturvedi offered monthly remuneration to Shri Nitin Anchan as well; that he had received Rupees 2-2.5 lacs in either cash or in account from Shri Vipin Chaturvedi.***

iv. *He further stated that Shri Vipin Chaturvedi informed him that he would carry out import export business in Ascent International and that later, he came to know about the product and other details through DGFT license.*

v. *He did not know about the CHA and Transporter, who were engaged for the import and transportation of goods under Advance Authorization by Ascent International as he has never communicated with either CHA or transporter and that he had never received any documents related to imported goods under Advance Authorization by Ascent International.*

vi. ***On being asked about the DGFT License, he stated that Shri Vipin Chaturvedi had applied for DGFT license for import under Advance Authorization for Ascent International and Vivanta International.***

vii. *He further stated on perusal of Panchnama dated 26.12.2023 drawn at 3rd Floor, Shop No. 313, Skylon Co. Op. Housing Society, Vapi that the said shop is registered premises of Ascent International and is a rented premise.* ***He also stated that he had never met the owner of the said premises; that it was Shri Vipin Chaturvedi who had arranged all documents etc and that he had just signed the documents in respect of Rent Agreement, GST registration and IEC registration etc.***

29.20 In view of the above statement I find that it has been undisputedly established that Shri Vipin Chaturvedi is the sole controller and beneficial owner of M/s Ascent International and M/s Vivanta International. These firms were merely fronts, registered in the names of financially vulnerable individuals at Vipin Chaturvedi's direction. Shri Atul Shashikant Herekar confirmed that Vipin Chaturvedi offered him ₹25,000 per month to allow the use of his identity for firm registration, while Shri Vipin Chaturvedi retained full control over all business operations. Shri Vipin Chaturvedi managed all critical functions, including GST and IEC registrations, email and mobile number control, DGFT licensing, and premises acquisition. Shri Atul Shashikant Herekar had no involvement or knowledge of import-export activities, transport coordination, or customs clearance. Shri Vipin Chaturvedi exercised complete operational and financial control, making him the de facto controller and beneficial owner of these proprietorship firms.

29.21 I observe that Statement of **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He was in touch with Shri Vipin Chaturvedi as he was handling DGFT related works of M/s VIPRA IMPEX (in which Shri Vipin Chaturvedi is the Proprietor) and another company M/s Prudent Stainless Pvt. Ltd.*

ii. ***He stated that after the 2nd wave of COVID, he contacted his friend Shri Atul Herekar who contacted Shri Vipin Chaturvedi formally for help, to get rid of the financial crisis being faced by him; that Shri Vipin Chaturvedi called him and his friend at Vapi to meet them and accordingly, both the friends i.e. Shri Atul Herekar and Shri Nitin Ranganath Anchan came to Vapi to get help from Shri Vipin Chaturvedi.***

iii. ***He further stated that he along with his friend met Shri Vipin Chaturvedi at his apartment, that Shri Vipin Chaturvedi appraised them of his plan to import steel items in small quantity and export some items, and to give them fixed remuneration of Rs.25,000/- per month. That Shri Vipin Chaturvedi offered to start a proprietorship concern in his name and assured that, he would handle all the work related to it and that he just needed to sign the documents for GST registration, opening of Bank account and IEC.***

iv. *On being asked he further explained that in the year 2022,* ***Shri Vipin Chaturvedi again approached him and asked for copy of PAN and Aadhar card and all other documents to complete all necessary formalities needed for taking GST registration and opening of bank accounts;*** *that he further stated that in the year 2020, just before the COVID wave, he had taken IEC M/s. Pensaile Exim in his name and thought of starting some consultancy work, although due to COVID situation nothing could be done in that IEC.*

v. ***He further stated that when Shri Vipin Chaturvedi tried to take new IEC, the registration could not be done at that point of time and later, the modification of the earlier IEC was carried out with the name changed to Vivanta International. He further admitted that he was convinced by Shri Vipin Chaturvedi to take a new SIM and mobile no. to carry out all the transactions and to handover this mobile to handle all the transactions related to GST, Bank and IEC related transaction etc.; that he took a new SIM having Mobile no. (8128353190) and handed it over to Shri Vipin Chaturvedi.***

vi. ***He further revealed that the Mobile no. in the GST registration and IEC registration used to be with Shri Vipin Chaturvedi to carry out all the transactions. Further official email id of his Proprietorship firm i.e. vivantaintl2022@gmail.com,***

***was also created by Shri Vipin Chaturvedi, who handled and operated this email id. He further revealed that he never had any access of this mobile number or this e-mail id.***

vii. ***That Shri Vipin Chaturvedi is the person, who arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.***

viii. *He agreed to the Panchnama dated 26.12.2023 drawn at Block No. C Shop No. 23, 3rd Floor, Girnar, Khushboo, Plaza, GIDC Vapi-396195 that there was no stock of Vivanta International at the premise.* ***That the proprietor Shri Nitin Ranganath Anchan had visited the premises only once and he had no any idea of the stock of goods; that he did not know how and when the goods were imported by Shri Vipin Chaturvedi.***

ix. *That he was not aware whether any imported goods were sent to M/s. Prudent Stainless Private Limited or not but after perusing the Panchnama dated 27.12.2023 he agreed that no goods imported by Vivanta International were sent to the premises of M/s. Prudent Stainless Pvt. Ltd. He further explained that Shri Vipin Chaturvedi gave him the rent agreement documents to sign which were used for GST registration. That the premises at BLOCK NO. C SHOP NO. 23, 3RD FLOOR, GIRNAR, KHUSHBOO, PLAZA, GIDC VAPI-396195 is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.*

x. ***He stated that Shri Vipin Chaturvedi had arranged the CHA and transportation of the goods imported vide the 5 bills of entry in the name of Vivanta International and Shri Vipin Chaturvedi would be able to answer the details of the Port, CHA and transportation and whereabouts of the destined location/buyers.***

xi. *He agreed that duty of appx. Rs 6 crores had been evaded on the imports done through Vivanta International as per documents shown to him.*

29.22 In view of the**,** I find that it has undisputedly established that Shri Vipin Chaturvedi is the beneficial owner and sole controller of M/s Vivanta International, though legally registered in Shri Nitin Ranganath Anchan's name. Shri Vipin Chaturvedi managed all key functions—GST and IEC registration, bank accounts, rented premises, DGFT licensing, and import/export operations—while maintaining exclusive control over the firm's official mobile and email. Shri Anchan had no involvement or knowledge of logistics, CHA, or transportation, all directed by Vipin Chaturvedi. The use of a dummy office, absence of stock, and failure to deliver goods to the supporting manufacturer, along with customs duty evasion of approximately ₹6 crores, confirm Vipin Chaturvedi as the true beneficial owner and controller of Vivanta International

29.23 I observe that statement of **Shri Anand Menon, Proprietor of M/s. Vrunda International** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. ***That he had been in contact with Shri Vipin Chaturvedi since 2016 and that the first time he met him was through a commonly known person at Kherdi, Silvassa and that ever since he had been in regular contact with Shri Vipin Chaturvedi telephonically.***

ii. ***That in the year 2020, Shri Vipin Chaturvedi approached him with a business idea and that he agreed to the offer and provided his KYC documents in lieu of Rs.10,000 per month; that Shri Vipin Chaturvedi offered him to initiate a firm on his name and assured that he would handle all the works and that he just needed KYC documents to create an IEC.***

iii. ***That he was also convinced to take a new SIM and mobile no. in his name that was needed to carry out all the transactions such as registration of GST, opening of Bank account and taking IEC from DGFT; that he was convinced to handover this mobile to Shri Vipin Chaturvedi, so as to handle all the transactions related to GST and IEC etc.; that he took a new SIM having Mobile no. (9321158755) and handed it over to Shri Vipin Chaturvedi; that this Mobile no. was used in GST and IEC registration; that the mobile no. remained with Shri Vipin Chaturvedi in order to carry out all the transactions.; that the official email ID of his proprietorship concern vrundainternationalsil@gmail.com, was also created by Shri Vipin Chaturvedi for all the transactions and registrations; that Shri Vipin Chaturvedi handles and operates this email id.***

iv. ***On being asked he replied that Shri Vipin Chaturvedi informed that he would carry out import export business under the cover of Vrunda International legally and that he would use his name; that Shri Vipin Chaturvedi had informed him that he was going to import steel products through the IEC of his firm and offered him Rs.10,000/- per month; that he agreed to the deal offered by Shri Vipin Chaturvedi; that he received the amount in his bank account from Shri Vipin Chaturvedi 4-5 times in multiples of Rs.50,000/- (for every 5 month).***

v. ***On being asked he stated that Shri Vipin Chaturvedi had applied for DGFT license online on behalf of Vrunda International by using new mobile numbers given to him; that he did not know any person from M/s. Prudent Stainless Private Ltd.; that Shri Vipin Chaturvedi is the right person to answer these questions.***

vi. *He agreed to the Panchnama Dated 10.01.2024 Drawn at registered premise of Vrunda International i.e. Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa that there was no stock of imported goods nor any documents related to M/s Vrunda International at the said premises.*

vii. *That he was not aware as to whether any imported goods were sent to M/s. Prudent Stainless Private limited or not but after perusing the Panchnama dated 27.12.2023, he admitted that no goods imported using advance authorisation by Vrunda International was sent to premises of M/s. Prudent Stainless Pvt. Ltd.*

viii. *He also stated that the premises at Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa is looked after and was under control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him only.*

ix. ***That he had never met nor talked to the owner of the premises, and that he does not even know what is the role of CHA. He further stated that Shri Vipin Chaturvedi is the person who had contacted the CHA.***

x. *That on perusal of the Panchnama Dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, he stated that goods imported using advance authorisation by Vrunda International were sent to this premise.*

xi. ***That he had no idea of any case booked against him or his proprietorship concern but once in 2021, he went to Delhi with Shri Vipin Chaturvedi to some Govt. office related to taxation and there also he told the officers that Shri Vipin Chaturvedi handled the work related to his proprietorship concern.***

xii. ***That he admitted that due to circumstances and financial stress caused by loans and credit cards his financial condition worsened which led him to accept the offer of Shri Vipin Chaturvedi to generate additional income; that he never knew that he would be doing such things and would be involved in the evasion of Gov-***

***ernment duty; that his circumstances led to this duty evasion of more than 1.5 crores approx. in the name of Vrunda International.***

29.24 In view of the above statement I find that it has been undisputedly established that established that Shri Vipin Chaturvedi is the beneficial owner and sole controller of the proprietorship firm M/s Vrunda International, though registered in the name of Shri Anand Menon. Shri Anand Menon admitted that since 2016, he was approached by Shri Vipin Chaturvedi, who proposed starting the import-export business under Vrunda International, offering Rs. 10,000 per month in exchange for KYC documents and use of his name. Shri Vipin Chaturvedi exclusively managed all critical functions, including GST and IEC registrations, bank accounts, DGFT licensing, and controlled the official mobile number and email ID, though these were nominally linked to Shri Anand Menon. Shri Anand Menon had no role or knowledge regarding import-export operations, was unaware of the CHA or transporters, and had no access to the firm's premises, which were controlled solely by Shri Vipin Chaturvedi. The premises held no stock or firm documents, and goods imported under the Advance Authorization Scheme were diverted on Vipin Chaturvedi's directions to locations other than those declared, notably Kalamboli Steel Market. Shri Anand Menon further admitted that due to financial distress, he accepted Vipin's offer without knowledge of the large-scale duty evasion exceeding Rs. 1.5 crores. These facts undisputedly establish that M/s Vrunda International was a mere front, with Shri Vipin Chaturvedi as the effective beneficial owner and controller.

29.25 I observe that statement of **Shri Atul Shashikant Herekar, Proprietor of M/s. ASCENT INTERNATIONAL** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He agreed that there was no stock of imported goods at the premises of Ascent International Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195. He admitted that the documents resumed from the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195, pertaining to GST registration, IEC registration, Rent Agreement, documents related to imports made by Ascent International and consisted of a copy of his PAN and Aadhar etc.* ***He also admitted that he had visited the premises only twice, once at the time of GST registration and second at the time of opening of bank account and that he did not have any idea of the stock of goods. He did not know, how and when the goods were being imported by Shri Vipin Chaturvedi.***

ii. ***That he had never met Shri Prashant Manohar Patil, the owner of the office premises, and that it was Shri Vipin Chaturvedi who gave him rent agreement documents to sign which were used for GST registration. He also stated that the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195 is looked after by and is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.***

iii. *On perusal of documents, he agreed that there are total three bills of entry and the details of which are as under:*

***Table 3: Details of imports of Ascent International***

| *Sr.No.* | *BE NUMBER* | *BE DATE* | *TOTAL ASSESSABLE VALUE* | *QUANTITY* |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| *1* | *6714117* | *04-07-2023* | *6277835* | *28427 Kgs* |
| *2* | *6728913* | *05-07-2023* | *6133924* | *28407 Kgs* |
| *3* | *6768906* | *07-07-2023* | *5683361* | *26772 Kgs* |
| | | | ***18095120*** | |

iv. ***That Shri Vipin had arranged the CHA and transportation of these goods imported vide above mentioned 3 bills of entry and that Shri Vipin Chaturvedi would be able to answer regarding the Port of import, CHA and transportation details and whereabouts of the destined location/buyers.***

v. ***He further admitted that Shri Vipin Chaturvedi handled and controlled a mobile number which had been taken in his name and that he had given this mobile number in all registration/bank account details etc, therefore, access and control of bank account of Ascent International was also with Shri Vipin Chaturvedi.***

vi. ***He further admitted that due to his circumstances and financial stress caused by treatment of his father and later due to Covid situation, his financial condition worsened which led him to be involved with Shri Vipin Chaturvedi; that he was not aware that he would be doing such thing and would be involved in the evasion of government duty; he admitted that his circumstances led to duty evasion of more than 3.5 crores approx. in the name of Ascent International .***

29.26 In view of the above statement I find that it has been undisputedly established that Shri Vipin Chaturvedi exercised full control over M/s Ascent International, with Shri Atul Shashikant Herekar as a nominal owner. Shri Atul admitted limited involvement, no knowledge of import operations, and no stock at the Vapi premises controlled solely by Shri Vipin Chaturvedi. All key documents, including GST, IEC registrations, and import arrangements, were managed by Shri Vipin Chaturvedi, who also controlled the mobile number and bank transactions. Shri Atul Shashikant Herekar participation was due to financial hardship, and he was unaware of duty evasion exceeding Rs. 3.5 crores. These facts confirm Shri Vipin Chaturvedi as the beneficial owner and controller of M/s Ascent International.

29.27 I observe that statement of **Shri Kamlesh Joshi, Director of M/s. Prudent Stainless Pvt. Ltd.** was recorded on 20.02.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***Shri Vipin Chaturvedi had advised them to start a company, which could do job works related to manufacturing of pipes, polishing of pipes, drawing of pipes, annealing and pickling of pipes and tubes. He further stated that Shri Vipin Chaturvedi had told him that he would procure job work related to the processes as detailed above for their company; that thereafter, he and Shri Sanjay Mishra established this new company viz. Prudent Stainless Pvt. Ltd. in the beginning of the year 2020; that initially, they received job works from various other entities with the help of Shri Vipin Chaturvedi. He further stated that since the beginning of Prudent Stainless Pvt. Ltd., Shri Vipin Chaturvedi had been providing job works to Prudent Stainless Pvt. Ltd.; that Shri Vipin Chaturvedi worked as a consultant in Prudent Stainless Pvt. Ltd. and was looking after the overall functioning of the company although his salary or remuneration was not fixed but that sometimes, he was being given some amount in the account of his wife. He also admitted that he purchased a new mobile no. 9687875150 for the com-***

***pany Prudent Stainless Pvt. to carry out all the transactions but in the year 2022, he handed over the said mobile no. to Shri Vipin Chaturvedi to handle all the transactions related to Prudent Stainless Pvt. Ltd. as he was not interested in the day-to-day activities of Prudent Stainless Pvt. Ltd. Further, he also stated that official email id i.e. info@prudentstainless.com of Prudent Stainless Pvt. Ltd. was created by Shri Vipin and that he handles and operates the same as he was looking after the operation of the company. He and Shri Sanjay Mishra met Shri Vipin Chaturvedi at M/s Prakash Steelage.***

ii. *That, Shri Vipin Chaturvedi informed him that Prudent Stainless Pvt. Ltd. would receive job work from the above-mentioned proprietorship concerns namely, M/s Vivanta International,M/s Vikranta Impex, M/s Ascent International and Vrunda International; that however, no goods for job work processing were received by M/s Prudent Stainless Pvt. Ltd. from the above mentioned four proprietorship concerns nor any job work was done by the company M/s Prudent Stainless Pvt. Ltd for these firms.*

iii. ***That, he perused the advance licences issued by the DGFT to the four Proprietorship Concerns and agreed that the name of M/s Prudent Stainless Pvt. Ltd. is reflected as the supporting manufacturer in the mentioned copy of the advance License. He further stated that Shri Vipin Chaturvedi informed him and the other director that M/s Prudent Stainless Pvt. Ltd will get job work from these Four Proprietorship concerns and apart from this they have no relation or business transaction with these four proprietorship concerns. Further, he stated that only once M/s Prudent Stainless Pvt. Ltd. had done a high Seas purchase of goods on 03.04.2023 from M/s Ascent International.***

iv. *He further stated that, he had perused the consent letter given by M/s Prudent Stainless Pvt. Ltd. to M/s Ascent International (IEC-ABWPH4340R) for undertaking Job Work; that Shri Vipin Chaturvedi had informed that M/s Prudent Stainless Pvt. would get Job Work from the above four proprietorship concerns and he managed to get the consent letter.*

v. ***He stated that he did not personally know the proprietors of Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that Shri Vipin Chaturvedi had only informed him that their company M/s Prudent Stainless Pvt. Ltd. would get the job work from these four proprietorship concerns.***

vi. *He further stated that M/s Prudent Stainless Pvt. Ltd. had not received any goods for job work processing from these four proprietorship concerns.*

vii. *He perused the Panchnama dated 27.12.2023 drawn at the registered premise of M/s Prudent Stainless Pvt. Ltd. and stated that M/s Prudent Stainless Pvt. Ltd. had not done any transaction related to sale purchase, job work etc with Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and in fact, had only one transaction with Ascent International related to a high seas purchase. He further admitted that no stock of goods related to the four proprietorship concerns was ever received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time. He further stated that Shri Vipin Chaturvedi had informed him that the goods related to these four proprietorship concerns were diverted at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra-410218.*

29.28 In view of the above statement I find that it has been undisputedly established that Shri Vipin Chaturvedi was the key decision-maker of M/s Prudent Stainless Pvt. Ltd., despite holding no formal position in the company. As confirmed by Shri Kamlesh Joshi, the firm was set up on

Shri Vipin Chaturvedi's suggestion, and all operational matters—including communications, job work sourcing, and strategic decisions—were managed by him. Shri Vipin Chaturvedi also facilitated the inclusion of Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the Advance Authorisation licenses of Vivanta International, Vikranta Impex, Ascent International, and Vrunda International. However, no job work was ever undertaken for these firms, a fact corroborated by Shri Kamlesh Joshi and the Panchnama dated 27.12.2023. This false declaration demonstrates clear misuse of the Advance Authorisation Scheme with intent to evade customs duty. Notably, the only recorded transaction of Prudent Stainless Pvt. Ltd. was a single high seas purchase from Ascent International.

29.29 I observe that statement of **Shri Satya Pal, Proprietor of M/s. Satya Steel** was recorded on 20.02.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***Shri Vipin Chaturvedi used to manage the day-to-day activities of Prudent Stainless Private Limited and that he works on the instructions of Shri Vipin Chaturvedi and that he did not get any instruction from the Directors of Prudent Stainless Private Limited i.e. Kamlesh Joshi and Sanjay Mishra and usually got instructions only from Shri Vipin Chaturvedi.***

ii. *He stated that,* ***Shri Vipin Chaturvedi had asked him to give his Aadhar card and PAN card for creation of a new proprietorship concern i.e. Satya Steel in his name; that he had given the documents to Shri Vipin Chaturvedi in good faith; that Shri Vipin Chaturvedi had created new IEC and took GST Registration in his name. He further stated that upon the instructions of Shri Vipin Chaturvedi, in 2023, he purchased a new mobile no. 8758244701 for the firm Satya Steel to carry out all the transactions and handed over the said mobile no. to Shri Vipin. Further, the official email id i.e. satyasteel2023@gmail.com of Satya Steel was created by Shri Vipin Chaturvedi who handles and operates the same. He further stated that bank accounts of Satya Steel were also handled by Shri Vipin Chaturvedi only*** *and the premises of Satya Steel i.e. Ground, Plot number 1840, Kalamboli Steel Market Road, Road Number 24, kalamboli steel market, Navi Mumbai, Raigad, Maharashtra, 410218 is on rent and this premises is also under the control of Shri Vipin Chaturvedi.*

iii. ***He further stated that he had neither communicated with the CHA or Transporter nor had he received any documents related to imported goods of Satya Steel and that Shri Vipin Chaturvedi managed all the activities.***

iv. ***He stated that Shri Vipin is the right person to talk about the detailed activities undertaken by Satya Steel and the transactions carried out by Satya Steel.***

v. *That it was shri Vipin Chaturvedi who informed him regarding the Summons issued to him in relation to an enquiry in connection with Satya Steel; that Shri Vipin Chaturvedi had called him to Mumbai at the registered premises of Satya Steel and through a person Shri Veeru submitted the documents of Satya Steel to him. Shri Vipin Chaturvedi had also instructed him to sign on the covering letter dated 03.02.2024 and took signature from him on some other documents viz invoices etc. As per instructions of Shri Vipin Chaturvedi, he had sent these documents through courier to the office of DRI Vapi; that he had also seen some stock of Steel pipes lying at the registered premises of Satya Steel and Shri Vipin Chaturvedi also informed that goods at the premise of Satya steel had been detained by the DRI.*

vi. ***He stated that Shri Vipin Chaturvedi had applied for the licenses of these proprietorship entities and used to manage the work of these 4 entities; that sometimes Shri Vipin Chaturvedi instructed him to get stamp papers in the name of these firms and that he had never met any of the Proprietors of Vivanta International, Ascent Interna-***

***tional, Vikranta Impex, Vrunda International; that Shri Vipin Chaturvedi had informed that the supporting manufacturer of these 4 Proprietorship firms is M/s. Prudent Stainless Pvt. Ltd. However, in the whole year, no stock of Vivanta International, Ascent International, Vikranta Impex, Vrunda International came at the premises of Prudent Stainless Private Limited as per him; that he was working as supervisor at Prudent Stainless Private Limited and used to be aware of stocks received.***

vii. *Shri Satya Pal perused the Panchnama dated 27.12.2023 drawn at the registered premises of M/s Prudent Stainless Pvt. Ltd. at ground, plot no A2-229/1, GIDC, Umbergaon, Valsad, Gujarat, 396170 and stated that M/s Prudent stainless Pvt. Ltd had not done any transaction related to sale /purchase, job work etc with the Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that there was only one transaction with Ascent International related to a High seas purchase. He further stated that no stock of goods related to the four Proprietorship concerns was received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time.*

viii. *Shri Satya Pal perused the Panchnama dated dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and stated that the goods related to these four proprietorships concerns viz Vivanta International, Ascent International, Vikranta Impex, Vrunda International that had been imported under advance authorization scheme were diverted to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 as informed by Shri Vipin Chaturvedi. He further stated that he and Shri Vipin Chaturvedi had also informed Shri Prakash Khadye that goods of these 4 concerned firms have been diverted to the premises of Satya Steel and presently most of the goods imported under advance authorization scheme of Vrunda International were lying there and that some of the imported goods under advance scheme belonged to other 3 Proprietorship concerns.*

ix. *On perusal of the copies of E-way Bills it was noticed that the goods imported by Vivanta International, Ascent International, Vikranta Impex, Vrunda International imported under advance authorization scheme were sent to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra-410218. He further agreed that goods detained at the premise of Satya Steel under Panchnama dated 08.01.2024 are liable for seizure/ confiscation as the goods imported under advance authorisation scheme should not have been diverted in the local market.*

29.30 In view of the above statement I find that it is evident that Shri Vipin Chaturvedi is the mastermind behind the operations of M/s Satya Steel and is centrally involved in the diversion of goods imported under the Advance Authorisation Scheme by four proprietorship entities— M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, and M/s Vrunda International. Although these firms were registered in the names of different individuals, Shri Vipin Chaturvedi exercised complete control over their operations, including import, transportation, and storage of goods. M/s Satya Steel was entirely operated, controlled, and managed by Shri Vipin Chaturvedi. He was responsible for obtaining the IEC, GST registration, handling the firm's mobile number and email, operating the bank accounts, and maintaining physical control of the registered premises which was one of the actual location where the diverted goods were delivered and stored. The goods imported by the four firms using duty exemptions under Advance Authorisation were illegally diverted to this location instead of being sent to the declared supporting manufacturer, M/s Prudent Stainless Pvt. Ltd., which itself confirmed it had received no goods from these firms.

29.31 I observe that statement of **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** was recorded on 01.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***M/s Steelage Overseas Private Limited has business transaction/relation only with Vrunda International; that Shri Vipin Chaturvedi was the person who had established business relation with M/s Vrunda International.***

ii. ***He submitted the purchase ledgers, invoices, e-way bills i.r.o. Vrunda International and the details of purchases made by the company M/s Steelage Overseas Pvt. Ltd. Further he told that the company had purchased Steel Pipes, Coils and Sheets from M/s Vrunda International.***

iii. *He further stated that M/s Vishnu transport was the transporter engaged for the delivery of goods purchased from M/s Vrunda International by M/s Steelage Overseas Private Limited.*

iv. *He further stated that he is not the financer or beneficiary of import done by Vrunda International; that the company M/s Steelage Overseas Pvt. Ltd had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda International on a few occasions. Further, he stated that he does not know whether goods imported under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through the above-mentioned business entity i.e. Vrunda International to Steelage Overseas Private Limited or not and that they had purchased all the goods at the prevailing market rate only.*

v. ***That Shri Vipin Chaturvedi used to arrange and provide the information regarding the availability of the imported material and rate; that he used to place the order telephonically and purchase the imported goods as per the trading needs and during final transaction and delivery of the goods, he would learn that the invoices had been generated in the name of Vrunda International; that he had never done any direct transaction with Vrunda International***.

29.32 In view of the above statement I find that Shri Darshak Shah, Director of M/s Steelage Overseas Pvt. Ltd., has confirmed that his company had business dealings exclusively with M/s Vrunda International, through Shri Vipin Chaturvedi, who acted as the sole point of contact for all transactions. He admitted that his company had purchased imported stainless-steel goods such as pipes, coils, and sheets from M/s Vrunda International, and all orders, pricing, and delivery logistics were handled by Shri Vipin Chaturvedi, although invoices were raised in the name of M/s Vrunda International.

29.33 I observe that statement of **Shri Ashok Seth, Karta of Seth Steel** was recorded on 12.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

***i. He acknowledged that his firm, Seth Steel, has business transactions and relations with Vrunda International, Vivanta International, Ascent International and Satya Steel. He clarified that Seth Steel has no transactions with Vikranta Impex. He further stated that they had purchased various items such as steel pipes, coils, and sheets from these entities and Shri Vipin Chaturvedi facilitated these transactions.***

***ii. On being asked, he stated that Shri Vipin Chaturvedi was known to him for the past 30 years, as he and Shri Vipin Chaturvedi were associated with M/s Prakash Steelage Limited, where he was one of the Directors.***

***iii. He submitted documents viz details of purchases made from Vrunda International, Vivanta International, Ascent International and Satya Steel.***

***iv.*** ***He also stated that he had not purchased imported goods under advance authorization scheme from the mentioned firms. He clarified that they had purchased different imported goods such as steel welded pipes and SS HR/CR coils and sheets from these firms through Shri Vipin Chaturvedi.*** *He also stated that goods purchased from these firms were sold to different buyers in the domestic market, and currently, no stock of goods purchased from these entities is available at their premises.*

***v.*** *He denied being the financer or beneficiary of imports done by these firms and stated that sometimes, he has purchased imported goods such as steel pipes and coils from these firms at prevailing market rates.*

***vi.*** *He also stated that he didn't know much about the four Proprietorship entities but had dealt directly with Shri Vipin Chaturvedi, who had arranged and provided information about imported materials and rates. He mentioned that during the final transaction and delivery, he used to learn that invoices had been generated in the name of these entities.*

29.34 In view of the above statement I find that the representative of M/s Seth Steel confirmed having business dealings with M/s Vrunda International, M/s Vivanta International, M/s Ascent International, and M/s Satya Steel—all entities operated and controlled by Shri Vipin Chaturvedi. He stated that all transactions, including supply, pricing, and documentation, were handled exclusively by Shri Vipin Chaturvedi, with whom he had a prior professional association at M/s Prakash Steelage Ltd. The purchases involved imported stainless-steel goods at market rates, and invoices were issued in the names of the respective firms only after the transactions were finalized. He denied any direct interaction with the proprietors or knowledge of the use of Advance Authorisation Scheme, and clarified that his firm was not a financer or beneficiary of the imports. These facts clearly establish Shri Vipin Chaturvedi as the actual controller of the said firms and the person responsible for diverting duty-free imports into the domestic market in violation of the Advance Authorisation Scheme.

29.35 I observe that statement of **Shri Ashok Seth, Director of M/s Seth Steelage Private Limited** was recorded on 12.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

*i.* ***M/s Seth Steelage Private Limited, has business transactions and relations with Vivanta International, Ascent International and Satya Steel. Seth Steelage Private Limited has no transactions with Vikranta Impex and Vrunda International. He further agreed that he had purchased various items such as steel pipes, coils, and sheets from the mentioned entities which were arranged by shri Vipin Chaturvedi.***

*ii.* *He also stated that to the best of his knowledge, Seth Steelage Private Limited had not purchased goods imported under the advance authorization scheme by Vivanta International, Ascent International and Satya Steel.*

*iii.* *He denied being the financer or beneficiary in the import done by these three Proprietorship entities and stated that on a few occasions, he has purchased imported goods such as steel pipes and coils from these entities at prevailing market rates. He clarified that, he had never purchased Stainless-Steel Seamless Pipe Grade 304 from these entities.*

*iv.* ***He further stated that he did not know much about Vivanta International, Ascent International and Satya Steel and that he had dealt directly with Shri Vipin Chaturvedi for business transactions.***

29.36 In view of the above statement, I find that the representative of M/s Seth Steelage Private Limited confirmed having business dealings with M/s Vivanta International, M/s Ascent

International, and M/s Satya Steel—firms indirectly operated and controlled by Shri Vipin Chaturvedi. He admitted that all purchases of steel pipes, coils, and sheets were made at prevailing market rates, with all transactions facilitated solely through Shri Vipin Chaturvedi. He also confirmed having no direct dealings with the proprietors and relied entirely on Shri Vipin Chaturvedi for sourcing, pricing, and supply.

29.37 In view of all the above statement I find that it has been undisputedly established that Shri Vipin Chaturvedi is the key conspirator and mastermind behind the fraudulent import scheme involving duty-free import of Stainless Steel Seamless Pipes (Hot/Cold Rolled) under the Advance Authorization Scheme in violation of Notification No. 21/2023-Customs, dated 01.04.2023. He orchestrated the formation of four Proprietorship firms— M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex and M/s Vrunda International - using the KYC documents of financially vulnerable individuals, while retaining full control over their operations, bank accounts, email IDs, mobile numbers, and GST/IEC registrations. Although the imports were made in the name of these entities, Shri Vipin Chaturvedi acted as the beneficial owner, controller, and sole decision-maker, and subsequently diverted the conditionally expemted Imported goods into the Domestic market in clear violation of the license conditions. His actions resulted in significant evasion of customs duty and breach of the conditions governing the Advance Authorization scheme.

29.38 I observe that statement of **Shri Vipin Chaturvedi** was recorded on 15.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***He produced the documents in respect of the four proprietorship concerns M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International.***

ii. ***He agreed with the Panchnama dated 26.12.2023 drawn at the registered premises of Vivanta International (IEC-AHTPA1064A); Panchnama dated 11.01.2024 at the premises of Ascent International (IEC-ABWPH4340R); Panchnama dated 02.01.2024 at the premises of Vikranta Impex (IEC-AACPJ4996Q), Panchnama dated 10.01.2024 at the premises of Vrunda International (IEC-BSCPM6046B), Panchnama dated 27.12.2023 drawn at the registered premise of M/s Prudent Stainless Pvt. Ltd. and Panchnama dated 08.01.2024 Drawn at the registered premise of Satya Steel.***

iii. *He perused the following statements and agreed with the contents stated therein: -*
   a. *Statement dtd 02.01.2024 of Shri Mahesh Joshi, Prop of Vikranta Impex.*
   b. *Statement dtd 09.01.2024 of Shri Madan Chaudhary.*
   c. *Statement dated 09.01.2023 of Shri Vaibhav Satish Shelar, I M Logistics.*
   d. *Statement dtd 10.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.*
   e. *Statement dtd 11.01.2024 of Shri Nitin Rangnath Anchan, Prop of Vivanta International.*
   f. *Statement dtd 11.01.2024 of Shri Anand Menon, Prop of Vrunda International.*
   g. *Statement dtd 11.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.*
   h. *Statement dtd 20.02.2024 of Shri Kamlesh Joshi, Director of Prudent Stainless Pvt. Ltd.*
   i. *Statement dtd 20.02.2024 of Shri Satya Pal, Prop. of Satya Steel.*
   j. *Statement dtd 01.04.2024 of Shri Darshak Mayur Shah of Steelage Overseas Private Limited.*
   k. *Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steel HUF.*

*l. Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steelage Private Limited.*

iv. ***He admitted that all the four proprietors viz M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International are well known to him from last 10 years. He mentioned that these proprietors needed financial assistance, so he advised them to start import-export businesses related to steel pipes, coils, and sheets. He stated that he had provided consultancy to them for the business in their Proprietorship entity. He denied being the controller or financer of these four proprietorship firms. However, he admitted that he managed all the activities of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International.***

v. ***He further acknowledged that Prudent Stainless Private Limited was the supporting manufacturer in the DGFT licenses of Vivanta International, Ascent International, Vikranta Impex, and Vrunda International. He clarified that no stock from these firms had ever reached the premises of Prudent Stainless Private Limited in the year 2023. He mentioned that goods imported under the Advance Authorisation scheme by these firms were diverted to the registered premises of M/s Satya Steel and subsequently sold in the local market.***

vi. ***He perused the copies of E-way Bills and confirmed the fact that goods imported by Vivanta International, Ascent International, Vikranta Impex, and Vrunda International under the Advance Authorisation scheme were destined for the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and endorsed the documents. He agreed that goods detained at the premises of Satya Steel under the Panchnama dated 08.01.2024 were liable for seizure and confiscation as they were diverted illegally and sold in the local market and had not complied with the conditions of the Advance Authorisation scheme.***

vii. *He stated that he doesn't know the exact value of the goods detained at the premises of Satya Steel. He committed to provide the total weighment and value of the detained goods within 1-2 weeks after matching with the packing list of Bills of Entry. He also agreed with the Supratnama dated 08.01.2024 provided by Shri Prakash Khadye, Authorized person of Satya Steel.* ***He admitted that the value of goods imported under the Advance Authorization scheme was approximately Rs. 8 crores, with the total duty evasion amounting to approximately Rs.13.95 crores.***

viii. *He admitted that he had sold the imported SS Seamless pipes under the Advance Authorization scheme to Dev Steel and Alloys in Kalamboli market. He clarified that Dev Steel and Alloys was not aware that the goods imported under the Advance Authorization scheme was sold to them. He confirmed that, he had sold the goods at market rate.*

29.39 I observe that another statement of **Shri Vipin Chaturvedi** was recorded on 17.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***The role of the proprietors of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International in the management and functioning of these proprietorship concerns was very limited and these entities were being managed by himself.*** *He explained that all the proprietors were known to him and were seeking a source of income; that he gave them the idea to initiate a business related*

*to import and export of items such as SS Sheets, SS Coils, and SS pipes. He offered to manage their export-import business for an agreed sum but clarified that these proprietors had no role in the day-to-day activity related to the import of goods in their concerns.*

ii. *He stated that the proprietors knew that the goods had been imported under advance license; that apart from goods imported under advance license, there were normal imports in these firms.*

iii. *He stated that he had played the role of a mediator, managing the import of goods in these proprietorship concerns; that his extensive experience in the field and his connections with various buyers, allowed him to earn some profit; that he could not estimate the exact amount earned.*

***iv. He mentioned that the amounts given to the proprietors varied; that for instance, he had paid Shri Mahesh Joshi of M/s. Vikranta Impex on a per-container basis, while payments to the proprietors of M/s. Ascent International, M/s. Vrunda International, and M/s. Vivanta International were monthly, albeit irregular due to the business stabilization process. He recalled paying sometimes in cash and sometimes into their accounts, although he couldn't remember exact details.***

v. *He stated that the CHA, I M Logistics, was aware that the goods were being imported under advance license. He clarified that he himself coordinated with the CHA for import under advance authorization and that the proprietors were not actively involved or aware of these activities.*

vi. *He also stated that the CHA only provided transportation and clearance services. He mentioned that he generated E-way bills for the imported goods and provided them to the transporter. He emphasized that the CHA had no idea about the diversion of goods as he generated all the E-way bills under the names of the proprietorship concerns.*

***vii.*** *He also stated that the transporter was likely unaware that the goods were imported under advance license and were not being sent to the registered premises of the proprietorship concerns.* ***He mentioned that he had generated all the E-way bills in the name of the concerns but with the address of the KalamboliGodown. He explained that the Proprietors never contacted the transporter and had no knowledge about their operations.***

***viii. He contacted the owners of the registered premises through local property dealers. He mentioned that after consultation with the owners, he facilitated the lease agreements for GST registration and IEC purposes.***

***ix. He provided the contact details from the GST and IEC registrations of the proprietorship concerns, mentioning that he and his accountant operated these SIMs and email IDs as per requirements for banking, GST, and other departments. He clarified that the mobile phone SIMs were taken in the names of the respective proprietors for operational purposes.***

***x. He mentioned that he used these SIMs and email IDs primarily on a Vivo phone. He further stated that he had lost the Vivo phone while commuting from Silvassa to Vapi, leading to the loss of the SIM cards. He admitted to not reporting the loss of SIMs due to the ongoing investigation and lack of operation in the proprietorship concerns.***

xi. *He denied intentionally destroying evidence and asserted that he used the phone numbers and SIM cards with the proprietors' authorization for operational purposes.*

xii. *He acknowledged that outstanding payments were reflected in the ledgers of M/s. Ascent International, M/s. Vikranta Impex, and M/s. Vivanta International from Dev Steel & Alloys. He clarified that the SS seamless pipes imported under the advance authorization scheme had already been sold to M/s. Dev Steel & Alloys and that some goods had been detained by DRI Vapi office at Satya Steel's premises.*

xiii. *He stated that the detained goods at Satya Steel's premises possibly included imports belonging to these four proprietors. He mentioned that most of the detained goods were imported under the advance license, particularly those of Vrunda International. He noted that some SS seamless pipes were imported under advance authorization, while others were normal imports.*

xiv. *He explained that invoices regarding the sale of goods to M/s. Dev Steel & Alloys were not prepared because goods imported under the advance license cannot be sold in the open market and he sold these goods in cash without preparing invoices.*

xv. *He mentioned his extensive experience in the sector and his contacts with buyers and sellers, including M/s. Dev Steel & Alloys, who had contacted him for the supply of SS Seamless pipes imported under the advance authorization scheme.*

xvi. *M/s. Dev Steel & Alloys was unaware that the goods were imported under advance authorization when they purchased them. He reiterated that he had also sold normal imported goods to them.*

29.40 I view of the above statements I find that Shri Vipin Chaturvedi was the actual controller and decision-maker behind the four proprietorship firms—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Though these firms were nominally registered in the names of financially dependent individuals, all critical operations—including GST and IEC registration, DGFT license applications, import planning under the Advance Authorization Scheme, logistics coordination, and communication—were managed solely by Shri Vipin Chaturvedi. He exercised exclusive control over the mobile numbers, email IDs, and bank operations linked to these entities. Shri Vipin Chaturvedi also arranged for M/s Prudent Stainless Pvt. Ltd. to be declared as the supporting manufacturer in the DGFT licenses. However, no goods were ever sent to Prudent for manufacturing. Instead, the imported stainless-steel products were systematically diverted to M/s Satya Steel's godown at Kalamboli and sold in the domestic market without invoices, thereby violating the conditions of the Advance Authorization Scheme under Notification No. 21/2023-Customs dated 01.04.2023. This deliberate diversion of duty-free goods, facilitated and controlled entirely by Shri Vipin Chaturvedi, has resulted in Customs duty evasion amounting to ₹13.95 crores. His admission to orchestrating the operations of all four firms, making per-container payments to the name-lenders, and handling all aspects of the import and distribution chain confirms his role as the de facto beneficial owner and mastermind behind the fraudulent misuse of the Advance Authorization Scheme.

29.41 I observe that another statement of **Shri Vipin Chaturvedi** was recorded on 24.05.2024 under Section 108 of the Customs Act, 1962 due to the retraction of statement filed by him in the court of Addl. Chief Judicial Magistrate of Vapi wherein he inter-alia stated that:-

i. *He had been shown his retraction letter dated 18.04.2024 submitted in the court of Addl. Chief Judicial Magistrate of Vapi, at Vapi wherein he stated that* ***He had not retracted from whole of his statement but only on some of the parts/points of his statements; that No threat, pressure and duress were given to him during his statement; that he is not the controller and main person of the four different firms. On perusal of the same, he put his dated signature in token of agreeing upon it. He also stated that he had managed the activities of these 4 importers as a consultant and 04 importers are also equally responsible for the import made by these firms under advance authorization scheme.***

ii. *He had been shown his earlier two statements dated 15.04.2024 and 17.04.2024 and he stated that contents in his previous statements are almost correct but that as he stated earlier,* ***he had managed the activities of these four importers/Proprietors as consultant***

***and these 04 importers are also equally responsible for the import made by these firms under advance authorization scheme. It is the responsibility of these 4 importers/Proprietors to not violate the conditions of government scheme and he was not the only beneficiary from the evasion of customs duty. He just got the benefit of his consultation fees.***

***iii. On being asked about the statements of these 4 proprietorship firms which suggest that all the 4 concerned Proprietors were working in private sector in different firms/companies; that they were not actively involved in the business concerned; that from the statement of CHA, Vaibhav Shelar and the transporter Shri Madan Chaudhary, it appeared that he was managing the whole affairs of these 4 proprietorship concerns as they had never met these 4 proprietors and had never communicated with them in any way for any transaction. He accepted that, he had managed the whole works/activities of all these Proprietorship concerns viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International but as a consultant.***

*iv. On being further asked that the statements of Shri Satya Pal, Ashok Seth and Shri Darshak Mayur Shah suggested that he was the controller/financer of these firms as they have also consulted him for the business dealing of these 4 firms, he stated that, he is not the financer of these entities.* ***He had managed and controlled the activities of all these firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International with the consent of these proprietors;*** *that they had decided to import the goods in the Proprietorship entities and that he managed to sell these imported goods to various buyers in the local market, who needed these goods; that he had managed all the activities with their consent.*

*v. On being asked about the value of detained goods of different sizes of imported steel pipes of these 4 firms detained under panchnama dated 08.01.2024 at the premise of Satya Steel, he stated that he had submitted all the relevant details vide email dated 21.05.2024, which was sent from email of M/s. Satya Steel. That, the said importers/ Proprietors and Satya steel have provided assessable value for the particular items in the Panchnama and Supratnama both dated 08.01.2024, as per BOEs and that Goods have the assessable value of Rs.50,83,767/- (excluding the detained goods marking viz E, F, M, P, Q). He further stated that the said goods belonged to Vrunda International, Vivanta International and Vikrana Impex imported under advance authorization scheme. Further, the detained goods having marking viz E, F, M, P, Q is not matching with the size of goods imported under advance authorization scheme by the said importers/ proprietors.*

***vi. On being asked regarding the earlier statements, he stated that he had sold the goods i.e. SS Seamless pipes imported under advance authorisation scheme from the premise of Satya Steel to Dev steel and alloys.***

***vii. On being further asked about the bank account statements of these 4 Proprietorship concerns in which huge payment is received from various other firms such as Seth Steel, Seth Steelage etc. as well, he replied that he had mostly sold the goods i.e. SS Seamless pipes imported under Advance Authorisation scheme, in the Kalamboli market to Dev Steel and Alloys and on one or two instances SS Seamless pipes imported under Advance Authorisation by Vrunda International were sold to Steelage Overseas Private Ltd.***

*viii. He further stated that these four proprietors have regular import apart from import under advance authorisation scheme and that they had sold these imported goods to various buyers through GST invoices*

ix. *On being asked whether Dev Steel and Alloys and Steelage Overseas Private Limited was the financer/beneficiary of these imported goods viz SS Seamless pipes imported under advance authorisation scheme or Dev Steel and alloys and Steelage overseas Private Limited was having the idea that the goods sold to them were imported under advance authorisation, he stated that Dev Steel and Alloys and Steelage Overseas Private Limited had no idea regarding the same. He further stated that he had sold the imported goods viz SS Seamless pipes imported under Advance Authorisation scheme to Dev Steel and Alloys and Steelage Overseas Private Limited and they are beneficiaries of these imported goods without GST invoices and payments were received in the bank accounts of these 4 proprietorship concerns.*

x. ***On being asked regarding the sale of goods of these 4 proprietorship concerns without GST Invoices being a violation of GST act and evasion of GST as well. He replied that, there is evasion of Customs duty which includes BCD, SCD, Anti-Dumping and IGST at the time of import by these 4 importers; that at the time of import, IGST was exempted and it is the part of Customs Duty; that had they paid the IGST at the time of import, they would be eligible to get credit as well. So particularly, there is not GST evasion at all. Although by the act of contravention, there is indeed evasion of Customs duty including BCD, SCD, Anti-Dumping Duty and IGST.***

29.42 In view of the above statements it is undisputedly established that Shri Vipin Chaturvedi is the beneficial owner, de facto controller, and mastermind behind the operations of the four proprietorship concerns—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Despite his attempt to downplay his role as merely a consultant, Shri Vipin Chaturvedi admitted to managing and controlling all critical activities of these firms, including coordination of imports under the Advance Authorization Scheme, handling Customs House Agent (CHA) interactions, transportation, and diversion of duty-free goods into the domestic market. He orchestrated the unlawful sale of imported stainless steel seamless pipes to various entities, notably M/s Dev Steel and Alloys and Steelage Overseas Pvt. Ltd., without their knowledge of the duty-free status, often bypassing issuance of GST invoices. Shri Vipin Chaturvedi further acknowledged the evasion of Customs duties, including Basic Customs Duty (BCD), Social Welfare Surcharge (SCD), Anti-Dumping Duty, and IGST, resulting from unauthorized diversion of imported goods. These admissions, corroborated by seized goods and documentary evidence, unequivocally establish Shri Vipin Chaturvedi as the principal architect and beneficiary of the duty evasion scheme executed through the four proprietorship firms.

29.43 I find that the statements from paragraphs 29.13 to 29.42 undisputedly establish that Shri Vipin Chaturvedi is the key orchestrator, controller, and beneficial owner behind the import of conditionally exempted goods carried out in the names of the four proprietorship concerns—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Although imports were conducted under the legal identities of these proprietors, all operational, financial, and logistical decisions were solely taken by Shri Vipin Chaturvedi.

29.44 I find that all four proprietors admitted to providing their identity documents to Shri Vipin Chaturvedi, who used them to establish the firms, obtain IEC and GST registrations, and operate bank accounts, SIM cards, and email IDs. The proprietors confirmed they had no involvement in day-to-day operations, had no dealings with Customs House Agents or transporters, and were un-aware of key transactions. Shri Vipin Chaturvedi independently coordinated CHA interactions,

transportation arrangements, lease agreements for registered premises, and dealt directly with buyers and suppliers.

29.45 I find that Shri Satya Pal, Shri Ashok Seth, Shri Darshak Shah, and Shri Mayur Shah corroborated that Shri Vipin Chaturvedi was the sole point of contact for all transactions and that they had never interacted with or met the proprietors. Shri Vipin Chaturvedi controlled the generation of E-way bills, preparation of invoices, and the physical movement of goods. His role extended well beyond consultation; he exercised full control over import, storage, and diversion of goods.

29.46 I find that Shri Vipin Chaturvedi admitted that duty-free goods imported under the Advance Authorization scheme by these firms were diverted to the premises of M/s Satya Steel—a proprietorship concern managed by him but whose proprietor had no knowledge or involvement in operations. He further admitted selling these imported stainless steel seamless pipes and other goods in the domestic market, including to M/s Dev Steel and Alloys and M/s Steelage Overseas Pvt. Ltd., without disclosing their duty-free status or issuing proper invoices. These firms unknowingly became beneficiaries of diverted goods.

29.47 I find that statements from the CHA Shri Vaibhav Shelar has confirm that all dealings were with Shri Vipin Chaturvedi, and none had any interaction with the named proprietors. Substantial payments were made by buyers into the bank accounts of the four firms, and Shri Vipin Chaturvedi confirmed and facilitated these transactions.

29.48 I find that despite attempts to characterize his role as a “consultant,” Shri Vipin Chaturvedi’s own admissions, corroborated by concerned partiesstatements, clearly demonstrate that he exercised total control over business affairs, financial decisions, and import-export operations of the four firms, personally benefiting from the evasion of Customs duty through sale of duty-free goods in the domestic market. The provisional quantification of duty evasion stands at approximately Rs. 13.95 crores, with the value of diverted goods exceeding Rs. 8 crores, as admitted by him.

29.49 I find that Shri Vipin Chaturvedi’s claim of shared responsibility with the proprietors is unsubstantiated and appears as an afterthought. He alone managed documentation, communication, and transactions. His retraction does not negate his control but attempts to diminish his culpability. The Panchnamas, E-way Bills, and concerned party statements reinforce that the entire operation was masterminded, managed, and executed by Shri Vipin Chaturvedi.

29.50 I find that it is an undisputed fact Shri Vipin Chaturvedi is the beneficial owner, controller, and mastermind behind the import operations conducted through these four proprietorship concerns. His deliberate and systematic diversion of duty-free goods into the domestic market violates the conditions of Advance Authorization under provisions of Para 4 of the Foreign Trade Policy read with Notification No. 21/2023-Customs dated 01.04.2023, resulting in substantial evasion of Customs duties, including Basic Customs Duty and Anti-Dumping Duty.

**ORAL EVIDENCE IN SUPPORT THE DIVERSION IN OPEN MARKET VIOLATES ADVANCE AUTHORIZATION UNDER PROVISIONS OF PARA 4 OF THE FOREIGN TRADE POLICY READ WITH NOTIFICATION NO. 21/2023 DATED 01.04.2023 ON THE INSTANCE OF SHRI VIPIN CHATURVEDI.**

29.51 I observe that statement of **Shri Bechraram Dewasi, partner in M/s Dev Steel and alloys** was recorded on 28.05.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

***i. He did not know these 4 Proprietors personally and knew the name of three of the Proprietorship concerns namely M/s Vivanta International, M/s Vikranta Impex and M/s Ascent International.***

***ii. That, he is a trader of SS Sheets, SS Coils, SS Plates and SS Pipes and Shri Vipin Chaturvedi had arranged the deal between these three proprietorship entities and the partnership Firm M/s Dev Steel and Alloys. He further revealed that he used to give payment to these proprietorship concerns in their account as and when directed by Shri Vipin Chaturvedi and on advance basis too.***

***iii. That he did not know whether Shri Vipin Chaturvedi is the Controller/Financer of these three proprietorship concerns but, he had purchased goods through Shri Vipin Chaturvedi, with whom, he was in regular contact. He had followed the instructions of Shri Vipin Chaturvedi regarding payment and used to get the delivery of goods whenever and wherever required.***

*He admitted that he had not prepared invoices related to these goods and had sold these goods to various buyers namely M/s Ramdev Trading, Ramdev Impex LLP and M/s. Chanchal Metal and Tubes and payment was received in his bank accounts.*

***iv. He is not the financer of these three Proprietorship concerns and when Shri Vipin Chaturvedi contacted him to supply SS Sheet, SS Coils, SS Plates etc, he insisted for advance payment and conveyed that he would supply goods through these three proprietorship concerns; that initially he supplied SS Coils to him as per requirement but later on he offered to give discount from the market rate for purchase of SS pipes from him; that Shri Vipin Chaturvedi further told that the payment has to be done in the respective accounts of these three proprietors and as per his instructions, he started payment in respective account of these three proprietors and the delivery of goods was managed by Shri Vipin Chaturvedi.***

*v. He perused the copies of E-way Bills under which it was reflected that goods imported by Vivanta International, Ascent International, Vikranta Impex, under Advance Authorization scheme were destined at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and agreed with the same. But he stated that he doesn't know about M/s Satya Steel and that they have no business relation with M/s Satya Steel.*

*vi. He did not have any idea that the goods sold to him were from these three Proprietors and were imported under advance license scheme.*

***vii. He further stated that M/s Dev Steel and alloys usually deals in SS Coils and Shri Vipin Chaturvedi was in regular touch with him, who offered to arrange SS coils for him and hence he gave advance to him; that later on, he was offered SS pipes from him at a discounted rate, but he does not know whether the goods supplied to him were imported under advance license by these three proprietors.***

*viii. That, he had purchased the goods and was supposed to make the payment of Rs.7.08 Cr.approx. and that still payment of Rs.75 Lakhs is due.*

***ix. That, he had perused the e-way bill, and stated that Shri Vipin Chaturvedi arranged the delivery of goods at the registered premises of M/s Dev Steel and Alloys and that there is evasion of duty by these three proprietors.***

29.52 In view of the above statement I find that Shri Bechraram Dewasi, a trader of stainless-steel products, conducted business with three proprietorship concerns—M/s Vivanta International, M/s Vikranta Impex, and M/s Ascent International—through Shri Vipin Chaturvedi. Shri Bechraram Dewasi was unaware that these proprietors were involved in importing goods under the Advance Authorization Scheme. He acted on instructions from Shri Vipin Chaturvedi regarding payments and delivery, including transferring funds to the proprietors' accounts and receiving stainless steel coils and pipes. Shri Bechraram Dewasi admitted to not preparing invoices for sales to third parties and lacked knowledge of the duty status of the goods, though he later acknowledged that such transactions may have involved duty evasion. He also confirmed an outstanding payment of Rs. 75 lakhs against goods valued at approximately Rs. 7.08 crores. This clearly demonstrates that Shri Vipin Chaturvedi orchestrated and controlled the entire chain of transactions, diverting conditionally imported goods into the domestic market, and benefiting from the resulting duty evasion.

29.53 I observe that statement of **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** was recorded on 13.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *He has business transactions/relations with Vrunda International only out of the various proprietorship concerns and further said that Shri Vipin Chaturvedi was the person through whom they had established business relation with M/s Vrunda International.*
ii. *That Steelage Overseas Private Limited had received imported goods i.e. imported SS Seamless pipes from Vrunda International through Shri Vipin Chaturvedi and he had no idea that Vrunda International had sold SS Seamless pipes imported under advance authorisation scheme to Steelage Overseas Private Limited; that sometime later, after discussion with Shri Vipin Chaturvedi, it was known that on a few occassions, Shri Vipin had supplied SS Seamless pipes imported under advance authorisation scheme to their company.*
iii. *That goods purchased from Vrunda international were sold to different buyers in the domestic market; that therefore stock of goods purchased from Vrunda international was not available at any of their premises.*
iv. *That M/s Steelage Overseas Private Limited had never done any direct transaction with Vrunda International nor does he know the Proprietor of Vrunda International.*
v. *That, Shri Vipin had provided GST invoices, both dated 01.09.2023, i.r.o. goods purchased from Vrunda International.*
vi. *He submitted documents in respect of purchase of imported SS Seamless pipes vide Invoice No. VR/012/23-24 and VR/013/23-24, both dated 01.09.2023 they had purchased 14,084 KGs and 14,664 KGs respectively. Further E-way bills and E-invoices had also been generated for these purchases and Payments were made through RTGS/NEFT only and the same was reflected in their bank account statements as well as in ledgers submitted earlier.*
vii. *That M/s Steelage Overseas Private Limited is not the financer or beneficiary of imports done by Vrunda International. On a few occasions they had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda International; that, he was not aware as to whether any imported goods under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through Vrunda International to M/s Steelage Overseas Private Limited or not.*
viii. *On being further asked, he stated that from ledgers submitted earlier, it is reflected that they had continuous purchase of SS Welded pipes, Steel Coils, Steel Sheets etc. along with two instances of purchase of SS Seamless pipes during FY 2023-24, from Vrunda*

*International through GST invoices and payments were also made in Bank Accounts of Vrunda International.*

29.54 In view of the above statement, I find that Shri Vipin Chaturvedi acted as the key facilitator between M/s Steelage Overseas Private Limited and M/s Vrunda International in the business transactions involving SS Seamless pipes. It is evident that all dealings between the two companies were routed through Shri Vipin Chaturvedi, indicating his pivotal role in coordinating and managing these transactions.

29.55 I observe that statement of **Shri Vipin Chaturvedi** was recorded on 25.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

***i.*** ***M/s Dev Steel and Alloys and Steelage Overseas Private Limited are traders and they deal in various goods such as SS Sheets, SS coils, SS Plates and SS pipes; that as per their requirement both the buyers had contacted him for purchase of goods. He also admitted that he had arranged the transportation for these goods to the destined location and that as per his instruction the goods used to be delivered at particular locations.***

***ii.*** ***That, he had sold the goods imported by the four proprietors under advance license to M/s Dev Steel and Alloys at price slightly lower than the market rate, but it was not much below the market rate; that he had sold goods to M/s Steelage Overseas Pvt Ltd. at the prevailing market rate; that since he has experience in this field and he used to look after the day to day activities of all these firms, based on his experience and analytical abilities, he had decided the rate at which the goods were to be sold in the market.***

*iii.* *The goods imported under advance license i.e. SS seamless pipes were sold to the buyers in loose form in trucks/lorries and that they had received payment in advance on some occasions and that sometimes it was received after delivery of goods; that some payment is still pending with M/s Dev Steel and alloys in respect of imported goods.*

*iv.* *He also gave the details of Shri Anand Menon i.e proprietor of M/s Vrunda International; that he knew Shri Anand Menon since last 8 years and came in his contact through their friend at Silvassa; that Shri Anand Menon is presently working in some software company; that M/s Vrunda International was started in the year 2020. He further stated that he knew the Proprietor of M/s. Vikranta Impex, since 4-5 years, when he used to go to ICD Tumb and that Shri Mahesh Joshi is working in a CHA company i.e. M/s Ajay Logistics and that he also permanently resides in Mumbai. He further stated that Shri Atul Shashikant Herekar is the Proprietor of M/s Ascent International and Shri Nitin Ranganath Anchan is the Proprietor of M/s. Vivanta International and that they both also reside permanently in Mumbai and that he knows both of them since the last ten years; that he came in contact with these two persons through M/s R S Impex (OPC) Pvt. Ltd. where they were employed and that M/s R S Impex(OPC) Pvt. Ltd. is a company mainly engaged in the procurement and closure of DGFT licence and other works related to DGFT; that Shri Sunil Rao is the director of M/s R S Impex (OPC) Pvt. Ltd. and he came in his contact with regard to DGFT license related works of Prakash Steelage.*

*v.* *That as stated earlier, Mukesh Soni was the accountant who has prepared all the financial documents related to these four proprietors. He further stated that he and sometimes Mukesh Soni, the accountant coordinated bank transactions, GST, DGFT and other government departments' compliances as per his directions. Further, usually the SIMs and email IDs pertaining to these 4 entities were operated by him.*

***vi.*** ***He further admitted that he conveyed to the partner of M/s Dev Steel and Alloys that advance payment had to be done in the account of the three Proprietors and that he***

***would arrange goods at the rate below market rate and M/s Dev Steel and Alloys became ready and hence the imported goods under advance license i.e. SS seamless Pipes Grade -304 were supplied to him; that M/s Dev Steel and alloys had made advance payment on various occasions but still some payment was due to them.***

*vii. That he had not prepared any GST invoice for the supply of goods i.e. SS seamless Pipes Grade -304 to M/s Dev Steel and Alloys as it was not demanded by them and that he had prepared GST invoice for the supply of goods to M/s Steelage Overseas Private Limited as the same was demanded by M/s Steelage Overseas Private Limited.*

***viii. That M/s Dev Steel and alloys had paid the amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr respectively in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively towards the imported goods i.e SS seamless Pipes Grade -304 as per mutual agreed terms at the decided rate; that an amount of approx. Rs.75 Lakhs was due and had yet not been paid by them; that the amount had been paid in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.***

*ix. That he had not made full payment to different overseas suppliers and the Payment i.r.o. Zhejiang Bangnuo Steel Pipe Co. for one container of Vrunda International and Wenzhou Yimo Trading Co. Ltd. for two containers of Vivanta International is still pending.*

29.56 In view of the above statement I find that Shri Vipin Chaturvedi was involved in the transactions and operations of concerned four proprietorship concern, and sold conditionally exempted imported goods to M/s Dev Steel and Alloys and M/s Steelage Overseas Private Limited dealing in goods like SS Sheets, Coils, Plates, and Pipes. Shri Vipin Chaturvedi arranged transportation and ensured goods were delivered at specified locations and sold the conditionally exempted imported goods including SS Seamless pipes, at slightly below market rates to M/s Dev Steel and Alloys and at market rates to M/s Steelage Overseas. I also find that payments for these goods were made both in advance and post-delivery and payment is pending especially from M/s Dev Steel and Alloys. Shri Vipin Chaturvedi is acquainted with the proprietors of M/s Dev Steel and Alloys & M/s Steelage Overseas and worked closely with an accountant, *Mukesh Soni*, to manage financial documentation and compliance with government departments like GST and DGFT. Shri Vipin Chaturvedi received the advance payments into the accounts of three proprietors—M/s Ascent International, M/s Vivanta International, *and* M/s Vikranta Impex—for the conditionally exempted imported goods.

29.57 In view of the above statements I find that M/s Dev Steel and Alloys and M/s Steelage Overseas Private Limited are traders engaged in the purchase and sale of stainless-steel products, including SS Sheets, SS Coils, SS Plates, and SS Pipes. Their transactions were facilitated through Shri Vipin Chaturvedi, who played a central role in coordinating supply, pricing, transportation, and financial arrangements on behalf of four proprietorship concerns—M/s Vivanta International, M/s Vikranta Impex, M/s Ascent International, and M/s Vrunda International.

29.58 I find that Shri Vipin Chaturvedi was actively involved in the operations of the aforesaid proprietorship firms and managed the end-to-end process of procuring imported goods under the Advance Authorization Scheme and selling them to the domestic market. Shri Vipin Chaturvedi arranged logistics, determined pricing, coordinated GST and DGFT-related compliance with the help of accountant Shri Mukesh Soni, and facilitated payments into the bank accounts of the respective proprietorships. He also operated the SIM cards and email IDs associated with these entities.

29.59 I find that Shri Bechraram Dewasi, M/s Dev Steel and Alloys, confirmed business dealings with M/s Vivanta International, M/s Vikranta Impex, and M/s Ascent International through Shri Vipin Chaturvedi. Shri Bechraram Dewasi acknowledged purchasing goods at slightly below market rates and making payments directly to the accounts of the three proprietors, as per instructions. Shri Bechraram Dewasi was unaware initially that the goods were imported under the Advance Authorization Scheme, he later admitted the possibility of duty evasion. He also confirmed that out of a total payable amount of approximately Rs. 7.08 crores, Rs. 75 lakhs is still pending.

29.60 I also find that Shri Darshak Mayur Shah, M/s Steelage Overseas Pvt. Ltd., has confirmed that their company dealt solely with M/s Vrunda International, through Shri Vipin Chaturvedi. He stated that initially, he was unaware of the import duty exemption status of the goods, but later became aware that certain consignments, including SS Seamless Pipes, were imported under the Advance Authorization Scheme. He clarified that the company did not directly deal with or know the proprietor of M/s Vrunda International, was not the financer or beneficiary of such imports, and had sold the goods domestically. The transactions were supported by GST invoices, e-way bills, and RTGS/NEFT payments, all recorded in their books of accounts.

29.62 From the above, I find that it is an undisputed fact that conditionally exempted goods imported by M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda Internation and M/s Ascent International were diverted and sold in the domestic market by shri Vipin Chaturvedi.

29.63 I further observe that during the course of investigation a letter dated 21.05.2024 was received in the office of DRI Vapi reading the valuation and ownership of the goods detained on 08.01.2024 at the premises of M/s Satya Steel. Accordingly the statement of the proprietors of the four concerned firma and Proprietor of M/s Satya Steel was recorded.

29.64 I find that statement of **Shri Atul Shashikant Herekar, Proprietor M/s Ascent International** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He further perused the letter dated 21.05.2024 issued by Satya Steel and endorsed the said document and stated that he had not gone through the contents of the letter dated 21.05.2024 issued by Satya Steel at the time of signing the said letter in proper manner.*
ii. *He further admitted that he was under panic situation, as he had received notices from Income Tax department regarding major transactions in Ascent International and was worried; that he contacted Shri Vipin Chaturvedi to enquire about the status of the case; that Shri Vipin Chaturvedi gave him the said letter dated 21.05.2024 issued by Satya Steel to sign on it and said that the letter would help them to get out of this mess, hence, he was not in the condition to understand about the content and in good faith he signed the said letter.*
iii. *He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing some goods detained at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, by DRI and that the said letter also had his endorsement in respect of valuation of goods.*
iv. *He admitted that he does not have any idea about goods imported by Ascent International and that Shri Vipin Chaturvedi controlled and handled all the activities of Ascent International, therefore Shri Vipin Chaturvedi may know whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*
v. *He further admitted that due to circumstances and panic situation created due to continuous email from Income Tax Department and the present investigation had*

*puzzled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding it properly to close the case and accepted that, this is an act of negligence which has facilitated the evasion of Duty.*

29.65 In view of the above statement I find that it is evident that Shri Vipin Chaturvedi deliberately misled Shri Atul Shashikant Herekar into signing the letter dated 21.05.2024 issued by M/s Satya Steel without allowing him to understand its contents, exploiting his vulnerable and panic-stricken state caused by ongoing Income Tax investigation pressures. Shri Vipin Chaturvedi used this deception to protect his own interests and to evade liability. This act of manipulation not only amounts to a deliberate attempt to obstruct the investigation but also facilitated the evasion of duty. Shri Atul Shashikant Herekar admission of negligence under Shri Vipin Chaturvedi's influence further reinforces that Shri Vipin Chaturvedi was the principal architect behind this fraudulent activity.

29.66 I find that statement of **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

1. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner.*
2. *He stated that he panicked on account of the ongoing investigation and contacted Shri Vipin Chaturvedi and asked about the status of the case. He stated that the case is being handled and would be sorted out and gave the letter dated 21.05.2024 to sign on it; that Shri Vipin Chaturvedi further convinced him saying that the said letter would help them get out of this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.*
3. *He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.*
4. *He admitted that he did not have any idea about goods imported by M/s. Vivanta International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vivanta International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*
5. *He further admitted that due to circumstances and present investigation had baffled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding its contents, in the hope that it would help close the ongoing investigation. He accepted that this is an act of negligence which has facilitated the evasion of Duty in the past.*

29.67 In view of the above statement I find that Shri Nitin Ranganath Anchan, Proprietor of M/s Vivanta International, admitted that he did not properly review the contents of the letter dated 21.05.2024 issued by M/s Satya Steel before signing it. He stated that, in a state of panic due to the ongoing investigation, he contacted Shri Vipin Chaturvedi, who assured him that the case was being handled and persuaded him to sign the letter, claiming it would help resolve the matter. Shri Nitin Ranganath Anchan acknowledged that Shri Vipin Chaturvedi controlled and managed all activities of M/s Vivanta International and was aware of the actual status and movement of the imported goods, whereas he was not. Shri Nitin Ranganath Anchan further admitted that signing the letter without understanding its contents was an act of negligence that facilitated duty evasion. This underscores Shri Vipin Chaturvedi's dominant role in directing operations and manipulating others to shield himself and obstruct the investigation.

29.68 I find that statement of **Shri Anand Menon, Proprietor of M/s. Vrunda International** was recorded on 29.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner issued by Satya Steel. He stated that he was panicking due to the ongoing investigation by DRI and had contacted Shri Vipin Chaturvedi and that Shri Vipin Chaturvedi had convinced him that the said letter will help to end this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.*

ii. *He perused the contents of the said letter and endorsed it by understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.*

iii. *He admitted that he does not have any idea about goods imported by M/s. Vrunda International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vrunda International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*

iv. *He admitted that due to the current circumstances, he was under stress and in a state of panic. In this situation, based on the advice of Shri Vipin Chaturvedi, and in order to resolve the matter, he signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending its contents at that point of time. Further, he was in a state of hurry as at that time and he came out of the office during working hours. He further admitted that, this is an act of negligence which has facilitated the evasion of Duty.*

29.69 In view of the above statement I find that Shri Anand Menon admitted to signing the letter dated 21.05.2024 issued by Satya Steel without properly understanding its contents. He was under considerable stress and panic due to the ongoing DRI investigation and had contacted Shri Vipin Chaturvedi, who convinced him that signing the letter would help resolve the matter. He further admitted that he had no knowledge about the goods imported by M/s Vrunda International, as Shri Vipin Chaturvedi controlled and managed all activities of that entity, including the movement of goods. Shri Anand Menon accepted that signing the letter hurriedly and without full comprehension, based on Shri Vipin Chaturvedi's advice, was an act of negligence that facilitated duty evasion.

29.70 I find that statement of **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex** was recorded on 29.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner. He stated that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign on the letter. He had put his signature on the above-mentioned letter dated 21.05.2024 on the advice of Shri Vipin Chaturvedi in good faith.*

ii. *He stated that after perusing the contents of the said letter, he stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No.*

*1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.*

iii. *He further admitted that, he had no idea about the goods imported by M/s Vikranta Impex. As stated by earlier, Shri Vipin Chaturvedi controlled and handled all the activities of M/s Vikranta Impex. Therefore, he would be able to answer whether the imported goods were transported to the KalamboliGodown at Plot No. 1840, Kalamboli Steel Market, Kalamboli, New Mumbai 410218 or not.*

iv. *He admitted that due to his negligence, he acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and that he had signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending the contents at that point of time. Further, he admitted that, this is an act of negligence which had facilitated the evasion of Duty.*

29.71 In view of the above statement I find that Shri Mahesh Joshi admitted to signing the letter dated 21.05.2024 issued by M/s Satya Steel on the advice of Shri Vipin Chaturvedi, who had telephonically called him to Vapi and asked him to sign the letter. Shri Mahesh Joshi acknowledged that he did not properly review the contents before signing and acted in good faith based on Shri Vipin Chaturvedi's instructions. Upon later perusal, he recognized that the letter pertained to the valuation and release of goods detained by DRI at Plot No. 1840, Kalamboli Steel Market. Shri Mahesh Joshi further admitted having no knowledge of the goods imported by M/s Vikranta Impex and stated that Shri Vipin Chaturvedi controlled all activities of that entity, including the transportation of goods to the said premises. The deponent accepted that signing the letter without understanding its contents was an act of negligence that facilitated the evasion of duty.

29.72 I find that statement of **Shri Satya Pal, Proprietor of M/s. Satya Steel** was recorded on 29.07.2025 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *He had perused the letter dated 21.05.2024 issued by Satya Steel and had signed the said letter and that he had gone through the contents of letter dated 21.05.2024 issued by his proprietorship concern i.e. Satya Steel at the time of signing the said letter in proper manner. He admitted that that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign the said letter.*

ii. *That he had perused the contents of the said letter and stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.*

iii. *He stated that he had visited the registered premises of Satya Steel at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, two-three time; that the first time he went to that premise in the month of August, 2023 on the instruction of Shri Vipin Chaturvedi for checking the delivery of stainless-steel pipe; that he used to check the thickness of pipes which were delivered at that premise; that the second time he went to that premise in the month of December, 2023 again on the instruction of Shri Vipin Chaturvedi for delivering some documents related to import to the registered premise of Satya Steel; that the third time he went to that premise on 03.07.2024 for weighment iro Stainless Steel Pipe on the request of DRI officers.*

iv. *He admitted that when he went to that premises for first time and second time, he was not aware that the said premises belong to Satya Steel and Satya Steel was registered in his name as Proprietorship concern. He further stated that when Shri Vipin Chaturvedi asked him to go to Kalamboli, he had thought that it was work related to Prudent Stainless Private Limited but in the first week of January, 2024 Shri Vipin Chaturvedi had asked him to sign an authorization letter and that it was then that he came to know that Shri Vipin Chaturvedi created a proprietorship concern in the name of Satya Steel.*

v. *He stated that he had heard the name of Shri BechraramDewasiwho was employed at Prakash Steelage Ltd; that he had not heard about M/s. Dev Steel & Alloy.*

vi. *He admitted his negligence and stated that he had acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and without comprehending the contents at that point of time. He accepted that this is an act of negligence which had facilitated the evasion of Duty.*

vii. *He perused Seizure Memo dated 03.07.2024 and endorsed the said seizure memo and stated that he was present at the registered premise of M/s. Satya Steel i.e. Plot No. 1840, Kalamboli Steel Market Road, Road No. 24, Kalamboli, Navi Mumbai-410218, when DRI officers did the weighment of detained goods under the Panchnama dated 03.07.2024.*

viii. *He admitted that he had not shared any details through email dated 21.05.2024 and that Shri Vipin Chaturvedi would have sent the email. Further, he agreed that he was present at the time of weightment of the detained goods of marking A,B,X,C,D,G,Y,H,I,J,K,L as per the panchnama dated 08.01.2024 and the same matched with the imported goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/- but all these details were shared by Shri Vipin Chaturvedi and that only he could tell more specifically about the ownership of goods.*

ix. *He admitted that he is the proprietor of M/s. Satya Steel only for name; that he had done whatever was directed by Shri Vipin Chaturvedi and Shri Vipin Chaturvedi could tell about the owner of detained goods of marking E, F, M, P, Q.*

29.73 In view of the statement I find that Shri Satya Pal, Proprietor of M/s. Satya Steel has admitted that he signed the letter dated 21.05.2024 issued by M/s Satya Steel on the advice of Shri Vipin Chaturvedi, without fully understanding its contents. He further revealed that M/s Satya Steel was a proprietorship created in his name by Shri Vipin Chaturvedi, who controlled all its activities, including the import, delivery, and valuation of goods. Shri Satya Pal merely acted as a name-lender and followed instructions given by Shri Vipin Chaturvedi, including attending the Kalamboli premises and participating in DRI proceedings. He confirmed that he had no knowledge of the imported goods or the ownership thereof, and that all relevant information was handled and provided by Shri Vipin Chaturvedi. This clearly establishes that Shri Vipin Chaturvedi used the deponent as a front to facilitate the diversion of duty-free goods and evade customs duty.

29.74 I find that statement of **Shri Vipin Kanhaiyalal Chaturvedi** was recorded on 29.11.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *The letter dated 21.05.2024 and the related documents were prepared by him as he was the consultant of these entities and all the details and documents were available*

*with him; that therefore, he had prepared the documents and letter dated 21.05.2024 and got it signed from all the Proprietors as well as from the proprietor of M/s Satya Steel.*

ii. *He reiterated that all the Proprietors needed money and hence he had advised them to initiate Proprietorship Firm in their name and suggested them the business of trading of steel items and import of other steel items and acted only as consultant in their Proprietorship firm. He further stated that all the Proprietors were having knowledge about whatever had been done by him.*

iii. *On being asked that the statement of the Proprietors suggest that he has not just acted as consultant but has taken each and every decision of the Proprietorship firm. That he had collected KYC documents, taken premises on rent, taken GST registration, opened Bank accounts, registered for Import Export Code, procured advance authorization license from DGFT, brought business by dealing with importers, imported goods under advance authorization license, planned the diversion of goods imported under Advance Authorization, caused the goods to be diverted from the port in the local market and sold the goods. All these acts suggest that at each and every point he was the decision-maker and the whole plan was hatched by him. In response to the question he replied that he had done each and every activity in the said firm but he had communicated each and every step to all the Proprietors.*

iv. *On being further asked that the proprietors had no knowledge as to whom the imported goods were sold or who was their CHA or transporters and what their firm's mobile no. and e-mail Id was. In response the question he replied that as stated earlier he had acted as their consultant only.*

v. *He further stated that apart from these four proprietorship firms, he was the consultant of M/s Prudent Stainless Pvt. Ltd. and M/s Satya Steel and was working from the office of M/s Aarav Consultancy, in which his wife Smt. Rachna Vipin Chaturvedi is the proprietor and whose office was located at 10th Floor, Office No. A-1013, Sonorous-A, Silvassa Road, Vapi, Valsad, Gujarat, 396191.*

vi. *He further admitted that he had checked and shared the details of goods detained vide Panchnama dated 08.01.2024, through email dated 21.05.2024 sent by Satya Steel. Further, he agreed that the detained goods with marking A,B,X,C,D,G,Y,H,I,J,K,L were matched with goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/- as per the Bills of Entry and agreed with the valuation of goods by empanelled Chartered Engineer according to which the value of goods marked E,F,M,P,Q as per detention under panchnama dated 08.01.2024 was arrived to be Rs.29,00,768/-.*

vii. *He also agreed with the valuation done by Shri G. Venkatpathy M., Govt empanelled CE. He also stated that he had not received the payment of Rs.75 lakhs from Shri BecharamDewasi.*

29.75 In view of the above statement I find that it is an undisputed fact that Shri Vipin Kanhaiyalal Chaturvedi was the mastermind behind the entire operation involving the diversion of duty-free goods. While he claimed to be acting merely as a consultant, he admitted to preparing the letter dated 21.05.2024 and all related documents, and getting them signed by the proprietors of the concerned firms, including M/s Satya Steel. He conceptualized and operationalized the entire scheme—advising individuals to set up proprietorships, collecting KYC documents, obtaining GST and IEC registrations, renting premises, arranging imports under advance authorizations, and handling all logistics, sales, and correspondence. The proprietors had no knowledge of crucial operational aspects, including importers, buyers, transporters, or even their own firm's contact details. Shri Vipin Chaturvedi further confirmed

that he managed the details of the detained goods and agreed with the valuation of the same, matching the detained consignments with imports made under the three entities. His own admissions clearly establish that he not only exercised complete control but also orchestrated the diversion of duty-free goods into the domestic market, thereby facilitating evasion of customs duty.

29.76 I find that the Legal position about the importance and validity of statements rendered under Section 108 of the Customs Act, 1962 is well settled. It has been held by various judicial fora that Section 108 is an enabling act and an effective tool in the hands of Customs to collect evidences in the form of voluntary statements. The Hon'ble Courts in various judicial pronouncements, have further strengthened the validity of this enabling provision. It has been affirmed that the statement given before the Customs officers is a material piece of evidence and certainly can be used as substantive evidence, among others, as held in the following cases:

i. *Asst. Collector of Central Excise, Rajamundry* v. M*/s. Duncan Agro India Ltd.* reported in 2000 (120) E.L.T. 280 (S.C.) : Statement recorded by a Customs Officer under Section 108 is a valid evidence

*ii.* In 1996 (83) E.L.T. 258 (S.C.) in the case of *Shri Naresh J. Sukawani* v. *Union of India* : *" 4. It must be remembered that the statement made before the Customs officials is not a statement recorded under Section 161 of the Criminal Procedure Code, 1973. Therefore, it is a material piece of evidence collected by Customs officials under Section 108 of the Customs Act."*

iii. It was held that statement recorded by the Customs officials can certainly be used against a co-noticee when a person giving a statement is also tarnishing his image by making admission of guilt. Similar view was taken in the case of In *Gulam Hussain Shaikh Chougule* v. *S. Reynolds* (2002) 1 SCC 155 = 2001 (134) E.L.T. 3 (S.C.)

iv. State (NCT) Delhi Vs Navjot Sandhu @ Afsan Guru, 2005 (122) DLT 194 (SC):Confessions are considered highly reliable because no rational person would make admission against his interest unless prompted by his conscience to tell the truth. "Deliberate and voluntary confessions of guilt, if clearly proved are among the most effectual proofs in law." (Vide Taylors's Treatise on the Law of Evidence, VI. I).

v. There is no law which forbids acceptance of voluntary and true admissional statement if the same is later retracted on bald assertion of threat and coercion as held by Hon'ble Supreme Court in the case of K.I. Pavunny Vs. Assistant Collector (HQ), Central Excise Cochin, (1997) 3 SCC 721.

vi. Hon'ble Supreme Court in the case of Kanhailal Vs. UOI, 2008 (1) Scale 165 observed: *" The law involved in deciding this appeal has been considered by this court from as far back as in 1963 in Pyare Lal Bhargava's case (1963) Supp. 1 SCR 689. The consistent view which has been taken with regard to confessions made under provisions of section 67 of the NDPS Act and other criminal enactments, such as the Customs Act, 1962, has been that such statements may be treated as confessions for the purpose of Section 27 of the Indian Evidence Act*.

*vii.* **Hon'ble High Court of Mumbai in FERA Appeal No 44 OF 2007 in the case of KANTILAL M JHALA Vs UNION OF INDIA vide judgment dated: October 5, 2007 (reported in 2007-TIOL-613-HC-MUM-FEMA) held that "*Confessional statement corroborated by the seized documents, admissible even if retracted".***

*viii.* The Apex Court in the case Hazari Singh V/s. Union of India reported in 110 E.L.T. 406, and case of Surjeet Singh Chhabra V/s. Union of India & Others reported in 1997 (1) S.C.C. 508 has held that the confessional statement made before the Customs Officer even though retracted, is an admission and binding on the person.-*"*

ix. The Hon'ble Supreme Court in the case of Badaku Joti Savant Vs. State of Mysore [ 1966 AIR 1746 = 1978 (2) ELT J 323 (SC 5 member bench) ] laid down that statement to a Customs officer is not hit by section 25 of Indian Evidence Act, 1872 and would be admissible in evidence and in conviction based on it is correct.

*x.* In the case of Bhana Khalpa Bhai Patel Vs. Asstt. Collr. of Customs, Bulsar **[**1997 (96) E.L.T. 211 (SC)], the Hon'ble Apex Court at Para 7 of the judgment held that :-" *It is well settled that statements recorded under Section 108 of the Customs Act are admissible in evidence vide Romesh Chandra v. State of West Bengal, AIR 1970 S.C. 940 and K.I. Pavunny v. Assistant Collector (H.Q.), Central Excise Collectorate, Cochin, 1997 (90) E.L.T. 241 (S.C.) = (1997) 3 S.C.C. 721."*

*xi.* In the case of Raj Kumar Karwal Vs. UOI & Others (1990) 2 SCC 409, the Court held that *officers of the Department of Revenue Intelligence who have been vested with the powers of an Officer-in-Charge of a police station under Section 53 of the NDPS Act, 1985, are not police officers within the meaning of Section 25 of the Evidence Act. Therefore, a confessional statement recorded by such officer in the course of investigation of a person accused of an offence under the Act is admissible in evidence against him.*

xii. Hon. Supreme Court's decisions in the case of Ramesh Chandra Mehta Vs. the State of West Bengal (1969) 2 S.C.R. 461, A.I.R. 1970 S.C. 940. The provisions of Section 108 are judicial provisions within statement has been read, correctly recorded and has been made without force or coercion. In these circumstances there is not an iota of doubt that the statement is voluntary and truthful. The provisions of Section 108 also enjoin that the statement has to be recorded by a Gazetted Officer of Customs and this has been done in the present case. The statement is thus made before a responsible officer and it has to be accepted as a piece of valid evidence

xiii. Jagjit Singh vs State Of Punjab And Another**,** Hon'ble Punjab and Haryana High Court in Crl. Appeal No.S-2482-SB of 2009 Date of Decision: October 03, 2013 held that : *The statements under Section 108 of the Customs Act were admissible in evidence as has been held by the Hon'ble Supreme Court in Ram Singh vs. Central Bureau of Narcotics, 2011 (2) RCR (Criminal) 850.*

29.77 In view of the above referred consistent judicial pronouncements, the importance of statements rendered under Section 108 of the Customs Act, 1962 during the case is quite imperative**. I find that the statements made in the case were voluntary and are very much valid in Law and can be relied upon as having full evidentiary value.**

29.78 In view of the above statements it has been undisputedly established that Shri Vipin Chaturvedi masterminded a deliberate scheme to evade customs duty by creating a facade of 04 proprietorship firms in the names of individuals who acted merely as name-lenders. Under the guise of acting as a consultant, Shri Vipin Chaturvedi exercised complete control over all aspects of these firms — from obtaining KYC documents, securing GST and IEC registrations, arranging imports under the Advance Authorization Scheme, to managing transportation, warehousing, and sale of imported goods. He misused the benefit of Advance Authorization under the provisions of para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023, which provides exemption from customs duty on goods imported under advance authorizations, and diverted duty-free imported goods into the open domestic market in violation of the conditions of the said notification. The use of dummy firms and concealment of the real nature of transactions clearly indicate a calculated and premeditated act of duty evasion orchestrated solely by Shri Vipin Chaturvedi. Shri Vipin Chaturvedi played the pivitol role in this fraudulent arrangement of diverting the conditionally exempted goods in the domestic market. The four proprietors and the proprietor of M/s Satya Steel are also involved in this fraudulent arrangement as they agreed to give KYC documents, documents required for DGFT

Advance Authorization and mobile number which helped Shri Vipin Chaturvedi in orchastering this fraudulent arrangement of diverting the conditionally expemted imported goods in the domestic market.

**FINANCIAL EVIDENCES:**

30. I observe that during the course of investigation, DRI Vapi has sought the financial transaction details from banks in the form of account statements and other documents. Details of correspondence is as follows: -

**Table:4 Details of Communication with Banks**

| Sr. No. | Name of the Bank | Letter through which Details Sought from the banks (RUD-40) | Concerned Firm |
|---|---|---|---|
| 1) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Ascent International and Vivanta International |
| 2) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Vikranta Impex |
| 3) | ICICI Bank | DRI/FatulAZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Vikranta Impex |
| 4) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Vrunda International |
| 5) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Dev Steel and alloys |

30.1 I observe that Shri Vipin Chaturvedi in his statement dated 15.04.2024 provided the bank statement of 4 Proprietors on whose name the import was done under the Advance License Scheme. From the bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys, it was eveident that huge amount was transferred in the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and alloys. Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr were credited in the accounts of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively by M/s Dev Steel and alloys. From the above statements it id ubdisputed fact that this amount was paid in respect of goods imported under advance license and sold to M/s Dev Steel and Alloys.

30.2 I observe that conditionally exempted imported goods i.e. SS Seamless pipes Grade 304 by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex were sold to M/s Dev Steel and Alloys without GST invoices. This fact was corroborated by the statements of Shri Vipin Chaturvedi and Shri BechraramDewasi, Partner of M/s Dev Steel and Alloys. I further observe that from the documents in respect of M/sVrunda International and M/s Steelage Overseas Private Limited, it is evident that imported duty-free SS Seamless pipes Grade 304 imported by M/s Vrunda International were sold to M/s Steelage Overseas Private Limited through GST invoices and rest of the goods of M/s Vrunda International were seized at the premises of M/s Satya Steel. Further, from the scrutiny of bank statements and ledgers, following chart has been prepared, which presents a clear picture that M/s Dev Steel and Alloys played a substantial role in the diversion of duty-free imported goods and M/s Dev Steel and Alloys has

purchased most of the goods imported under advance authorization licence by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.

**Table 5: Financial Analysis of the concerned 4 proprietorship firms**

| Sr. No. | BE. NO. | BE. DATE | IM-PORTER | SUP-PLIER | ITEM SERIAL NUM-BER | Assess-able Value as per Bill of Entry | Comments |
|---|---|---|---|---|---|---|---|
| 1 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 1 | 4704353 | (1) Rs. 62,25,000/- lakhs received on 27.06.23 from M/s. *Dev steel and Al-loys*<br>(2) Payment of Rs.62,26,917/- made on 28.06.2023 to overseas sup-plier. |
| 2 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 2 | 773282 | |
| 3 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 3 | 800200 | |
| 4 | 6728913 | 05-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 1 | 6133924 | (1) Rs. 48,00,000/- re-ceived from M/s. *Dev Steel and Alloys* on 07.07.2023<br>(2) payment of Rs.42,88,098/- only made on 07.07.2023 to overseas Sup-plier |
| 5 | 6768906 | 07-07-2023 | Ascent In-ternational | Wenzhou Yimo Trad-ing Co., Ltd. | 1 | 5683361 | (1) Rs.56,50,000/- received from CHANCHAL METAL on 30.06.2023<br>(2) Payment of Rs. 56,27,053/- made to over- |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | seas supplier on 01.07.2023<br><br>(3) later (17.08.23 to 23.08.23) amount (Rs.56,50,000/-) was paid back to Chanchal Metal (appeared to have been a Loan) |
| 6 | 7395720 | 17-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5713437 | (1) Rs. 57,00,000/-received on 17.08.2023 from M/s. *Dev Steel and Alloys* and payment of Rs.56,97,595/-made to overseas supplier. |
| 7 | 7492486 | 23-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5736721 | (1) Rs. 57,00,000/- received from M/s. *Dev Steel and Alloys* on 28.08.2023, *(*2)payment of Rs.56,62,854/-made to overseas supplier on 29.08.2023 |
| 8 | 7876353 | 16-09-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5796609 | (1) Rs. 58,50,000/- receive from M/s. *Dev Steel and Alloys* on 09.11.2023, and payment of Rs.57,68,270/-made to overseas supplier (Wenzhou) on 10.11.2023 |
| 9 | 6855131 | 13-07-2023 | Vivanta International | Wenzhou Yimo Trading Co., | 1 | 5623284 | (1) Rs. 57,00,000/-received on |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Ltd. | | | 14.07.2023 from M/s. *Dev Steel and Alloys* (2) payment of Rs.55,69,475/- made to overseas supplier (Wenzhou) on 15.07.2023 |
| 10 | 6964489 | 20-07-2023 | Vivanta International | Zhejiang Xintongda Special Steel Ma | 1 | 5993284 | (1) Rs.60,00,000/- received from M/s. *Dev Steel and Alloys* on 24.07.2023, (2) Rs. 59,23,571/- made to overseas supplier (Zhejiang) on 24.07.2023. |
| 11 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 1 | 606924 | (1) Rs.6,00,000/- received from Ascent International on 04.07.2023, and Rs.6,00,000/- lakhs given to yimo (overseas supplier) on 05.07.2023. (2) Rs. 38,00,000/- lakhs received from VIPRA IMPEX on 29.07.2023, more than Rs.13,00,000/- received from others on 31.07.2023 (3) Rs.51,41,818/- lakhs given to |
| 12 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 2 | 5129538 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | overseas supplier (Yimo) |
| 13 | 8292620 | 13-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 6058548 | No payment made to overseas Supplier for this consignment yet |
| 14 | 8345621 | 17-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 6033629 | No payment made to overseas Supplier for this consignment yet |
| 15 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 1 | 6273602 | Payment of Rs.99,50,514/- made to overseas supplier for this consignment on 18.07.2023. Payment of Rs.1,00,00,000/- made by Steelage Overseas Private Limited to Vrunda International on 17.07.2023 |
| 16 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 2 | 2800262 | |
| 17 | 8795482 | 16-11-2023 | Vrunda International | Zhejiang Bangnuo Steel Pipe Co., Lt | 1 | 7414566 | Payment not made to overseas supplier for this consignment yet |

30.3 In view of the above table I find that financial flow from M/s. Dev Steel & Alloys and M/s. Steelage Overseas Private Limited to these four proprietorship concerns was used for payment of overseas suppliers of the four concerned proprietorships. I find that M/s **Ascent International** has made payment of Rs. 62,26,917/- and Rs. 42,88,098/- to overseas suppliers viz. Zhejiang Xintongda and Wenzhou Yimo respectively and M/s. Dev Steel and Alloys has made payment of Rs. 62,25,000/- and Rs. 48,00,000/- for payment to overseas suppliers. Similarly, M/s Vikranta Impex handled Rs. 57,00,000/- (17-08-2023) and Rs. 57,36,721/- (23-08-2023), funded by M/s. Dev Steel and Alloys, making near-matching payments to Wenzhou Yimo. Similarly, M/s Vivanta International processed substantial amounts, including Rs. 60,00,000/- from M/s. Dev Steel and Alloys, for payment of Rs. 59,23,571/- to Zhejiang. Lastly, I find that M/s Vrunda International managed Rs. 1,00,00,000/- received from Steelage Overseas for making payment of Rs. 99,50,514/- to Wenzhou Sparkling, while Rs. 74,14,566/- for a Zhejiang consignment remains unpaid. Overall, the data reflects synchronized receipts from M/s. Dev Steel & Alloy and M/s. Steelage Overseas Private Limited and payments to overseas suppliers with some pending liabilities.

30.4 I further observe that scrutiny of Bank Statement of Shri Vipin Kanhaiyalal Chaturvedi and his proprietorship concern i.e. Vipra Impex, it is evident that Shri Vipin Chaturvedi received a huge amount from bank accounts of these proprietorship concerns i.e. Ascent International, Vivanta International, Vikranta Impex and Vrunda International. A summary of amount received by Shri Vipin Chaturvedi is as under:

**Table 6: Amount Received by Shri Vipin Chaturvedi from the concerned 4 proprietorship firms**

| Sr. No. | COD_ACCT_NO | ACCOUNT_TITLE | DAT_POST | TXT_TXN_DESC | COD_DRCR | AMT_TXN_INR |
|---|---|---|---|---|---|---|
| 1 | *74105023548 0 | VIPIN CHATURVEDI | 10-Mar-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-31438082471DC | C | 240000 |
| 2 | *74105023548 0 | VIPIN CHATURVEDI | 13-Apr-23 | IMPS-310310667546-ASCENT INTERNATIONAL-ICIC-xxxxxxxx0633-vkc | C | 75000 |
| 3 | *74105023548 0 | VIPIN CHATURVEDI | 03-May-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-32061704371DC | C | 110000 |
| 4 | *74105023548 0 | VIPIN CHATURVEDI | 11-May-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-32170965901DC | C | 15000 |
| 5 | *74105023548 0 | VIPIN CHATURVEDI | 13-May-23 | RTGS Cr-ICIC0000011-ASCENT INTERNATIONAL-Vipin K Chaturvedi-ICICR42023051300505070 | C | 300000 |
| 6 | *50200027604746 | VIPRA IMPEX | 20-May-23 | 50200047585206-TPT-vipra-VRUNDA INTERNATIONAL | C | 50000 |
| 7 | *50200027604746 | VIPRA IMPEX | 22-May-23 | 50200047585206-TPT-vipra- | C | 202422 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | VRUNDA IN-TERNATIONAL | | |
| 8 | *741050235480 | VIPIN CHATURVEDI | 03-Jun-23 | IMPS-315414506654-ASCENT INTER-NATIONAL-ICIC-xxxxxxxx0633-Vipin | C | 120000 |
| 9 | *741050235480 | VIPIN CHATURVEDI | 18-Jun-23 | IMPS-316911640109-ASCENT INTER-NATIONAL-ICIC-xxxxxxxx0633-Vipin | C | 200000 |
| 10 | *741050235480 | VIPIN CHATURVEDI | 26-Jun-23 | RTGS Cr-ICIC0000011-AS-CENT INTER-NATIONAL-Vi-pin K Chaturvedi-ICICR42023062600535298 | C | 500000 |
| 11 | *741050235480 | VIPIN CHATURVEDI | 08-Jul-23 | NEFT Cr-ICIC0SF0002-AS-CENT INTER-NATIONAL-Vi-pin K Chaturvedi-32850148531DC | C | 400000 |
| 12 | *741050235480 | VIPIN CHATURVEDI | 14-Jul-23 | NEFT Cr-ICIC0SF0002-AS-CENT INTER-NATIONAL-Vi-pin K Chaturvedi-32921082101DC | C | 250000 |
| 13 | *502000276 04746 | VIPRA IMPEX | 19-Aug-23 | 50200047585206-TPT-vipra-VRUNDA IN-TERNATIONAL | C | 800000 |
| 14 | *502000276 04746 | VIPRA IMPEX | 08-Sep-23 | 50200047585206-TPT-vipra-VRUNDA IN-TERNATIONAL | C | 200000 |
| 15 | *741050235480 | VIPIN CHATURVEDI | 20-Sep-23 | NEFT Cr-ICIC0SF0002-AS-CENT INTER-NATIONAL-Vi-pin K Chaturvedi-33725676441DC | C | 100000 |
| 16 | *741050235480 | VIPIN CHATURVEDI | 04-Nov-23 | FT - Cr - 50200083445047 - VIKRANTA | C | 225000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | IMPEX | | |
| 17 | *741050235480 | VIPIN CHATURVEDI | 21-Nov-23 | NEFT Cr-ICIC0SF0002-ASCENT INTERNATIONAL-Vipin K Chaturvedi-34445340541DC | C | 150000 |
| 18 | *741050235480 | VIPIN CHATURVEDI | 21-Nov-23 | FT - Cr - 50200083445047 - VIKRANTA IMPEX | C | 100000 |
| 19 | *502000276 04746 | VIPRA IMPEX | 05-Dec-23 | 50200047585206-TPT-Vipra-VRUNDA INTERNATIONAL | C | 100000 |
| 20 | *502000276 04746 | VIPRA IMPEX | 13-Dec-23 | 50200047585206-TPT-Vipra-VRUNDA INTERNATIONAL | C | 2000000 |
| 21 | *502000276 04746 | VIPRA IMPEX | 01-Feb-24 | 50200047585206-TPT-Viprs-VRUNDA INTERNATIONAL | C | 2650000 |
| | **Total** | | | | | **8787422** |

30.5 In view of the above table I find that Shri Vipin Kumar Chaturvedi, proprietor of M/s Vipra Impex, received substantial amount of money from the four concerned proprietorship firms which reflect his enrichment in the said offense of diversion. His account reflects significant credits from Ascent International, including Rs. 5,00,000/- (26-Jun-23) and Rs. 4,00,000/- (08-Jul-23). Vipra Impex also received large sums through transfers, such as Rs. 20,00,000/- (on 13-Dec-23) and Rs. 26,50,000/- (on 01-Feb-24). The total credited amount of Rs. 87,87,422/- suggests considerable and potential gain by Shri Vipin Chaturvedi.

30.6 In view of the above I find that Shri Vipin Chaturvedi has provided bank statements showing large sums transferred from M/s Dev Steel and Alloys to four proprietorship firms—M/s Ascent International (₹2.13 Cr), M/s Vivanta International (₹2.25 Cr), and M/s Vikranta Impex (₹2.05 Cr)—which are payments for goods imported under the Advance License Scheme and sold to M/s Dev Steel and Alloys.

30.7 I find that the Conditionally exempted stainless steel (SS) seamless pipes (Grade 304) imported duty-free by M/s Ascent International, M/s Vivanta International, and M/s Vikranta Impex were sold to M/s Dev Steel and Alloys without GST invoices, as confirmed by statements from Shri Vipin Chaturvedi and Shri Bechraram Dewasi (partner of M/s Dev Steel and Alloys). Meanwhile, M/s Vrunda International sold duty-free SS pipes to M/s Steelage Overseas Private Limited with GST invoices; the rest of M/s Vrunda International's goods were seized at M/s Satya Steel's premises.

30.8 I find that M/s Dev Steel and Alloys played a key role in purchasing goods imported under the advance authorization license from the three proprietorship firms mentioned.

30.9 I find that from the Financial flows from M/s Dev Steel and Alloys and M/s Steelage Overseas Private Limited to the four proprietorship firms were used to pay overseas suppliers. Payments made by these entities to suppliers in China (Zhejiang Xintongda, Wenzhou Yimo, Wenzhou Sparkling) largely match receipts from the proprietorship firms, demonstrating coordinated transactions.

30.10 I find that Shri Vipin Kumar Chaturvedi, proprietor of M/s Vipra Impex, received significant amounts (totaling ₹87.87 lakh) from the four proprietorship firms, indicating his personal financial gain in connection with the diversion of goods and related offenses.

30.11In view of the above I find that on the basis of documentary, oral, and financial evidence, it is undisputedly established that Shri Vipin Chaturvedi orchestrated and controlled the import operations of stainless-steel seamless pipes under the Advance Authorization Scheme by operating through four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International. He managed all aspects of the import process, including obtaining GST and IEC registrations, engaging customs house agents, directing the transportation of goods, and handling financial transactions. Despite the goods being conditionally exempted for export processing, they were illegally diverted to the domestic market, violating the terms of the scheme. Financial records show substantial payments from M/s Dev Steel & Alloys to the aforementioned firms, followed by matching overseas remittances and cash transactions. Shri Vipin Chaturvedi not only gained financially through bank transfers totaling ₹87.87 lakhs into his proprietary firm M/s Vipra Impex, but also benefited through unaccounted cash transactions across the firms he controlled. Furthermore, M/s Dev Steel & Alloys played a pivotal role in facilitating the diversion and local sale of duty-free imports, reaping profits by purchasing the goods below market rates, thereby exposing a well-planned scheme of duty evasion and financial manipulation executed under the guidance and control of Shri Vipin Chaturvedi.

30.12 In view of the above documentary evidences, oral evidences and the Financial evidences I find that it has been undisputedly established that Shri Vipin Chaturvedi orchestrated the import of Stainless-Steel seamless Pipes under Advance authorization license and kept control over the activities of the four proprietorship firms and was financially benefited from duty-free imports under the Advance Authorization Scheme. I find that Shri Vipin Chaturvedi used the name of the four firms and managed their end-to-end import operations, including acquiring GST and IEC registrations, engaging customs house agents, and directing transportation of imported goods at the destination of his choice. I find that the imported goods, specifically stainless-steel seamless pipes, intended for export processing, were instead diverted to the domestic market, violating the scheme regulations. Shri Vipin Chaturvedi leveraged his control over the firms, their financial accounts, and documentation to generate substantial financial gains while evading customs duties amounting to crores of rupees. The above transactions reflected his financial gains during the import carried out by Shri Vipin Chaturvedi through the Four Proprietorship concerns operated by him. Further, various evidences have pointed out that Shri Vipin Chaturvedi has carried out a number of cash transactions in these firms. On analysis of the bank statement of four proprietorship concerns, it has been noticed that substantial cash amount was deposited and withdrawn at various point of time which also substantiates that he was involved in cash transactions and had gained through cash component too.

**DIGITAL EVIDENCE (CALL DETAILS RECORD (CDR) DATA ANALYSIS)**

**Analysis of Mobile numbers associated with proprietorship concerns i.e. Vikranta Impex, Vivanta International, Ascent International, Vrunda International, their proprietors i.e. Shri Mahesh Joshi, Shri Atul Shashikant Herekar, Shri Anand Menon and Shri Nitin Ranganath Anchan and Vipin Kanhaiyalal Chaturvedi:**

31.1 I observe that during the course of the investigation, it was revealed that the following mobile numbers—8087130955 (Vikranta Impex), 9321158755 (Vrunda International), 8128353190 (Vivanta International), and 9054714370 (Ascent International)—were registered with GSTIN, DGFT, and banks under the names of the respective proprietorship firms but were being used by Shri Vipin Chaturvedi alone. This fact was acknowledged by Shri Vipin Chaturvedi and all four proprietors in their respective statements. The details of the registered owners of these mobile numbers, as per the SDR received from telecom agencies, are as follows:

**Table 7: Registered Owners of the Concerned Mobile Numbers**

| Mobile Number | Registered Name |
|---|---|
| 8087130955 (Airtel) | Shri Mahesh Joshi (Proprietor of Vikranta Impex) |
| 9321158755 (Reliance Jio) | Anand Menon<br>(Proprietor of Vrunda International |
| 8128353190<br>(Airtel) | Shri Nitin Ranganath Anchan<br>(Proprietor of Vivanta International) |
| 9054714370<br>(Airtel) | Shri Atul Shashikant Herekar<br>(Proprietor of Ascent International) |

31.2 I observe that upon examining the CDR data of the aforementioned numbers, it was observed that the tower locations of all these four mobile numbers was concentrated near the premises of M/s. Prudent Stainless Steel, where Shri Vipin Chaturvedi primarily used to handle works, as well as near Shri Vipin Chaturvedi's residential premises. This pattern persisted throughout the analysis period from July 2023 to November 2023 and closely matched the primary locations associated with Shri Vipin Chaturvedi's mobile number, 9558312505. This strongly indicates that the numbers were being used by a single individual, namely Shri Vipin Kanhaiyalal Chaturvedi. I further observe that all four mobile numbers were used by the same individual in Vapi, Gujarat, and their locations shifted simultaneously both within and outside Vapi, including to Mumbai, during the same timelines. The table below presents the maximum tower locations for these mobile numbers:

**Table 8: Result of Location Analysis of the Official Mobile Numbers of the 4 Proprietorship firms**

| Sr. No. | Name of firm / person | Mobile no. | Maximum location no.1 | Maximum location No.2 |
|---|---|---|---|---|
| 1 | Vikranta Impex | 8087130955 | Near Prudent Stainless Steel "20.16398, 72.77948" | Near Vipin's Residence "20.39502, 72.89382" |
| 2 | Vrunda International | 9321158755 | Hutch wer on Plot no. C-1, gidc, Umbergaon-396165 Gujarat (Near Prudent Stainless Steel) | PIYUSHBHAI-9723551777, Fortune Squre mall, Nr, Check Post, Vapi Challa Gujarat (Near Vipin's |

| | | | | |
|---|---|---|---|---|
| | | | | Residence at Chala Vapi) |
| 3 | Vivanta Interna-tional | 8128353190 | Near Prudent Stainless Steel “20.16398, 72.77948” | Near Vipin's Sonorous Office “20.37222, 72.91779” |
| 4 | Ascent Interna-tional | 9054714370 | Near Prudent Stainless Steel “20.16398, 72.77948” | Near Vipin's Sonorous Office “20.37222, 72.91779” |
| 5 | Shri Vipin Chaturvedi | 9558312505 | Near Prudent Stainless steel “20.16398, 72.77948” | Near Vipin’s Sonorous Office “20.16773, 72.78058” |

**Analysis of Personal Mobile numbers associated with proprietors of Vikranta Impex, Vivanta International, Ascent International and Vrunda International in Comparison to mobile numbers used by Shri Vipin Chaturvedi:**

31.3 I further observe that during the course of investigation, it was revealed that the following personal mobile numbers—8779282037 (Mahesh Joshi), 9326782272 (Atul Shashikant Herekar), 9326794498 (Nitin Ranganath Anchan), and 9920816443 (Anand Menon)—were used exclusively by the respective individuals for personal purposes. The details of the registered owners of these mobile numbers, as per the SDR data obtained from telecom agencies, are as follows:

**Table 9: Owners of Concerned Mobile Numbers as per Registration Details**

| Mobile Number | Registered Name |
|---|---|
| 8779282037 (Reliance Jio) | Mahesh Chunilal Joshi (Proprietor of M/s. Vikranta Impex) |
| 9326782272 (Reliance Jio) | Atul Shashikant Herekar (Proprietor of M/s. Ascent International) |
| 9326794498 (Reliance Jio) | Nitin Ranganath Anchan (Proprietor of M/s. Vivanta International) |
| 9920816443 (Airtel) | Anand Menon (Proprietor of M/s. Vrunda International) |

31.4 I further observe that upon reviewing the CDR data of the above-mentioned numbers, it was observed that the tower locations for the personal mobile numbers of the four proprietors were primarily in Mumbai or areas near their residential and workplace locations. This aligns with the statements of the proprietors, who confirmed that they reside in Mumbai and that their proprietorship concerns were operated by Shri Vipin Chaturvedi and that they took new number for the transaction in their Proprietorship concerns and handed over the same to Shri Vipin Chaturvedi. Additionally, the location data indicates that Shri Mahesh Joshi, proprietor of

Vikranta Impex, was mostly present in Umbergaon (where he works) during the day and in Mumbai (where he resides) in the evenings.

Significantly, it was observed that **the locations of the personal mobile numbers used by the four proprietors never coincided, at any point of time, with the locations of the official mobile numbers associated with their respective firms.** Further scrutiny of the CDR data for all the personal numbers of the four proprietors, the mobile numbers associated with their firms, and Shri Vipin Chaturvedi's mobile number reveals that the locations and timestamps of calls made from the firms' official numbers consistently align with Shri Vipin Chaturvedi's movements. At the same time, the four proprietors were located far away, either in Mumbai or Umbergaon. A detailed comparison of the locations on select dates is provided in **Table10A to 10D** in **Annexure-B above.**

**31.5** I find that based on the documentary and electronic evidence gathered during the investigation, it has been clearly established that the mobile numbers registered in the names of the proprietors of M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International were, in fact, operated and used by Shri Vipin Kanhaiyalal Chaturvedi. Despite being officially linked to the respective firms, these mobile numbers were exclusively used by Shri Chaturvedi for conducting business transactions and coordinating firm-related operations.

31.6 I find that it has been unequivocally admitted by Shri Vipin Chaturvedi and further corroborated by the statements of all four proprietors, who confirmed that they had handed over the mobile numbers to Shri Chaturvedi for use in connection with their business activities. The proprietors also admitted having little to no involvement in the actual operations of the firms.

31.7 I find that on the analysis of the Call Detail Records (CDRs) for these mobile numbers revealed that the usage locations of all four numbers consistently coincided with the known business and residential locations of Shri Vipin Chaturvedi, particularly around the premises of M/s Prudent Stainless Steel in Vapi and his residence in the same area. These patterns remained consistent throughout the analysis period from July 2023 to November 2023.

31.8 I find that the simultaneous movement of these firm-linked mobile numbers closely matched the movement of Shri Vipin Chaturvedi's personal mobile number (9558312505), indicating a single-user behavioral pattern. This included co-locations during travel between Vapi and Mumbai, further reinforcing that the numbers were solely used by Shri Chaturvedi.

31.9 I find that the personal mobile numbers of the respective proprietors—Mahesh Joshi (8779282037), Atul Shashikant Herekar (9326782272), Nitin Ranganath Anchan (9326794498), and Anand Menon (9920816443) - were found to be located primarily in Mumbai and Umbergaon, consistent with their claimed residential and workplace addresses. The location data of these personal numbers never overlapped with the mobile numbers associated with the firms.

31.10 I find that the above findinds when read in conjunction with the statements of the proprietors, clearly show that Shri Vipin Chaturvedi exercised complete control over the operations of all four firms. He managed critical functions such as GST and IEC registration, coordination with customs house agents and transporters, handling import-export documentation, and conducting communications and financial transactions on behalf of the firms.

31.11 I find that the mobile data and statements conclusively prove that the four proprietorship firms were not operated independently by their respective proprietors but were merely used as fronts by Shri Vipin Chaturvedi. The use of firm-registered mobile numbers by Shri Vipin Chaturvedi, along with his direct involvement in all aspects of the business operations, highlights a clear case of misuse of credentials and coordinated management. This was done with the objective of facilitating unauthorized imports under the Advance Authorization Scheme, evading duties, and deriving substantial financial benefits.

31.12. I find that is has been undisputedly established that Shri Vipin Chaturvedi is the controller and beneficial owner behind this fraudulent arrangement involving duty-free imports of Stainless-Steel Seamless Pipes under the Advance Authorization Scheme, in violation of Notification No. 21/2023-Customs dated 01.04.2023. He orchestrated the creation and operation of four dummy proprietorship firms—M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, and M/s Vrunda International - by misusing the KYC documents of financially weak individuals while retaining full operational, financial, and decision-making control over these entities. Investigations revealed that the firms were non-functional in reality, with no evidence of genuine business activity, and their registered premises were either locked, sealed, or inadequately furnished. Goods imported under the Advance Authorization scheme, intended exclusively for export processing, were instead diverted to the domestic market in blatant violation of the scheme's conditions.

31.13 I find that the entire operation—from GST and IEC registration, coordination with customs house agents and transporters, to the financial and logistical handling of imports—was carried out by Shri Vipin Chaturvedi. He admitted to diverting the imported goods to M/s Satya Steel's premises, also under his control, and selling them to buyers such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd., often without proper invoicing or GST compliance. Statements from the concerned CHA, transporters, and buyers confirm that all dealings were conducted solely through Shri Chaturvedi, and not with the named proprietors, who were largely unaware of the transactions. Financial trails show that payments made by the buyers were routed through the bank accounts of the four firms and partly remitted to Chinese suppliers. Further, ₹87.87 lakhs were transferred to Shri Vipin Chaturvedi's proprietary concern, M/s Vipra Impex, establishing direct personal financial benefit.

31.14 I find that electronic and mobile usage evidences further confirms that the mobile numbers officially registered in the names of the four firms were, in fact, operated exclusively by Shri Vipin Chaturvedi. Call Detail Record (CDR) analysis revealed that all four firm-linked numbers showed movement patterns consistent with Shri Chaturvedi's known locations, while the actual proprietors' personal mobile numbers remained geographically distant. These findings, when read alongside the proprietors' admissions, prove that the firms were mere fronts controlled entirely by Shri Vipin Chaturvedi for the purpose of importing goods under conditional exemption and illegally diverting them into the domestic market. The deliberate misuse of credentials, control over communication, documentation, and funds highlights a structured and well-coordinated case of customs duty evasion amounting to ₹13.95 crores.

**DOCUMENTARY EVIDENCE**

32. I observe that the four-proprietorship firm's namely M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International has filed 17 Past Bills of entry as mentioned in Annexure A, availing Customs Duty exemption benefit of advance authorization issued by DGFT read with Customs Duty exemption Notification no. 21/2023 dt 01.04.2023.

32.1 I observe that intelligence was gathered by Directorate of Revenue Intelligence (DRI), Sub-Regional Unit, Vapi ("DRI Vapi") that four Proprietorship concerns viz. **Vivanta International (IEC-AHTPA1064A)**, **Ascent International (IEC-ABWPH4340R)**, **Vikranta Impex (IEC-AACPJ4996Q)** and **Vrunda International (IEC-BSCPM6046B)** had imported huge quantity of the Stainless Steel Seamless Pipes (Hot/Cold Rolled) under CTH 7304 utilizing the Advance Authorization Scheme as per the provisions of the Customs Notification No. 21/2023-Customs dated 01.04.2023 and diverted/sold the goods so imported into the Domestic Tariff Area in violation of the condition(s) of Notification No. 21/2023-Customs, dated 01.04.2023. I further observe that on scrutiny of the Advance Licenses issued by DGFT to these four proprietorship concerns indicated that they had declared a common supporting manufacturer, **namely Prudent Stainless Private Limited**. The details of these importers are as under:

**Table 1: Details of the 4 importers**

| Sr. No. | Name of the importer | IEC No. | Registered address | Name of the Proprietor |
|---|---|---|---|---|
| 1. | Vikanta Impex | AACPJ4996Q | Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi West, Vapi-396191. | Shri Mahesh Joshi |
| 2. | Vivanta International | AHTPA1064A | Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza, Aditya Birla Circle, ShashijitInfraprojects Ltd Corporate Office, GIDC Vapi, Vapi-396195. | Shri Nitin Ranganath Anchan |
| 3. | Ascent International | ABWPH4340R | Third Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi- 396195. | Shri Atul Shashikant Herekar |
| 4. | Vrunda International | BSCPM6046B | Ground Floor, Shop No.6, Sahajanand, Park B, Survey No. 892/1/1 Kilvani Road, Amli Silvassa-396230. | Shri Anand Menon |

32.2 I further observe that during the course of investigations, searches were conducted on **26.12.2023** at the following locations:-

| Sr. No. | Name of the importer | Registered address |
|---|---|---|
| 1. | Vikanta Impex | Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi West, Vapi-396191. |
| 2. | Vivanta International | Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza, Aditya Birla Circle, ShashijitInfraprojects Ltd Corporate Office, GIDC Vapi, Vapi-396195. |
| 3. | Ascent International | Third Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi- 396195. |
| 4. | Vrunda International | Ground Floor, Shop No.6, Sahajanand, Park B, Survey No. 892/1/1 Kilvani Road, Amli Silvassa-396230. |
| 5. | Prudent Stainless Private Limited | Plot No A2-229/1 GIDC, Umbergaon-396170 |

32.3 I observe that during the Panchnama proceedings at the premises **M/s. Vivanta International**, a signboard of M/s. Vivanta International was found and it was observed that Shri Chirag Pravin Patel was present at the location and identified himself as a trustee of IDA

Foundation. He stated that the premises had been used for the administrative work of IDA Foundation since November 2023. He further informed that M/s. Vivanta International had taken the premises on rent in July 2022 but had not paid rent for the last 7–8 months. The premises, measuring approximately 200 sq. ft., are jointly owned by his wife, Smt. Aakruti Jain, and his mother-in-law, Smt. Shashi Ajit Jain. Shri Chirag Pravin Patel produced a copy of the conveyance deed and rent agreement and stated that the lease arrangement was facilitated through their Chartered Accountant, Shri Rahul Kala. He also mentioned that the owner of M/s. Vivanta International had neither visited nor operated from the said premises since July 2022. Upon further enquiry, Shri Rahul Kala informed Shri Chirag Patel over the phone that the person who had approached him ***on behalf of M/s. Vivanta International for taking the premises on rent was one Shri Vipin (Mobile No. 9558312505)***. No documents pertaining to M/s. Vivanta International were found at the premises during the course of the search.

32.4 I observe that during the search of the premises of **M/s. Ascent International**, the premises was found to be locked and the search could not be executed. It was ascertained during the panchnama proceedings that the premises are owned by Shri Prasant Manohar Patil and he informed the officers telephonically that the premises were rented to Shri Atul S. Herekar, proprietor of Ascent International, but that he had not received rent for the past six months and was not in contact with the tenant, who possessed the keys. **Shri Patil arrived at the premises, produced the rent agreement, and contacted Shri Vipin Chaturvedi (consultant of Shri Atul S. Herekar), who confirmed his association but stated he was not present in Vapi**. As the key was not available and entry could not be secured, the premises were sealed with a DRI seal in the presence of panchas and the owner, with instructions not to tamper with the seal without DRI Vapi's permission.

32.5 I observe that during the search of the premises of **M/s. Ascent International** on 11.01.2024, it was observed that the premises were already sealed by DRI Vapi under panchnama dated 26.12.2023. In the presence of panchas, Shri Atul Shashikant Herekar removed the seal and opened the main lock as well as a secondary aluminum-framed glass door. The shop, approximately 10 by 20 feet with an attached toilet and two aluminum cabins, contained minimal furniture and some documents on the table. A thorough search conducted by officers and panchas revealed no stock of stainless-steel seamless pipes imported under the Advance Authorization scheme (Notification No. 21/2023-Cus dated 01.04.2023). Relevant documents including IEC copy, UDYAM certificate, rent agreement, bank remittance slips, bills of entry, commercial invoices, packing lists, bills of lading, transport documents, tax invoices, and country of origin certificates pertaining to Ascent International were recovered and seized under the panchnama

32.6 I observe that during the search at the premises of **M/s Vikranta Impex**, the premises found to be locked, and the search could not be conducted. A panchnama dated 26.12.2023 was drawn in the presence of two independent panchas. The shop was locked with a signage displaying "Vikranta Impex, Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Khumbarwad, Vapi(W)-396191, Mob: 8087130955" on the shutter. The security guard stated that the shop belonged to Shri Murjibhai (Mob: 9377675994), who later confirmed telephonically that he had rented the shop to Vikranta Impex but could not recall the proprietor's name, **mentioning the lease was arranged through Shri Vipinbhai (Mob: 9157614289).** The security guard also noted that no business activity had been observed at the shop. The officers sealed the premises in the presence of panchas and informed Shri Murjibhai to advise the proprietor to contact DRI Vapi. A copy of the panchnama was affixed to the shop shutter for further proceedings and information.

32.7 I further observe that Shri Mahesh Joshi, Proprietor of **M/s Vikranta Impex**, appeared before DRI for opening the premises sealed earlier. A panchnama dated 02.01.2024 was drawn in the presence of independent panchas. It was observed that the shop was locked with the DRI Vapi seal intact. Shri Mahesh Joshi, in the presence of panchas and officers, removed the seal and opened the lock. Upon search, no stock of imported stainless-steel seamless pipes (Hot/Cold Rolled) imported under the Advance Authorization scheme (Notification No. 21/2023-CUS dated 01.04.2023) was found. However, officers seized relevant documents, including IEC copy, UDYAM certificate, rent agreement, HDFC bank remittance slips, bills of entry, commercial invoices, packing lists, bills of lading, transport documents, CHA I M Logistics-related documents, tax invoices, and country of origin certificates.

32.8 I further observe that search was attempted on 26.12.2023 at the registered premises of **M/s Vrunda International**, but the premises was locked and the search could not be conducted. A panchnama dated 26.12.2023 was drawn in the presence of two independent panchas. During the proceedings, a signboard displaying “Vrunda International” was observed. On inquiry with nearby persons, Shri Anand Menon (Mob: 9321158755) was identified as the person concerned with Vrunda International. Officers contacted Shri Anand Menon, who refused to come to the premises, stating he was in Mumbai. Consequently, the officers sealed the premises with a DRI seal in the presence of panchas, requesting not to tamper with it without permission from DRI Sub-Regional Unit, Vapi, and informed Shri Anand Menon telephonically.

32.9 I further observed that the registered premises of M/s Vrunda International, was searched on 10.01.2024 under panchnama in the presence of independent panchas and Shri Anand Menon, Proprietor of M/s Vrunda International, who voluntarily appeared after being contacted. It was observed that the premises were locked and sealed with a DRI Vapi seal placed under panchnama dated 26.12.2023. Shri Anand Menon informed telephonically from his mobile (9920816443) that he was present at the office premises with the key. In presence of panchas and officers, Shri Anand Menon removed the seal and opened the lock. The shop, approximately 10 by 25 feet with two bifurcated cabins, was searched thoroughly; no physical stock of imported stainless-steel seamless pipes (Hot/Cold Rolled) under the Advance Authorization scheme (Notification No. 21/2023-CUS dated 01.04.2023) was found. Furthermore, no documents related to Vrunda International were found on the premises.

32.10 I further observe that a search was conducted at the premises of **M/s Prudent Stainless Private Limited**, the declared supporting manufacturer for M/s Vivanta International, Ascent International, Vikranta Impex, and Vrunda International under panchanama dated 27.12.2023. It was revealed during the proceedings that none of the four proprietorship concerns had ever sent any imported stainless-steel pipes to the said premises for job work or processing under the Advance Authorization scheme. No stock of such goods was found, nor were there any job work challans, invoices, or related documents linking Prudent Stainless Pvt. Ltd. with the said entities. Shri Mukesh Soni, part-time accountant, confirmed that the company **had no sale, purchase, or job work transactions with Vivanta International, Vikranta Impex, or Vrunda International, and only one high seas purchase from Ascent International. Shri Vipin Chaturvedi, a consultant to the company, admitted to facilitating the inclusion of Prudent Stainless Pvt. Ltd**. as a supporting manufacturer in the Advance Authorization applications of the said entities, though no supporting agreement or documentation could be produced. The findings indicate that the association between the said proprietorship firms and Prudent Stainless Pvt. Ltd. was only on paper and not substantiated by any actual movement or processing of goods.

32.11 I observe that during search proceedings conducted at the registered premises of M/s Satya Steel on 08.01.2024, during which a signboard bearing GST No. 27BCNPP1592C1ZF was found

displayed. The premises were identified as a warehouse with no manufacturing facility, and various types of steel pipes were found stored. Shri Suraj Pal, in-charge of the premises, facilitated contact with Shri Prakash Khadye, the authorized person for Satya Steel, who appeared during the search proceedings. Shri Khadye admitted that Satya Steel had business relations with the firm's M/s Vivanta International, Ascent International, Vikranta Impex, and Vrunda International specifically stated that the steel pipes lying in the warehouse belonged to M/s Vrunda International and M/s Satya Steel. An inventory of the stock was prepared in the presence of independent panchas and verified by Shri Vikram, PMI Tester from Honesty Metal Testing Services. It was confirmed that the goods were indeed stainless-steel pipes. This establishes a direct linkage between Satya Steel and one of the importer firms under investigation, confirming that duty-free imported goods under Advance Authorization were received and stored by Satya Steel, further supporting the inference of diversion of such goods into the domestic market.

**Table 2: Details of steel pipes lying in the premises of Satya Steel**

| Sr. No. | Description and Grade | Size of the pipe | No. of Pieces | Bundle marked as |
|---|---|---|---|---|
| 26. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 82 | Z. |
| 27. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 42 | AA. |
| 28. | S S Seamless Pipe (Grade-304) | 42.2*3.56 | 47 | BB. |
| 29. | S S Seamless Pipe (Grade-304) | 88.9*3.05 | 18 | CC. |
| 30. | S S Seamless Pipe (Grade-304) | 48.15*3.30 | 40 | DD. |
| 31. | S S Seamless Pipe (Grade-304) | 60.3*8.74 | 18 | EE. |
| 32. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 20 | FF. |
| 33. | S S Seamless Pipe (Grade-304) | 114.3*3.05 | 11 | GG. |
| 34. | S S Seamless Pipe (Grade-304) | 60.3*5.54 | 21 | HH. |
| 35. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 105 | II. |
| 36. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 111 | JJ. |
| 37. | S S Seamless Pipe (Grade-304) | 33.4*3.38 | 96 | KK. |
| 38. | S S Seamless Pipe (Grade-304) | 33.6*3.58 | 80 | LL. |
| **39.** | **S S Seamless Pipe (Grade-316)** | **219.1*8.18** | **42** | **MM.** |
| **40.** | **S S Seamless Pipe (Grade-316)** | **89*3** | **47** | **NN.** |
| 41. | S S Seamless Pipe (Grade-304) | 273.3*12.7 | 9 | OO. |
| 42. | S S Seamless Pipe (Grade-304) | 219*12.7 | 8 | PP. |

| | | | | |
|---|---|---|---|---|
| **43.** | **S S Seamless Pipe (Grade-316)** | **26.7*5** | **113** | **QQ.** |
| 44. | S S Seamless Pipe (Grade-304) | 63.5*1.5 | 30 | RR. |
| 45. | S S Seamless Pipe (Grade-304) | 25.4*2 | 90 | SS. |
| 46. | S S Seamless Pipe (Grade-304) | 15.88*1.20 | 369 | TT. |
| 47. | S S Seamless Pipe (Grade-304) | 19.05*2 | 120 | UU. |
| 48. | S S Seamless Pipe (Grade-304) | 26*13 | 194 | VV. |
| 49. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 203 | WW. |
| 50. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 47 | XX. |

32.121 I further observe that Shri Vikram, PMI Tester, Honesty Metal Testing Service tested the grade of steel pipes in presence of panchas and submitted report No. HMTS/758 dated 08.01.2024 declaring that all above bundles of pipe as per the list are of Grade-304, except bundles marked as N, O & R which are of 316 Grade. The Officers in presence of panchas also found that the bundles marked as S, T, U, V, W were imported goods of UAE origin having marking of BIS with CML no. 4100040960 on the sticker. Further Shri Prakash Khadye in presence of panchas, informed the officers that the bundle marked as S, T, U, V, W were imported by M/s Satya Steel. Further, Shri Prakash Khadye also informed that remaining goods other than the bundle marking of **N, O, R, S, T, U, V, W** belongs to M/s Vrunda International/other concerned Proprietorship concerns in respect of which inquiry is going on. Shri Madan Chaudhary in presence of the panchas also informed the officer that on various occasions, he has delivered the goods of M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International imported under advance authorization scheme at this premise of M/s Satya Steel.

32.12.2 I further observe that the officers were of reasonable belief that the goods (bundles) marked above from A to Y except bundles marked as N, O, R, S, T, U, V, W were imported by M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International imported under advance authorization scheme as per E-way bills available i.r.o. Bills of entry of these 4 firms, the goods imported i.e. Steel grade pipe 304 were delivered at the premise of M/s Satya Steel. Further the goods imported under advance authorization scheme cannot be diverted in the local market other than at the places mentioned under the advance authorization license. Accordingly, the officers under reasonable belief detained the goods i.e. bundle marked from A to Y except bundles of marking N, O, R, S, T, U, V, W under the provisions of Customs Act,1962. The detained goods were handed over to Shri Prakash Khadye under Supratnama dated 08.01.2024.

**32.12 In view of the above documentary evidences, I find that on the basis of search proceedings it is evident that the entities M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, and M/s Vrunda International were dummy firms created with the sole intent of fraudulently availing the benefits of duty exemption under the Advance Authorization scheme. The premises of these firms were either found locked, sealed, or sparsely furnished, with no evidence of any genuine business operations. No stock of imported stainless-steel seamless pipes was found at any of the locations, and**

**relevant documents were either scant or completely absent, indicating that these firms were non-operational in nature. In multiple instances, it was also found that rent had not been paid for several months and landlords had not been in contact with the tenants. I also find that investigation has revealed that Shri Vipin Chaturvedi played a central role in the formation and operation of these entities, including arranging rented premises and acting as a consultant to the said firms. His name repeatedly surfaced during panchnama proceedings as the person who introduced or coordinated on behalf of the firms, including facilitating the inclusion of M/s Prudent Stainless Pvt. Ltd. as a supporting manufacturer in the Advance Authorization applications. However, during the search at the premises of Prudent Stainless Pvt. Ltd., it was confirmed that no goods were ever received from any of the four firms for job work or processing, and no documentation supporting any such transaction existed. The accountant and the consultant confirmed that no sale, purchase, or job work activity had ever occurred. These facts collectively indicate that the goods imported duty-free under the Advance Authorization scheme were never put to intended use and were instead diverted into the domestic market, in violation of the conditions of the scheme.**

**CIRCUMSTAINTIAL EVIDENCE**

**MOTIVE**

32.13 I find that the primary motive behind the creation and operation of the four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International—was to fraudulently avail the benefit of conditional exemption under the Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dt 01.04.2023, with the intent to divert duty-free imported goods into the domestic market. The circumstantial evidence reveals that Shri Vipin Chaturvedi acted with clear intent to gain financially from such diversion.

32.14 I find that financial records reveal substantial sums credited to the bank account of M/s Vipra Impex, a proprietary concern of Shri Vipin Chaturvedi. A total of ₹87.87 lakhs was received from the above-mentioned firms, without any documented legal or contractual basis. This reflects clear personal financial gain, establishing a strong motive for the orchestration of the fraudulent scheme.

32.15 I find that Shri Vipin Chaturvedi misused the provisions of the Advance Authorization Scheme by importing stainless-steel seamless pipes free of duty, purportedly for export manufacturing, and subsequently diverting the same to domestic buyers such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd. The imports were never used for export processing, as required Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dt 01.04.2023, thereby resulting in wrongful availing of duty exemption.

32.16 I also find that Shri Vipin Chaturvedi deliberately involved financially weak individuals as nominal proprietors of the four firms in order to shield himself from legal liability. These individuals were not involved in any operational or managerial activity, as confirmed by their statements. This misuse of identity and credentials shows a calculated effort to distance himself from the fraudulent operations while continuing to exercise full control.

32.17 I also find that substantial cash transactions, including deposits and withdrawals across four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International point towards a deliberate attempt to conceal profits, avoid tax liabilities, and carry out off-the-record sales in the domestic market. This further supports the existence of a financial motive behind the creation and operation of the said dummy firms.

**COHERENCE AMONG EVIDENCES**

32.18 I find that the statements of all four individuals named as proprietors are consistent and corroborative. They unanimously admitted to having provided KYC documents to Shri Vipin Chaturvedi and stated that they were not involved in the day-to-day operations of their respective firms. They had no knowledge of imports, exports, buyers, suppliers, or customs procedures, which unequivocally confirms that they were merely name-lenders.

32.19 I find that the registered premises of the four firms were either locked, sealed, or minimally furnished during the search proceedings, and no stock of imported goods was found. Landlords confirmed that rent had not been paid for months and that no active business operations were being carried out. These findings indicate that the entities were non-functional and existed only on paper.

32.20 I find that Shri Vipin Chaturvedi included M/s Prudent Stainless Pvt. Ltd. as a supporting manufacturer in the Advance Authorization applications. However, it was confirmed during the search that no goods were ever sent or received by Prudent Stainless, and no records of job work or processing exist. This further reinforces that the imports were not intended for export production and that the documentation was fabricated to support duty exemption claims.

32.21 I find that the analysis of Call Detail Records (CDRs) reveals that the mobile numbers registered in the names of these firms were, in fact, used by Shri Vipin Chaturvedi. The location data consistently matches his known business and residential locations in Vapi and Silvassa. The actual proprietors' personal mobile numbers remained located in Mumbai or Umbergaon, never coinciding with their firm's registered numbers. This digital evidence conclusively proves that communications and operations were handled solely by Shri Vipin Chaturvedi.

32.22 I further find that the bank accounts of these firms show clear and consistent financial flows from M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd., which were used to make remittances to Chinese suppliers (Zhejiang Xintongda, Wenzhou Yimo, Wenzhou Sparkling). The close matching of amounts and dates between receipts from domestic buyers and payments to overseas suppliers confirms that these were coordinated and controlled by Shri Vipin Chaturvedi.

32.23 I find that Shri Vipin Chaturvedi has admitted to preparing the letter dated 21.05.2024, coordinating the import documentation, getting it signed from the proprietors, and managing all communications, customs formalities, transportation, and warehousing. His admission, when read in conjunction with corroborative oral and documentary evidence, confirms his complete operational control over the entire scheme.

32.24 I also find that the detained goods, as per panchnama dated 08.01.2024, were located at the premises of M/s Satya Steel, another firm in which Shri Vipin Chaturvedi exercised control. The goods matched the specifications and markings of those imported under Advance Authorization by the four dummy firms. This confirms that Satya Steel served as the physical point of diversion.

32.25 I also find that statements from the CHA Shri Vaibhav Shelar, Transporters Shri Madan Chaudhary and domestic buyers Shri Darshak Shah, Shri Ashok Seth and Shri Bechraram Dewasi clearly indicate that they interacted solely with Shri Vipin Chaturvedi and never with the nominal proprietors of the importing firms. These third-party statements provide independent corroboration of Shri Chaturvedi’s central role.

32.26 I find that all pieces of evidence—oral, digital, financial and documentary are internally consistent and mutually reinforcing. They form an unbroken chain of circumstantial evidence pointing to the deliberate creation and operation of dummy firms by Shri Vipin Chaturvedi to fraudulently import duty-free goods under the Advance Authorization scheme and divert them in the domestic market.

32.27 In view of the above, I find that the circumstantial evidence, taken as a whole, conclusively establishes that Shri Vipin Chaturvedi is the beneficial owner, mastermind, and controller behind the fraudulent import operations conducted through the four dummy proprietorships i.e. M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International. The circumstantial evidence demonstrates not only a clear motive in the form of financial gain but also an unbroken chain of coherence linking all aspects of the offense—from firm formation, document fabrication, import logistics, to the ultimate diversion and financial enrichment.

32.28 In view of the above, it has been undisputedly established that Shri Vipin Chaturvedi exercised full control and management over the four proprietorship firms—M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International—which were mere fronts created using the identities of financially weak individuals. The proprietors' consistent admissions, the Call Detail Record analysis showing exclusive use of firm-linked mobile numbers by Shri Chaturvedi, and the financial trail linking import transactions and personal gains leave no room for doubt. This evidence collectively proves that Shri Chaturvedi orchestrated a deliberate scheme to misuse the Advance Authorization Scheme for duty-free imports, illegally diverting goods to the domestic market, resulting in significant customs duty evasion amounting to ₹13.95 crores. The noticees have not contested these findings effectively, thereby affirming the veracity and non-contradictory nature of the evidence against them.

33. In view of the above Oral, Financial, Digital, Documentary and Circumstaintial evidence I find that it is undisputedly established that Shri Vipin Chaturvedi orchestrated a well-planned and deliberate scheme to fraudulently avail the benefits of the Advance Authorization Scheme under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023. The creation and operation of four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International—was solely intended to obtain duty-free import benefits through the misuse of Advance Authorization Scheme under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023. These 04 firm found to be mere paper entities with no genuine business operations and were operated in the names of financially weak individuals who acted merely as name-lenders and had no role or knowledge of import-export procedures.

33.1 I also find that the cumulative evidence—statements from the purported proprietors, corroboration from third parties such as customs brokers, transporters, and domestic buyers, analysis of Call Detail Records (CDRs), financial trail linking payments from domestic buyers to foreign suppliers, and the physical seizure of imported goods diverted to the domestic market—clearly establishes the central and controlling role of Shri Vipin Chaturvedi. The consistent pattern of imports under Advance Authorization, followed by immediate domestic sale and corresponding remittances abroad, demonstrates a premeditated and structured modus operandi intended to defeat the very objective of the advance authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023.

33.2 Furthermore, Shri Vipin Chaturvedi's admission of preparing and coordinating documentation, handling customs formalities, managing communications, and controlling warehousing and transportation undisputedly establishes that he was the beneficial owner and decision-maker behind the entire operation. The use of supporting manufacturer M/s Prudent Stainless Pvt. Ltd., despite no actual job work taking place, and the seizure of duty-free imported goods from another related firm i.e. M/s Satya Steel, further reinforces that the imports were never intended for export production, but were systematically diverted into the domestic market in violation of the conditions of the Advance Authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023

33.3 In view of the above, I find that Shri Vipin Chaturvedi is the beneficiary in this matter, having willfully and fraudulently misused the Advance Authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023 to evade applicable customs duties. The dummy firms acted as fronts under his control to give the scheme a legality, while the actual intent and execution remained in complete contravention of the Advance authorization.

33.4 It is a settled law that fraud and justice never dwell together (Frauset Jus nunquam cohabitant). Lord Denning had observed that "no judgement of a court, no order of a minister can be allowed to stand if it has been obtained by fraud, for, fraud unravels everything" there are numerous judicial pronouncements wherein it has been held that no court would allow getting any advantage which was obtained by fraud. The Hon'ble Supreme Court in case of CC, Kandla vs. Essar Oils Ltd. reported as 2004 (172) ELT 433 SC at paras 31 and 32 held as follows:

*"31. ''Fraud'' as is well known vitiates every solemn act. Fraud and justice never dwell together. Fraud is a conduct either by letter or words, which includes the other person or authority to take a definite determinative stand as a response to the conduct of the former either by words or letter.* ***It is also well settled that misrepresentation itself amounts to fraud.*** *Indeed, innocent misrepresentation may also give reason to claim relief against fraud.* ***A fraudulent misrepresentation is called deceit and consists in leading a man into damage by wilfully or recklessly causing him to believe and act on falsehood.*** *It is a fraud in law if a party makes representations, which he knows to be false, although the motive from which the representations proceeded may not have been bad. An act of fraud on court is always viewed seriously. A collusion or conspiracy with a view to deprive the rights of the others in relation to a property would render the transaction void ab initio. Fraud and deception are synonymous. Although in a given case a deception may not amount to fraud, fraud is anathema to all equitable principles and any affair tainted with fraud cannot be perpetuated or saved by the application of any equitable doctrine including res judicata. (Ram Chandra Singh v. Savitri Devi and Ors.[2003 (8) SCC 319].*

*32. "Fraud" and collusion vitiate even the most solemn proceedings in any civilized system of jurisprudence. Principle Bench of Tribunal at New Delhi extensively dealt with the issue of Fraud while delivering judgment in Samsung Electronics India Ltd. Vs commissioner of Customs, New Delhi reported in 2014(307)ELT 160(Tri. Del). In Samsung case, Hon'ble Tribunal held as under.*

*"If a party makes representations which he knows to be false and injury ensues there from although the motive from which the representations proceeded may not have been bad is considered to be fraud in the eyes of law. It is also well settled that misrepresentation itself*

*amounts to fraud when that results in deceiving and leading a man into damage by wilfully or recklessly causing him to believe on falsehood. Of course, innocent misrepresentation may give reason to claim relief against fraud. In the case of Commissioner of Customs, Kandla vs. Essar Oil Ltd. - 2004 (172) E.L.T. 433 (S.C.) it has been held that by "fraud" is meant an intention to deceive; whether it is from any expectation of advantage to the party himself or from the ill-will towards the other is immaterial. "Fraud" involves two elements, deceit and injury to the deceived.*

*Undue advantage obtained by the deceiver will almost always cause loss or detriment to the deceived. Similarly a "fraud" is an act of deliberate deception with the design of securing something by taking unfair advantage of another. It is a deception in order to gain by another's loss. It is a cheating intended to get an advantage. (Ref: S.P. Changalvaraya Naidu v. Jagannath [1994 (1) SCC 1: AIR 1994 S.C. 853]. It is said to be made when it appears that a false representation has been made (i) knowingly, or (ii) without belief in its truth, or (iii) recklessly and carelessly whether it be true or false [Ref :RoshanDeenv. PreetiLal [(2002) 1 SCC 100], Ram Preeti Yadav v. U.P. Board of High School and Intermediate Education [(2003) 8 SCC 311], Ram Chandra Singh's case (supra) and Ashok Leyland Ltd. v. State of T.N. and Another [(2004) 3 SCC 1].*

*Suppression of a material fact would also amount to a fraud on the court [(Ref: Gowrishankarv. Joshi Amha Shankar Family Trust, (1996) 3 SCC 310 and S.P. Chengalvaraya Naidu's case (AIR 1994 S.C. 853)]. No judgment of a Court can be allowed to stand if it has been obtained by fraud. Fraud unravels everything and fraud vitiates all transactions known to the law of however high a degree of solemnity. When fraud is established that unravels all. [Ref: UOI v. Jain Shudh Vanaspati Ltd. - 1996 (86) E.L.T. 460 (S.C.) and in Delhi Development Authority v. Skipper Construction Company (P) Ltd. - AIR 1996 SC 2005]. Any undue gain made at the cost of Revenue is to be restored back to the treasury since fraud committed against Revenue voids all judicial acts, ecclesiastical or temporal and DEPB scrip obtained playing fraud against the public authorities are non-est. So also, no Court in this country can allow any benefit of fraud to be enjoyed by anybody as is held by Apex Court in the case of Chengalvaraya Naidu reported in (1994) 1 SCC I: AIR 1994 SC 853. Ram Preeti Yadav v. U.P. Board High School and Inter Mediate Education (2003) 8 SCC 311.*

*A person whose case is based on falsehood has no right to seek relief in equity [Ref: S.P. Chengalvaraya Naidu v. Jagannath, AIR 1994 S.C. 853]. It is a fraud in law if a party makes representations, which he knows to be false, and injury ensues there from although the motive from which the representations proceeded may not have been bad. [Ref: Commissioner of Customs v. Essar Oil Ltd., (2004) 11 SCC 364 = 2004 (172) E.L.T. 433 (S.C.)].*

*When material evidence establishes fraud against Revenue, white collar crimes committed under absolute secrecy shall not be exonerated as has been held by Apex Court judgment in the case of K.I. Pavunnyv.AC, Cochin - 1997 (90) E.L.T. 241 (S.C.). No adjudication is barred under Section 28 of the Customs Act, 1962 if Revenue is defrauded for the reason that enactments like Customs Act, 1962, and Customs Tariff Act, 1975 are not merely taxing statutes but are also potent instruments in the hands of the Government to safeguard interest of the economy. One of its measures is to prevent deceptive practices of undue claim of fiscal incentives.*

*It is a cardinal principle of law enshrined in Section 17 of Limitation Act that fraud nullifies everything for which plea of time bar is untenable following the ratio laid down by Apex Court in the case of CC. v. Candid Enterprises - 2001 (130) E.L.T. 404 (S.C.). Non est instruments at all times are void and void instrument in the eyes of law are no instruments. Unlawful gain is thus debarred."*

33.5 In view of the above, I find that on the basis of oral, documentary, financial, and digital evidence, it is conclusively established that Shri Vipin Kanhaiyalal Chaturvedi orchestrated a calculated fraud by operating four dummy proprietorship firms—M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International—as mere facades to unlawfully claim benefits under the Advance Authorization Scheme. The investigation revealed that these firms were non-functional fronts, controlled entirely by Shri Vipin Chaturvedi, who misused the identities of the nominal proprietors and manipulated mobile and financial records to conceal his sole operational control. This deliberate misrepresentation and suppression of material facts constitute fraud in law, rendering all transactions void ab initio. The fraudulent acts were designed to evade customs duties, divert goods meant for export into the domestic market, and illegally enrich Shri Vipin Chaturvedi. In line with settled legal principles, such fraudulent conduct vitiates all claims and bars any relief, mandating the restoration of undue financial benefits obtained at the cost of the Revenue.

33.6 I further rely on the following judgements: -

33.6.1 **Hon'ble Telangana High Court in case of Y.S.Mohan Rao vs Sri Satya Sai Chemicals And Feed in C.C.C.A.No.157 of 2002.**

*"When the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons.'*

"11. **The doctrine of lifting of the corporate veil could be applied in cases of tax evasion, or to circumvent tax obligation or to perpetuate fraud or trading with an enemy are concerned**. ‘’

33.6.2**Hon'ble Supreme Court in case of In State of U.P. v. Renusagar Power Co. [1988] Supp. 1 SCR 627**

In State of U.P. v. Renusagar Power Co. [1988] Supp. 1 SCR 627 this Court lifted the **veil** to hold that Hindalco, the holding company, and Renusagar Power Co., its subsidiary, should be treated as one concern and the power plant of Renusagar must be treated as the own source of generation of Hindalco and Hindalco would be liable to payment of electricity duty on that basis. It was observed:

*"It is high time to reiterate that in the expanding of horizon of modern jurisprudence, lifting of **corporate veil** is permissible. Its frontiers are unlimited. It must, however, depend primarily on the realities of the situation.... The horizon of the doctrine of lifting of **corporate veil** is expanding."*

33.6.3 **Hon'ble Supreme Court in case of Hon'ble Supreme Court in case of Balwant Rai Saluja & Anr Etc. vs Air India Ltd.& Ors on 25 August, 2014, in civil appeal nos. 10264-10266 of 2013.**

*"*

*62. In the present set of appeals, it is an admitted fact that the HCI is a wholly owned subsidiary of the Air India. It has been urged by the learned counsel for the appellants that this Court should pierce the **veil** and declare that the HCI is a sham and a camouflage. Therefore, the liability regarding the appellants herein would fall upon the Air India, not the HCI. In this regard, it would be pertinent to elaborate upon the concept of a subsidiary company and the principle of lifting the **corporate veil**.*

*"...a company must be treated like any other independent person with its rights and liabilities legally appropriate to itself ..., whatever may have been the ideas or schemes of those who brought it into existence."*

*67. Most of the cases subsequent to the Salomon case (supra), attributed the doctrine of piercing the **veil** to the fact that the company was a 'sham' or a 'façade'. However, there was yet to be any clarity on applicability of the said doctrine.*

*68. In recent times, the law has been crystallized around the six principles formulated by Munby J. in Ben Hashem v. Ali Shayif, [2008] EWHC 2380 (Fam). The six principles, as found at paragraphs 159– 164 of the case are as follows- (i) ownership and control of a company were not enough to justify piercing the **corporate veil**; (ii) the Court cannot pierce the **corporate veil**, even in the absence of third party interests in the company, merely because it is thought to be necessary in the interests of justice;*

*(iii) the **corporate veil** can be pierced only if there is some impropriety; **(iv) the impropriety in question must be linked to the use of the company structure to avoid or conceal liability; (v) to justify piercing the corporate veil, there must be both control of the company by the wrongdoer(s)** and impropriety, that is use or misuse of the company by them as a device or facade to conceal their wrongdoing; and (vi) the company may be a 'façade' even though it was not originally in**corporate**d with any deceptive intent, provided that it is being used for the purpose of deception at the time of the relevant transactions. The Court would, however, pierce the **corporate veil** only so far as it was necessary in order to provide a remedy for the particular wrong which those controlling the company had done.*

*69. The principles laid down by the Ben Hashem case (supra) have been reiterated by UK Supreme Court by Lord Neuberger in Prest v. Petrodel Resources Limited and others, [2013] UKSC 34.*

33.6.4 **Hon'ble Supreme Court in case of State Of Rajasthan And Ors vs Gotan Lime Stone Khanij Udyog And Anr on 20 January, 2016 in civil appeal no. 434 of 2016 (Arising out of SLP (Civil) no. 23311 of 2015.**

23. The principle of lifting the **corporate veil** as an exception to the distinct **corporate** personality of a company or its members is well recognized not only to unravel tax evasion[7] but also where protection of public interest is of paramount importance and the **corporate** entity is an attempt to evade legal obligations and lifting of **veil** is necessary to prevent a device to avoid welfare legislation[8]. It is neither necessary nor desirable to enumerate the classes of cases where lifting the **veil** is permissible, since that must necessarily depend on the relevant statutory or other provisions, the object sought to be achieved, the impugned conduct, the involvement of the element of the public interest, the effect on parties who may be affected etc.[9]

24. In State of U.P. vs. Renusagar Power Co.[10] this Court observed:

"66. It is high time to reiterate that in the expanding horizon of modern jurisprudence, lifting of **corporate veil** is permissible. Its frontiers are unlimited. It must, however, depend primarily on the realities of the situation. The aim of the legislation is to do justice to all the parties. The horizon of the doctrine of lifting of **corporate veil** is expanding……

67. In the aforesaid view of the matter we are of the opinion that the **corporate veil** should be lifted and Hindalco and Renusagar be treated as one concern and Renusagar's power plant must be treated as the own source of generation of Hindalco and should be liable to duty on that basis.

"24. Lifting the **corporate veil** :

In Aron Salomon v. Salomon & Company Limited (1897) AC 22, the House of Lords had observed, "the company is at law a different person altogether from the subscriber...; and though it may be that after incorporation the business is precisely the same as it was before and the same persons are managers and the same hands received the profits, the company is not in law the agent of the subscribers or trustee for them. Nor are the subscribers as members liable, in any shape or form, except to the extent and in the manner provided by that Act". Since then, however, the Courts have come to recognise several exceptions to the said rule. **While it is not necessary to refer to all of them, the one relevant to us is "when the corporate personality is being blatantly used as a cloak for fraud or improper conduct". (Gower : Modern Company Law - 4th Edn. (1979) at P. 137). Pennington (Company Law - 5th Edn. 1985 at P. 53)** also states that "where the protection of public interests is of paramount importance or where the company has been formed to evade obligations imposed by the law", the court will disregard the **corporate veil**. A Professor of Law, S. Ottolenghi in his article "From Peeping Behind the **Corporate Veil**, to Ignoring it Completely" says "the concept of 'piercing the **veil**' in the United States is much more developed than in the UK. The motto, which was laid down by Sanborn, J. and cited since then as the law, is that 'when the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons. The same can be seen in various European jurisdictions".

33.7 In view of the above, I find that Shri Vipin Kanhaiyalal Chaturvedi deliberately formed and controlled four dummy proprietorship firms—M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International—with the sole purpose of facilitating customs duty evasion and deriving undue financial benefits. These firms were mere facades, lacking genuine business activity, created to conceal the true nature of operations and to misuse the legal entity for fraudulent purposes. In view of the well-established legal principle of lifting the corporate veil, as upheld by the Hon'ble Supreme Court, the separate legal identities of these firms cannot be allowed to shield Shri Vipin Chaturvedi from liability. The corporate veil must be pierced to expose him as the real controller and beneficiary behind these entities, ensuring that justice is served and the fraudulent scheme is appropriately addressed.

33.8 **In the peculiar facts of the instant case, I am no inclined to accept that Sh Vipin Chaturvedi is just a consultant because it is very relevant to examine as to who is the dummy person standing in front of the veil of the proprietorship firms M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International and who is standing behind of this veil while actually hatching the conspiracy and reaping the benefits of its spoils. There are a number of judgements by different Hon'ble Courts regarding need of lifting the veil of a firm which has been used as dummy to cause the fraud. In case of a proprietorship firm also, the same will apply because the principle in both the situation is identical which is in form of 'need of lifting the façade from the face of a firm by reaching to the actual conspirator and holding him responsible. Therefore, I relying on the following judgement to hold Shri Vipin Chaturvedi for also the deeds of M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International because he was who created the façade of these proprietorship firms to reap the benefits of misuse of Advance Authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023 while appropriating the benefits of evasion of basic Customs Duty.**

33.9 **Commissioner of Customs (Import), Mumbai Versus Pundrick Ravindra Trivedi 2015 (322) E.L.T. 812 (S.C.) Civil Appeal No. 1507 of 2006, decided on 7-8-2015,**

In Commissioner of Customs (Import), Mumbai Versus Pundrick Ravindra Trivedi 2015 (322) E.L.T. 812 (S.C.) Civil Appeal No. 1507 of 2006, decided on 7-8-2015, goods were imported were in name of dummy firms wherein complete functional units of car cassettes players and five-in-one music systems could be assembled from respective parts, and the imported goods were offered in SKD condition. *What is most important, which nails Mr. Trivedi, i.e., respondent*

*No. 1, is his own statement. He has accepted the aforesaid arrangement as disclosed by Mr. Patel and Mr. Soni and admitted that it is he who was calling the shots and, in fact, was actual importer of the material in question which was imported in the* ***name of two dummy firms****. Not only he admitted that the complete functional units of car cassettes players and five-in-one music systems of Pioneer, Sony, Phillips, Kenwood and Thomson can be made by assembling the respective parts. He also stated that these goods were offered to him in SKD condition and he imported the same vide different Bills of Entries for tax management purpose.* In this case, Hon'ble Supreme Court held that substantially inadequate and wrong descriptions of goods was proved. Hence, enhancement of value and demand of differential duty based on classification of goods as completed units, upheld.

33.9.1 **Commissioner of C. EX., New Delhi *Versus* Modi Alkalies & Chemicals Ltd. *Civil Appeal Nos. 7827-7834 of 2002, decided on 18-8 2004,* 2004 (171) E.L.T. 155 (S.C.).**

**In Commissioner of C. EX., New Delhi** *Versus* Modi Alkalies & Chemicals Ltd. *Civil Appeal Nos. 7827-7834 of 2002, decided on 18-8 2004,* **2004 (171) E.L.T. 155 (S.C.),** pervasive financial and management control were held to be prima facie indicators of interdependence and relationship of dummy and mastermind.

*"Whether there is inter-dependence and whether another unit is, in fact, a dummy has to be adjudicated on the facts of each case. There cannot be any generalization or rule of universal application.* ***Two basic features which prima facie show interdependence are pervasive financial control and management control.*** *In the present case facts clearly show financial control. Undisputedly, the share capital of each of the three companies was Rs. 200/-. Though it was claimed that financial assistance was availed from the financial companies, it is on record that the unsecured loans advanced by MACL to the three companies were substantially heavy amounts as on 1-4-1998. NGCPL received an amount of Rs. 1.55 crores. About 14 lakhs appeared to have been paid after the issue of show cause notice. Loans advanced to NGCPL was about Rs. 52 lakhs while to SCGCPL it was about Rs. 65 lakhs. The finding of the Commissioner that the financial assistance from the financial institutions were availed with the aid and assistance of MACL has not been seriously disputed. Apart from that, the cylinders were brought on lease by MACL from another concern and were sub-leased to the three companies. The cylinders bore the name of MACL.* ***If the three companies had separate standing as contended it could not be explained why they could not get the cylinders directly from the lessors on lease basis and the need for introducing MACL as the lessee and then the three companies becoming sub-lessees. As noted by the Commissioner, entire receipts were paid as lease amount to MACL. Here again, the under-valuation aspect assumes importance. While the supply by MACL to three companies was Rs. 0.50 per unit, the sale price by the three companies was Rs. 5 per unit. It is on record that accounts were kept by common staff and marketing was done under the supervision of a person who belongs to the same group of concerns. The amounts have been collected by an employee of MACL. The so-called Directors of the companies were undisputedly employees of MACL. Almost the entire financial resources were made by MACL. The financial position clearly shows that MACL had more than ordinary interest in the financial arrangements for companies. The statements of the employees/Directors show that the whole show was controlled, both on financial and management aspects by MACL. If these are not sufficient to show inter-dependence probably nothing better would show the same."***

33.10 In view of the above Oral, Documentary, Digital, Financial and Circumstaintial evidences it is undisputedly established that Shri Vipin Kanhaiyalal Chaturvedi is the mastermind and sole beneficiary of an intricate and deliberate scheme to defraud the Revenue by misuse of Advance

Authorization Scheme under Para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023.

33.11 The fradulent scheme was executed through four dummy proprietorship firms M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International which were created using the names and credentials of financially weak individuals acting purely as name-lenders. These firms were completely non-functional and non-operational, having no manufacturing capability or export activity. Investigations have firmly established that all decisions, documentation, import-export transactions, and financial flows were controlled directly by Shri Vipin Chaturvedi.

33.12 This modus operandi was deliberately designed to fraudulently obtain customs duty exemptions on imports of stainless steel scrap and other raw materials without fulfilling the actual export obligations mandated under the Advance Authorization under Para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023. The imported goods were deliberately illegally diverted into the domestic market, resulting in customs duty evasion of ₹13.95 crores.

33.13 CDR analysis linking all mobile and communication channels to Shri Vipin Chaturvedi, Bank records transactions revealing the financial trail to M/s Vipra Impex, proprietory firm of Shri Vipin Chaturvedi, statements from the dummy proprietors admitting to being uninvolved in this conspiracy of duty evasion, clearly shows that the entire operation was centrally planned and executed by Shri Vipin Chaturvedi under a veil of falsified documentation and surrogate ownership.

33.14 Such fraudulent actions constitute fraud in law, as held by the Hon'ble Supreme Court in CC, Kandla v. Essar Oil Ltd. [2004 (172) ELT 433 (SC)], where it was held that *"fraud unravels everything"*. As further reiterated in S.P. Chengalvaraya Naidu v. Jagannath [1994 (1) SCC 1], any judgment or benefit obtained by fraud is null and void ab initio. The present case is a classic example of deliberate misrepresentation and suppression of material facts for personal enrichment.

33.15 The doctrine of lifting the corporate/proprietary veil, firmly supported by multiple judicial pronouncements—including State of U.P. v. Renusagar Power Co. and Balwant Rai Saluja v. Air India Ltd. is fully applicable in the facts of this case. It is evident that Shri Vipin Chaturvedi stood behind the façade, while the name-lenders were merely figureheads.

33.16 I find that in view of the above the veil of the dummy firms is hereby lifted and Shri Vipin Kanhaiyalal Chaturvedi is held personally and fully responsible for all consequences arising from the fraudulent transactions committed in the name of M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International.

33.17 I rely on the judgement of **Supreme Court Of India Civil Appellate Jurisdiction**

**Civil Appeal No. 3327 Of 2007 in the case of COMMISSIONER OF CUSTOMS (IMPORT), MUMBAI** …APPELLANT(S) VERSUS **M/S. DILIP KUMAR AND COMPANY & ORS.** …RESPONDENT(S). The relevant part of the judgement is reproduced below:-

*" **52.** To sum up, we answer the reference holding as under*

*(1) Exemption notification should be interpreted strictly; the burden of proving applicability would be on the assessee to show that his case comes within the parameters of the exemption clause or exemption notification.*

*(2) When there is ambiguity in exemption notification which is subject to strict interpretation, the benefit of such ambiguity cannot be claimed by the subject/assessee and it must be interpreted in favour of the revenue.*

*(3) The ratio in* **Sun Export case** *(supra) is not correct and all the decisions which took similar view as in* **Sun Export Case** *(supra) stands overruled."*

I further observe that applying the ratio of the above judgment to the present case, it is undisputed fact that the noticee has **failed to discharge the burden** of proving eligibility under the Advance License Scheme. The fraudulent intent and misuse of the scheme further disentitle the noticee involved from claiming any benefit under the exemption notification.

33.18 In view of the above it evident that Shri Vipin Chaturvedi is control and beneficial owner of the conditionally exempted imported goods in the façade of four proprietorship concerns i.e. M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International.

**C. Now I take up the next question as to whether Differential Customs duty amounting to ₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only) including Anti-Dumping Duty foregone on import of 360.251 MTs of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at ₹8,12,75,524/- by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended, (details as per Annexure A to the Show Cause Notice), should be demanded and recovered from Shri Vipin Kanhaiyalal Chaturvedi controller and actual/ beneficial owner under Section 28(4) of the Customs Act, 1962 along with applicable interest under section 28 AA of the Customs Act, 1962.**

**34.** I reiterate my my findings in para 33 above that investigation has brought out plethora of evidences undisputedly establishing Shri Vipin Chaturvedi as Beneficial Owner/ Controller of four proprietorship firms namely M/s Vikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International. The whole fraudulent scheme was frame with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports.

34.2 I observe that during the search at the premises of M/s. Vikranta Impex Shri Mahesh Joshi, Proprietor of the said firm that he came to the premises of M/s Vikranta Impex only, that too for the GST registration along with Shri Vipin Chaturvedi. On detailed investigatiom the facts emerged that the imported goods were neither received at the registered address nor at the premises of the supporting manufacturer and were diverted/sold in the Domestic Tariff Area i.e. the open market.

34.3 I further observe that during search operation on 08.01.2024 at the premises of Vishnu Transport, documents related to M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International and M/s Ascent International were found and resumed from the premises. During the search proceedings **Shri Madan Chaudhary also informed that these 4 firms pertained to**

**Shri Vipin Chaturvedi as Shri Vipin Chaturvedi through his mobile no. 9824188754 used to enquire about delivery of goods of these 4 firms and as per his direction the imported goods were delivered at different locations.**

34.4 I further observe that **Shri Vaibhav Satish Shelar, the G Card Holder, Partner and authorized signatory of I M Logistics in his statement admitted that Shri Vipin Chaturvedi had contacted him to work as a CHA and handle the Customs clearance related works for Vivanta International, Ascent International, Vikranta Impex and Vrunda International**. He further stated that he had arranged the transportation of the above 4 proprietorship concerns through Shri Madan Chaudhary, the concerned person of Vishnu Transport and the authorized signatory of Vishnu Cargo Movers. He also admitted and submitted documents which has proved that the goods imported under advance license were delivered at Kalamboli, although the same should have been delivered at the premises of the four proprietorship concerns or at the premise of supporting manufacturer i.e. M/s. Prudent Stainless Steel. **He further stated that all the said 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex and Vrunda International were managed by Shri Vipin Chaturvedi and the imported goods i.e. steel pipes grade 304 imported under advance authorization scheme have been transported and delivered at Kalamboli as per the instructions of Shri Vipin Chaturvedi.**

34.5 I further observe that **Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transport and authorized signatory of Vishnu Cargo Movers in his statement admitted that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi, who used to inform about the concerned recipient of imported goods telephonically. Only after receiving directions from Shri Vipin Chaturvedi, he used to share the vehicle no. and driver no. to the concerned recipient** and ultimately, people of concerned recipient used to inform the driver about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.

34.6 I further observe that during search proceedings at premises of Ascent International in the presence of Shri Atul Shashikant Herekar, Proprietor of M/s Ascent International, was carried out on 10.01.2024. During the search, Shri Atul Shashikant Herekar informed that the premises was never been used by him. He just came once for the GST registration purpose along with Shri Vipin Chaturvedi for KYC. **Shri Atul Shashikant Herekar in his statement admitted that he contacted Shri Vipin Chaturvedi for monetary help. When Shri Vipin Chaturvedi offered Rs.25,000/- per month in return for his consent to start a proprietorship firm in his name, on his documents but where Shri Vipin Chaturvedi would be the de-facto head, he agreed. Shri Vipin Chaturvedi had assured that he would handle all the works related to import and export of this firm. He conveyed that they had to start a new proprietorship concern, where Shri Vipin Chaturvedi would be the de-facto owner and decision-maker, even though the legal documents would be in the name of Shri Atul Shashikant Herekar. Shri Atul Shashikant Herekar accepted this offer and gave all the necessary documents viz. Aadhar card, PAN etc. to Shri Vipin Chaturvedi, who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc.**

34.7 I further observe that Shri Ranganath Anchan, the Proprietor of M/s. Vivanta International, in his statement stated that he knew Shri Vipin Chaturvedi since 2016. **In the year 2021, after second wave of COVID his friend Atul Shashikant Herekar contacted Shri Vipin Chaturvedi for help and Shri Vipin Chaturvedi called him with his friend**

**Atul Shashikant Herekar to meet at Vapi. Shri Vipin Chaturvedi offered Rs.25,000/- per month to Shri Ranganath Anchan in return for his consent to provide the legal documents for opening a proprietorship firm in his name where Shri Vipin Chaturvedi would be the de-facto controller and decision-maker. He assured that he would handle all the work related to import and export. Further, Shri Ranganath Anchan and Atul Shashikant Herekar were offered 25,000/- per month for creating and initiating their proprietorship concern where the actual control of decision-making would lie with Shri Vipin Chaturvedi and they would just be the proprietors on paper. Shri Ranganath Anchan also accepted this offer and gave all the documents necessary to create a firm, viz. Aadhar card, PAN etc., to Shri Vipin Chaturvedi who did all the procedural formalities for GST registration, opening of Bank account etc.**

34.8 I further observe that **Shri Anand Menon in his statement stated that he knew Shri Vipin Chaturvedi since 2016. In the year 2020, Shri Vipin Chaturvedi offered Rs.10,000/- per month to him to start a proprietorship firm based on his legal documents but where Shri Vipin Chaturvedi would be the de-facto head. He assured that he would handle all the works related to import and export and conveyed that they had to start a new proprietorship concern for this. Further, Shri Anand Menon accepted the offer of Shri Vipin Chaturvedi and gave all the documents viz. Aadhar card, PAN etc. to Shri Vipin Chaturvedi who did all the procedural formalities for creation of IEC code, GST registration, opening of Bank account etc. The premises were under the control of Shri Vipin Chaturvedi, who also kept the key of the said premises of Vrunda International. Further, Shri Anand Menon stated that he did not know anything about the operations and the import-export activity being carried out by Vrunda International**.

34.9 **I observe that Shri Vipin Chaturvedi emerges as the master mind in the case. The proprietor of all the four importing firms have stated that they had shared their legal documents with Shri Vipin Chaturvedi, on his request, and that Shri Vipin Chaturvedi was the de-facto owner and sole decision-maker of the firms opened by using the documents of these four Proprietors. Shri Vipin Chaturvedi in his statement inter-alia admitted that he knew all these 4 proprietors for the last 10 years. All the proprietors needed money. So, he suggested to them to start import-export business related to steel Pipes, Coils and Sheets and suggested them to initiate proprietorship concerns in their names and assured them to handle the works related to the Proprietorship firms.; that he has managed all the activities of these four firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International; that he had applied for the licenses of these firms, managed to open the account of these units, obtained GST registration as per procedure etc.; that he knew that the supporting manufacturer of Vivanta International, Ascent International, Vikranta Impex, Vrunda International, as per the DGFT licenses issued to them, is Prudent Stainless Private Limited; that during the entire year, no stock of Vivanta International, Ascent International, Vikranta Impex, Vrunda International was sent to the premises of Prudent Stainless Private Limited; that goods imported under Advance Authorization scheme by Vivanta International, Ascent International, Vikranta Impex, Vrunda International were diverted to the registered premise of Satya Steel and out of these diverted goods, some goods were further sold thereafter in the local market; that the goods of these 4 firms never reached the registered premises of Prudent Stainless Private Limited or the original premises mentioned in the registration of these units;**

**that goods imported under Advance Authorization scheme were of the value of Rs.8 crores approx. and duty evaded on these duty-free imports was Rs.13.95 crores approx..**

34.10 I observe that inference of the investigation is that **Shri Vipin Chaturvedi was the mastermind of the plan of illegal diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. who exercised effective control over the goods imported by misuse of the Advance Authorization Scheme**. **In fact, the goods were imported on behalf of Shri Vipin Chaturvedi in the name of these four entities, who's proprietors had no say or control in running of these firms, with their role being limited to getting regular financial remuneration from Shri Chaturvedi in lieu of use of their firm's credentials.**

34.11 I observe that it has emerged that Shri Vipin Chaturvedi got the KYC documents and other details of the four proprietors mentioned in the foregoing paras, in lieu of an agreed sum, and used their firms to import goods duty-free under Advance Authorization Scheme and later on diverted these goods into the domestic market in violation of the conditions of the Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification No. 21/2023-Customs, dated 01.04.2023, thereby evading Customs duty to the tune of Rs.13.95 Crores including Anti-Dumping Duty.

34.12 **I observe that Shri Vipin Chaturvedi provided the documents in respect of these concerned 4 proprietorship concerns. The bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys showed that huge amount of money was transferred to the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and Alloys. The investigation more significantly revealed that M/s Dev Steel and Alloys although has shown the outstanding amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr with M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively. This total outstanding amount of Rs.6.43 Crores approx was adjusted with the sale of imported goods from these three entities. This fact was accepted by Shri Bechraram Dewasi, Partner of M/s. Dev Steel & Alloys that he has received imported goods in lieu of this amount. But, in reality the imported goods i.e stainless steel seamless pipes was sold to them in lieu of this outstanding amount and the imported goods were sold in cash without any GST invoice. Accordingly, M/s Dev Steel and Alloys was one of the significant abettors of this illegal diversion of SS seamless pipes imported under advance license. M/s Dev Steel and Alloys received the imported goods under advance license from Shri Vipin Chaturvedi at prices below the market rate and hence the imported duty-free SS Seamless pipes Grade 304, was sold to M/s Dev Steel and Alloys. Further, goods related to M/s Vrunda International was sold to M/s Steelage Overseas Pvt. Ltd. who had done payment of Rs.1.65 Cr to M/s Vrunda International.**

34.13 I reiterate my findings at para 28,29,30,31,32 and 33 above, wherein it has been conclusively established that Shri Vipin Chaturvedi is the mastermind behind this whole scheme of misuse of the Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification No. 21/2023-Customs, dated 01.04.2023, but diverting the conditionally exempted imported goods in the domestic market and enriching himself by evasion of applicale Customs Duty of RS. 13.95 crores. The whole fraudulent scheme was frame with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in ex-

port goods while having no intent of making any exports.

34.14 I observe that the four-proprietorship firm's namely M/sVikanta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International has filed 17 Past Bills of entry as mentioned in Annexure A, availing Customs Duty exemption benefit of advance authorization under provision of para 4 of the Foreign Trade Policy read with Customs Duty exemption Notification no. 21/2023 dt 01.04.2023.

The said notification is reproduced below:-

*NOTIFICATIONNo. 21/2023-CustomsNew Delhi, the 1st April, 2023.*

*G.S.R. .....(E).-In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials imported into India against a valid Advance Authorisation issued by the Regional Authority in terms of paragraph 4.03 of the Foreign Trade Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customsleviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty,leviable thereon under sub-sections(1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely:-*

***(i) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;***

***(ii) that the said authorisation bears,-***

***(a) the name and address of the importer and the supporting manufacturer in cases where the said authorisation has been issued to a merchant exporter; and***

***(b) the shipping bill number(s) and date(s) and description, quantity and value of exports of the resultant product in cases where import takes place after fulfillment of export obligation; or***

***(c) the description and other specifications where applicable of the imported materials and the description, quantity and value of exports of the resultant product in cases where import takes place before fulfillment of export obligation;***

***(iii) that the materials imported correspond to the description and other specifications where applicable mentioned in the authorisation and are in terms of para 4.12 of the Foreign Trade Policy and the value and quantity thereof are within the limits specified in the said authorisation;***

*(iv) that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;*

*(v)* ***that in respect of imports made after the discharge of export obligation in full, if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT Credit under CENVAT Credit Rules, 2017has been availed, then the importer shall, at the time of clearance of theimported materials furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself,to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods and to submit a certificate, from the jurisdictional Central Excise officer or from a specified chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used:***

*Provided that if the importer pays additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2017;*

*(vi) that in respect of imports made after the discharge of export obligation in full, and if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT credit under CENVAT Credit Rules, 2017has not been availed and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (v);*

*(vii)that in respect of imports made after the discharge of exports obligation in full, if facility of input tax credit under relevant Goods and Service Tax law on inputs used for manufacturer and supply of goods exported has*

*been availed, then the importer shall, at the time of clearance of the imported materials, furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture and supply of taxable goods (other than nil rated or fully exempt supplies) and to submit a certificate from a chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used;*

*Provided that if the importer pays integrated tax and the goods and services tax compensation cess leviable on the imported materials under sub-section (7) and sub-section (9) respectively of section 3 of the said Customs Tariff Act on the imported materials but for the exemption contained herein, then such imported materials may be cleared without furnishing a bond specified in this condition;*

*(viii)that in respect of imports made after the discharge of export obligation in full, and if facility of input tax credit under relevant Goods and Service Tax law has not been availed on inputs used in the manufacture and supply of goods exported and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs, or the Assistant Commissioner of Customs, as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (vii);*

*(ix) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No.26/2023-Customs dated1stApril, 2023ora Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):*

*Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, inland container depot or through a land customs station within his jurisdiction;*

*(x)* ***that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within the period specified in the said authorisation or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorisation:***

***Provided that an Advance Intermediate authorisation holder shall discharge export obligation by supplying the resultant products to exporter in terms of paragraph 4.05(c) (ii) of the Foreign Trade Policy;***

*Provided further that notwithstanding anything contained hereinabove for the said authorisations where the exemption from integrated tax and the goods and service tax compensation cess leviable thereon under sub-section(7) and sub-section (9) of section 3 of*

*the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by physical exports or by making domestic supplies mentioned at serial numbers 1,2 and 3 of the Table contained in notification No. 48/2017-Central Tax, dated the 18thOctober, 2017 published,videnumber G.S.R 1305(E), dated the 18thOctober, 2017;*

*(xi) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;*

*(xii) that the said authorisation shall not be transferred and the said materials shall not be transferred or sold:*

*Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant goods and services tax provisions permitting transfer of materials for job work;*

*(xiii) that in relation to the said authorisation issued to a merchant exporter, any bond required to be executed by the importer in terms of this notification shall be executed jointly by the merchant exporter and the supporting manufacturer binding themselvesjointly and severally to comply with the conditions specified in this notification.*

*2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within six months from the date of clearance of the said material or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow:*

***Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.***

*Explanation,-For the purposes of this notification, -*

*(VI) "dutiable goods" means excisable goods which are not exempt from central excise duty and which are not chargeable to 'nil' rate of central excise duty;*

*(VII) "Foreign Trade Policy" means the Foreign Trade Policy, 2023, published by the Government of India inthe Ministry of Commerce and Industry, videnotification No. 01/2023, dated the 31st March,2023;*

*(VIII) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorized by him to grant an authorisation under the said Act;*

*(IX) "Manufacture" has the same meaning as assigned to it in paragraph 11.31of the Foreign Trade Policy;*

*(X) "Materials" means,-*

*(a) raw materials, components, intermediates, consumables, catalysts and parts which are required for manufacture of resultant product;*

*(b) mandatory spares within a value limit of ten per centof the value of the authorisation which are required to be exported along with the resultant product;*

*(c) fuel required for manufacture of resultant product;*

*(d) packaging materials required for packing of resultant product;*

*(VI) "Specified Chartered Accountant" means a statutory auditor or a Chartered Accountant who certifies the importer's financial records under the Companies Act, 2013 (18 of 2013) or the Income Tax Act, 1961 (43 of 1961) or the Central/State Goods and Services Tax Act.*

*(VII) "Supply of taxable goods" means a supply of goods which is leviable to tax under relevant Goods and Services Tax law*

34.16 In view of the above notification I observe that this notification grants full exemption from customs duties—including Basic Customs Duty, additional duties, IGST, GST Compensation Cess, and other applicable duties—on materials imported into India under a valid Advance Authorisation issued in accordance with the Foreign Trade Policy (FTP) 2023. However, this

exemption is strictly conditional. **The imported materials must correspond exactly to the description, specifications, quantity, and value as specified in the authorisation and as laid down in paragraph 4.12 of the FTP, which requires the materials to be used solely for the manufacture of the resultant export product.** The exemption is available only if the Advance Authorisation is produced at the time of import clearance and the materials are not diverted for domestic use or sale. In cases where the export obligation has not yet been fulfilled at the time of import, the importer must execute a bond with adequate surety or security, binding themselves to pay the applicable customs duties with interest if they fail to comply with the export obligation or any other conditions specified in this notification. Thus, the exemption is not automatic but subject to strict compliance with the terms of the Advance Authorisation and procedural safeguards.

34.17 **I observe that the most important condition for availing the duty exemption is the timely and complete discharge of the export obligation (EO) as prescribed in the Advance Authorisation. The EO requires that the exporter physically export the resultant goods, manufactured using the imported materials, within the validity period of the authorisation or any extended period allowed by the Regional Authority (DGFT). The export obligation must be fulfilled in both quantity and value terms. Furthermore, paragraph 4.12 of the FTP mandates that the imported materials strictly correspond to the description and quantities authorized, ensuring no misuse. Bonds must be executed as a guarantee against non-fulfillment of EO or misuse of exemption. The relevant provisions of policy have been mentioned in Para 4 of the Foreign Trade Policy.**

34.18 Para 4.12 of the FTP 2023 is reproduced below:-

*"(i)Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill.*

*(ii) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills.*

*(iii) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority shall allow only those inputs which have been specifically indicated in the shipping bill together with quantity.*

*(iv)The above provisions will also be applicable for supplies to SEZs and supplies made under Deemed exports. Details as given above will have to be indicated in the relevant Bill of Export, ARE-3, Central Excise certified Invoice / import document / Tax Invoice for export prescribed under the GST rules."*

34.19 **I observe that when Standard Input Output Norms (SION) allow the use of generic**

**or alternative inputs, the specific inputs actually used in manufacturing the export product must be precisely indicated and endorsed in the shipping bill with exact quantities. The description of inputs in the shipping bill must match the Advance Authorisation exactly. In cases where multiple inputs share a single quantity norm, the quantities imported and used must be proportionate to their consumption in production and clearly reflected in the shipping documents. Only those inputs correctly declared in the shipping bill will be considered valid for discharge of export obligation or redemption of the authorisation. This condition applies equally to supplies to SEZs and deemed exports, requiring proper documentation under applicable GST and Central Excise rules to ensure compliance and avoid denial of benefits.**

34.20 Further I observe para 4.03 and 4.16 of the Foreign Trade Policy and the same are reproduced below:-

*Para 4.03 Advance Authorization*

*(i)* ***Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage****). In addition, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.*

*(b) Advance Authorisation is issued for inputs in relation to resultant product, on the following basis:*

*(i) As per Standard Input Output Norms (SION) notified (available in Hand Book of Procedures);*

*OR*

*On the basis of self declaration as per paragraph 4.07 of Handbook of Procedures.*

*OR*

*Applicant-specific prior fixation of norm by the Norms Committee as per para 4.06 of Handbook of Procedures.*

*OR*

*On the basis of Self Ratification Scheme in terms of Para 4.06 of Foreign Trade Policy.*

*4.16 Actual User Condition for Advance Authorisation*

*(i)* ***Advance Authorisation and / or material imported under Advance Authorisation shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation.*** *However, Authorisation holder will have option to dispose of product manufactured out of duty free input once export obligation is completed.*

*(ii) In case where CENVAT/input tax credit facility on input has been availed for the exported goods, even after completion of export obligation, the goods imported against such Advance Authorisation shall be utilized only in the manufacture of dutiable goods whether within the same factory or outside (by a supporting manufacturer). For this, the Authorisation holder shall produce a certificate from Chartered Accountant at the time of filing application for Export Obligation Discharge Certificate to Regional Authority concerned. An AEO having valid certificate has the option to produce self declaration to this effect.*

*(iii) Waste / Scrap arising out of manufacturing process, as allowed, can be dis-*

*posed off on payment of applicable duty even before fulfillment of export obligation.*

34.21 In view of the above, I find that Advance Authorization under para 4 of the Foreign Trade Policy read with Notitifcation no. 21/2023 dated 01.04.2023 allows the duty-free import of goods that are physically incorporated into the export product. This authorization is strictly subject to the 'Actual User' condition, meaning the imported materials and the authorization itself are non-transferable and must be used solely by the holder for manufacturing the export product.

34.22 I find that the provisions governing Advance Authorization facilitates the duty-free import of goods that are physically incorporated into the export product. The authorization for such imports is granted based on established norms, which may include Standard Input Output Norms (SION), self-declaration, or norms fixed by relevant authorities. Importantly, the Advance Authorization is subject to the 'Actual User' condition. This condition mandates that both the authorization and the imported goods are non-transferable and must be used exclusively by the holder for the production of the export product. The holder is prohibited from transferring the authorization or the imported materials to any other party, even after the export obligation has been fulfilled. Disposal of the finished goods produced from such duty-free inputs is permitted only after the complete fulfillment of the export obligation.

34.23Therefore, considering the above, it is concluded that the Advance Authorization under para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dated 01.04.2023 strictly enforces the use of duty-free imported goods by the actual user solely for export production, ensuring compliance with prescribed conditions to prevent misuse or diversion. In the instant case, Shri Vipin Chaturvedi has fraudulently availed the benefit of Advance Authorization under para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dated 01.04.2023 by diverting the conditionally exempted imported goods in the domestic market. Investigation has brought out the following evidences:-

**ORAL EVIDENCE THAT G THE CONDITIONALLY EXPEMTED IMPORTED GOODS WERE DIVERTED IN THE OPEN MARKET**

34.24 I observe that statement of **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex was recorded on 02.01.2024** under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

***i.*** *He has been in contact with Shri Vipin Chaturvedi since 2018 who used to come to ICD Tumb for clearance of imported consignments; that in the beginning of the year 2023,* ***Shri Vipin Chaturvedi came to ICD Tumb for his work and during normal conversation offered him to start import in his (Shri Joshi's) name and assured that he would handle all the work; that he agreed to the offer and then, after some time in the month of April, 2023, Shri Vipin Chaturvedi again approached him and asked for a copy of his PAN and Aadhar card to complete all necessary formalities for GST registration. After issuance of GSTIN, Shri Vipin Chaturvedi again approached him to create an IEC in the name of Vikranta Impex. He also stated that Shri Vipin had convinced him to purchase a new mobile number for carrying out all the transactions and to handover the new mobile to him (Shri Vipin Chaturvedi), to handle all the transactions related to the new GST and IEC etc. So, he took a new SIM having Mobile no. (8087130955) and handed it over to Shri VipinChaturvedi; that the Mobile no. mentioned in GST and IEC registration is with Shri Vipin Chaturvedi to carry out all the transactions. He further stated that the official email id of his Proprietorship concern i.e. vikrantaimpex2023@gmail.com, was also created by Shri Vipin Chaturvedi who handles and operates the said email id.***

ii. ***On being asked, he further stated that initially, Shri Vipin Chaturvedi had informed him that he would carry out import export business via Vikranta Impex and later on Shri Vipin Charturvedi informed him that he is going to import steel goods through the IEC of Vikranta Impex and offered to give him Rs.25000/- per container; that he was not aware exactly what items were imported and how Shri Vipin Chaturvedi would give him Rs.25000/-.***

iii. *He further admitted that he had not applied for any DGFT license himself and* ***that it was Shri Vipin Chaturvedi who had applied for DGFT license online on behalf of Vikranta Impex by using his new mobile no. He further stated that he came to know about this DGFT license when the application reached ICD Tumb and that he had called Vipin Chaturvedi to know about the issuance of this license; that Shri Vipin Chaturvedi had then informed that he would export against the import made under advance authorization scheme.***

iv. *On being asked, he further stated that he did not know any person from M/s. Prudent Stainless Private Ltd.; that* ***Shri Vipin Chaturvedi is the person who procured the DGFT license and arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.***

v. *He was not aware about the goods imported by Shri Vipin Chaturvedi through his firm Vikranta Impex; he agreed that there was no stock of the imported goods at the registered premises of Vikranta Impex.*

vi. *He agreed to the fact that no stock of Vikranta Impex had been sent to the premises of M/s. Prudent Stainless Pvt. Ltd.*

vii. *He agreed that the factory unit at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is* ***a dummy office taken for GST registration by Shri Vipin Chaturvedi****.*

viii. *On being asked about rent agreement, he stated that he had never met Shri Murji Premji Katarmali the owner of the premises and it was* ***Shri Vipin Chaturvedi who gave him the rent agreement documents to sign and used the same for GST registration. He also stated that the premise at Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi (West), Valsad, Gujarat-396191 is looked after by Shri Vipin Chaturvedi and the key of the shop was also kept by him.***

ix. *He also stated that he had no idea regarding the exact duty evasion but he agreed that the duty evaded based on the documents shown to him by the officers appeared to be more than Rs.3.4 Crores approx.* ***He also stated that all these 3 bills of entry were filed at Nhava Sheva port and Shri Vipin Chaturvedi had arranged the CHA and transportation of these imported goods.***

x. *He accepted that for the goods imported under Advance authorisation scheme actual user condition apply and the imported goods under the scheme cannot be diverted/sold to the premises other than the one mentioned in the Advance Licence i.e. in the domestic market but stated that he was not aware that these imported goods have been diverted in the local market. He further informed that the fact of diversion of said goods had been noticed by him only after inquiry was initiated by DRI.*

34.25 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Although the firm was registered in the name of Shri Mahesh Joshi, Shri Vipin Chaturvedi exercised complete control over all critical functions including GST and IEC registrations, communication channels, physical premises established solely for GST compliance, and DGFT license procurement. He managed all import-export operations, transportation, and customs clearance without any substantive involvement of Shri Mahesh Joshi. Further, Shri Vipin Chaturvedi remunerated Shri Mahesh Joshi with

Rs. 25,000/- per container for the use of his credentials

34.26 I observe that Statement of **Shri Madan Harishchandra Chaudhary, Proprietor of Vishnu Transport and authorized signatory of Vishnu Cargo Movers** was recorded on 09.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

*i. He stated that he had transported goods of all these four proprietorships concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International; that he did not know much about their business activities, but that all these four proprietorship concerns imported Steel Pipes from Nhava Sheva.*

*ii. He stated that the imported goods of all the above said proprietorship concerns were delivered at different plot nos. of Kalamboli Steel Market;* ***that he did not know the exact plot no. where the imported goods were delivered and unloaded; that the concerned person of all these four proprietorship concerns is Shri Vipin Chaturvedi who informed about concerned recipients of imported goods over mobile; that as per directions received, he used to share vehicle no. and driver no. with the concerned recipient*** *and then, a person belonging to the concerned recipient firm/person used to inform the driver about the exact plot no. in Kalamboli Steel Market for delivery and unloading of imported goods.*

*iii. Imported goods of all these four proprietorship concerns were delivered to the Godowns of concerned recipients i.e. Seth Steel Pvt. Ltd., Steelage Overseas Private Limited and Dev Steel & Alloys; that* ***Shri Vipin Chaturvedi would telephonically inform the name of the recipient of imported goods, after which he used to send the details of driver, his mobile no. and vehicle no. to the concerned recipients.***

*iv. On perusal of print outs of E-way bills through which imported goods of proprietorship concerns viz. Vivanta International, Vrunda International, Vikranta Impex and Ascent International were imported under advance authorisation license from Nhava Sheva port to Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218,* ***he stated that some truck nos. mentioned in E-way bills do not belong to him, in fact these Truck nos. were manipulated. He also stated that these e-way bills were not generated by him; that in fact as per his knowledge, e-way Bills used to be generated by Shri Vipin Chaturvedi as he used to give details of vehicle and driver to Shri Vipin Chaturvedi initially for loading from Nhava Sheva.*** *Further, he stated that Plot No. 1840, Kalamboli Steel Market, Kalamboli, Navi Mumbai, Maharashtra-410218 is the address of a Godown where imported goods of Shri Vipin Chaturvedi's firms used to be regularly unloaded.*

34.27 In view of the above statement I find that it is evident that Shri Vipin Chaturvedi was the central figure controlling the operations of the four proprietorship concerns—Vivanta International, Vrunda International, Vikranta Impex, and Ascent International. In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. The individual involved in transporting goods for these entities had limited knowledge of their operations and acted solely under Shri Vipin Chaturvedi’s instructions. The goods were imported through Nhava Sheva port and delivered to various godowns in Kalamboli Steel Market, with unloading locations and recipient details communicated exclusively by Shri Vipin Chaturvedi. Shri Vipin Chaturvedi directed the diversion of goods into the domestic market, bypassing the premises of M/s Prudent Steel, the supporting manufacturer declared under the Advance Authorization license.

34.28 I observe that Statement of Shri Vaibhav Satish Shelar, G Card Holder, Partner and Authorized Signatory of I M Logistics was recorded on 09.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *On being asked regarding the relation with Vivanta International, Ascent International, Vikranta Impex, Vrunda International,* ***he stated that Shri Vipin Chaturvedi had approached him in 2023 to handle the Customs clearance related work as a CHA for the import clearance of these entities.*** *Accordingly, all the proprietors of these firms had approached him and he did KYC of the 04 proprietorship entities.*

ii. *He had arranged transportation i.r.o. above 4 proprietorship concerns through Shri Madan Chaudhary and that he would be the right person to inform the destination of goods (steel pipes grade 304) imported under advance authorization scheme. However, as per invoices raised by Vishnu transport, it appeared that goods were delivered at Kalamboli.*

iii. ***He agreed that these 4 firms i.e. Vivanta International, Ascent International, Vikranta Impex, Vrunda International appeared to be managed by one-person Shri Vipin Chaturvedi and that the imported goods*** *i.e. steel pipes grade 304 imported under advance authorisaton scheme had been diverted into the local market upon the instructions of Shri Vipin Chaturvedi as he had arranged and engaged all the service providers related to import of these goods.*

34.29 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports..Shri Vipin Chaturvedi was the person managing and controlling the operations of the four proprietorship firms—Vivanta International, Ascent International, Vikranta Impex, and Vrunda International. Although the CHA was formally approached by the individual proprietors of these entities for customs clearance and KYC was completed accordingly, CHA confirmed that all four firms managed by Shri Vipin Chaturvedi. Furthermore, the CHA admitted that the imported goods—specifically steel pipes of grade 304 imported under the Advance Authorisation Scheme—were diverted into the local market upon the instructions of Shri Vipin Chaturvedi. It was also acknowledged that Vipin Chaturvedi was solely responsible for arranging and engaging all the service providers related to the import process.

34.30 I observe that Statement of **Shri Atul Shashikant Herekar**, **Proprietor of M/s. Ascent International** was recorded on 10.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. ***In the year 2022, he asked Shri Vipin Chaturvedi for help to buy an auto-rickshaw for his livelihood; that after some time based on Shri Vipin Chaturvedi's invitation he and his colleague Shri Nitin Anchan went to Vapi to meet Shri Vipin Chatruvedi who explained to them that he would initiate Proprietorship firms in their name and would give them Rs.25000/- per month per person for this work; that Shri Vipin Chatruvedi proposed that he would start import and export in the newly opened firms and he (Shri Vipin Chaturvedi) would manage and control all the business activities of the newly opened entities in their name.***

ii. ***He accepted the offer of Shri Vipin Chaturvedi and after some time he and Nitin Anchan (his friend) gave the requested documents viz. Aadhar card, PAN etc to Shri Vipin Chaturvedi. He also admitted that Shri Vipin Chaturvedi had also convinced him to purchase a new mobile number needed to carry out all the transactions and to***

***handover this mobile to him and hence, he took a new SIM having Mobile no. which he did not remember and handed it over to Shri Vipin Chaturvedi. This mobile number, which was in GST and IEC registration, used to be carried by Shri Vipin Chaturvedi to carry out all the transactions of Ascent International. Further, he also stated that the official email id of Ascent International was also created by Shri Vipin Chaturvedi who handles and operates the same.***

iii. ***He and Shri Nitin Anchan approached Shri Vipin Chaturvedi who opened a firm named Vivanta International in the name of Shri Nitin Anchan; that Shri Vipin Chaturvedi offered monthly remuneration to Shri Nitin Anchan as well; that he had received Rupees 2-2.5 lacs in either cash or in account from Shri Vipin Chaturvedi.***

iv. *He further stated that Shri Vipin Chaturvedi informed him that he would carry out import export business in Ascent International and that later, he came to know about the product and other details through DGFT license.*

v. *He did not know about the CHA and Transporter, who were engaged for the import and transportation of goods under Advance Authorization by Ascent International as he has never communicated with either CHA or transporter and that he had never received any documents related to imported goods under Advance Authorization by Ascent International.*

vi. ***On being asked about the DGFT License, he stated that Shri Vipin Chaturvedi had applied for DGFT license for import under Advance Authorization for Ascent International and Vivanta International.***

vii. *He further stated on perusal of Panchnama dated 26.12.2023 drawn at 3rd Floor, Shop No. 313, Skylon Co. Op. Housing Society, Vapi that the said shop is registered premises of Ascent International and is a rented premise.* ***He also stated that he had never met the owner of the said premises; that it was Shri Vipin Chaturvedi who had arranged all documents etc and that he had just signed the documents in respect of Rent Agreement, GST registration and IEC registration etc.***

34.31 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Shri Vipin Chaturvedi is the sole controller and beneficial owner of M/s Ascent International and M/s Vivanta International. These firms were merely fronts, registered in the names of financially vulnerable individuals at Vipin Chaturvedi's direction. Shri Atul Shashikant Herekar confirmed that Vipin Chaturvedi offered him ₹25,000 per month to allow the use of his identity for firm registration, while Shri Vipin Chaturvedi retained full control over all business operations. Shri Vipin Chaturvedi managed all critical functions, including GST and IEC registrations, email and mobile number control, DGFT licensing, and premises acquisition. Shri Atul Shashikant Herekar had no involvement or knowledge of import-export activities, transport coordination, or customs clearance. Shri Vipin Chaturvedi exercised complete operational and financial control, making him the de facto controller and beneficial owner of these proprietorship firms.

34.32 I observe that Statement of **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He was in touch with Shri Vipin Chaturvedi as he was handling DGFT related works of M/s VIPRA IMPEX (in which Shri Vipin Chaturvedi is the Proprietor) and another company M/s Prudent Stainless Pvt. Ltd.*

ii. ***He stated that after the 2nd wave of COVID, he contacted his friend Shri Atul Herekar who contacted Shri Vipin Chaturvedi formally for help, to get rid of the financial crisis being faced by him; that Shri Vipin Chaturvedi called him and his friend at Vapi to meet them and accordingly, both the friends i.e. Shri Atul Herekar and Shri Nitin Ranganath Anchan came to Vapi to get help from Shri Vipin Chaturvedi.***

iii. ***He further stated that he along with his friend met Shri Vipin Chaturvedi at his apartment, that Shri Vipin Chaturvedi appraised them of his plan to import steel items in small quantity and export some items, and to give them fixed remuneration of Rs.25,000/- per month. That Shri Vipin Chaturvedi offered to start a proprietorship concern in his name and assured that, he would handle all the work related to it and that he just needed to sign the documents for GST registration, opening of Bank account and IEC.***

iv. *On being asked he further explained that in the year 2022,* ***Shri Vipin Chaturvedi again approached him and asked for copy of PAN and Aadhar card and all other documents to complete all necessary formalities needed for taking GST registration and opening of bank accounts;*** *that he further stated that in the year 2020, just before the COVID wave, he had taken IEC M/s. Pensaile Exim in his name and thought of starting some consultancy work, although due to COVID situation nothing could be done in that IEC.*

v. ***He further stated that when Shri Vipin Chaturvedi tried to take new IEC, the registration could not be done at that point of time and later, the modification of the earlier IEC was carried out with the name changed to Vivanta International. He further admitted that he was convinced by Shri Vipin Chaturvedi to take a new SIM and mobile no. to carry out all the transactions and to handover this mobile to handle all the transactions related to GST, Bank and IEC related transaction etc.; that he took a new SIM having Mobile no. (8128353190) and handed it over to Shri Vipin Chaturvedi.***

vi. ***He further revealed that the Mobile no. in the GST registration and IEC registration used to be with Shri Vipin Chaturvedi to carry out all the transactions. Further official email id of his Proprietorship firm i.e. vivantaintl2022@gmail.com, was also created by Shri Vipin Chaturvedi, who handled and operated this email id. He further revealed that he never had any access of this mobile number or this e-mail id.***

vii. ***That Shri Vipin Chaturvedi is the person, who arranged to incorporate M/s. Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the DGFT license.***

viii. *He agreed to the Panchnama dated 26.12.2023 drawn at Block No. C Shop No. 23, 3rd Floor, Girnar, Khushboo, Plaza, GIDC Vapi-396195 that there was no stock of Vivanta International at the premise.* ***That the proprietor Shri Nitin Ranganath Anchan had visited the premises only once and he had no any idea of the stock of goods; that he did not know how and when the goods were imported by Shri Vipin Chaturvedi.***

ix. *That he was not aware whether any imported goods were sent to M/s. Prudent Stainless Private Limited or not but after perusing the Panchnama dated 27.12.2023 he agreed that no goods imported by Vivanta International were sent to the premises of M/s. Prudent Stainless Pvt. Ltd. He further explained that Shri Vipin Chaturvedi gave him the rent agreement documents to sign which were used for GST registration. That the premises at BLOCK NO. C SHOP NO. 23, 3RD FLOOR, GIRNAR, KHUSHBOO, PLAZA, GIDC VAPI-396195 is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.*

x. ***He stated that Shri Vipin Chaturvedi had arranged the CHA and transportation of the goods imported vide the 5 bills of entry in the name of Vivanta International and Shri Vipin Chaturvedi would be able to answer the details of the Port, CHA and transportation and whereabouts of the destined location/buyers.***

xi. *He agreed that duty of appx. Rs 6 crores had been evaded on the imports done through Vivanta International as per documents shown to him.*

34.33 In view of the**,** I find that it has undisputedly established that whole fraudulent scheme was implemented with the sole pupose of ivading the duty though registered of various firms in Shri Nitin Ranganath Anchan's name. Shri Vipin Chaturvedi managed all key functions—GST and IEC registration, bank accounts, rented premises, DGFT licensing, and import/export operations—while maintaining exclusive control over the firm's official mobile and email. Shri Anchan had no involvement or knowledge of logistics, CHA, or transportation, all directed by Vipin Chaturvedi. The use of a dummy office, absence of stock, and failure to deliver goods to the supporting manufacturer, along with customs duty evasion of approximately ₹6 crores, confirm Vipin Chaturvedi as the true beneficial owner and controller of Vivanta International

34.34 I observe that statement of **Shri Anand Menon, Proprietor of M/s. Vrunda International** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. ***That he had been in contact with Shri Vipin Chaturvedi since 2016 and that the first time he met him was through a commonly known person at Kherdi, Silvassa and that ever since he had been in regular contact with Shri Vipin Chaturvedi telephonically.***

ii. ***That in the year 2020, Shri Vipin Chaturvedi approached him with a business idea and that he agreed to the offer and provided his KYC documents in lieu of Rs.10,000 per month; that Shri Vipin Chaturvedi offered him to initiate a firm on his name and assured that he would handle all the works and that he just needed KYC documents to create an IEC.***

iii. ***That he was also convinced to take a new SIM and mobile no. in his name that was needed to carry out all the transactions such as registration of GST, opening of Bank account and taking IEC from DGFT; that he was convinced to handover this mobile to Shri Vipin Chaturvedi, so as to handle all the transactions related to GST and IEC etc.; that he took a new SIM having Mobile no. (9321158755) and handed it over to Shri Vipin Chaturvedi; that this Mobile no. was used in GST and IEC registration; that the mobile no. remained with Shri Vipin Chaturvedi in order to carry out all the transactions.; that the official email ID of his proprietorship concern vrundainternationalsil@gmail.com, was also created by Shri Vipin Chaturvedi for all the transactions and registrations; that Shri Vipin Chaturvedi handles and operates this email id.***

iv. ***On being asked he replied that Shri Vipin Chaturvedi informed that he would carry out import export business under the cover of Vrunda International legally and that he would use his name; that Shri Vipin Chaturvedi had informed him that he was going to import steel products through the IEC of his firm and offered him Rs.10,000/- per month; that he agreed to the deal offered by Shri Vipin Chaturvedi; that he received the amount in his bank account from Shri Vipin Chaturvedi 4-5 times in multiples of Rs.50,000/- (for every 5 month).***

v. ***On being asked he stated that Shri Vipin Chaturvedi had applied for DGFT license online on behalf of Vrunda International by using new mobile numbers***

***given to him; that he did not know any person from M/s. Prudent Stainless Private Ltd.; that Shri Vipin Chaturvedi is the right person to answer these questions.***

vi. *He agreed to the Panchnama Dated 10.01.2024 Drawn at registered premise of Vrunda International i.e. Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa that there was no stock of imported goods nor any documents related to M/s Vrunda International at the said premises.*

vii. *That he was not aware as to whether any imported goods were sent to M/s. Prudent Stainless Private limited or not but after perusing the Panchnama dated 27.12.2023, he admitted that no goods imported using advance authorisation by Vrunda International was sent to premises of M/s. Prudent Stainless Pvt. Ltd.*

viii. *He also stated that the premises at Ground floor, Shop No. 6, Sahajanandpark B Srv No. 892/1/1, KilvaniRaod, AmliSilvassa is looked after and was under control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him only.*

ix. ***That he had never met nor talked to the owner of the premises, and that he does not even know what is the role of CHA. He further stated that Shri Vipin Chaturvedi is the person who had contacted the CHA.***

x. *That on perusal of the Panchnama Dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218, he stated that goods imported using advance authorisation by Vrunda International were sent to this premise.*

xi. ***That he had no idea of any case booked against him or his proprietorship concern but once in 2021, he went to Delhi with Shri Vipin Chaturvedi to some Govt. office related to taxation and there also he told the officers that Shri Vipin Chaturvedi handled the work related to his proprietorship concern.***

xii. ***That he admitted that due to circumstances and financial stress caused by loans and credit cards his financial condition worsened which led him to accept the offer of Shri Vipin Chaturvedi to generate additional income; that he never knew that he would be doing such things and would be involved in the evasion of Government duty; that his circumstances led to this duty evasion of more than 1.5 crores approx. in the name of Vrunda International.***

34.35 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty-free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Shri Vipin Chaturvedi is the beneficial owner and sole controller of the proprietorship firm M/s Vrunda International, though registered in the name of Shri Anand Menon. Shri Anand Menon admitted that since 2016, he was approached by Shri Vipin Chaturvedi, who proposed starting the import-export business under Vrunda International, offering Rs. 10,000 per month in exchange for KYC documents and use of his name. Shri Vipin Chaturvedi exclusively managed all critical functions, including GST and IEC registrations, bank accounts, DGFT licensing, and controlled the official mobile number and email ID, though these were nominally linked to Shri Anand Menon. Shri Anand Menon had no role or knowledge regarding import-export operations, was unaware of the CHA or transporters, and had no access to the firm's premises, which were controlled solely by Shri Vipin Chaturvedi. The premises held no stock or firm documents, and goods imported under the Advance Authorization Scheme were diverted on Vipin Chaturvedi's directions to locations other than those declared, notably Kalamboli Steel Market. Shri Anand Menon further admitted that due to financial distress, he accepted Vipin's offer without knowledge of the large-scale duty evasion exceeding Rs. 1.5 crores. These facts undisputedly establish that M/s Vrunda International was a mere front, with Shri Vipin Chaturvedi as the effective beneficial owner and controller.

34.36 I observe that statement of **Shri Atul Shashikant Herekar, Proprietor of M/s. ASCENT INTERNATIONAL** was recorded on 11.01.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He agreed that there was no stock of imported goods at the premises of Ascent International Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195. He admitted that the documents resumed from the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195, pertaining to GST registration, IEC registration, Rent Agreement, documents related to imports made by Ascent International and consisted of a copy of his PAN and Aadhar etc.* ***He also admitted that he had visited the premises only twice, once at the time of GST registration and second at the time of opening of bank account and that he did not have any idea of the stock of goods. He did not know, how and when the goods were being imported by Shri Vipin Chaturvedi.***

ii. ***That he had never met Shri Prashant Manohar Patil, the owner of the office premises, and that it was Shri Vipin Chaturvedi who gave him rent agreement documents to sign which were used for GST registration. He also stated that the premises at Third, Shop No 313, Skylon Co. Op. Hou. Soc Ltd, Vapi, Valsad, Gujarat, 396195 is looked after by and is under the control of Shri Vipin Chaturvedi and in fact the key of the shop was also kept by him.***

iii. *On perusal of documents, he agreed that there are total three bills of entry and the details of which are as under:*

***Table 3: Details of imports of Ascent International***

| ***Sr.No.*** | ***BE NUMBER*** | ***BE DATE*** | ***TOTAL ASSESSABLE VALUE*** | ***QUANTITY*** |
|---|---|---|---|---|
| *1* | *6714117* | *04-07-2023* | *6277835* | *28427 Kgs* |
| *2* | *6728913* | *05-07-2023* | *6133924* | *28407 Kgs* |
| *3* | *6768906* | *07-07-2023* | *5683361* | *26772 Kgs* |
| | | | ***18095120*** | |

iv. ***That Shri Vipin had arranged the CHA and transportation of these goods imported vide above mentioned 3 bills of entry and that Shri Vipin Chaturvedi would be able to answer regarding the Port of import, CHA and transportation details and whereabouts of the destined location/buyers.***

v. ***He further admitted that Shri Vipin Chaturvedi handled and controlled a mobile number which had been taken in his name and that he had given this mobile number in all registration/bank account details etc, therefore, access and control of bank account of Ascent International was also with Shri Vipin Chaturvedi.***

vi. ***He further admitted that due to his circumstances and financial stress caused by treatment of his father and later due to Covid situation, his financial condition worsened which led him to be involved with Shri Vipin Chaturvedi; that he was not aware that he would be doing such thing and would be involved in the evasion of government duty; he admitted that his circumstances led to duty evasion of more than 3.5 crores approx. in the name of Ascent International .***

34.37 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Shri Vipin Chaturvedi exercised full control over M/s Ascent International, with Shri Atul Shashikant Herekar as a nominal owner. Shri Atul admitted limited involvement, no knowledge of import operations, and no stock at the Vapi premises controlled solely by Shri Vipin Chaturvedi. All key documents, including GST, IEC registrations, and import arrangements, were managed by Shri Vipin Chaturvedi, who also controlled the mobile number and bank transactions. Shri Atul Shashikant Herekar participation was due to financial hardship, and he was unaware of duty evasion exceeding Rs. 3.5 crores. These facts confirm Shri Vipin Chaturvedi as the beneficial owner and controller of M/s Ascent International.

34.38 I observe that statement of **Shri Kamlesh Joshi, Director of M/s. Prudent Stainless Pvt. Ltd.** was recorded on 20.02.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***Shri Vipin Chaturvedi had advised them to start a company, which could do job works related to manufacturing of pipes, polishing of pipes, drawing of pipes, annealing and pickling of pipes and tubes. He further stated that Shri Vipin Chaturvedi had told him that he would procure job work related to the processes as detailed above for their company; that thereafter, he and Shri Sanjay Mishra established this new company viz. Prudent Stainless Pvt. Ltd. in the beginning of the year 2020; that initially, they received job works from various other entities with the help of Shri Vipin Chaturvedi. He further stated that since the beginning of Prudent Stainless Pvt. Ltd., Shri Vipin Chaturvedi had been providing job works to Prudent Stainless Pvt. Ltd.; that Shri Vipin Chaturvedi worked as a consultant in Prudent Stainless Pvt. Ltd. and was looking after the overall functioning of the company although his salary or remuneration was not fixed but that sometimes, he was being given some amount in the account of his wife. He also admitted that he purchased a new mobile no. 9687875150 for the company Prudent Stainless Pvt. to carry out all the transactions but in the year 2022, he handed over the said mobile no. to Shri Vipin Chaturvedi to handle all the transactions related to Prudent Stainless Pvt. Ltd. as he was not interested in the day-to-day activities of Prudent Stainless Pvt. Ltd. Further, he also stated that official email id i.e. info@prudentstainless.com of Prudent Stainless Pvt. Ltd. was created by Shri Vipin and that he handles and operates the same as he was looking after the operation of the company. He and Shri Sanjay Mishra met Shri Vipin Chaturvedi at M/s Prakash Steelage.***

ii. *That, Shri Vipin Chaturvedi informed him that Prudent Stainless Pvt. Ltd. would receive job work from the above-mentioned proprietorship concerns namely, M/s Vivanta International,M/s Vikranta Impex, M/s Ascent International and Vrunda International; that however, no goods for job work processing were received by M/s Prudent Stainless Pvt. Ltd. from the above mentioned four proprietorship concerns nor any job work was done by the company M/s Prudent Stainless Pvt. Ltd for these firms.*

iii. ***That, he perused the advance licences issued by the DGFT to the four Proprietorship Concerns and agreed that the name of M/s Prudent Stainless Pvt. Ltd. is reflected as the supporting manufacturer in the mentioned copy of the advance License. He further stated that Shri Vipin Chaturvedi informed him and the other director that M/s Prudent Stainless Pvt. Ltd will get job work from these Four Proprietorship concerns and apart from this they have no relation or business transaction with these four pro-***

***prietorship concerns. Further, he stated that only once M/s Prudent Stainless Pvt. Ltd. had done a high Seas purchase of goods on 03.04.2023 from M/s Ascent International.***

iv. *He further stated that, he had perused the consent letter given by M/s Prudent Stainless Pvt. Ltd. to M/s Ascent International (IEC-ABWPH4340R) for undertaking Job Work; that Shri Vipin Chaturvedi had informed that M/s Prudent Stainless Pvt. would get Job Work from the above four proprietorship concerns and he managed to get the consent letter.*

v. ***He stated that he did not personally know the proprietors of Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that Shri Vipin Chaturvedi had only informed him that their company M/s Prudent Stainless Pvt. Ltd. would get the job work from these four proprietorship concerns.***

vi. *He further stated that M/s Prudent Stainless Pvt. Ltd. had not received any goods for job work processing from these four proprietorship concerns.*

vii. *He perused the Panchnama dated 27.12.2023 drawn at the registered premise of M/s Prudent Stainless Pvt. Ltd. and stated that M/s Prudent Stainless Pvt. Ltd. had not done any transaction related to sale purchase, job work etc with Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and in fact, had only one transaction with Ascent International related to a high seas purchase. He further admitted that no stock of goods related to the four proprietorship concerns was ever received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time. He further stated that Shri Vipin Chaturvedi had informed him that the goods related to these four proprietorship concerns were diverted at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra-410218.*

34.39 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Shri Vipin Chaturvedi was the key decision-maker of M/s Prudent Stainless Pvt. Ltd., despite holding no formal position in the company. As confirmed by Shri Kamlesh Joshi, the firm was set up on Shri Vipin Chaturvedi's suggestion, and all operational matters—including communications, job work sourcing, and strategic decisions—were managed by him. Shri Vipin Chaturvedi also facilitated the inclusion of Prudent Stainless Pvt. Ltd. as the supporting manufacturer in the Advance Authorisation licenses of Vivanta International, Vikranta Impex, Ascent International, and Vrunda International. However, no job work was ever undertaken for these firms, a fact corroborated by Shri Kamlesh Joshi and the Panchnama dated 27.12.2023. This false declaration demonstrates clear misuse of the Advance Authorisation Scheme with intent to evade customs duty. Notably, the only recorded transaction of Prudent Stainless Pvt. Ltd. was a single high seas purchase from Ascent International.

34.40 I observe that statement of **Shri Satya Pal, Proprietor of M/s. Satya Steel** was recorded on 20.02.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***Shri Vipin Chaturvedi used to manage the day-to-day activities of Prudent Stainless Private Limited and that he works on the instructions of Shri Vipin Chaturvedi and that he did not get any instruction from the Directors of Prudent Stainless Private Limited i.e. Kamlesh Joshi and Sanjay Mishra and usually got instructions only from Shri Vipin Chaturvedi.***

ii. *He stated that,* ***Shri Vipin Chaturvedi had asked him to give his Aadhar card and PAN card for creation of a new proprietorship concern i.e. Satya Steel in his name; that he had given the documents to Shri Vipin Chaturvedi in good faith; that Shri Vipin Chaturvedi had created new IEC and took GST Registration in his name. He further stated that upon the instructions of Shri Vipin Chaturvedi, in 2023, he purchased a new mobile no. 8758244701 for the firm Satya Steel to carry out all the transactions and handed over the said mobile no. to Shri Vipin. Further, the official email id i.e. satyasteel2023@gmail.com of Satya Steel was created by Shri Vipin Chaturvedi who handles and operates the same. He further stated that bank accounts of Satya Steel were also handled by Shri Vipin Chaturvedi only*** *and the premises of Satya Steel i.e. Ground, Plot number 1840, Kalamboli Steel Market Road, Road Number 24, kalamboli steel market, Navi Mumbai, Raigad, Maharashtra, 410218 is on rent and this premises is also under the control of Shri Vipin Chaturvedi.*

iii. ***He further stated that he had neither communicated with the CHA or Transporter nor had he received any documents related to imported goods of Satya Steel and that Shri Vipin Chaturvedi managed all the activities.***

iv. ***He stated that Shri Vipin is the right person to talk about the detailed activities undertaken by Satya Steel and the transactions carried out by Satya Steel.***

v. *That it was shri Vipin Chaturvedi who informed him regarding the Summons issued to him in relation to an enquiry in connection with Satya Steel; that Shri Vipin Chaturvedi had called him to Mumbai at the registered premises of Satya Steel and through a person Shri Veeru submitted the documents of Satya Steel to him. Shri Vipin Chaturvedi had also instructed him to sign on the covering letter dated 03.02.2024 and took signature from him on some other documents viz invoices etc. As per instructions of Shri Vipin Chaturvedi, he had sent these documents through courier to the office of DRI Vapi; that he had also seen some stock of Steel pipes lying at the registered premises of Satya Steel and Shri Vipin Chaturvedi also informed that goods at the premise of Satya steel had been detained by the DRI.*

vi. ***He stated that Shri Vipin Chaturvedi had applied for the licenses of these proprietorship entities and used to manage the work of these 4 entities; that sometimes Shri Vipin Chaturvedi instructed him to get stamp papers in the name of these firms and that he had never met any of the Proprietors of Vivanta International, Ascent International, Vikranta Impex, Vrunda International; that Shri Vipin Chaturvedi had informed that the supporting manufacturer of these 4 Proprietorship firms is M/s. Prudent Stainless Pvt. Ltd. However, in the whole year, no stock of Vivanta International, Ascent International, Vikranta Impex, Vrunda International came at the premises of Prudent Stainless Private Limited as per him; that he was working as supervisor at Prudent Stainless Private Limited and used to be aware of stocks received.***

vii. *Shri Satya Pal perused the Panchnama dated 27.12.2023 drawn at the registered premises of M/s Prudent Stainless Pvt. Ltd. at ground, plot no A2-229/1, GIDC, Umbergaon, Valsad, Gujarat, 396170 and stated that M/s Prudent stainless Pvt. Ltd had not done any transaction related to sale /purchase, job work etc with the Vivanta International (IEC-AHTPA1064A), Ascent International (IEC-ABWPH4340R), Vikranta Impex (IEC-AACPJ4996Q) and Vrunda International (IEC-BSCPM6046B) and that there was only one transaction with Ascent International related to a High seas purchase. He further stated that no stock of goods related to the four Proprietorship concerns was received by M/s Prudent Stainless Pvt. Ltd. for job work purpose at its premises at any point of time.*

viii. *Shri Satya Pal perused the Panchnama dated dated 08.01.2024 Drawn at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and stated*

*that the goods related to these four proprietorships concerns viz Vivanta International, Ascent International, Vikranta Impex, Vrunda International that had been imported under advance authorization scheme were diverted to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 as informed by Shri Vipin Chaturvedi. He further stated that he and Shri Vipin Chaturvedi had also informed Shri Prakash Khadye that goods of these 4 concerned firms have been diverted to the premises of Satya Steel and presently most of the goods imported under advance authorization scheme of Vrunda International were lying there and that some of the imported goods under advance scheme belonged to other 3 Proprietorship concerns.*

ix. *On perusal of the copies of E-way Bills it was noticed that the goods imported by Vivanta International, Ascent International, Vikranta Impex, Vrunda International imported under advance authorization scheme were sent to the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra-410218. He further agreed that goods detained at the premise of Satya Steel under Panchnama dated 08.01.2024 are liable for seizure/ confiscation as the goods imported under advance authorisation scheme should not have been diverted in the local market.*

34.41 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. Shri Vipin Chaturvedi is the mastermind behind the operations of M/s Satya Steel and is centrally involved in the diversion of goods imported under the Advance Authorisation Scheme by four proprietorship entities— M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, and M/s Vrunda International. Although these firms were registered in the names of different individuals, Shri Vipin Chaturvedi exercised complete control over their operations, including import, transportation, and storage of goods. M/s Satya Steel was entirely operated, controlled, and managed by Shri Vipin Chaturvedi. He was responsible for obtaining the IEC, GST registration, handling the firm's mobile number and email, operating the bank accounts, and maintaining physical control of the registered premises which was one of the actual location where the diverted goods were delivered and stored. The goods imported by the four firms using duty exemptions under Advance Authorisation were illegally diverted to this location instead of being sent to the declared supporting manufacturer, M/s Prudent Stainless Pvt. Ltd., which itself confirmed it had received no goods from these firms.

34.42 I observe that statement of **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** was recorded on 01.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***M/s Steelage Overseas Private Limited has business transaction/relation only with Vrunda International; that Shri Vipin Chaturvedi was the person who had established business relation with M/s Vrunda International.***

ii. ***He submitted the purchase ledgers, invoices, e-way bills i.r.o. Vrunda International and the details of purchases made by the company M/s Steelage Overseas Pvt. Ltd. Further he told that the company had purchased Steel Pipes, Coils and Sheets from M/s Vrunda International.***

iii. *He further stated that M/s Vishnu transport was the transporter engaged for the delivery of goods purchased from M/s Vrunda International by M/s Steelage Overseas Private Limited.*

iv. *He further stated that he is not the financer or beneficiary of import done by Vrunda International; that the company M/s Steelage Overseas Pvt. Ltd had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda Interna-*

*tional on a few occasions. Further, he stated that he does not know whether goods imported under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through the above-mentioned business entity i.e. Vrunda International to Steelage Overseas Private Limited or not and that they had purchased all the goods at the prevailing market rate only.*

v. ***That Shri Vipin Chaturvedi used to arrange and provide the information regarding the availability of the imported material and rate; that he used to place the order telephonically and purchase the imported goods as per the trading needs and during final transaction and delivery of the goods, he would learn that the invoices had been generated in the name of Vrunda International; that he had never done any direct transaction with Vrunda International****.*

34.43 In view of the above statement I find that Shri Darshak Shah, Director of M/s Steelage Overseas Pvt. Ltd., has confirmed that his company had business dealings exclusively with M/s Vrunda International, through Shri Vipin Chaturvedi, who acted as the sole point of contact for all transactions. He admitted that his company had purchased imported stainless-steel goods such as pipes, coils, and sheets from M/s Vrunda International, and all orders, pricing, and delivery logistics were handled by Shri Vipin Chaturvedi, although invoices were raised in the name of M/s Vrunda International.

34.44 I observe that statement of **Shri Ashok Seth, Karta of Seth Steel** was recorded on 12.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***He acknowledged that his firm, Seth Steel, has business transactions and relations with Vrunda International, Vivanta International, Ascent International and Satya Steel. He clarified that Seth Steel has no transactions with Vikranta Impex. He further stated that they had purchased various items such as steel pipes, coils, and sheets from these entities and Shri Vipin Chaturvedi facilitated these transactions.***

ii. ***On being asked, he stated that Shri Vipin Chaturvedi was known to him for the past 30 years, as he and Shri Vipin Chaturvedi were associated with M/s Prakash Steelage Limited, where he was one of the Directors.***

iii. ***He submitted documents viz details of purchases made from Vrunda International, Vivanta International, Ascent International and Satya Steel.***

iv. ***He also stated that he had not purchased imported goods under advance authorization scheme from the mentioned firms. He clarified that they had purchased different imported goods such as steel welded pipes and SS HR/CR coils and sheets from these firms through Shri Vipin Chaturvedi.*** *He also stated that goods purchased from these firms were sold to different buyers in the domestic market, and currently, no stock of goods purchased from these entities is available at their premises.*

v. *He denied being the financer or beneficiary of imports done by these firms and stated that sometimes, he has purchased imported goods such as steel pipes and coils from these firms at prevailing market rates.*

vi. *He also stated that he didn't know much about the four Proprietorship entities but had dealt directly with Shri Vipin Chaturvedi, who had arranged and provided information about imported materials and rates. He mentioned that during the final transaction and delivery, he used to learn that invoices had been generated in the name of these entities.*

34.45 In view of the above statement I find that the representative of M/s Seth Steel confirmed having business dealings with M/s Vrunda International, M/s Vivanta International, M/s Ascent

International, and M/s Satya Steel—all entities operated and controlled by Shri Vipin Chaturvedi. He stated that all transactions, including supply, pricing, and documentation, were handled exclusively by Shri Vipin Chaturvedi, with whom he had a prior professional association at M/s Prakash Steelage Ltd. The purchases involved imported stainless-steel goods at market rates, and invoices were issued in the names of the respective firms only after the transactions were finalized. He denied any direct interaction with the proprietors or knowledge of the use of Advance Authorisation Scheme, and clarified that his firm was not a financer or beneficiary of the imports. These facts clearly establish Shri Vipin Chaturvedi as the actual controller of the said firms and the person responsible for diverting duty-free imports into the domestic market in violation of the Advance Authorisation Scheme.

34.46 I observe that statement of **Shri Ashok Seth, Director of M/s Seth Steelage Private Limited** was recorded on 12.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***M/s Seth Steelage Private Limited, has business transactions and relations with Vivanta International, Ascent International and Satya Steel. Seth Steelage Private Limited has no transactions with Vikranta Impex and Vrunda International. He further agreed that he had purchased various items such as steel pipes, coils, and sheets from the mentioned entities which were arranged by shri Vipin Chaturvedi.***
ii. *He also stated that to the best of his knowledge, Seth Steelage Private Limited had not purchased goods imported under the advance authorization scheme by Vivanta International, Ascent International and Satya Steel.*
iii. *He denied being the financer or beneficiary in the import done by these three Proprietorship entities and stated that on a few occasions, he has purchased imported goods such as steel pipes and coils from these entities at prevailing market rates. He clarified that, he had never purchased Stainless-Steel Seamless Pipe Grade 304 from these entities.*
iv. ***He further stated that he did not know much about Vivanta International, Ascent International and Satya Steel and that he had dealt directly with Shri Vipin Chaturvedi for business transactions.***

34.47 In view of the above statement, I find that the representative of M/s Seth Steelage Private Limited confirmed having business dealings with M/s Vivanta International, M/s Ascent International, and M/s Satya Steel—firms indirectly operated and controlled by Shri Vipin Chaturvedi. He admitted that all purchases of steel pipes, coils, and sheets were made at prevailing market rates, with all transactions facilitated solely through Shri Vipin Chaturvedi. He also confirmed having no direct dealings with the proprietors and relied entirely on Shri Vipin Chaturvedi for sourcing, pricing, and supply.

34.48 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. I also find that it has been undisputedly established that Shri Vipin Chaturvedi is the key conspirator and mastermind behind the fraudulent import scheme involving duty-free import of Stainless Steel Seamless Pipes (Hot/Cold Rolled) under the Advance Authorization Scheme in violation of Notification No. 21/2023-Customs, dated 01.04.2023. He orchestrated the formation of four Proprietorship firms— M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex and M/s Vrunda International - using the KYC documents of financially vulnerable individuals, while retaining full control over their operations, bank accounts, email IDs, mobile numbers, and GST/IEC registrations. Although the imports were made in the name of these entities, Shri Vipin

Chaturvedi acted as the beneficial owner, controller, and sole decision-maker, and subsequently diverted the conditionally expemted Imported goods into the Domestic market in clear violation of the license conditions. His actions resulted in significant evasion of customs duty and breach of the conditions governing the Advance Authorization scheme.

34.49 I observe that statement of **Shri Vipin Chaturvedi** was recorded on 15.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***He produced the documents in respect of the four proprietorship concerns M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International.***

ii. ***He agreed with the Panchnama dated 26.12.2023 drawn at the registered premises of Vivanta International (IEC-AHTPA1064A); Panchnama dated 11.01.2024 at the premises of Ascent International (IEC-ABWPH4340R); Panchnama dated 02.01.2024 at the premises of Vikranta Impex (IEC-AACPJ4996Q), Panchnama dated 10.01.2024 at the premises of Vrunda International (IEC-BSCPM6046B), Panchnama dated 27.12.2023 drawn at the registered premise of M/s Prudent Stainless Pvt. Ltd. and Panchnama dated 08.01.2024 Drawn at the registered premise of Satya Steel.***

iii. *He perused the following statements and agreed with the contents stated therein: -*

m. *Statement dtd 02.01.2024 of Shri Mahesh Joshi, Prop of Vikranta Impex.*
n. *Statement dtd 09.01.2024 of Shri Madan Chaudhary.*
o. *Statement dated 09.01.2023 of Shri Vaibhav Satish Shelar, I M Logistics.*
p. *Statement dtd 10.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.*
q. *Statement dtd 11.01.2024 of Shri Nitin Rangnath Anchan, Prop of Vivanta International.*
r. *Statement dtd 11.01.2024 of Shri Anand Menon, Prop of Vrunda International.*
s. *Statement dtd 11.01.2024 of Shri Atul Shashikant Herekar, Prop of Ascent International.*
t. *Statement dtd 20.02.2024 of Shri Kamlesh Joshi, Director of Prudent Stainless Pvt. Ltd.*
u. *Statement dtd 20.02.2024 of Shri Satya Pal, Prop. of Satya Steel.*
v. *Statement dtd 01.04.2024 of Shri Darshak Mayur Shah of Steelage Overseas Private Limited.*
w. *Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steel HUF.*
x. *Statement dtd 12.04.2024 of Shri Ashok Seth in Seth Steelage Private Limited.*

iv. ***He admitted that all the four proprietors viz M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International are well known to him from last 10 years. He mentioned that these proprietors needed financial assistance, so he advised them to start import-export businesses related to steel pipes, coils, and sheets. He stated that he had provided consultancy to them for the business in their Proprietorship entity. He denied being the controller or financer of these four proprietorship firms. However, he admitted that he managed all the activities of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International, and M/s. Vivanta International.***

v. ***He further acknowledged that Prudent Stainless Private Limited was the supporting manufacturer in the DGFT licenses of Vivanta International, Ascent International, Vikranta Impex, and Vrunda International. He clarified that no stock from these firms***

***had ever reached the premises of Prudent Stainless Private Limited in the year 2023. He mentioned that goods imported under the Advance Authorisation scheme by these firms were diverted to the registered premises of M/s Satya Steel and subsequently sold in the local market.***

vi. ***He perused the copies of E-way Bills and confirmed the fact that goods imported by Vivanta International, Ascent International, Vikranta Impex, and Vrunda International under the Advance Authorisation scheme were destined for the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and endorsed the documents. He agreed that goods detained at the premises of Satya Steel under the Panchnama dated 08.01.2024 were liable for seizure and confiscation as they were diverted illegally and sold in the local market and had not complied with the conditions of the Advance Authorisation scheme.***

vii. *He stated that he doesn't know the exact value of the goods detained at the premises of Satya Steel. He committed to provide the total weighment and value of the detained goods within 1-2 weeks after matching with the packing list of Bills of Entry. He also agreed with the Supratnama dated 08.01.2024 provided by Shri Prakash Khadye, Authorized person of Satya Steel.* ***He admitted that the value of goods imported under the Advance Authorization scheme was approximately Rs. 8 crores, with the total duty evasion amounting to approximately Rs.13.95 crores.***

viii. *He admitted that he had sold the imported SS Seamless pipes under the Advance Authorization scheme to Dev Steel and Alloys in Kalamboli market. He clarified that Dev Steel and Alloys was not aware that the goods imported under the Advance Authorization scheme was sold to them. He confirmed that, he had sold the goods at market rate.*

34.50 I observe that another statement of **Shri Vipin Chaturvedi** was recorded on 17.04.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. ***The role of the proprietors of M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International in the management and functioning of these proprietorship concerns was very limited and these entities were being managed by himself.*** *He explained that all the proprietors were known to him and were seeking a source of income; that he gave them the idea to initiate a business related to import and export of items such as SS Sheets, SS Coils, and SS pipes. He offered to manage their export-import business for an agreed sum but clarified that these proprietors had no role in the day-to-day activity related to the import of goods in their concerns.*

ii. *He stated that the proprietors knew that the goods had been imported under advance license; that apart from goods imported under advance license, there were normal imports in these firms.*

iii. *He stated that he had played the role of a mediator, managing the import of goods in these proprietorship concerns; that his extensive experience in the field and his connections with various buyers, allowed him to earn some profit; that he could not estimate the exact amount earned.*

***iv. He mentioned that the amounts given to the proprietors varied; that for instance, he had paid Shri Mahesh Joshi of M/s. Vikranta Impex on a per-container basis, while payments to the proprietors of M/s. Ascent International, M/s. Vrunda International, and M/s. Vivanta International were monthly, albeit irregular due to the business***

***stabilization process. He recalled paying sometimes in cash and sometimes into their accounts, although he couldn't remember exact details.***

v. *He stated that the CHA, I M Logistics, was aware that the goods were being imported under advance license. He clarified that he himself coordinated with the CHA for import under advance authorization and that the proprietors were not actively involved or aware of these activities.*

vi. *He also stated that the CHA only provided transportation and clearance services. He mentioned that he generated E-way bills for the imported goods and provided them to the transporter. He emphasized that the CHA had no idea about the diversion of goods as he generated all the E-way bills under the names of the proprietorship concerns.*

***vii.*** *He also stated that the transporter was likely unaware that the goods were imported under advance license and were not being sent to the registered premises of the proprietorship concerns.* ***He mentioned that he had generated all the E-way bills in the name of the concerns but with the address of the KalamboliGodown. He explained that the Proprietors never contacted the transporter and had no knowledge about their operations.***

***viii.*** ***He contacted the owners of the registered premises through local property dealers. He mentioned that after consultation with the owners, he facilitated the lease agreements for GST registration and IEC purposes.***

***ix.*** ***He provided the contact details from the GST and IEC registrations of the proprietorship concerns, mentioning that he and his accountant operated these SIMs and email IDs as per requirements for banking, GST, and other departments. He clarified that the mobile phone SIMs were taken in the names of the respective proprietors for operational purposes.***

***x.*** ***He mentioned that he used these SIMs and email IDs primarily on a Vivo phone. He further stated that he had lost the Vivo phone while commuting from Silvassa to Vapi, leading to the loss of the SIM cards. He admitted to not reporting the loss of SIMs due to the ongoing investigation and lack of operation in the proprietorship concerns.***

xi. *He denied intentionally destroying evidence and asserted that he used the phone numbers and SIM cards with the proprietors' authorization for operational purposes.*

xii. *He acknowledged that outstanding payments were reflected in the ledgers of M/s. Ascent International, M/s. Vikranta Impex, and M/s. Vivanta International from Dev Steel & Alloys. He clarified that the SS seamless pipes imported under the advance authorization scheme had already been sold to M/s. Dev Steel & Alloys and that some goods had been detained by DRI Vapi office at Satya Steel's premises.*

xiii. *He stated that the detained goods at Satya Steel's premises possibly included imports belonging to these four proprietors. He mentioned that most of the detained goods were imported under the advance license, particularly those of Vrunda International. He noted that some SS seamless pipes were imported under advance authorization, while others were normal imports.*

xiv. *He explained that invoices regarding the sale of goods to M/s. Dev Steel & Alloys were not prepared because goods imported under the advance license cannot be sold in the open market and he sold these goods in cash without preparing invoices.*

xv. *He mentioned his extensive experience in the sector and his contacts with buyers and sellers, including M/s. Dev Steel & Alloys, who had contacted him for the supply of SS Seamless pipes imported under the advance authorization scheme.*

xvi. *M/s. Dev Steel & Alloys was unaware that the goods were imported under advance authorization when they purchased them. He reiterated that he had also sold normal imported goods to them.*

34.51 I view of the above statements I find that Shri Vipin Chaturvedi was the actual controller and decision-maker behind the four proprietorship firms—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Though these firms were nominally registered in the names of financially dependent individuals, all critical operations—including GST and IEC registration, DGFT license applications, import planning under the Advance Authorization Scheme, logistics coordination, and communication—were managed solely by Shri Vipin Chaturvedi. He exercised exclusive control over the mobile numbers, email IDs, and bank operations linked to these entities. Shri Vipin Chaturvedi also arranged for M/s Prudent Stainless Pvt. Ltd. to be declared as the supporting manufacturer in the DGFT licenses. However, no goods were ever sent to Prudent for manufacturing. Instead, the imported stainless-steel products were systematically diverted to M/s Satya Steel's godown at Kalamboli and sold in the domestic market without invoices, thereby violating the conditions of the Advance Authorization Scheme under Notification No. 21/2023-Customs dated 01.04.2023. This deliberate diversion of duty-free goods, facilitated and controlled entirely by Shri Vipin Chaturvedi, has resulted in Customs duty evasion amounting to ₹13.95 crores. His admission to orchestrating the operations of all four firms, making per-container payments to the name-lenders, and handling all aspects of the import and distribution chain confirms his role as the de facto beneficial owner and mastermind behind the fraudulent misuse of the Advance Authorization Scheme. In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports.

34.52 I observe that another statement of **Shri Vipin Chaturvedi** was recorded on 24.05.2024 under Section 108 of the Customs Act, 1962 due to the retraction of statement filed by him in the court of Addl. Chief Judicial Magistrate of Vapi wherein he inter-alia stated that:-

i. *He had been shown his retraction letter dated 18.04.2024 submitted in the court of Addl. Chief Judicial Magistrate of Vapi, at Vapi wherein he stated that* ***He had not retracted from whole of his statement but only on some of the parts/points of his statements; that No threat, pressure and duress were given to him during his statement; that he is not the controller and main person of the four different firms. On perusal of the same, he put his dated signature in token of agreeing upon it. He also stated that he had managed the activities of these 4 importers as a consultant and 04 importers are also equally responsible for the import made by these firms under advance authorization scheme.***

ii. *He had been shown his earlier two statements dated 15.04.2024 and 17.04.2024 and he stated that contents in his previous statements are almost correct but that as he stated earlier,* ***he had managed the activities of these four importers/Proprietors as consultant and these 04 importers are also equally responsible for the import made by these firms under advance authorization scheme. It is the responsibility of these 4 importers/Proprietors to not violate the conditions of government scheme and he was not the only beneficiary from the evasion of customs duty. He just got the benefit of his consultation fees.***

iii. ***On being asked about the statements of these 4 proprietorship firms which suggest that all the 4 concerned Proprietors were working in private sector in different firms/companies; that they were not actively involved in the business concerned; that from the statement of CHA, Vaibhav Shelar and the transporter Shri Madan Chaudhary, it appeared that he was managing the whole affairs of these 4 proprietorship concerns as they had never met these 4 proprietors and had never communicated with them in any way for any transaction. He accepted that, he had managed the whole works/activities of all these Proprietorship concerns viz. M/s Ascent***

***International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International but as a consultant.***

iv. *On being further asked that the statements of Shri Satya Pal, Ashok Seth and Shri Darshak Mayur Shah suggested that he was the controller/financer of these firms as they have also consulted him for the business dealing of these 4 firms, he stated that, he is not the financer of these entities.* ***He had managed and controlled the activities of all these firms viz. M/s Ascent International, M/s. Vikranta Impex, M/s. Vrunda International and M/s. Vivanta International with the consent of these proprietors;*** *that they had decided to import the goods in the Proprietorship entities and that he managed to sell these imported goods to various buyers in the local market, who needed these goods; that he had managed all the activities with their consent.*

v. *On being asked about the value of detained goods of different sizes of imported steel pipes of these 4 firms detained under panchnama dated 08.01.2024 at the premise of Satya Steel, he stated that he had submitted all the relevant details vide email dated 21.05.2024**,** which was sent from email of M/s. Satya Steel. That, the said importers/ Proprietors and Satya steel have provided assessable value for the particular items in the Panchnama and Supratnama both dated 08.01.2024, as per BOEs and that Goods have the assessable value of Rs.50,83,767/- (excluding the detained goods marking viz E, F, M, P, Q). He further stated that the said goods belonged to Vrunda International, Vivanta International and Vikrana Impex imported under advance authorization scheme. Further, the detained goods having marking viz E, F, M, P, Q is not matching with the size of goods imported under advance authorization scheme by the said importers/ proprietors.*

***vi. On being asked regarding the earlier statements, he stated that he had sold the goods i.e. SS Seamless pipes imported under advance authorisation scheme from the premise of Satya Steel to Dev steel and alloys.***

***vii. On being further asked about the bank account statements of these 4 Proprietorship concerns in which huge payment is received from various other firms such as Seth Steel, Seth Steelage etc. as well, he replied that he had mostly sold the goods i.e. SS Seamless pipes imported under Advance Authorisation scheme, in the Kalamboli market to Dev Steel and Alloys and on one or two instances SS Seamless pipes imported under Advance Authorisation by Vrunda International were sold to Steelage Overseas Private Ltd.***

viii. *He further stated that these four proprietors have regular import apart from import under advance authorisation scheme and that they had sold these imported goods to various buyers through GST invoices*

ix. *On being asked whether Dev Steel and Alloys and Steelage Overseas Private Limited was the financer/beneficiary of these imported goods viz SS Seamless pipes imported under advance authorisation scheme or Dev Steel and alloys and Steelage overseas Private Limited was having the idea that the goods sold to them were imported under advance authorisation, he stated that Dev Steel and Alloys and Steelage Overseas Private Limited had no idea regarding the same. He further stated that he had sold the imported goods viz SS Seamless pipes imported under Advance Authorisation scheme to Dev Steel and Alloys and Steelage Overseas Private Limited and they are beneficiaries of these imported goods without GST invoices and payments were received in the bank accounts of these 4 proprietorship concerns.*

***x. On being asked regarding the sale of goods of these 4 proprietorship concerns without GST Invoices being a violation of GST act and evasion of GST as well. He replied that, there is evasion of Customs duty which includes BCD, SCD, Anti-Dumping and IGST at the time of import by these 4 importers; that at the time of import, IGST was exempted and it is the part of Customs Duty; that had they paid the IGST at the time of***

***import, they would be eligible to get credit as well. So particularly, there is not GST evasion at all. Although by the act of contravention, there is indeed evasion of Customs duty including BCD, SCD, Anti-Dumping Duty and IGST.***

34.53 In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports. It is also undisputedly established that Shri Vipin Chaturvedi is the beneficial owner, de facto controller, and mastermind behind the operations of the four proprietorship concerns—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Despite his attempt to downplay his role as merely a consultant, Shri Vipin Chaturvedi admitted to managing and controlling all critical activities of these firms, including coordination of imports under the Advance Authorization Scheme, handling Customs House Agent (CHA) interactions, transportation, and diversion of duty-free goods into the domestic market. He orchestrated the unlawful sale of imported stainless steel seamless pipes to various entities, notably M/s Dev Steel and Alloys and Steelage Overseas Pvt. Ltd., without their knowledge of the duty-free status, often bypassing issuance of GST invoices. Shri Vipin Chaturvedi further acknowledged the evasion of Customs duties, including Basic Customs Duty (BCD), Social Welfare Surcharge (SCD), Anti-Dumping Duty, and IGST, resulting from unauthorized diversion of imported goods. These admissions, corroborated by seized goods and documentary evidence, unequivocally establish Shri Vipin Chaturvedi as the principal architect and beneficiary of the duty evasion scheme executed through the four proprietorship firms.

34.54 I find that the statements from paragraphs 29.13 to 29.42 undisputedly establish that Shri Vipin Chaturvedi is the key orchestrator, controller, and beneficial owner behind the import of conditionally exempted goods carried out in the names of the four proprietorship concerns—M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International, and M/s Vivanta International. Although imports were conducted under the legal identities of these proprietors, all operational, financial, and logistical decisions were solely taken by Shri Vipin Chaturvedi. In view of the above statement I find that the whole fraudulent scheme was framed with a sole purpose of evasion of duty free goods by diverting in open market instead of using them in export goods while having no intent of making any exports.

34.55 I find that all four proprietors admitted to providing their identity documents to Shri Vipin Chaturvedi, who used them to establish the firms, obtain IEC and GST registrations, and operate bank accounts, SIM cards, and email IDs. The proprietors confirmed they had no involvement in day-to-day operations, had no dealings with Customs House Agents or transporters, and were unaware of key transactions. Shri Vipin Chaturvedi independently coordinated CHA interactions, transportation arrangements, lease agreements for registered premises, and dealt directly with buyers and suppliers.

34.56 I find that Shri Satya Pal, Shri Ashok Seth, Shri Darshak Shah, and Shri Mayur Shah corroborated that Shri Vipin Chaturvedi was the sole point of contact for all transactions and that they had never interacted with or met the proprietors. Shri Vipin Chaturvedi controlled the generation of E-way bills, preparation of invoices, and the physical movement of goods. His role extended well beyond consultation; he exercised full control over import, storage, and diversion of goods.

34.57 I find that Shri Vipin Chaturvedi admitted that duty-free goods imported under the Advance Authorization scheme by these firms were diverted to the premises of M/s Satya Steel—a proprietorship concern managed by him but whose proprietor had no knowledge or involvement in operations. He further admitted selling these imported stainless steel seamless pipes and other goods in the domestic market, including to M/s Dev Steel and Alloys and M/s Steelage Overseas Pvt. Ltd., without disclosing their duty-free status or issuing proper invoices. These firms unknowingly became beneficiaries of diverted goods.

34.58 I find that statements from the CHA Shri Vaibhav Shelar has confirm that all dealings were with Shri Vipin Chaturvedi, and none had any interaction with the named proprietors. Substantial payments were made by buyers into the bank accounts of the four firms, and Shri Vipin Chaturvedi confirmed and facilitated these transactions.

34.59 I find that despite attempts to characterize his role as a "consultant," Shri Vipin Chaturvedi's own admissions, corroborated by concerned partiesstatements, clearly demonstrate that he exercised total control over business affairs, financial decisions, and import-export operations of the four firms, personally benefiting from the evasion of Customs duty through sale of duty-free goods in the domestic market. The provisional quantification of duty evasion stands at approximately Rs. 13.95 crores, with the value of diverted goods exceeding Rs. 8 crores, as admitted by him.

34.60 I find that Shri Vipin Chaturvedi's claim of shared responsibility with the proprietors is unsubstantiated and appears as an afterthought. He alone managed documentation, communication, and transactions. His retraction does not negate his control but attempts to diminish his culpability. The Panchnamas, E-way Bills, and concerned party statements reinforce that the entire operation was masterminded, managed, and executed by Shri Vipin Chaturvedi.

34.61 I find that it is an undisputed fact Shri Vipin Chaturvedi is the beneficial owner, controller, and mastermind behind the import operations conducted through these four proprietorship concerns. His deliberate and systematic diversion of duty-free goods into the domestic market violates the conditions of Advance Authorization under provisions of Para 4 of the Foreign Trade Policy read with Notification No. 21/2023-Customs dated 01.04.2023, resulting in substantial evasion of Customs duties, including Basic Customs Duty and Anti-Dumping Duty.

34.62 I observe that statement of **Shri Bechraram Dewasi, partner in M/s Dev Steel and alloys** was recorded on 28.05.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He did not know these 4 Proprietors personally and knew the name of three of the Proprietorship concerns namely M/s Vivanta International, M/s Vikranta Impex and M/s Ascent International.*
ii. ***That, he is a trader of SS Sheets, SS Coils, SS Plates and SS Pipes and Shri Vipin Chaturvedi had arranged the deal between these three proprietorship entities and the partnership Firm M/s Dev Steel and Alloys. He further revealed that he used to give payment to these proprietorship concerns in their account as and when directed by Shri Vipin Chaturvedi and on advance basis too.***
iii. ***That he did not know whether Shri Vipin Chaturvedi is the Controller/Financer of these three proprietorship concerns but, he had purchased goods through Shri Vipin Chaturvedi, with whom, he was in regular contact. He had followed the instructions of Shri Vipin Chaturvedi regarding payment and used to get the delivery of goods whenever and wherever required.***

***iv. He admitted that he had not prepared invoices related to these goods and had sold these goods to various buyers namely M/s Ramdev Trading, Ramdev Impex LLP and M/s. Chanchal Metal and Tubes and payment was received in his bank accounts.***

***v. He is not the financer of these three Proprietorship concerns and when Shri Vipin Chaturvedi contacted him to supply SS Sheet, SS Coils, SS Plates etc, he insisted for advance payment and conveyed that he would supply goods through these three proprietorship concerns; that initially he supplied SS Coils to him as per requirement but later on he offered to give discount from the market rate for purchase of SS pipes from him; that Shri Vipin Chaturvedi further told that the payment has to be done in the respective accounts of these three proprietors and as per his instructions, he started payment in respective account of these three proprietors and the delivery of goods was managed by Shri Vipin Chaturvedi.***

*vi. He perused the copies of E-way Bills under which it was reflected that goods imported by Vivanta International, Ascent International, Vikranta Impex, under Advance Authorization scheme were destined at the premises of Satya Steel at Plot No. 1840, Kalamboli Street Market, Navi Mumbai, Kalamboli, Maharashtra- 410218 and agreed with the same. But he stated that he doesn't know about M/s Satya Steel and that they have no business relation with M/s Satya Steel.*

***vii. He did not have any idea that the goods sold to him were from these three Proprietors and were imported under advance license scheme.***

***viii. He further stated that M/s Dev Steel and alloys usually deals in SS Coils and Shri Vipin Chaturvedi was in regular touch with him, who offered to arrange SS coils for him and hence he gave advance to him; that later on, he was offered SS pipes from him at a discounted rate, but he does not know whether the goods supplied to him were imported under advance license by these three proprietors.***

***ix. That, he had purchased the goods and was supposed to make the payment of Rs.7.08 Cr.approx. and that still payment of Rs.75 Lakhs is due.***

***x. That, he had perused the e-way bill, and stated that Shri Vipin Chaturvedi arranged the delivery of goods at the registered premises of M/s Dev Steel and Alloys and that there is evasion of duty by these three proprietors.***

34.63 I observe that statement of **Shri Darshak Mayur Shah, Director of Steelage Overseas Private Limited** was recorded on 13.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

*i. **He has business transactions/relations with Vrunda International only out of the various proprietorship concerns and further said that Shri Vipin Chaturvedi was the person through whom they had established business relation with M/s Vrunda International**.*

***ii. That Steelage Overseas Private Limited had received imported goods i.e. imported SS Seamless pipes from Vrunda International through Shri Vipin Chaturvedi and he had no idea that Vrunda International had sold SS Seamless pipes imported under advance authorisation scheme to Steelage Overseas Private Limited; that sometime later, after discussion with Shri Vipin Chaturvedi, it was known that on a few occassions, Shri Vipin had supplied SS Seamless pipes imported under advance authorisation scheme to their company.***

***iii. That goods purchased from Vrunda international were sold to different buyers in the domestic market; that therefore stock of goods purchased from Vrunda international was not available at any of their premises.***

iv. *That M/s Steelage Overseas Private Limited had never done any direct transaction with Vrunda International nor does he know the Proprietor of Vrunda International.*

v. *That, Shri Vipin had provided GST invoices, both dated 01.09.2023, i.r.o. goods purchased from Vrunda International.*

vi. *He submitted documents in respect of purchase of imported SS Seamless pipes vide Invoice No. VR/012/23-24 and VR/013/23-24, both dated 01.09.2023 they had purchased 14,084 KGs and 14,664 KGs respectively. Further E-way bills and E-invoices had also been generated for these purchases and Payments were made through RTGS/NEFT only and the same was reflected in their bank account statements as well as in ledgers submitted earlier.*

vii. *That M/s Steelage Overseas Private Limited is not the financer or beneficiary of imports done by Vrunda International. On a few occasions they had purchased the imported goods viz. steel pipes, SS HR coils/ SS CR coils/ SS CR sheets from Vrunda International; that, he was not aware as to whether any imported goods under advance authorisation scheme (duty free) had been supplied by Shri Vipin Chaturvedi through Vrunda International to M/s Steelage Overseas Private Limited or not.*

viii. *On being further asked, he stated that from ledgers submitted earlier, it is reflected that they had continuous purchase of SS Welded pipes, Steel Coils, Steel Sheets etc. along with two instances of purchase of SS Seamless pipes during FY 2023-24, from Vrunda International through GST invoices and payments were also made in Bank Accounts of Vrunda International.*

34.64 I observe that statement of **Shri Vipin Chaturvedi** was recorded on 25.06.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *M/s Dev Steel and Alloys and Steelage Overseas Private Limited are traders and they deal in various goods such as SS Sheets, SS coils, SS Plates and SS pipes; that as per their requirement both the buyers had contacted him for purchase of goods. He also admitted that he had arranged the transportation for these goods to the destined location and that as per his instruction the goods used to be delivered at particular locations.*

ii. *That, he had sold the goods imported by the four proprietors under advance license to M/s Dev Steel and Alloys at price slightly lower than the market rate, but it was not much below the market rate; that he had sold goods to M/s Steelage Overseas Pvt Ltd. at the prevailing market rate; that since he has experience in this field and he used to look after the day to day activities of all these firms, based on his experience and analytical abilities, he had decided the rate at which the goods were to be sold in the market.*

iii. *The goods imported under advance license i.e. SS seamless pipes were sold to the buyers in loose form in trucks/lorries and that they had received payment in advance on some occasions and that sometimes it was received after delivery of goods; that some payment is still pending with M/s Dev Steel and alloys in respect of imported goods.*

iv. *He also gave the details of Shri Anand Menon i.e proprietor of M/s Vrunda International; that he knew Shri Anand Menon since last 8 years and came in his contact through their friend at Silvassa; that Shri Anand Menon is presently working in some software company; that M/s Vrunda International was started in the year 2020. He further stated that he knew the Proprietor of M/s. Vikranta Impex, since 4-5 years, when he used to go to ICD Tumb and that Shri Mahesh Joshi is working in a CHA company i.e. M/s Ajay Logistics and that he also permanently resides in Mumbai. He further stated that Shri Atul Shashikant Herekar is the Proprietor of M/s Ascent International and Shri Nitin Ranganath Anchan is the Proprietor of M/s. Vivanta International and that they both also reside permanently in Mumbai and that he knows both of them since the last ten years; that he came in contact with these two persons through M/s R S Impex (OPC) Pvt. Ltd.*

*where they were employed and that M/s R S Impex(OPC) Pvt. Ltd. is a company mainly engaged in the procurement and closure of DGFT licence and other works related to DGFT; that Shri Sunil Rao is the director of M/s R S Impex (OPC) Pvt. Ltd. and he came in his contact with regard to DGFT license related works of Prakash Steelage.*

v. *That as stated earlier, Mukesh Soni was the accountant who has prepared all the financial documents related to these four proprietors. He further stated that he and sometimes Mukesh Soni, the accountant coordinated bank transactions, GST, DGFT and other government departments' compliances as per his directions. Further, usually the SIMs and email IDs pertaining to these 4 entities were operated by him.*

vi. *He further admitted that he conveyed to the partner of M/s Dev Steel and Alloys that advance payment had to be done in the account of the three Proprietors and that he would arrange goods at the rate below market rate and M/s Dev Steel and Alloys became ready and hence the imported goods under advance license i.e. SS seamless Pipes Grade -304 were supplied to him; that M/s Dev Steel and alloys had made advance payment on various occasions but still some payment was due to them.*

vii. *That he had not prepared any GST invoice for the supply of goods i.e. SS seamless Pipes Grade -304 to M/s Dev Steel and Alloys as it was not demanded by them and that he had prepared GST invoice for the supply of goods to M/s Steelage Overseas Private Limited as the same was demanded by M/s Steelage Overseas Private Limited.*

viii. *That M/s Dev Steel and alloys had paid the amount of Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr respectively in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively towards the imported goods i.e SS seamless Pipes Grade -304 as per mutual agreed terms at the decided rate; that an amount of approx. Rs.75 Lakhs was due and had yet not been paid by them; that the amount had been paid in the account of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.*

ix. *That he had not made full payment to different overseas suppliers and the Payment i.r.o. Zhejiang Bangnuo Steel Pipe Co. for one container of Vrunda International and Wenzhou Yimo Trading Co. Ltd. for two containers of Vivanta International is still pending.*

34.65 I find that statement of **Shri Atul Shashikant Herekar, Proprietor M/s Ascent International** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He further perused the letter dated 21.05.2024 issued by Satya Steel and endorsed the said document and stated that he had not gone through the contents of the letter dated 21.05.2024 issued by Satya Steel at the time of signing the said letter in proper manner.*

ii. *He further admitted that he was under panic situation, as he had received notices from Income Tax department regarding major transactions in Ascent International and was worried; that he contacted Shri Vipin Chaturvedi to enquire about the status of the case; that Shri Vipin Chaturvedi gave him the said letter dated 21.05.2024 issued by Satya Steel to sign on it and said that the letter would help them to get out of this mess, hence, he was not in the condition to understand about the content and in good faith he signed the said letter.*

iii. *He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing some goods detained at Plot No. 1840, Kalamboli Steel Market,*

*Kalamboli New-Mumbai 410218, by DRI and that the said letter also had his endorsement in respect of valuation of goods.*

iv. *He admitted that he does not have any idea about goods imported by Ascent International and that Shri Vipin Chaturvedi controlled and handled all the activities of Ascent International, therefore Shri Vipin Chaturvedi may know whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*

v. *He further admitted that due to circumstances and panic situation created due to continuous email from Income Tax Department and the present investigation had puzzled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding it properly to close the case and accepted that, this is an act of negligence which has facilitated the evasion of Duty.*

34.66 I find that statement of **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** was recorded on 02.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

1. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner.*
2. *He stated that he panicked on account of the ongoing investigation and contacted Shri Vipin Chaturvedi and asked about the status of the case. He stated that the case is being handled and would be sorted out and gave the letter dated 21.05.2024 to sign on it; that Shri Vipin Chaturvedi further convinced him saying that the said letter would help them get out of this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.*
3. *He perused the contents of the said letter and endorsed it after understanding it and stated that the said letter is regarding valuation of detained goods and request for releasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.*
4. *He admitted that he did not have any idea about goods imported by M/s. Vivanta International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vivanta International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*
5. *He further admitted that due to circumstances and present investigation had baffled him and, in this situation, as per the advice of Shri Vipin Chaturvedi, he signed the letter without understanding its contents, in the hope that it would help close the ongoing investigation. He accepted that this is an act of negligence which has facilitated the evasion of Duty in the past.*

34.67 I find that statement of **Shri Anand Menon, Proprietor of M/s. Vrunda International** was recorded on 29.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that:-

i. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner issued by Satya Steel. He stated that he was panicking due to the ongoing investigation by DRI and had contacted Shri Vipin Chaturvedi and that Shri Vipin Chaturvedi had convinced him that the said letter will help to end this investigation, hence, he signed the said letter on the advice of Shri Vipin Chaturvedi.*

ii. *He perused the contents of the said letter and endorsed it by understanding it and stated that the said letter is regarding valuation of detained goods and request for re-leasing of some goods at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, which was detained by DRI and that the said letter also has his endorsement in respect of valuation of goods.*

iii. *He admitted that he does not have any idea about goods imported by M/s. Vrunda International and that Shri Vipin Chaturvedi controlled and handled all the activities of M/s. Vrunda International, therefore Shri Vipin Chaturvedi has the idea whether the imported goods were transported to KalamboliGodown i.e. Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 or not.*

iv. *He admitted that due to the current circumstances, he was under stress and in a state of panic. In this situation, based on the advice of Shri Vipin Chaturvedi, and in order to resolve the matter, he signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending its contents at that point of time. Further, he was in a state of hurry as at that time and he came out of the office during working hours. He further admitted that, this is an act of negligence which has facilitated the evasion of Duty.*

34.68 I find that statement of **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex** was recorded on 29.07.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *He perused the letter dated 21.05.2024 issued by Satya Steel and stated that he had not gone through the contents of letter dated 21.05.2024 in proper manner. He stated that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign on the letter. He had put his signature on the above-mentioned letter dated 21.05.2024 on the advice of Shri Vipin Chaturvedi in good faith.*

ii. *He stated that after perusing the contents of the said letter, he stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.*

iii. *He further admitted that, he had no idea about the goods imported by M/s Vikranta Impex. As stated by earlier, Shri Vipin Chaturvedi controlled and handled all the activities of M/s Vikranta Impex. Therefore, he would be able to answer whether the imported goods were transported to the KalamboliGodown at Plot No. 1840, Kalamboli Steel Market, Kalamboli, New Mumbai 410218 or not.*

iv. *He admitted that due to his negligence, he acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and that he had signed the aforementioned letter dated 21.05.2024 issued by Satya Steel, despite not fully comprehending the contents at that point of time. Further, he admitted that, this is an act of negligence which had facilitated the evasion of Duty.*

34.69 I find that statement of **Shri Satya Pal, Proprietor of M/s. Satya Steel** was recorded on 29.07.2025 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *He had perused the letter dated 21.05.2024 issued by Satya Steel and had signed the said letter and that he had gone through the contents of letter dated 21.05.2024 issued*

*by his proprietorship concern i.e. Satya Steel at the time of signing the said letter in proper manner. He admitted that that Shri Vipin Chaturvedi talked to him telephonically and called him to Vapi and asked him to sign the said letter.*

ii. *That he had perused the contents of the said letter and stated that the said letter is regarding the valuation of detained goods and the request for release of certain goods detained by DRI, Vapi vide Panchnama dated 08.01.2024 drawn at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218. The said letter also had his endorsement in respect of valuation mentioned in it.*

iii. *He stated that he had visited the registered premises of Satya Steel at Plot No. 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218, two-three time; that the first time he went to that premise in the month of August, 2023 on the instruction of Shri Vipin Chaturvedi for checking the delivery of stainless-steel pipe; that he used to check the thickness of pipes which were delivered at that premise; that the second time he went to that premise in the month of December, 2023 again on the instruction of Shri Vipin Chaturvedi for delivering some documents related to import to the registered premise of Satya Steel; that the third time he went to that premise on 03.07.2024 for weighment iro Stainless Steel Pipe on the request of DRI officers.*

iv. *He admitted that when he went to that premises for first time and second time, he was not aware that the said premises belong to Satya Steel and Satya Steel was registered in his name as Proprietorship concern. He further stated that when Shri Vipin Chaturvedi asked him to go to Kalamboli, he had thought that it was work related to Prudent Stainless Private Limited but in the first week of January, 2024 Shri Vipin Chaturvedi had asked him to sign an authorization letter and that it was then that he came to know that Shri Vipin Chaturvedi created a proprietorship concern in the name of Satya Steel.*

v. *He stated that he had heard the name of Shri BechraramDewasiwho was employed at Prakash Steelage Ltd; that he had not heard about M/s. Dev Steel & Alloy.*

vi. *He admitted his negligence and stated that he had acted on the advice of Shri Vipin Chaturvedi and signed the letter dated 21.05.2024 given by Shri Vipin Chaturvedi, without going through its contents and without comprehending the contents at that point of time. He accepted that this is an act of negligence which had facilitated the evasion of Duty.*

vii. *He perused Seizure Memo dated 03.07.2024 and endorsed the said seizure memo and stated that he was present at the registered premise of M/s. Satya Steel i.e. Plot No. 1840, Kalamboli Steel Market Road, Road No. 24, Kalamboli, Navi Mumbai-410218, when DRI officers did the weighment of detained goods under the Panchnama dated 03.07.2024.*

viii. *He admitted that he had not shared any details through email dated 21.05.2024 and that Shri Vipin Chaturvedi would have sent the email. Further, he agreed that he was present at the time of weightment of the detained goods of marking A,B,X,C,D,G,Y,H,I,J,K,L as per the panchnama dated 08.01.2024 and the same matched with the imported goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/- but all these details were shared by Shri Vipin Chaturvedi and that only he could tell more specifically about the ownership of goods.*

ix. *He admitted that he is the proprietor of M/s. Satya Steel only for name; that he had done whatever was directed by Shri Vipin Chaturvedi and Shri Vipin Chaturvedi could tell about the owner of detained goods of marking E, F, M, P, Q.*

34.70 I find that statement of **Shri Vipin Kanhaiyalal Chaturvedi** was recorded on 29.11.2024 under Section 108 of the Customs Act, 1962 wherein he inter-alia stated that: -

i. *The letter dated 21.05.2024 and the related documents were prepared by him as he was the consultant of these entities and all the details and documents were available with him; that therefore, he had prepared the documents and letter dated 21.05.2024 and got it signed from all the Proprietors as well as from the proprietor of M/s Satya Steel.*

ii. *He reiterated that all the Proprietors needed money and hence he had advised them to initiate Proprietorship Firm in their name and suggested them the business of trading of steel items and import of other steel items and acted only as consultant in their Proprietorship firm. He further stated that all the Proprietors were having knowledge about whatever had been done by him.*

iii. *On being asked that the statement of the Proprietors suggest that he has not just acted as consultant but has taken each and every decision of the Proprietorship firm. That he had collected KYC documents, taken premises on rent, taken GST registration, opened Bank accounts, registered for Import Export Code, procured advance authorization license from DGFT, brought business by dealing with importers, imported goods under advance authorization license, planned the diversion of goods imported under Advance Authorization, caused the goods to be diverted from the port in the local market and sold the goods. All these acts suggest that at each and every point he was the decision-maker and the whole plan was hatched by him. In response to the question he replied that he had done each and every activity in the said firm but he had communicated each and every step to all the Proprietors.*

iv. *On being further asked that the proprietors had no knowledge as to whom the imported goods were sold or who was their CHA or transporters and what their firm's mobile no. and e-mail Id was. In response the question he replied that as stated earlier he had acted as their consultant only.*

v. *He further stated that apart from these four proprietorship firms, he was the consultant of M/s Prudent Stainless Pvt. Ltd. and M/s Satya Steel and was working from the office of M/s Aarav Consultancy, in which his wife Smt. Rachna Vipin Chaturvedi is the proprietor and whose office was located at 10th Floor, Office No. A-1013, Sonorous-A, Silvassa Road, Vapi, Valsad, Gujarat, 396191.*

vi. *He further admitted that he had checked and shared the details of goods detained vide Panchnama dated 08.01.2024, through email dated 21.05.2024 sent by Satya Steel. Further, he agreed that the detained goods with marking A,B,X,C,D,G,Y,H,I,J,K,L were matched with goods of M/s. Vrunda International, Vivanta International and Vikranta Impex and valuation of these detained goods were found to be Rs.50,83,767/- as per the Bills of Entry and agreed with the valuation of goods by empanelled Chartered Engineer according to which the value of goods marked E,F,M,P,Q as per detention under panchnama dated 08.01.2024 was arrived to be Rs.29,00,768/-.*

vii. *He also agreed with the valuation done by Shri G. Venkatpathy M., Govt empanelled CE. He also stated that he had not received the payment of Rs.75 lakhs from Shri BecharamDewasi.*

34.71 In view of the above statements, I find that on the basis of detailed statements recorded from various individuals and entities, it is undisputed fact that the conditionally exempted goods imported under the Advance Authorization Scheme by M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International were systematically diverted into the domestic market. The imported goods, including SS Seamless Pipes, SS Coils, and Plates, were sold to local traders such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd.

without fulfilling the export obligations or proper documentation such as GST invoices in certain cases. Shri Vipin Chaturvedi played a central role in facilitating these transactions, coordinating logistics, pricing, and receipt of payments directly into the bank accounts of the concerned proprietorships.

34.72 I find that on the basis of multiple statements—including those of the buyers (Shri Bechraram Dewasi of Dev Steel & Alloys and Shri Darshak Mayur Shah of Steelage Overseas), the proprietors of the importing firms, and even the proprietor of M/s Satya Steel where detained goods were found—corroborate that these transactions were carried out with full knowledge of the domestic sale of duty-free goods. The proprietors have admitted to acting on the instructions of Shri Vipin Chaturvedi, who also drafted a letter attempting to claim the detained goods as domestic stock. These facts, taken together, leave no doubt that the imported goods were not used for authorized exports but were instead diverted into the domestic market in violation of the conditions of the exemption notification, thereby resulting in evasion of customs duties.

34.73 I reiterate my findings and case law at para 29.76 on the basis of that **I find that the statements made in the case were voluntary and are very much valid in eyes of Law and can be relied upon as having full evidentiary value. In view of aforesaid, I find that subject duty free goods meant for used in manufacture of export goods have been intentionally and purposefully diverted by the mastermind of the conspiracy Sh** Shri Vipin Chaturvedi **to the open market in order to evade the custom duty.**

**FINANCIAL EVIDENCE**

34.74 I observe that during the course of investigation, DRI Vapi has sought the financial transaction details from banks in the form of account statements and other documents. Details of correspondence is as follows: -

**Table:4 Details of Communication with Banks**

| Sr. No. | Name of the Bank | Letter through which Details Sought from the banks (RUD-40) | Concerned Firm |
|---|---|---|---|
| 1) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Ascent International and Vivanta International |
| 2) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 13.02.2024 | Vikranta Impex |
| 3) | ICICI Bank | DRI/FatulAZU/SRU/VSU/INV-01/2024 dated 19.02.2024 | Vikranta Impex |
| 4) | HDFC Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Vrunda International |
| 5) | ICICI Bank | DRI/AZU/SRU/VSU/INV- 01/2024 dated 19.02.2024 | Dev Steel and alloys |

34.75 I observe that Shri Vipin Chaturvedi in his statement dated 15.04.2024 provided the bank statement of 4 Proprietors on whose name the import was done under the Advance License Scheme. From the bank statements, ledgers submitted by Shri Vipin Chaturvedi and ledgers submitted by M/s Dev Steel and Alloys, it was eveident that huge amount was transferred in the bank accounts of M/s Ascent International, M/s. Vikranta Impex and M/s. Vivanta International by M/s Dev Steel and alloys. Rs. 2.13 Cr, Rs. 2.25 Cr. and Rs. 2.05 Cr were credited in the

accounts of M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex respectively by M/s Dev Steel and alloys. From the above statements it id ubdisputed fact that this amount was paid in respect of goods imported under advance license and sold to M/s Dev Steel and Alloys.

34.76 I observe that conditionally exempted imported goods i.e. SS Seamless pipes Grade 304 by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex were sold to M/s Dev Steel and Alloys without GST invoices. This fact was corroborated by the statements of Shri Vipin Chaturvedi and Shri BechraramDewasi, Partner of M/s Dev Steel and Alloys. I further observe that from the documents in respect of M/sVrunda International and M/s Steelage Overseas Private Limited, it is evident that imported duty-free SS Seamless pipes Grade 304 imported by M/s Vrunda International were sold to M/s Steelage Overseas Private Limited through GST invoices and rest of the goods of M/s Vrunda International were seized at the premises of M/s Satya Steel. Further, from the scrutiny of bank statements and ledgers, following chart has been prepared, which presents a clear picture that M/s Dev Steel and Alloys played a substantial role in the diversion of duty-free imported goods and M/s Dev Steel and Alloys has purchased most of the goods imported under advance authorization licence by M/s Ascent International, M/s Vivanta International and M/s Vikranta Impex.

**Table 5: Financial Analysis of the concerned 4 proprietorship firms**

| Sr. No. | BE. NO. | BE. DATE | IM-PORTER | SUP-PLIER | ITEM SERIAL NUM-BER | Assess-able Value as per Bill of Entry | Comments |
|---|---|---|---|---|---|---|---|
| 1 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 1 | 4704353 | (1) Rs. 62,25,000/- lakhs received on 27.06.23 from M/s. *Dev steel and Al-loys*<br>(2) Payment of Rs.62,26,917/- made on 28.06.2023 to overseas sup-plier. |
| 2 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 2 | 773282 | |
| 3 | 6714117 | 04-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 3 | 800200 | |
| 4 | 6728913 | 05-07-2023 | Ascent In-ternational | Zhejiang Xintongda Special Steel Ma | 1 | 6133924 | (1) Rs. 48,00,000/- re-ceived from M/s. *Dev Steel and Alloys* on 07.07.2023 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | (2) payment of Rs.42,88,098/- only made on 07.07.2023 to overseas Supplier |
| 5 | 6768906 | 07-07-2023 | Ascent International | Wenzhou Yimo Trading Co., Ltd. | 1 | 5683361 | (1) Rs.56,50,000/- received from CHANCHAL METAL on 30.06.2023<br><br>(2) Payment of Rs. 56,27,053/- made to overseas supplier on 01.07.2023<br><br>(3) later (17.08.23 to 23.08.23) amount (Rs.56,50,000/-) was paid back to Chanchal Metal (appeared to have been a Loan) |
| 6 | 7395720 | 17-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5713437 | (1) Rs. 57,00,000/-received on 17.08.2023 from M/s. *Dev Steel and Alloys* and payment of Rs.56,97,595/- made to overseas supplier. |
| 7 | 7492486 | 23-08-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5736721 | (1) Rs. 57,00,000/- received from M/s. *Dev Steel and Alloys* on 28.08.2023, *(*2)payment of Rs.56,62,854/- made to overseas supplier |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | on 29.08.2023 |
| 8 | 7876353 | 16-09-2023 | Vikranta Impex | Wenzhou Yimo Trading Co., Ltd. | 1 | 5796609 | (1) Rs. 58,50,000/- receive from M/s. *Dev Steel and Alloys* on 09.11.2023, and payment of Rs.57,68,270/- made to overseas supplier (Wenzhou) on 10.11.2023 |
| 9 | 6855131 | 13-07-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 5623284 | (1) Rs. 57,00,000/-received on 14.07.2023 from M/s. *Dev Steel and Alloys*<br>(2) payment of Rs.55,69,475/- made to overseas supplier (Wenzhou) on 15.07.2023 |
| 10 | 6964489 | 20-07-2023 | Vivanta International | Zhejiang Xintongda Special Steel Ma | 1 | 5993284 | (1) Rs.60,00,000/- received from M/s. *Dev Steel and Alloys* on 24.07.2023,<br>(2) Rs. 59,23,571/- made to overseas supplier (Zhejiang) on 24.07.2023. |
| 11 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 1 | 606924 | (1) Rs.6,00,000/- received from Ascent International on 04.07.2023, and Rs.6,00,000/- lakhs given to yimo (overseas supplier) on 05.07.2023. |
| 12 | 7135176 | 31-07-2023 | Vivanta International | Yimo Steel Tubes Co., Limited Flat/ | 2 | 5129538 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | (2) Rs. 38,00,000/- lakhs received from VIPRA IMPEX on 29.07.2023, more than Rs.13,00,000/- received from |
| 13 | 8292620 | 13-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 6058548 | No payment made to overseas Supplier for this consignment yet |
| 14 | 8345621 | 17-10-2023 | Vivanta International | Wenzhou Yimo Trading Co., Ltd. | 1 | 6033629 | No payment made to overseas Supplier for this consignment yet |
| 15 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 1 | 6273602 | Payment of Rs.99,50,514/- made to overseas supplier for this consignment on 18.07.2023. Payment of Rs.1,00,00,000/- made by Steelage Overseas Private Limited to Vrunda International on 17.07.2023 |
| 16 | 6905239 | 17-07-2023 | Vrunda International | Wenzhou Sparkling International Tra | 2 | 2800262 | |
| 17 | 8795482 | 16-11-2023 | Vrunda International | Zhejiang Bangnuo Steel Pipe Co., Lt | 1 | 7414566 | Payment not made to overseas supplier for this consignment yet |

34.77 In view of the above table I find that financial flow from M/s. Dev Steel & Alloys and M/s. Steelage Overseas Private Limited to these four proprietorship concerns was used for payment of overseas suppliers of the four concerned proprietorships. I find that M/s **Ascent International** has made payment of Rs. 62,26,917/- and Rs. 42,88,098/- to overseas suppliers viz. Zhejiang Xintongda and Wenzhou Yimo respectively and M/s. Dev Steel and Alloys has made payment of Rs. 62,25,000/- and Rs. 48,00,000/- for payment to overseas suppliers. Similarly, M/s Vikranta Impex handled Rs. 57,00,000/- (17-08-2023) and Rs. 57,36,721/- (23-08-2023), funded by M/s. Dev Steel and Alloys, making near-matching payments to Wenzhou Yimo. Similarly, M/s Vivanta International processed substantial amounts, including Rs. 60,00,000/- from M/s. Dev Steel and Alloys, for payment of Rs. 59,23,571/- to Zhejiang. Lastly, I find that M/s Vrunda International managed Rs. 1,00,00,000/- received from Steelage Overseas for making payment of Rs. 99,50,514/- to Wenzhou Sparkling, while Rs. 74,14,566/- for a Zhejiang consignment remains unpaid. Overall, the data reflects synchronized receipts from M/s. Dev Steel & Alloy and M/s. Steelage Overseas Private Limited and payments to overseas suppliers with some pending liabilities.

34.78 In view of the above I find that scrutiny of bank statements and ledgers submitted during the investigation, it is evident that substantial payments were made by M/s Dev Steel and Alloys to the three proprietorship firms—M/s Ascent International (₹2.13 crore), M/s Vivanta International (₹2.25 crore), and M/s Vikranta Impex (₹2.05 crore). These payments correspond to goods imported under the Advance Authorization Scheme and were confirmed by both Shri Vipin Chaturvedi and Shri Bechraram Dewasi to be in respect of conditionally exempted imported SS Seamless Pipes (Grade 304), which were subsequently sold in the domestic market without any GST-compliant invoicing. This financial trail clearly establishes that the imported goods, which were duty-free and meant for export production, were diverted and sold locally in contravention of the conditions of exemption.

34.79 I also find that the financial flows from M/s Dev Steel and Alloys and M/s Steelage Overseas Private Limited to these four proprietorships were closely followed by matching or near-matching outward remittances to overseas suppliers in China, such as Zhejiang Xintongda, Wenzhou Yimo, and Wenzhou Sparkling. This synchronized pattern of inward and outward payments indicates that the domestic sale proceeds were used to settle import dues, thereby completing a cycle of diversion. Moreover, Shri Vipin Chaturvedi, who was centrally managing these firms, received over ₹87.87 lakh through his entity M/s Vipra Impex from the said firms, indicating personal monetary gain and reinforcing the conclusion that the financial transactions were not bona fide commercial dealings, but part of a larger scheme to divert duty-free goods into the domestic market. **In view of aforesaid, I find that subject duty free goods meant for used in manufacture of export goods have been intentionally and purposefully diverted by the mastermind of the conspiracy Sh** Shri Vipin Chaturvedi **to the open market in order to evade the custom duty.**

**<u>DIGITAL EVIDENCE (CALL DETAILS RECORD (CDR) DATA ANALYSIS)</u>**

**Analysis of Mobile numbers associated with proprietorship concerns i.e. Vikranta Impex, Vivanta International, Ascent International, Vrunda International, their proprietors i.e. Shri Mahesh Joshi, Shri Atul Shashikant Herekar, Shri Anand Menon and Shri Nitin Ranganath Anchan and Vipin Kanhaiyalal Chaturvedi:**

34.80 I observe that during the course of the investigation, it was revealed that the following mobile numbers—8087130955 (Vikranta Impex), 9321158755 (Vrunda International), 8128353190 (Vivanta International), and 9054714370 (Ascent International)—were registered with GSTIN, DGFT, and banks under the names of the respective proprietorship firms but were being used by Shri Vipin Chaturvedi alone. This fact was acknowledged by Shri Vipin Chaturvedi and all four proprietors in their respective statements. The details of the registered owners of these mobile numbers, as per the SDR received from telecom agencies, are as follows:

**Table 7: Registered Owners of the Concerned Mobile Numbers**

| Mobile Number | Registered Name |
|---|---|
| 8087130955 (Airtel) | Shri Mahesh Joshi (Proprietor of Vikranta Impex) |
| 9321158755 (Reliance Jio) | Anand Menon<br>(Proprietor of Vrunda International |
| 8128353190<br>(Airtel) | Shri Nitin Ranganath Anchan<br>(Proprietor of Vivanta International) |
| 9054714370<br>(Airtel) | Shri Atul Shashikant Herekar<br>(Proprietor of Ascent International) |

34.82 I observe that upon examining the CDR data of the aforementioned numbers, it was observed that the tower locations of all these four mobile numbers was concentrated near the premises of M/s. Prudent Stainless Steel, where Shri Vipin Chaturvedi primarily used to handle works, as well as near Shri Vipin Chaturvedi's residential premises. This pattern persisted throughout the analysis period from July 2023 to November 2023 and closely matched the primary locations associated with Shri Vipin Chaturvedi's mobile number, 9558312505. This strongly indicates that the numbers were being used by a single individual, namely Shri Vipin Kanhaiyalal Chaturvedi. I further observe that all four mobile numbers were used by the same individual in Vapi, Gujarat, and their locations shifted simultaneously both within and outside Vapi, including to Mumbai, during the same timelines. The table below presents the maximum tower locations for these mobile numbers:

**Table 8: Result of Location Analysis of the Official Mobile Numbers of the 4 Proprietorship firms**

| Sr. No. | Name of firm / person | Mobile no. | Maximum location no.1 | Maximum location No.2 |
|---|---|---|---|---|
| 1 | Vikranta Impex | 8087130955 | Near Prudent Stainless Steel “20.16398, 72.77948” | Near Vipin’s Residence “20.39502, 72.89382” |
| 2 | Vrunda International | 9321158755 | Hutch wer on Plot no. C-1, gidc, Umbergaon-396165 Gujarat (Near Prudent Stainless Steel) | PIYUSHBHAI-9723551777, Fortune Squre mall, Nr, Check Post, Vapi Challa Gujarat (Near Vipin’s |

| | | | | |
|---|---|---|---|---|
| | | | | Residence at Chala Vapi) |
| 3 | Vivanta Interna-tional | 8128353190 | Near Prudent Stainless Steel “20.16398, 72.77948” | Near Vipin's Sonorous Office “20.37222, 72.91779” |
| 4 | Ascent Interna-tional | 9054714370 | Near Prudent Stainless Steel “20.16398, 72.77948” | Near Vipin's Sonorous Office “20.37222, 72.91779” |
| 5 | Shri Vipin Chaturvedi | 9558312505 | Near Prudent Stainless steel “20.16398, 72.77948” | Near Vipin’s Sonorous Office “20.16773, 72.78058” |

**Analysis of Personal Mobile numbers associated with proprietors of Vikranta Impex, Vivanta International, Ascent International and Vrunda International in Comparison to mobile numbers used by Shri Vipin Chaturvedi:**

34.83 I further observe that during the course of investigation, it was revealed that the following personal mobile numbers—8779282037 (Mahesh Joshi), 9326782272 (Atul Shashikant Herekar), 9326794498 (Nitin Ranganath Anchan), and 9920816443 (Anand Menon)—were used exclusively by the respective individuals for personal purposes. The details of the registered owners of these mobile numbers, as per the SDR data obtained from telecom agencies, are as follows:

**Table 9: Owners of Concerned Mobile Numbers as per Registration Details**

| Mobile Number | Registered Name |
|---|---|
| 8779282037 (Reliance Jio) | Mahesh Chunilal Joshi (Proprietor of M/s. Vikranta Impex) |
| 9326782272 (Reliance Jio) | Atul Shashikant Herekar (Proprietor of M/s. Ascent International) |
| 9326794498 (Reliance Jio) | Nitin Ranganath Anchan (Proprietor of M/s. Vivanta International) |
| 9920816443 (Airtel) | Anand Menon (Proprietor of M/s. Vrunda International) |

34.84 I further observe that upon reviewing the CDR data of the above-mentioned numbers, it was observed that the tower locations for the personal mobile numbers of the four proprietors were primarily in Mumbai or areas near their residential and workplace locations. This aligns with the statements of the proprietors, who confirmed that they reside in Mumbai and that their proprietorship concerns were operated by Shri Vipin Chaturvedi and that they took new number for the transaction in their Proprietorship concerns and handed over the same to Shri Vipin Chaturvedi. Additionally, the location data indicates that Shri Mahesh Joshi, proprietor of

Vikranta Impex, was mostly present in Umbergaon (where he works) during the day and in Mumbai (where he resides) in the evenings.

Significantly, it was observed that **the locations of the personal mobile numbers used by the four proprietors never coincided, at any point of time, with the locations of the official mobile numbers associated with their respective firms.** Further scrutiny of the CDR data for all the personal numbers of the four proprietors, the mobile numbers associated with their firms, and Shri Vipin Chaturvedi's mobile number reveals that the locations and timestamps of calls made from the firms' official numbers consistently align with Shri Vipin Chaturvedi's movements. At the same time, the four proprietors were located far away, either in Mumbai or Umbergaon. A detailed comparison of the locations on select dates is provided in **Table10A to 10D** in **Annexure-B above.**

34.85 I find that based on the documentary and electronic evidence gathered during the investigation, it has been clearly established that the mobile numbers registered in the names of the proprietors of M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International were, in fact, operated and used by Shri Vipin Kanhaiyalal Chaturvedi. Despite being officially linked to the respective firms, these mobile numbers were exclusively used by Shri Chaturvedi for conducting business transactions and coordinating firm-related operations.

34.86 I find that it has been unequivocally admitted by Shri Vipin Chaturvedi and further corroborated by the statements of all four proprietors, who confirmed that they had handed over the mobile numbers to Shri Chaturvedi for use in connection with their business activities. The proprietors also admitted having little to no involvement in the actual operations of the firms.

34.87 I find that on the analysis of the Call Detail Records (CDRs) for these mobile numbers revealed that the usage locations of all four numbers consistently coincided with the known business and residential locations of Shri Vipin Chaturvedi, particularly around the premises of M/s Prudent Stainless Steel in Vapi and his residence in the same area. These patterns remained consistent throughout the analysis period from July 2023 to November 2023.

34.88 I find that the simultaneous movement of these firm-linked mobile numbers closely matched the movement of Shri Vipin Chaturvedi's personal mobile number (9558312505), indicating a single-user behavioral pattern. This included co-locations during travel between Vapi and Mumbai, further reinforcing that the numbers were solely used by Shri Chaturvedi.

34.89 I find that the personal mobile numbers of the respective proprietors—Mahesh Joshi (8779282037), Atul Shashikant Herekar (9326782272), Nitin Ranganath Anchan (9326794498), and Anand Menon (9920816443) - were found to be located primarily in Mumbai and Umbergaon, consistent with their claimed residential and workplace addresses. The location data of these personal numbers never overlapped with the mobile numbers associated with the firms.

34.90 I find that the above findinds when read in conjunction with the statements of the proprietors, clearly show that Shri Vipin Chaturvedi exercised complete control over the operations of all four firms. He managed critical functions such as GST and IEC registration, coordination with customs house agents and transporters, handling import-export documentation, and conducting communications and financial transactions on behalf of the firms.

34.91 I find that the mobile data and statements conclusively prove that the four proprietorship firms were not operated independently by their respective proprietors but were merely used as fronts by Shri Vipin Chaturvedi. The use of firm-registered mobile numbers by Shri Vipin Chaturvedi, along with his direct involvement in all aspects of the business operations, highlights a clear case of misuse of credentials and coordinated management. This was done with the objective of facilitating unauthorized imports under the Advance Authorization Scheme, evading duties, and deriving substantial financial benefits.

34.92. I find that is has been undisputedly established that Shri Vipin Chaturvedi is the controller and beneficial owner behind this fraudulent arrangement involving duty-free imports of Stainless-Steel Seamless Pipes under the Advance Authorization Scheme, in violation of Notification No. 21/2023-Customs dated 01.04.2023. He orchestrated the creation and operation of four dummy proprietorship firms—M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, and M/s Vrunda International - by misusing the KYC documents of financially weak individuals while retaining full operational, financial, and decision-making control over these entities. Investigations revealed that the firms were non-functional in reality, with no evidence of genuine business activity, and their registered premises were either locked, sealed, or inadequately furnished. Goods imported under the Advance Authorization scheme, intended exclusively for export processing, were instead diverted to the domestic market in blatant violation of the scheme's conditions.

34.93 I find that the entire operation—from GST and IEC registration, coordination with customs house agents and transporters, to the financial and logistical handling of imports—was carried out by Shri Vipin Chaturvedi. He admitted to diverting the imported goods to M/s Satya Steel's premises, also under his control, and selling them to buyers such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd., often without proper invoicing or GST compliance. Statements from the concerned CHA, transporters, and buyers confirm that all dealings were conducted solely through Shri Chaturvedi, and not with the named proprietors, who were largely unaware of the transactions. Financial trails show that payments made by the buyers were routed through the bank accounts of the four firms and partly remitted to Chinese suppliers. Further, ₹87.87 lakhs were transferred to Shri Vipin Chaturvedi's proprietary concern, M/s Vipra Impex, establishing direct personal financial benefit.

34.94 I find that electronic and mobile usage evidences further confirms that the mobile numbers officially registered in the names of the four firms were, in fact, operated exclusively by Shri Vipin Chaturvedi. Call Detail Record (CDR) analysis revealed that all four firm-linked numbers showed movement patterns consistent with Shri Chaturvedi's known locations, while the actual proprietors' personal mobile numbers remained geographically distant. These findings, when read alongside the proprietors' admissions, prove that the firms were mere fronts controlled entirely by Shri Vipin Chaturvedi for the purpose of importing goods under conditional exemption and illegally diverting them into the domestic market. The deliberate misuse of credentials, control over communication, documentation, and funds highlights a structured and well-coordinated case of customs duty evasion amounting to ₹13.95 crores. **In view of aforesaid, I find that subject duty free goods meant for used in manufacture of export goods have been intentionally and purposefully diverted by the mastermind of the conspiracy Sh** Shri Vipin Chaturvedi **to the open market in order to evade the custom duty.**

**DOCUMENTARY EVIDENCE**

34.95 I observe that during the course of investigations, searches were conducted on **26.12.2023** at the following locations:-

| Sr. No. | Name of the importer | Registered address |
|---|---|---|
| 1. | Vikanta Impex | Shop No. 9, Ground Floor, Shivhari Residency, New Garnala Road, Kumbharwad, Vapi West, Vapi-396191. |

| | | |
|---|---|---|
| 2. | Vivanta International | Block No. C, Shop No. 23, 3rd Floor, Girnar Khushboo Plaza, Aditya Birla Circle, ShashijitInfraprojects Ltd Corporate Office, GIDC Vapi, Vapi-396195. |
| 3. | Ascent International | Third Shop No. 313, Skylon Co. Op. Hou. Soc. Vapi- 396195. |
| 4. | Vrunda International | Ground Floor, Shop No.6, Sahajanand, Park B, Survey No. 892/1/1 Kilvani Road, Amli Silvassa-396230. |
| 5. | Prudent Stainless Private Limited | Plot No A2-229/1 GIDC, Umbergaon-396170 |

34.96 I observe that during the Panchnama proceedings at the premises **M/s. Vivanta International**, a signboard of M/s. Vivanta International was found and it was observed that Shri Chirag Pravin Patel was present at the location and identified himself as a trustee of IDA Foundation. He stated that the premises had been used for the administrative work of IDA Foundation since November 2023. He further informed that M/s. Vivanta International had taken the premises on rent in July 2022 but had not paid rent for the last 7–8 months. The premises, measuring approximately 200 sq. ft., are jointly owned by his wife, Smt. Aakruti Jain, and his mother-in-law, Smt. Shashi Ajit Jain. Shri Chirag Pravin Patel produced a copy of the conveyance deed and rent agreement and stated that the lease arrangement was facilitated through their Chartered Accountant, Shri Rahul Kala. He also mentioned that the owner of M/s. Vivanta International had neither visited nor operated from the said premises since July 2022. Upon further enquiry, Shri Rahul Kala informed Shri Chirag Patel over the phone that the person who had approached him ***on behalf of M/s. Vivanta International for taking the premises on rent was one Shri Vipin (Mobile No. 9558312505)***. No documents pertaining to M/s. Vivanta International were found at the premises during the course of the search.

34.97 I observe that during the search of the premises of **M/s. Ascent International** on 11.01.2024, under panchanama it was observed that the shop, approximately 10 by 20 feet with an attached toilet and two aluminum cabins, contained minimal furniture and some documents on the table. A thorough search conducted by officers and panchas revealed no stock of stainless-steel seamless pipes imported under the Advance Authorization scheme (Notification No. 21/2023-Cus dated 01.04.2023). Relevant documents including IEC copy, UDYAM certificate, rent agreement, bank remittance slips, bills of entry, commercial invoices, packing lists, bills of lading, transport documents, tax invoices, and country of origin certificates pertaining to Ascent International were recovered and seized under the panchnama

34.98 I further observe that during the search of the premises of **M/s Vikranta Impex**, under panchanam it was observed that their is no stock of imported stainless-steel seamless pipes (Hot/Cold Rolled) imported under the Advance Authorization scheme (Notification No. 21/2023-CUS dated 01.04.2023) was found. However, officers seized relevant documents, including IEC copy, UDYAM certificate, rent agreement, HDFC bank remittance slips, bills of entry, commercial invoices, packing lists, bills of lading, transport documents, CHA I M Logistics-related documents, tax invoices, and country of origin certificates.

34.99 I further observe that during the search at the premises of M/s Vrunda International under panchanama dated 10.01.2024 it was observed that the shop, approximately 10 by 25 feet with two bifurcated cabins, was searched thoroughly; no physical stock of imported stainless-steel seamless pipes (Hot/Cold Rolled) under the Advance Authorization scheme (Notification

No. 21/2023-CUS dated 01.04.2023) was found. Furthermore, no documents related to Vrunda International were found on the premises.

34.100 I further observe that a search was conducted at the premises of **M/s Prudent Stainless Private Limited**, the declared supporting manufacturer for M/s Vivanta International, Ascent International, Vikranta Impex, and Vrunda International under panchanama dated 27.12.2023. It was revealed during the proceedings that none of the four proprietorship concerns had ever sent any imported stainless-steel pipes to the said premises for job work or processing under the Advance Authorization scheme. No stock of such goods was found, nor were there any job work challans, invoices, or related documents linking Prudent Stainless Pvt. Ltd. with the said entities. Shri Mukesh Soni, part-time accountant, confirmed that the company **had no sale, purchase, or job work transactions with Vivanta International, Vikranta Impex, or Vrunda International, and only one high seas purchase from Ascent International. Shri Vipin Chaturvedi, a consultant to the company, admitted to facilitating the inclusion of Prudent Stainless Pvt. Ltd**. as a supporting manufacturer in the Advance Authorization applications of the said entities, though no supporting agreement or documentation could be produced. The findings indicate that the association between the said proprietorship firms and Prudent Stainless Pvt. Ltd. was only on paper and not substantiated by any actual movement or processing of goods.

34.101 I observe that during search proceedings conducted at the registered premises of M/s Satya Steel on 08.01.2024, Shri Prakash Khadye, the authorized person for Satya Steel admitted that Satya Steel had business relations with the firm's M/s Vivanta International, Ascent International, Vikranta Impex, and Vrunda International specifically stated that the steel pipes lying in the warehouse belonged to M/s Vrunda International and M/s Satya Steel. An inventory of the stock was prepared in the presence of independent panchas and verified by Shri Vikram, PMI Tester from Honesty Metal Testing Services. It was confirmed that the goods were indeed stainless-steel pipes. This establishes a direct linkage between Satya Steel and one of the importer firms under investigation, confirming that duty-free imported goods under Advance Authorization were received and stored by Satya Steel, further supporting the inference of diversion of such goods into the domestic market.

**Table 2: Details of steel pipes lying in the premises of Satya Steel**

| Sr. No. | Description and Grade | Size of the pipe | No. of Pieces | Bundle marked as |
|---|---|---|---|---|
| 51. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 82 | YY. |
| 52. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 42 | ZZ. |
| 53. | S S Seamless Pipe (Grade-304) | 42.2*3.56 | 47 | AAA. |
| 54. | S S Seamless Pipe (Grade-304) | 88.9*3.05 | 18 | BBB. |
| 55. | S S Seamless Pipe (Grade-304) | 48.15*3.30 | 40 | CCC. |
| 56. | S S Seamless Pipe (Grade-304) | 60.3*8.74 | 18 | DDD. |
| 57. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 20 | EEE. |

| | | | | |
|---|---|---|---|---|
| 58. | S S Seamless Pipe (Grade-304) | 114.3*3.05 | 11 | FFF. |
| 59. | S S Seamless Pipe (Grade-304) | 60.3*5.54 | 21 | GGG. |
| 60. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 105 | HHH. |
| 61. | S S Seamless Pipe (Grade-304) | 33.4*2.77 | 111 | III. |
| 62. | S S Seamless Pipe (Grade-304) | 33.4*3.38 | 96 | JJJ. |
| 63. | S S Seamless Pipe (Grade-304) | 33.6*3.58 | 80 | KKK. |
| **64.** | **S S Seamless Pipe (Grade-316)** | **219.1*8.18** | **42** | **LLL.** |
| **65.** | **S S Seamless Pipe (Grade-316)** | **89*3** | **47** | **MMM.** |
| 66. | S S Seamless Pipe (Grade-304) | 273.3*12.7 | 9 | NNN. |
| 67. | S S Seamless Pipe (Grade-304) | 219*12.7 | 8 | OOO. |
| **68.** | **S S Seamless Pipe (Grade-316)** | **26.7*5** | **113** | **PPP.** |
| 69. | S S Seamless Pipe (Grade-304) | 63.5*1.5 | 30 | QQQ. |
| 70. | S S Seamless Pipe (Grade-304) | 25.4*2 | 90 | RRR. |
| 71. | S S Seamless Pipe (Grade-304) | 15.88*1.20 | 369 | SSS. |
| 72. | S S Seamless Pipe (Grade-304) | 19.05*2 | 120 | TTT. |
| 73. | S S Seamless Pipe (Grade-304) | 26*13 | 194 | UUU. |
| 74. | S S Seamless Pipe (Grade-304) | 48.3*3.68 | 203 | VVV. |
| 75. | S S Seamless Pipe (Grade-304) | 88.9*5.49 | 47 | WWW. |

34.1021 I further observe that Shri Vikram, PMI Tester, Honesty Metal Testing Service tested the grade of steel pipes in presence of panchas and submitted report No. HMTS/758 dated 08.01.2024 declaring that all above bundles of pipe as per the list are of Grade-304, except bundles marked as N, O & R which are of 316 Grade. The Officers in presence of panchas also found that the bundles marked as S, T, U, V, W were imported goods of UAE origin having marking of BIS with CML no. 4100040960 on the sticker. Further Shri Prakash Khadye in presence of panchas, informed the officers that the bundle marked as S, T, U, V, W were imported by M/s Satya Steel. Further, Shri Prakash Khadye also informed that remaining goods other than the bundle marking of **N, O, R, S, T, U, V, W** belongs to M/s Vrunda International/other concerned Proprietorship concerns in respect of which inquiry is going on. Shri Madan Chaudhary in presence of the panchas also informed the officer that on various occasions, he has delivered the goods of M/s Vivanta International, M/s Ascent International,

M/s Vikranta Impex, M/s Vrunda International imported under advance authorization scheme at this premise of M/s Satya Steel.

34.103 I further observe that the officers were of reasonable belief that the goods (bundles) marked above from A to Y except bundles marked as N, O, R, S, T, U, V, W were imported by M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, M/s Vrunda International imported under advance authorization scheme as per E-way bills available i.r.o. Bills of entry of these 4 firms, the goods imported i.e. Steel grade pipe 304 were delivered at the premise of M/s Satya Steel. Further the goods imported under advance authorization scheme cannot be diverted in the local market other than at the places mentioned under the advance authorization license. Accordingly, the officers under reasonable belief detained the goods i.e. bundle marked from A to Y except bundles of marking N, O, R, S, T, U, V, W under the provisions of Customs Act,1962. The detained goods were handed over to Shri Prakash Khadye under Supratnama dated 08.01.2024. **In view of aforesaid, I find that subject duty free goods meant for used in manufacture of export goods have been intentionally and purposefully diverted by the mastermind of the conspiracy Sh** Shri Vipin Chaturvedi **to the open market in order to evade the custom duty.**

**CIRCUMSTAINTIAL EVIDENCE**

**MOTIVE**

34.104 I find that the primary motive behind the creation and operation of the four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International—was to fraudulently avail the benefit of conditional exemption under the Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dt 01.04.2023, with the intent to divert duty-free imported goods into the domestic market. The circumstantial evidence reveals that Shri Vipin Chaturvedi acted with clear intent to gain financially from such diversion.

34.105 I find that financial records reveal substantial sums credited to the bank account of M/s Vipra Impex, a proprietary concern of Shri Vipin Chaturvedi. A total of ₹87.87 lakhs was received from the above-mentioned firms, without any documented legal or contractual basis. This reflects clear personal financial gain, establishing a strong motive for the orchestration of the fraudulent scheme.

34.106 I find that Shri Vipin Chaturvedi misused the provisions of the Advance Authorization Scheme by importing stainless-steel seamless pipes free of duty, purportedly for export manufacturing, and subsequently diverting the same to domestic buyers such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd. The imports were never used for export processing, as required Advance Authorization as per para 4 of the Foreign Trade Policy read with Notification no. 21/2023 dt 01.04.2023, thereby resulting in wrongful availing of duty exemption.

34.107 I also find that Shri Vipin Chaturvedi deliberately involved financially weak individuals as nominal proprietors of the four firms in order to shield himself from legal liability. These individuals were not involved in any operational or managerial activity, as confirmed by their statements. This misuse of identity and credentials shows a calculated effort to distance himself from the fraudulent operations while continuing to exercise full control.

32.17 I also find that substantial cash transactions, including deposits and withdrawals across four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International point towards a deliberate attempt to conceal profits, avoid tax liabilities, and carry out off-the-record sales in the domestic market. This further supports the existence of a financial motive behind the creation and operation of the said dummy firms.

**COHERENCE AMONG EVIDENCES**

34.108 I find that the statements of all four individuals named as proprietors are consistent and corroborative. They unanimously admitted to having provided KYC documents to Shri Vipin Chaturvedi and stated that they were not involved in the day-to-day operations of their respective firms. They had no knowledge of imports, exports, buyers, suppliers, or customs procedures, which unequivocally confirms that they were merely name-lenders.

34.109 I find that the registered premises of the four firms were either locked, sealed, or minimally furnished during the search proceedings, and no stock of imported goods was found. Landlords confirmed that rent had not been paid for months and that no active business operations were being carried out. These findings indicate that the entities were non-functional and existed only on paper.

34.110 I find that Shri Vipin Chaturvedi included M/s Prudent Stainless Pvt. Ltd. as a supporting manufacturer in the Advance Authorization applications. However, it was confirmed during the search that no goods were ever sent or received by Prudent Stainless, and no records of job work or processing exist. This further reinforces that the imports were not intended for export production and that the documentation was fabricated to support duty exemption claims.

34.111 I find that the analysis of Call Detail Records (CDRs) reveals that the mobile numbers registered in the names of these firms were, in fact, used by Shri Vipin Chaturvedi. The location data consistently matches his known business and residential locations in Vapi and Silvassa. The actual proprietors' personal mobile numbers remained located in Mumbai or Umbergaon, never coinciding with their firm's registered numbers. This digital evidence conclusively proves that communications and operations were handled solely by Shri Vipin Chaturvedi.

34.112 I further find that the bank accounts of these firms show clear and consistent financial flows from M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd., which were used to make remittances to Chinese suppliers (Zhejiang Xintongda, Wenzhou Yimo, Wenzhou Sparkling). The close matching of amounts and dates between receipts from domestic buyers and payments to overseas suppliers confirms that these were coordinated and controlled by Shri Vipin Chaturvedi.

34.113 I find that Shri Vipin Chaturvedi has admitted to preparing the letter dated 21.05.2024, coordinating the import documentation, getting it signed from the proprietors, and managing all communications, customs formalities, transportation, and warehousing. His admission, when read in conjunction with corroborative oral and documentary evidence, confirms his complete operational control over the entire scheme.

34.114 I also find that the detained goods, as per panchnama dated 08.01.2024, were located at the premises of M/s Satya Steel, another firm in which Shri Vipin Chaturvedi exercised control. The goods matched the specifications and markings of those imported under Advance Authorization by the four dummy firms. This confirms that Satya Steel served as the physical point of diversion.

34.115 I also find that statements from the CHA Shri Vaibhav Shelar, Transporters Shri Madan Chaudhary and domestic buyers Shri Darshak Shah, Shri Ashok Seth and Shri Bechraram Dewasi clearly indicate that they interacted solely with Shri Vipin Chaturvedi and never with the nominal proprietors of the importing firms. These third-party statements provide independent corroboration of Shri Chaturvedi's central role.

34.116 I find that all pieces of evidence—oral, digital, financial and documentary are internally consistent and mutually reinforcing. They form an unbroken chain of circumstantial evidence pointing to the deliberate creation and operation of dummy firms by Shri Vipin Chaturvedi to fraudulently import duty-free goods under the Advance Authorization scheme and divert them in the domestic market.

34.117 In view of the above, I find that the circumstantial evidence, taken as a whole, conclusively establishes that Shri Vipin Chaturvedi is the beneficial owner, mastermind, and controller behind the fraudulent import operations conducted through the four dummy proprietorships i.e. M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International. The circumstantial evidence demonstrates not only a clear motive in the form of financial gain but also an unbroken chain of coherence linking all aspects of the offense—from firm formation, document fabrication, import logistics, to the ultimate diversion and financial enrichment.

34.118 In view of the above, it has been undisputedly established that Shri Vipin Chaturvedi exercised full control and management over the four proprietorship firms—M/s Vivanta International, M/s Vikranta Impex, M/s Vrunda International, and M/s Ascent International—which were mere fronts created using the identities of financially weak individuals. The proprietors' consistent admissions, the Call Detail Record analysis showing exclusive use of firm-linked mobile numbers by Shri Chaturvedi, and the financial trail linking import transactions and personal gains leave no room for doubt. This evidence collectively proves that Shri Chaturvedi orchestrated a deliberate scheme to misuse the Advance Authorization Scheme for duty-free imports, illegally diverting goods to the domestic market, resulting in significant customs duty evasion amounting to ₹13.95 crores. The noticees have not contested these findings effectively, thereby affirming the veracity and non-contradictory nature of the evidence against them.

34.119 In view of the above Oral, Financial, Digital, Documentary and Circumstaintial evidence I find that it is undisputedly established that Shri Vipin Chaturvedi orchestrated a well-planned and deliberate scheme to fraudulently avail the benefits of the Advance Authorization Scheme under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023. The creation and operation of four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International—was solely intended to obtain duty-free import benefits through the misuse of Advance Authorization Scheme under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023. These 04 firm found to be mere paper entities with no genuine business operations and were operated in the names of financially weak individuals who acted merely as name-lenders and had no role or knowledge of import-export procedures.

34.120 I also find that the cumulative evidence—statements from the purported proprietors, corroboration from third parties such as customs brokers, transporters, and domestic buyers, analysis of Call Detail Records (CDRs), financial trail linking payments from domestic buyers to foreign suppliers, and the physical seizure of imported goods diverted to the domestic market—

clearly establishes the central and controlling role of Shri Vipin Chaturvedi. The consistent pattern of imports under Advance Authorization, followed by immediate domestic sale and corresponding remittances abroad, demonstrates a premeditated and structured modus operandi intended to defeat the very objective of the advance authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023.

34.121 Furthermore, Shri Vipin Chaturvedi's admission of preparing and coordinating documentation, handling customs formalities, managing communications, and controlling warehousing and transportation undisputedly establishes that he was the beneficial owner and decision-maker behind the entire operation. The use of supporting manufacturer M/s Prudent Stainless Pvt. Ltd., despite no actual job work taking place, and the seizure of duty-free imported goods from another related firm i.e. M/s Satya Steel, further reinforces that the imports were never intended for export production, but were systematically diverted into the domestic market in violation of the conditions of the Advance Authorization under para 4 of the Foreign Trade Policy read with Notification No. 21/2023 dated 01.04.2023

34.122 In view of the above Oral, Financial, Digital, Documentary and circumstaintial evidences it is clearly established that conditionally exempted imported goods were diverted into domestic market in clear violation of the Advance Authorization under para 4 of Foreign Trade Policy read with Notifiation no. 21/2023 dated 01.04.2023.

**In view of above findings, it is established that whole conspiracy was designed with the sole pupose of evasion of duty by misusing the provisions of Customs Notification No. 21/2023 dated 1-04-2023 and provisions of Para 4 of the exim policy which allows exemption to the goods which are to be used in the export goods and the said exemption does not applies to the goods sold in the open market. The the noticee has taken up no steps what soever for making any exports but all his energy is focused on only for imporing subject goods claiming exemption, covering his tracks by creating dummy firms and diverting duty free goods in open market for enriching himself. In such situation, the subject goods are not entitled for the exemption.**

34.123 I rely on the judgement of **Supreme Court Of India Civil Appellate Jurisdiction Civil Appeal No. 3327 Of 2007 in the case of COMMISSIONER OF CUSTOMS (IMPORT), MUMBAI** …APPELLANT(S) VERSUS **M/S. DILIP KUMAR AND COMPANY & ORS.** …RESPONDENT(S). The relevant part of the judgement is reproduced below:-

*" **52.** To sum up, we answer the reference holding as under*

*(1) Exemption notification should be interpreted strictly; the burden of proving applicability would be on the assessee to show that his case comes within the parameters of the exemption clause or exemption notification.*

*(2) When there is ambiguity in exemption notification which is subject to strict interpretation, the benefit of such ambiguity cannot be claimed by the subject/assessee and it must be interpreted in favour of the revenue.*

*(3) The ratio in* **Sun Export case** *(supra) is not correct and all the decisions which took similar view as in* **Sun Export Case** *(supra) stands overruled."*

I further observe that applying the ratio of the above judgment to the present case, it is undisputed fact that the noticee has **failed to discharge the burden** of proving eligibility under the Advance License Scheme. The fraudulent intent and misuse of the scheme further disentitle the noticee involved from claiming any benefit under the exemption notification.

34.124 I further observe that as per Notification No. 31/2022-Customs (ADD) dated 20.12.2022, Anti-Dumping Duty is applicable on Stainless-Steel Seamless Tubes and Pipes. After scrutiny of records and documents, it was observed that Vrunda International had imported Stainless-Steel Seamless Tubes and Pipes from the Manufacturer- Zhejiang Bangnuo Steel Pipe Co., Ltd., therefore, Anti-Dumping Duty at the rate of 114 USD per MT was applicable on goods imported by Vrunda International. Other proprietorship concerns viz. Vikranta Impex, Vivanta International and Ascent International imported Stainless-Steel Seamless Tubes and Pipes from the other manufacturers of China, therefore, Anti-Dumping Duty at the rate of 3801 USD per MT is applicable on goods imported by Vikranta Impex, Vivanta International and Ascent International.

34.125 I find that Vikranta Impex, Vivanta International, Ascent International and Vrunda International under the control of Shri Vipin Chaturvedi, had imported **360.25 MTs** of goods viz. Stainless Steel Seamless Pipe (Hot/Cold Rolled) having value of **₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only)** under Advance Authorization Scheme through JNCH Nhava Sheva (INNSA1) Port and Mundra (INMUN1) Port wherein the duty foregone was **₹13,93,97,786 /- (Thirteen Crores Ninety three Lakhs Ninety Seven Thousand Seven Hundred Eighty Six Rupees Only)** during the period from 04.07.2023 to 16.11.2023 by illicitly availing the exemption from payment of duty benefit as per Notification No. 21/2023-Customs dated 01.04.2023, as amended (**details as per Annexure A**) and further diverted those imported goods in domestic smarket. Table having details of assessable value and duty forgone is prepared as below:

**TABLE 11: Details of Assessable Value and Duty Foregone of Offending Goods**

| Sr. N. | Bills of Entry Details | Assessable Value (In ₹) | Duty including ADD Forgone | Concerned Port |
|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** |
| 1 | **ANNEXURE-A** | **₹7,22,01,659/-** | **₹13,62,65,488/-** | **JNCH Nhava Sheva (INNSA1)** |
| 2 | | **₹90,73,864/-** | **₹31,32,298/-** | **Mundra Port (INMUN1)** |
| | **Total** | **₹8,12,75,524/-** | **₹13,93,97,786/-** | |

Further, I observe that the noticee is also liable to pay applicable interest under the provisions of Section 28AA of the Customs Act, 1962. The relevant provision as under:

***Section 28AA.***
***Interest on delayed payment of duty—***

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

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

In this regard, the ratio laid down by Hon'ble Supreme Court in the case of CCE, **Pune V/s. SKF India Ltd. [2009 (239) ELT 385 (SC)]** wherein the Apex Court has upheld the applicability of interest on payment of differential duty at later date in the case of short payment of duty though completely unintended and without element of deceit. The Court has held that

*"....It is thus to be seen that unlike penalty that, is attracted to the category of cases in which the non-payment or short payment etc. of duty is "by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of the Act or of Rules made thereunder with intent to evade payment of duty", under the scheme of the four Sections (11A, 11AA, 11AB & 11AC) interest is leviable on delayed or deferred payment of duty for whatever reasons."*

Thus, interest leviable on delayed or deferred payment of duty for whatever reasons, is aptly applicable in the instant case.

34.126 **In view of aforesaid, I find that subject duty free goods meant for used in manufacture of export goods have been intentionally and purposefully diverted by the mastermind of the conspiracy Sh** Shri Vipin Chaturvedi **to the open market in order to evade the custom duty. Therefore,** I find merit in the the demand of differential duty of **₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only)** including Anti-Dumping Duty foregone on import of **360.251 MTs** of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at **₹8,12,75,524/-** by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended along with the applicable interest.

**D. Now I take up the next question as to whether 360.251 MTs of Stainless Steel Seamless Pipes (Hot/Cold Rolled) having declared assessable value of ₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only) which had been imported by Shri Vipin Kanhaiyalal Chaturvedi controller and actual/ beneficial owner of (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended (details as per Annexure A) should be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Out of the said goods imported, only total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and**

**Vikranta Impex, assessed at value of Rs.50,83,767/- which were seized on 03.07.2024 are physically available for confiscation.**

35. I reiterate my fiindings at para 28,29,30, 31,32,33 & 34 above wherein it has been undisputedly established that Shri Vipin Chaturvedi orchastered this fraudulent scheme by misuse of Advance Aduthorization under provisions of para 4 of the Foreign Trade Policy read with Customs Notification no. 21/2023 dated 01.04.2023. Shri Vipin Chaturvedi diverted the conditionally exempted imported goods into the domestic market and enrich himself by evasion of Customs duty of Rs. 13,93,97,786/- (Rupees Thirteen Crores Ninety-Three Lakhs Ninety-Seven Thousand Seven Hundred Eighty-Six Only).

35.1 I observe that the analysis if e-way Bill demonstrated that the imported goods under Advance Authorization were diverted to the address Plot No 1840, Kalamboli Steel Market, Kalamboli New-Mumbai 410218 from the port of import i.e. Nahva Sheva. Hence in anticipation of recovering the diverted goods, search was also conducted at the afore-mentioned address which was registered in the name of M/s Satya Steel. During the search proceedings Stainless steel pipes of various Grades and different sizes were found at the premises belonging to Satya Steel. The proprietor/concerned person of M/s Satya Steel could not give the details related to the goods lying at that premises on the day of search. In the absence of any document to trace the identity of goods belonging to these Four Proprietorship concerns under advance license the available goods at the premises of M/s Satya Steel were detained on 08.01.2024 under Panchnama dated 08/01/2024 and Supratnama dated 08/01/2024.

35.2 I further observe that **t**he said importers and Satya steel vide letter dated 20.05.2024 provided assessable value as per BOEs and it was informed that Goods detained (excluding the detained goods having marking viz E, F, M, P, Q) under Panchnama and Supratnama both dated 08/01/2024, i.e. 803 No of pipes are having weighment of 21.642 MTs and assessable value of goods is Rs.50,83,767/-. Further, these goods were matched with the import documents and found to belong to Vrunda International, Vivanta International and Vikranta Impex, imported under advance authorization scheme. I further observe that the detained goods having marking viz E, F, M, P, Q did not match with the size/specification of the materials imported under advance authorization scheme by the said importers.

35.3 I further observe that in order to ascertain the value of detained goods, the Panchnama dated 03.07.2024 was drawn wherein the weighment of the detained goods in the presence of Panchas, Shri Satyapal Proprietor of M/s Satya Steel, Shri G. Venkatpathy M., Govt. empaneled Chartered Engineer was carried out and it was found that weight of the detained goods of marking A,B,X,C,D,G,Y,H,I,J,K,L as per panchnama dated 08.01.2024, is matching with the weight mentioned in the annexure provided by Satya steel vide email dated 21.05.2024. Accordingly, after matching the details with Bills of Entry and supporting documents submitted therewith at the time of import, it was concluded that detained goods of marking A, B, X, C, D, G, Y, H, I, J, K, L i.e. 803 Number of pipes have weighment 21.642 MTs and assessable value of Rs.50,83,767/- and they belong to Vrunda International, Vivanta International and Vikranta Impex as detailed above. Further, Shri G. Venkatpathy M., Govt empaneled Chartered Engineer cited value of detained goods of marking E, F, M, P, Q to be Rs.29,00,768/-. M/s Satya steel or any of the four proprietorship firms under investigation have failed to provide the necessary documents to establish the identity or ownership of detained goods of marking E, F, M, P, Q.

35.4 I further observe that the goods i.e. total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and Vikranta Impex, assessed at value of Rs.50,83,767/- and the goods i.e. total 155 PCs of Stainless-steel seamless Pipes of grade 304 of

marking E,F,M,P,Q found at the premises of M/s Satya Steel, assessed at value of Rs. 29,00,768/- were seized subsequently under Seizure Memo dated 03.07.2024 under Section 110 of the Customs Act, 1962 under reasonable belief that the said goods are liable to confiscation under Section 111 of the Customs Act, 1962. I further observe that during the investigation, it could not be established that the seized goods of marking E, F, M, P, Q found at the premises of M/s Satya Steel are of offending nature linked with the imported goods under advance authorization. The documentary evidences established that the dimension of goods of marking E,F, M, P, Q does not match with the dimension mentioned in the packing list of goods imported under advance license by the said four proprietorship concerns. Therefore, no proposal for confiscation of the same is being made in the Show cause notice.

35.5 I further observe that as per Notification No. 31/2022-Customs (ADD) dated 20.12.2022, Anti-Dumping Duty is applicable on Stainless-Steel Seamless Tubes and Pipes. After scrutiny of records and documents, it was observed that Vrunda International had imported Stainless-Steel Seamless Tubes and Pipes from the Manufacturer- Zhejiang Bangnuo Steel Pipe Co., Ltd., therefore, Anti-Dumping Duty at the rate of 114 USD per MT was applicable on goods imported by Vrunda International. Other proprietorship concerns viz. Vikranta Impex, Vivanta International and Ascent International imported Stainless-Steel Seamless Tubes and Pipes from the other manufacturers of China, therefore, Anti-Dumping Duty at the rate of 3801 USD per MT is applicable on goods imported by Vikranta Impex, Vivanta International and Ascent International.

35.6 I find that M/s Vikranta Impex, M/s Vivanta International, M/s Ascent International and M/s Vrunda International under the control of Shri Vipin Chaturvedi, had imported 360.25 MTs of goods viz. Stainless Steel Seamless Pipe (Hot/Cold Rolled) having value of ₹8,12,75,524/- (Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only) under Advance Authorization Scheme through JNCH Nhava Sheva (INNSA1) Port and Mundra (INMUN1) Port wherein the duty foregone was **₹13,93,97,786 /- (Thirteen Crores Ninety three Lakhs Ninety Seven Thousand Seven Hundred Eighty Six Rupees Only)** during the period from 04.07.2023 to 16.11.2023 by illicitly availing the exemption from payment of duty benefit as per Notification No. 21/2023-Customs dated 01.04.2023 read with para 4 of Foreign Trade Policy, as amended and further diverted those imported goods in domestic smarket. Table having details of assessable value and duty forgone is prepared as below:

**TABLE 11: Details of Assessable Value and Duty Foregone of Offending Goods**

| Sr. No. | Bills of Entry Details | Assessable Value (In ₹) | Duty including ADD Forgone | Concerned Port |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1 | ANNEXURE-A | ₹7,22,01,659/- | ₹13,62,65,488/- | JNCH Nhava Sheva (INNSA1) |
| 2 | | ₹90,73,864/- | ₹31,32,298/- | Mundra Port (INMUN1) |
| | Total | ₹8,12,75,524/- | ₹13,93,97,786/- | |

**35.7 Legal *Provisions:***

***"111. Confiscation of improperly imported goods, etc.***

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

The notification no. 21/2023 dated 01.04.2023 is reproduced below:-

*NOTIFICATIONNo. 21/2023-CustomsNew Delhi, the 1st April, 2023.*

*G.S.R. .....(E).-In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials imported into India against a valid Advance Authorisation issued by the Regional Authority in terms of paragraph 4.03 of the Foreign Trade Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customsleviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty,leviable thereon under sub-sections(1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely:-*

*(i) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;*

*(ii) that the said authorisation bears,-*

*(a) the name and address of the importer and the supporting manufacturer in cases where the said authorisation has been issued to a merchant exporter; and*

*(b) the shipping bill number(s) and date(s) and description, quantity and value of exports of the resultant product in cases where import takes place after fulfillment of export obligation; or*

*(c) the description and other specifications where applicable of the imported materials and the description, quantity and value of exports of the resultant product in cases where import takes place before fulfillment of export obligation;*

*(iii) that the materials imported correspond to the description and other specifications where applicable mentioned in the authorisation and are in terms of para 4.12 of the Foreign Trade Policy and the value and quantity thereof are within the limits specified in the said authorisation;*

*(iv) that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;*

*(v) that in respect of imports made after the discharge of export obligation in full, if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT Credit under CENVAT Credit Rules, 2017has been availed, then the importer shall, at the time of clearance of theimported materials furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself,to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods and to submit a certificate, from the jurisdictional Central Excise officer or from a specified chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used:*

*Provided that if the importer pays additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2017;*

*(vi) that in respect of imports made after the discharge of export obligation in full, and if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2017or of CENVAT credit under CENVAT Credit Rules, 2017has not been availed and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (v);*

*(vii)that in respect of imports made after the discharge of exports obligation in full, if facility of input tax credit under relevant Goods and Service Tax law on inputs used for manufacturer and supply of goods exported has*

*been availed, then the importer shall, at the time of clearance of the imported materials, furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture and supply of taxable goods (other than nil rated or fully exempt supplies) and to submit a certificate from a chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used;*

*Provided that if the importer pays integrated tax and the goods and services tax compensation cess leviable on the imported materials under sub-section (7) and sub-section (9) respectively of section 3 of the said Customs Tariff Act on the imported materials but for the exemption contained herein, then such imported materials may be cleared without furnishing a bond specified in this condition;*

*(viii)that in respect of imports made after the discharge of export obligation in full, and if facility of input tax credit under relevant Goods and Service Tax law has not been availed on inputs used in the manufacture and supply of goods exported and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs, or the Assistant Commissioner of Customs, as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (vii);*

*(ix) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No.26/2023-Customs dated1stApril, 2023ora Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):*

*Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, inland container depot or through a land customs station within his jurisdiction;*

*(x) that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within the period specified in the said authorisation or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorisation:*

*Provided that an Advance Intermediate authorisation holder shall discharge export obligation by supplying the resultant products to exporter in terms of paragraph 4.05(c)(ii) of the Foreign Trade Policy;*

*Provided further that notwithstanding anything contained hereinabove for the said authorisations where the exemption from integrated tax and the goods and service tax compensation cess leviable thereon under sub-section(7) and sub-section (9) of section 3 of the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by*

*physical exports or by making domestic supplies mentioned at serial numbers 1,2 and 3 of the Table contained in notification No. 48/2017-Central Tax, dated the 18thOctober, 2017 published,videnumber G.S.R 1305(E), dated the 18thOctober, 2017;*

*(xi) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;*

*(xii) that the said authorisation shall not be transferred and the said materials shall not be transferred or sold:*

*Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant goods and services tax provisions permitting transfer of materials for job work;*

*(xiii) that in relation to the said authorisation issued to a merchant exporter, any bond required to be executed by the importer in terms of this notification shall be executed jointly by the merchant exporter and the supporting manufacturer binding themselvesjointly and severally to comply with the conditions specified in this notification.*

*2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within six months from the date of clearance of the said material or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow:*

*Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.*

*Explanation,-For the purposes of this notification, -*

*(XI) "dutiable goods" means excisable goods which are not exempt from central excise duty and which are not chargeable to 'nil' rate of central excise duty;*

*(XII) "Foreign Trade Policy" means the Foreign Trade Policy, 2023, published by the Government of India inthe Ministry of Commerce and Industry, videnotification No. 01/2023, dated the 31st March,2023;*

*(XIII) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorized by him to grant an authorisation under the said Act;*

*(XIV) "Manufacture" has the same meaning as assigned to it in paragraph 11.31of the Foreign Trade Policy;*

*(XV) "Materials" means,-*

*(a) raw materials, components, intermediates, consumables, catalysts and parts which are required for manufacture of resultant product;*

*(b) mandatory spares within a value limit of ten per centof the value of the authorisation which are required to be exported along with the resultant product;*

*(c) fuel required for manufacture of resultant product;*

*(d) packaging materials required for packing of resultant product;*

*(VI) "Specified Chartered Accountant" means a statutory auditor or a Chartered Accountant who certifies the importer's financial records under the Companies Act, 2013 (18 of 2013) or the Income Tax Act, 1961 (43 of 1961) or the Central/State Goods and Services Tax Act.*

*(VII) "Supply of taxable goods" means a supply of goods which is leviable to tax under relevant Goods and Services Tax law*

35.8 In view of the above notification I observe that this notification grants full exemption from customs duties—including Basic Customs Duty, additional duties, IGST, GST Compensation Cess, and other applicable duties—on materials imported into India under a valid Advance Authorisation issued in accordance with the Foreign Trade Policy (FTP) 2023. However, this exemption is strictly conditional. The imported materials must correspond exactly to the

description, specifications, quantity, and value as specified in the authorisation and as laid down in paragraph 4.12 of the FTP, which requires the materials to be used solely for the manufacture of the resultant export product. The exemption is available only if the Advance Authorisation is produced at the time of import clearance and the materials are not diverted for domestic use or sale. In cases where the export obligation has not yet been fulfilled at the time of import, the importer must execute a bond with adequate surety or security, binding themselves to pay the applicable customs duties with interest if they fail to comply with the export obligation or any other conditions specified in this notification. Thus, the exemption is not automatic but subject to strict compliance with the terms of the Advance Authorisation and procedural safeguards.

35.9 I observe that the most important condition for availing the duty exemption is the timely and complete discharge of the export obligation (EO) as prescribed in the Advance Authorisation. The EO requires that the exporter physically export the resultant goods, manufactured using the imported materials, within the validity period of the authorisation or any extended period allowed by the Regional Authority (DGFT). The export obligation must be fulfilled in both quantity and value terms. Furthermore, paragraph 4.12 of the FTP mandates that the imported materials strictly correspond to the description and quantities authorized, ensuring no misuse. Bonds must be executed as a guarantee against non-fulfillment of EO or misuse of exemption.

35.10 Para 4.12 of the FTP 2023 is reproduced below:-

*"(i)Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill.*

*(ii) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills.*

*(iii) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority shall allow only those inputs which have been specifically indicated in the shipping bill together with quantity.*

*(iv)The above provisions will also be applicable for supplies to SEZs and supplies made under Deemed exports. Details as given above will have to be indicated in the relevant Bill of Export, ARE-3, Central Excise certified Invoice / import document / Tax Invoice for export prescribed under the GST rules."*

35.11 I observe that when Standard Input Output Norms (SION) allow the use of generic or alternative inputs, the specific inputs actually used in manufacturing the export product must be precisely indicated and endorsed in the shipping bill with exact quantities. The description of inputs in the shipping bill must match the Advance Authorisation exactly. In cases where multiple inputs share a single quantity norm, the quantities imported and used must be proportionate

to their consumption in production and clearly reflected in the shipping documents. Only those inputs correctly declared in the shipping bill will be considered valid for discharge of export obligation or redemption of the authorisation. This condition applies equally to supplies to SEZs and deemed exports, requiring proper documentation under applicable GST and Central Excise rules to ensure compliance and avoid denial of benefits.

35.12 I observe para 4.03 and 4.16 of the Foreign Trade Policy and the same are reproduced below:-

*Para 4.03 Advance Authorization*

*(i)* ***Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage****). In addition, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.*

*(b) Advance Authorisation is issued for inputs in relation to resultant product, on the following basis:*

*(i) As per Standard Input Output Norms (SION) notified (available in Hand Book of Procedures);*

*OR*

*On the basis of self declaration as per paragraph 4.07 of Handbook of Procedures.*

*OR*

*Applicant-specific prior fixation of norm by the Norms Committee as per para 4.06 of Handbook of Procedures.*

*OR*

*On the basis of Self Ratification Scheme in terms of Para 4.06 of Foreign Trade Policy.*

*4.17 Actual User Condition for Advance Authorisation*

*(iv)* ***Advance Authorisation and / or material imported under Advance Authorisation shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation.*** *However, Authorisation holder will have option to dispose of product manufactured out of duty free input once export obligation is completed.*

*(v) In case where CENVAT/input tax credit facility on input has been availed for the exported goods, even after completion of export obligation, the goods imported against such Advance Authorisation shall be utilized only in the manufacture of dutiable goods whether within the same factory or outside (by a supporting manufacturer). For this, the Authorisation holder shall produce a certificate from Chartered Accountant at the time of filing application for Export Obligation Discharge Certificate to Regional Authority concerned. An AEO having valid certificate has the option to produce self declaration to this effect.*

*(vi) Waste / Scrap arising out of manufacturing process, as allowed, can be disposed off on payment of applicable duty even before fulfillment of export obligation.*

35.13 In view of above I find that the proprietors of M/s Vivanta International, M/s Ascent International, M/s Vikranta Impex, & M/s Vrunda International**,** in connivance with Sh. Vipin

Chaturvedi mis-used advance authorizations issued by DGFT as per provisiosn of FTP read with Customs Duty exemption Notification no. 21/2023 dt 01.04.2023**,** in order to evade legible Customs Duty and diverted the goods meant for production of export goods, directly to domestic market. It was never the intention of Shri Vipin Chaturvedi or any other person involved in the case, to do any manufacturing activity on the imported goods for export purpose or anything related to export activity. That, goods were diverted to domestic market/ buyers namely M/s. Dev Steel and Alloys, M/s Seth Steelage and M/s Satya Steel. Sh. Vipin Chatiurvedi arranged transportation of the impugned imported goods from Customs at Nhava Sheva to domestic Market/ buy, issued fake e-way bills to facilitate the same. Sh. Vipin Chatiurvedi also arranged Customs Broker for the import of goods by four concerned proprietorships, He also operated the account of the concerned four firms.

**M/s. Dev Steel and Alloys, M/s Seth Steelage and M/s Satya steel, in collusion with Sh. Vipin Chaturvedi, purchased and possessed the impugned goods.**

35.14 I also find that the case is established on documentary evidences in respect of past imports, though the department is not required to prove the case with mathematical precision but what is required is the establishment of such a degree of probability that a prudent man may on its basis believe in the existence of the facts in issue [as observed by the Hon'ble Supreme Courtin CC Madras V/s D Bhuramal – [1983 (13) ELT 1546 (SC)]. Further in the case of K.I. International Vs Commissioner of Customs, Chennai reported in 2012 (282) E.L.T. 67 (Tri. - Chennai) the Hon'ble CESTAT, South Zonal Bench, Chennai has held as under: -

> *"Enactments like Customs Act, 1962, and Customs Tariff Act, 1975, are not merely taxing statutes but are also potent instruments in the hands of the Government to safeguard interest of the economy. One of its measures is to prevent deceptive practices of undue claim of fiscal incentives. Evidence Act not being applicable to quasi-judicial proceeding, preponderance of probability came to rescue of Revenue and Revenue was not required to prove its case by mathematical precision. Exposing entire modus operandi through allegations made in the show cause notice on the basis of evidence gathered by Revenue against the appellants was sufficient opportunity granted for rebuttal. Revenue discharged its onus of proof and burden of proof remained un-discharged by appellants. They failed to lead their evidence to rule out their role in the offence committed and prove their case with clean hands. No evidence gathered by Revenue were demolished by appellants by any means. '*

35.15 I therefore hold that the said imported goods are liable for confiscation under the provisions of Section 111(o) of the Customs Act, 1962, as proposed in the Show Cause Notice. The subject goods imported are not available for confiscation, but I rely upon the order of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.) wherein the Hon'ble Madras High Court held in para 23 of the judgment as below:

> *"**23.** The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularised, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, "Whenever confiscation of any goods is authorised by this Act ....", brings out the point clearly. The power to impose redemption fine springs from the authorisation of confiscation of goods provided for under Section 111 of the Act. When once power of authorisation for*

*confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant. The redemption fine is in fact to avoid such consequences flowing from Section 111 only. Hence, the payment of redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. We accordingly answer question No. (iii).”*

35.16 I further find that the above view of Hon’ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), has been cited by Hon’ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.).

35.17 I also find that the decision of Hon’ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.) and the decision of Hon’ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.) have not been challenged by any of the parties and are in operation.

35.18 It is established under the law that the declaration under section 46 (4) of the Customs Act, 1962 made by the importer at the time of filing Bills of Entry is to be considered as an undertaking which appeared as good as conditional release. I further find that there are various orders passed by the Hon'ble CESTAT, High Court and Supreme Court, wherein it is held that the goods cleared on execution of Undertaking/ Bond are liable for confiscation under Section 111 of the Customs Act, 1962 and Redemption Fine is imposable on them under provisions of Section 125 of the Customs Act, 1962. A few such cases are detailed below:

**a.** M/s Dadha Pharma h/t. Ltd. Vs. Secretary to the Govt. of India, as in 2000 (126) ELT 535 (Chennai High Court);
**b.** M/s Sangeeta Metals (India) Vs. Commissioner of Customs (Import) Sheva, as reported in 2015 (315) ELT 74 (Tri-Mumbai);
**c.** M/s SacchaSaudhaPedhi Vs. Commissioner of Customs (Import), Mu reported in 2015 (328) ELT 609 (Tri-Mumbai);
**d.** /s Unimark Remedies Ltd. Versus. Commissioner of Customs (Export Promotion), Mumbai reported in 2017(335) ELT (193) (Bom)
**e.** M/s Weston Components Ltd. Vs. Commissioner of Customs, New Delhi reported in 2000 (115) ELT 278 (S.C.) wherein it has been held that:

*“if subsequent to release of goods import was found not valid or that there was any other irregularity which would entitle the customs authorities to confiscate the said goods - Section 125 of Customs Act, 1962, then the mere fact that the goods were released on the bond would not take away the power of the Customs Authorities to levy redemption fine.”*

**f.** Commissioner of Customs, Chennai Vs. M/s Madras Petrochem Ltd. As reported in 2020 (372) E.L.T. 652 (Mad.) wherein it has been held as under:

*“We find from the aforesaid observation of the Learned Tribunal as quoted above that the Learned Tribunal has erred in holding that the cited case of the Hon’ble Supreme Court in the case of Weston Components, referred to above is distinguishable. This observation written by hand by the Learned Members of the Tribunal, bearing their initials, appears to be made without giving any reasons and details. The said observation of the Learned Tribunal, with great respect, is in conflict with the observation of the Hon’ble Supreme Court in the case of Weston Components.”*

35.19 In view of the above, I find that the decision of Hon’ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), which has been passed after observing decision of Hon’ble Bombay High Court in case of M/s Finesse Creations Inc reported vide 2009 (248) ELT 122 (Bom)-upheld by Hon'ble Supreme Court in 2010(255) ELT A. 120 (SC), is squarely applicable in the present case.

35.20 In view of above facts, goods **360.251 MTs** of Stainless Steel Seamless Pipes (Hot/Cold Rolled) having declared assessable value of **₹8,12,75,524/-(Rupees Eight Crores Twelve Lakhs Seventy Five Thousand Five Hundred Twenty Four only)** which had been imported by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended (**details as per Annexure A**) including goods total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by M/s Vrunda International, M/s Vivanta International and M/s Vikranta Impex, assessed at value of Rs.50,83,767/- which were seized on 03.07.2024 are held liable for confiscation under section 111(o) of the Customs Act, 1962. **I also observe that the present case also merits imposition of Redemption Fine, regardless of the physical availability, once the goods are held liable for confiscation.**

**E. Now I take up the next question as to what is the effect furnishing of a Bond on liability to pay applicable Customs Duty and other charges?**

36. I reiterate my findings at para 28,29,30,31,32,33,34 & 35 wherein it has undisputedly established that Shri Vipin Chaturvedi is mastermind behind the creation of four dummy proprietorship firms i.e. M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International for misue of import of conditionally exempted imported goods under advance authorization under para 4 of the Foreign Trade Policy read with notification no. 21/2023 dated 01.04.2023 by diverting them in the local market for enrichimg himself by evasion of duty.

36.1 M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International has furnished respective bonds advance authorization under provisions of para 4 of the Foreign Trade policy read with Notification no. 21/2023 dated 01.04.2023 whrein they will use the conditionally exempted imported goods for manufacturing and export thereafter. .

36.2 It is submitted that in view of the above the Deputy / Assistant Commissioner **shall take action by invoking the Bond to initiate the recovery processing off an amount as under.** Therefore, no demand under section 28 of the Customs Act can be raised against the Noticee No. 1 as proposed in the present show cause notice.

**36.3 I find no merits in the above contention of Shri Vipin Chaturvedi.**

36.3.1 I find that consequent upon amendment to the Section 17 of the Customs Act, 1962 vide Finance Act, 2011; 'Self-Assessment' has been introduced in Customs. Section 17 of the Customs Act, effective from 08.04.2011, provides for self-assessment of duty on imported goods by the importer himself by filing a Bill of Entry, in the electronic form. Provisions of the Section 46 of the Customs Act, 1962, makes it mandatory for the importer to make proper & correct entry for the imported goods by presenting a Bill of Entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962) the Bill of Entry shall be deemed to have been filed and after self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service centre, a Bill of Entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who has to ensure that he declares the correct description, quantity of the goods, classification, applicable

rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, quantity, notification, etc, and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

36.3.2 From the discussions so far and the evidences put forth by by the the investigation, in I find that Shri Vipin Chaturvedi, de-facto owner of M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International has violated Sub-Section (4) and 4(A) of Section 46 of the Customs Act, 1962 as they have mis-utilized the notification benefit under Notification No. 21/2023 dated 01.04.2023, knowing that they are not going to fulfil the conditions as laid down under the said notification. Also, they did not intend to manufacture the resultant product since they were not capable of manufacturing the resultant product, yet they mis-utilized the said benefit and defrauded the revenue to government exchequer. I find tha the Noticce was required to comply with Section 46 which mandates that the importer at the time of filing the Bill of Entry must make true and correct declarations and ensure the following:

(a) Accuracy and completeness of the information declared;

(b) The authenticity and validity of any document supporting the information provided; and

(c) Comply with restrictions or prohibitions relating to the goods under this Act or a law in force at the time being

(d) Comply with the conditions of the exemption notification no. 21/2023-customs read with Para 4 of the EXIM Polocy

Section 46 of the Customs Act, 1962:

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

*(2) 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:*

*(3) Provided further that, if the importer makes and subscribes to a declaration before the proper officer, to the effect that he is unable for want of full information to furnish all the particulars of the goods required under this sub-section, the proper officer may, pending the production of such information, permit him, previous to the entry thereof (a) to examine the goods in the presence of an officer of customs, or (b) to deposit the goods in a public warehouse appointed under section 57 without warehousing the same.*

*……..*

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

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

*(a) the accuracy and completeness of the information given therein;*

*(b) the authenticity and validity of any document supporting it; and*

*(c) compliance with the restriction or prohibition, if any, relating to the goods under this this Act or under any other law for the time being in force."*

36.3.3 **In view of the above, I find that there is no dispute in the instant case that Shri Vipin Chaturvedi, de-facto owner of M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International has evaded the basic Customs Duty by hatching a conspiracy to misuse the provisions of Customs Notification no. 01.2023 dated 01.04.2023 read with Advance Authorization under para 4 of the Foreign Trade Policy. I notice that the purpose of this notification 21/2023-customs is to encourage manufacturing in India. Therefore, basic Custom Duty on Imported goods has been exempted on the condition that the said imported goods will be used in the manufacturing of resultant product for export purpose. And the plethora of evidence established beyond any doubt that the said essential condition of the has been violated in a very planned, thought out and dubious manner. Therefore, I don't feel that in the facts of the instant case there is any possibility of segregating the said essential condition of the exemption notification Customs Notification no. 21.2023 dated 01.04.2023 read with Advance Authorization under para 4 of the Foreign Trade Policy. On examining plethora of evidences produced by the DRI, there cannot be absolutely any doubt that in the instant case the essential condition of said notification has been misused and violated under a well-planned conspiracy involving mis-statements and frauds. In this regard, on 30 July 2018, the constitution bench of the Supreme Court of India (Court), in Commissioner of Customs (Import), Mumbai (Appellant) v Dilip Kumar and Company & Ors. (Respondent) [Civil Appeal No. 3327 OF 2007], has pronounced the principles for the interpretation of exemption notifications in taxation statues in the following manner: -**

*''52.To sum up, we answer the reference holding as under*

*(1) Exemption notification should be interpreted strictly; the burden of proving applicability would be on the assessee to show that his case comes within the parameters of the exemption clause or exemption notification.*

*(2) When there is ambiguity in exemption notification which is subject to strict interpretation, the benefit of such ambiguity cannot be claimed by the subject/assessee and it must be interpreted in favour of the revenue.*

*(3) The ratio in Sun Export case (supra) is not correct and all the decisions which took similar view as in Sun Export Case (supra) stands overruled.''*

36.3.4 In this context, there is no dispute about the fact that **Customs Notification no. 21.2023 dated 01.04.2023 read with Advance Authorization under para 4 of the Foreign Trade Policy** provides exemption from Basic Customs Duty on the fulfillment of the condition that the imported goods will be used only in manufacturing and therefore export of resultant product. The purpose of the said notification is to promote manufacturing in India. However, it is seen that the said manufacturing may take place only in some manufacturing unit, mentioned as supporting manufacturer in the license. Since subject imported goods have been imported at JNCH, the Commissioner Jawaharlal Nehru Custom House i.e. NS-III has the jurisdiction over imports, charging duty, allowing exemptions, making recovery in cases of unauthorized availment of any exemption including subject exemption customs notification no. 21/2023 dated 01.04.2023 read with Advance Authorization under para 4 of the Foreign Trade Policy.

36.3.5 Execution of bond does not affect the liability

36.3.5.1 I observe that, the provisions of Section 143 of the Customs Act, 1962 have been completely misconducted. I observe that the section 143 provides that where Customs Act or any other law 're-

quires anything to be done before a person can import a goods and Assistant Commissioner/Deputy Commissioner of Customs notwithstanding anything contained in this act or any other law, grant leave for such import clearance on the importer executing a bond for doing such thing within the time after the import as may be specified in the bond. I further observe that section 143(3) of the Customs Act, 1962 provides that the Assistant Commissioner/Deputy Commissioner of Customs, who has granted the aforesaid leave, I shall be entitled to proceed upon said bond in addition to any othe action under Customs Act, 1962 or any other act.

36.3.5.2 In view of the above, Section 143 provides a mechanism of granting time to an importer to fulfil, anything required before import, to do it after the import. However, as per section 143 of the Customs Act, 1962 said postponement can be allowed subject to following conditions namely i) submitting a surety or security bond of amount deducted by the Assistant Commissioner/Deputy Commissioner of Customs, ii) in case of not fulfilled the bonded liability the bond can be executed as per law and iii) such action of proceeding on the bond has to be taken inrespective of any other action which can be taken as per Customs Act, 1962.

36.3.5.3 In view of the above, I find the action taken under section 28,111,112,114A etc. as propsed in the subject Show Cause Notice is not affected in any manner due to the provisions of section 143 of the Customs Act, 1962 due to the following reasons: -

- Provisions of section 143 does not apply to a situation where the law already provides for doing an act after the import of the goods. The whole purpose of Section 143 is exactly opposite i.e. shifting of a responsibility from the pre-import stage to the post import stage. Since in the instant case, subject Customs notification no. 01.2023 dated 01.04.2023 read with Advance Authorization under para 4 of the Foreign Trade Policy already provides import of conditionally expemted goods for manufacturing after import, the provisions of section 143 of the Customs Act, 1962 are infructourous for the instant case.
- In any case, Section 143 does not debar action under section 28,111,114 etc. of the Customs Act, 1962 because section 143(3) of the Customs Act, 1962 clearly provides that bond can be proceeded upon in addition to ‘any action that may be taken under this Act or any other law for the time being in force.’
- Therefore, there is no quid-pr-quo between action under Indian Contract Act, 1872 by ‘way of proceeding on a bond’ and adjudication of the subject Show Cause notice by the Jurisdictional Customs of Commissioner NS-III, JNCH under the Customs Act, 1962.

36.4 In this context, I further observe that it is common practice in taxation law that along-with regular legal machinery of levy, exemption, adjudication, recovery etc., still additional provisions furnishing unsecured or secured bond is prescribed which constitutes an additional layer of mechanism under the Indian Contract Act, 1872. I observe that in instant case also bonds have been executed on behest of Sh Vipin Chaturvedi by M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International in-spite of the fact that instant case of the Customs Act and Rules made thereunder has an elaborate legal machinery in form of Sections 28, 28AA, 111, 112, 114, 142 etc. The said regular legal machinery empowers this adjudicating authority to pass an appealable order in quasi-judicial capacity. Whereas, M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex and M/s Vrunda International qua firms under ownership of Sh. Vipin Chaturvedi at relevant time filed or continued the subject bond which forms an additional contractual liability on the executor of the said bond. It would be completely illegal to construe that filling of bonds under Advance Authorization, such bonds being regulated under Indian Contract Act, 1872 would render the powers conferred under the aforesaid provisions of the Customs Act, 1962 on this authority as Commissioner-NS-3 infructuous. In fact, Indian Contract Act and the Customs Act are separate legal, and

there is no such possibility that powers conferred under the Customs Act are taken away or affected only because of filling of subject bonds.

36.5 I further observe that Section 143 of the Customs Act, 1962 does not overrule the provisions of section 124,125,126 etc of the Indian Contract Act neither this section replaces the provisions of section 28,111,112,114 etc. Section 143 of the Customs Act, 1962 is merely enabling section which provides that if there is procedure required which cannot be fulfilled at the time of Import. The said procedural reuirement for the time being may be met by furnishing bond which is governed by Indian Contract Act.

36.6 If law is constiude in such a way that will result into utter chaos because submitting bond will mean giving a complete licence of smuggling. Such an interpretation would lead to a logical concul-sion to say that the noticee can evade any amount of duty by merely submitting a bond. Therefore, by executing subject bonds, the noticees including the mastermind have fastened an additional liability in the way that they are responsible for making goods of any responsibility or payments not only in terms of the the provosions of The Customs Act but also in terms of the said bonds.

**F. Now I take up the next question as to whether Penalty should be imposed on Shri Vipin Kanaiyalal Chaturvedi under Section 112(a) of the Customs Act, 1962 for act or omission, under Section 112(b) of the Customs Act, 1962 for carrying, removing, depositing, harboring, keeping, concealing, selling and dealing with the goods which rendered the imported goods liable to confiscation and under Section 114 A of the Customs Act, 1962.**

37. As per my detailed findings in paras 28 to 35 above, I find that with the introduction of self-assessment by amendments to Section 17, since 8th April, 2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, quantity, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

37.1. I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also. The provisions of Section 114 A / 112 (a) / 112(b) of the Customs Act, 1962 are reproduced as under: -

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

*Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has 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:*

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

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

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

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

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

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

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

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

***SECTION 112. Penalty for improper importation of goods, etc. — Any person**, -*

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

*(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing or in any other manner dealing with the goods which he knows or has reason to believe are liable to confiscation under Section 111;*

*Shall be liable to penalty as envisaged in sub clause (i) to (v) of the said Section.s*

37.2 It is a settled law that fraud and justice never dwell together (Frauset Jus nunquam cohabitant). Lord Denning had observed that “no judgement of a court, no order of a minister can be allowed to stand if it has been obtained by fraud, for, fraud unravels everything” there are numerous judicial pronouncements wherein it has been held that no court would allow getting

any advantage which was obtained by fraud. The Hon'ble Supreme Court in case of CC, Kandla vs. Essar Oils Ltd. reported as 2004 (172) ELT 433 SC at paras 31 and 32 held as follows:

*"31. ''Fraud'' as is well known vitiates every solemn act. Fraud and justice never dwell together. Fraud is a conduct either by letter or words, which includes the other person or authority to take a definite determinative stand as a response to the conduct of the former either by words or letter.* ***It is also well settled that misrepresentation itself amounts to fraud.*** *Indeed, innocent misrepresentation may also give reason to claim relief against fraud.* ***A fraudulent misrepresentation is called deceit and consists in leading a man into damage by wilfully or recklessly causing him to believe and act on falsehood.*** *It is a fraud in law if a party makes representations, which he knows to be false, although the motive from which the representations proceeded may not have been bad. An act of fraud on court is always viewed seriously. A collusion or conspiracy with a view to deprive the rights of the others in relation to a property would render the transaction void ab initio. Fraud and deception are synonymous. Although in a given case a deception may not amount to fraud, fraud is anathema to all equitable principles and any affair tainted with fraud cannot be perpetuated or saved by the application of any equitable doctrine including res judicata. (Ram Chandra Singh v. Savitri Devi and Ors.[2003 (8) SCC 319].*

*32. "Fraud" and collusion vitiate even the most solemn proceedings in any civilized system of jurisprudence. Principle Bench of Tribunal at New Delhi extensively dealt with the issue of Fraud while delivering judgment in Samsung Electronics India Ltd. Vs commissioner of Customs, New Delhi reported in 2014(307)ELT 160(Tri. Del). In Samsung case, Hon'ble Tribunal held as under.*

*"If a party makes representations which he knows to be false and injury ensues there from although the motive from which the representations proceeded may not have been bad is considered to be fraud in the eyes of law. It is also well settled that misrepresentation itself amounts to fraud when that results in deceiving and leading a man into damage by wilfully or recklessly causing him to believe on falsehood. Of course, innocent misrepresentation may give reason to claim relief against fraud. In the case of Commissioner of Customs, Kandla vs. Essar Oil Ltd. - 2004 (172) E.L.T. 433 (S.C.) it has been held that by "fraud" is meant an intention to deceive; whether it is from any expectation of advantage to the party himself or from the ill-will towards the other is immaterial. "Fraud" involves two elements, deceit and injury to the deceived.*

*Undue advantage obtained by the deceiver will almost always cause loss or detriment to the deceived. Similarly a "fraud" is an act of deliberate deception with the design of securing something by taking unfair advantage of another. It is a deception in order to gain by another's loss. It is a cheating intended to get an advantage. (Ref: S.P. Changalvaraya Naidu v. Jagannath [1994 (1) SCC 1: AIR 1994 S.C. 853]. It is said to be made when it appears that a false representation has been made (i) knowingly, or (ii) without belief in its truth, or (iii) recklessly and carelessly whether it be true or false [Ref :RoshanDeenv. PreetiLal [(2002) 1 SCC 100], Ram Preeti Yadav v. U.P. Board of High School and Intermediate Education [(2003) 8 SCC 311], Ram Chandra Singh's case (supra) and Ashok Leyland Ltd. v. State of T.N. and Another [(2004) 3 SCC 1].*

*Suppression of a material fact would also amount to a fraud on the court [(Ref: Gowrishankarv. Joshi Amha Shankar Family Trust, (1996) 3 SCC 310 and S.P. Chengalvaraya Naidu's case (AIR 1994 S.C. 853)]. No judgment of a Court can be allowed to stand if it has been obtained by fraud. Fraud unravels everything and fraud vitiates all transactions known to the law of however high a degree of solemnity. When fraud is established that unravels all. [Ref: UOI v. Jain Shudh Vanaspati Ltd. - 1996 (86) E.L.T. 460 (S.C.) and in Delhi Development Authority v. Skipper Construction Company (P) Ltd. - AIR 1996 SC 2005]. Any undue gain made at the cost of Revenue is to be restored back to the treasury since fraud committed against Revenue voids all judicial acts, ecclesiastical or temporal and DEPB scrip obtained playing fraud against the public authorities are non-est. So also, no Court in this country can allow any benefit of fraud to be enjoyed by anybody as is held by Apex Court in the case of Chengalvaraya Naidu reported in (1994) 1 SCC I: AIR 1994 SC 853. Ram Preeti Yadav v. U.P. Board High School and Inter Mediate Education (2003) 8 SCC 311.*

*A person whose case is based on falsehood has no right to seek relief in equity [Ref: S.P. Chengalvaraya Naidu v. Jagannath, AIR 1994 S.C. 853]. It is a fraud in law if a party makes representations, which he knows to be false, and injury ensues there from although the motive from which the representations proceeded may not have been bad. [Ref: Commissioner of Customs v. Essar Oil Ltd., (2004) 11 SCC 364 = 2004 (172) E.L.T. 433 (S.C.)].*

*When material evidence establishes fraud against Revenue, white collar crimes committed under absolute secrecy shall not be exonerated as has been held by Apex Court judgment in the case of K.I. Pavunnyv.AC, Cochin - 1997 (90) E.L.T. 241 (S.C.). No adjudication is barred under Section 28 of the Customs Act, 1962 if Revenue is defrauded for the reason that enactments like Customs Act, 1962, and Customs Tariff Act, 1975 are not merely taxing statutes but are also potent instruments in the hands of the Government to safeguard interest of the economy. One of its measures is to prevent deceptive practices of undue claim of fiscal incentives.*

*It is a cardinal principle of law enshrined in Section 17 of Limitation Act that fraud nullifies everything for which plea of time bar is untenable following the ratio laid down by Apex Court in the case of CC. v. Candid Enterprises - 2001 (130) E.L.T. 404 (S.C.). Non est instruments at all times are void and void instrument in the eyes of law are no instruments. Unlawful gain is thus debarred."*

37.3 As explained above, it is conclusively established that Shri Vipin Chaturvedi in the faacade of four proprietorship concerns has diverted the conditionally exmepted goods in the domestic market and evaded the applicable customs duty. The deliberate act of Shri Vipin Chaturvedi to take the undue benefit of advance authorization issued by DGFT read with Customs Notification No. 21/2023-Customs dated 01.04.2023, as amended evaded the duty of **₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only)** including Anti-Dumping Duty foregone on import of **360.251 MTs** of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at **₹8,12,75,524/-** by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 should be demanded and recovered from Shri Vipin Chaturvedi Controller and Benefical Owner of the four proprietorship firms under Section 28 (4) of the Customs Act, 1962 along eith applicable interest. Consequently, the importing firm is liable for penalty under Section 114A of the Customs Act, 1962.

37.4 I find that in the present case, I have already held that Shri Vipin Kanhaiyalal Chaturvedi willfully suppressed material facts and orchestrated the fraudulent misuse of the Advance Authorization Scheme, thereby rendering the goods liable to confiscation. Accordingly, penalty under Section 114A of the Customs Act, 1962 has been imposed, which specifically addresses such contraventions involving fraud or willful misstatement.

37.4.1 Given that Section 114A is a specific provision applicable to cases of duty evasion by way of fraud or suppression, and that it prescribes a mandatory penalty equivalent to the amount of duty evaded, the imposition of additional penalties under Section 112(a) and 112(b)—which are of general application—would be both redundant and unwarranted in the facts of this case.Moreover, it is a well-settled principle that penalties under multiple sections should not be imposed for the same offence, unless each provision addresses a distinct and independent contravention. Since the role of Shri Vipin Chaturvedi in the fraudulent evasion of duty has already been duly addressed under Section 114A, I find no justification to impose separate and additional penalties under Sections 112(a) and 112(b).

37.5 Since I will be imposing penalty on Shri Vipin Chaturvedi under Section 114A, I shall refrain from imposing Penalty under Section 112(a)/112(b) of the Act on Shri Vipin Chaturvedi, in terms of the fifth proviso to Section 114A of the Act ibid.

**G. Now I take up the next question as to whether the contentions raised by the noticees have any merit in law or on facts**.

38. I reiterate my findings at para 28,29,30,31,32,33, 34 and 35 wherein it has been undisputedly established that Shri Vipin Chaturvedi orchestrated a well-planned and fraudulent scheme to misuse the Advance Authorization Scheme under Para 4 of the Foreign Trade Policy, read with Notification No. 01/2023 dated 01.04.2023. The four proprietorship firms—M/s Ascent International, M/s Vivanta International, M/s Vikranta Impex, and M/s Vrunda International—were found to be mere paper entities, created in the names of financially weak individuals who acted solely as name-lenders. These entities had no genuine business activity and existed only to avail of duty-free imports under Advance Authorization, with no intent of export fulfillment. Evidence confirms that the imported stainless-steel seamless pipes were never used for export production but were systematically diverted into the domestic market to buyers such as M/s Dev Steel & Alloys and M/s Steelage Overseas Pvt. Ltd. Financial records show a clear trail linking payments from these buyers to Chinese suppliers, coordinated through the said dummy firms, under the control of Shri Vipin Chaturvedi. Call Detail Record (CDR) analysis, third-party statements, seizure of goods from M/s Satya Steel (a related firm), and the consistent admissions by the name-lender proprietors conclusively establish that Shri Vipin Chaturvedi was the beneficial owner, controlling mind, and executor of the fraudulent operation. The cumulative effect of the evidence points to willful evasion of customs duties to the tune of ₹13.95 crores, achieved by deliberate misrepresentation, misuse of export promotion schemes, and diversion of duty-free goods into the domestic market in clear contravention of scheme conditions.

38.2 I find that Noticee no. 01 Shri Vipin Chaturvedi has contended that at the time of filing of Bill of entry all procedural requirements were meticulously followed and importers i.e. the four Concerned proprietorship have submitted bond for securing the revenue and relied on the judgement of Hon’ble Supreme Court in the case of m/s Titan Medical systems pvt ltd and Collector of Customs.

I find no merit in the contention of the noticee because of the following reasons:-

- The four proprietorship firms i.e. M/s Ascent International, M/s Vikranta Impex, M/s Vivanta International, and M/s Vrunda International, submitted bonds at the time of filing the Bills of Entry. However, the mere submission of bonds under Section 143 of the Customs Act, 1962 does not exonerate the importer or any orchestrator from liability arising out of fraudulent or illegal acts.
- Section 143 of the Customs Act provides a mechanism for the department to allow import clearance upon execution of a bond to fulfill certain pre-import obligations post-import. This provision is conditional and intended as a facilitative measure, not as a shield against detection or adjudication of customs duty evasion.
- The bonds executed are contracts of indemnity under the Indian Contract Act, 1872 (Section 124), wherein the executors promise to indemnify the Customs department against any loss arising from non-compliance. The bond is, therefore, an additional security and does not nullify or affect the legal proceedings initiated under the Customs Act for violations, including those under Sections 28, 111, 112, and 114A.
- Furthermore, the provisions of Section 143 are inapplicable where the law already provides for post-import obligations, as in the present case under Customs Notification 21/2023 dated 01.04.2023 which explicitly permits certain manufacturing post-import. Therefore, reliance on Section 143 for extending time or deferring compliance is misplaced and does not shield the concerned parties from liability for the violations committed.
- Importantly, Section 143(3) clearly stipulates that Customs authorities may proceed against the bond in addition to any other action under the Customs Act or any other law. Hence, enforcement of the bond is without prejudice to adjudicatory or penal proceedings under the Act.
- Therefore, there is no quid-pr-quo between action under Indian Contract Act, 1872 by ‘way of proceeding on a bond’ and adjudication of the subject Show Cause notice by the Jurisdictional Customs of Commissioner NS-III, JNCH under the Customs Act, 1962.
- The Titan Medical Systems judgment, which dealt with specific factual and legal issues, cannot be generalized to shield fraudulent conduct or violations involving misdeclaration, diversion of goods, or misuse of Customs exemptions.
- In the instant case, there is overwhelming evidence of fraudulent diversion, use of dummy firms, and evasion of customs duty despite procedural formalities, including bond submission.
- The bond serves as a security instrument but is not a substitute for lawful compliance with import conditions and export obligations; non-fulfillment of these obligations triggers enforcement actions independent of the bond.
- Therefore, the contention that procedural compliance and bond submission alone suffice to absolve the noticee of liability is not tenable in light of the substantive violations established.
- Therefore, reliance on the Titan Medical Systems judgment cannot negate or diminish the responsibility arising from fraudulent practices and customs duty evasion demonstrated in this case.
- In the instant case, Shri Vipin Chaturvedi is found to be the orchestrator and beneficial owner of the fraudulent scheme using the four dummy firms, which had no genuine business operations. The bonds submitted by these firms cannot absolve Shri Chaturvedi from liability arising out of his deliberate evasion of customs duty amounting to ₹13.95 crores.

Therefore, the contention that procedural requirements were followed and bonds submitted does not in any way mitigate the violations established. Both the adjudicatory proceedings under the Customs Act and enforcement of bonds under the Indian Contract Act are maintainable simultaneously, and this authority is fully empowered to proceed on both fronts.

38.3 I find that the noticee has contended that para 4.12 of the FTP, 2023 provides mechanism for change of Supportig manufacturer.

Para 4.12 of the FTP is reproduced below:-

*"(i)Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill.*

*(ii) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills.*

*(iii) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority shall allow only those inputs which have been specifically indicated in the shipping bill together with quantity.*

*(iv)The above provisions will also be applicable for supplies to SEZs and supplies made under Deemed exports. Details as given above will have to be indicated in the relevant Bill of Export, ARE-3, Central Excise certified Invoice / import document / Tax Invoice for export prescribed under the GST rules."*

In view of the above I find no merit in the contention of the noticee because of the following reasons: -

- Para 4.12 of the FTP,2023 clearly stipulates that when the Standard Input Output Norms (SION) permit the use of either (a) a generic input or (b) an alternative input, the specific input actually used must be expressly indicated and endorsed in the relevant shipping bill along with the quantity used in manufacturing the export product.
- The authorization for redemption is conditional upon the exact matching of the name/description and quantity of inputs used, as endorsed in the shipping bill, with those declared in the relevant bill of entry. Any deviation or substitution without proper endorsement and matching would render the authorization invalid for redemption.
- Moreover, where SION indicates a single quantity against multiple inputs, the import quantities of these inputs must strictly adhere to the proportions actually consumed during production, as clearly declared in the shipping bill.
- Therefore, the ability to change or substitute the supporting manufacturer or inputs is strictly regulated and subject to accurate documentation and endorsement. It cannot be arbitrarily exercised or assumed without fulfilling these prescribed conditions.
- In the present case, if there was a change in the supporting manufacturer or the inputs used, such change should have been properly declared, endorsed, and documented in the shipping bills and related export documents as mandated by para 4.12. Failure to do so invalidates the claim of legitimate substitution or change.
- Consequently, the contention that the supporting manufacturer can be changed at will, without adherence to the strict conditions laid down in para 4.12, is factually and legally incorrect.

- Further noticee has not provided any evidence claiming the manufacturing activity being done as per the conditions of the Advance authorization.

38.4 I find that Noticee has contended that Export Obligation Period under Advance Authorization 18 months and Show cause notice has been issued prematurely.

I find no merit in the contention of the noticee because of the following reasons:-

- The Foreign Trade Policy (FTP) generally provides an 18-month period for exporters to fulfill their export obligations under schemes such as the Advance Authorization Scheme. However, the timeline for completing export obligations is subject to strict compliance with the terms and conditions of the authorization, including proper and timely submission of all required documents, accurate reporting of inputs and outputs, and adherence to Customs and trade regulations.

- In the present case, the issuance of the Show Cause Notice (SCN) prior to completion of the 18-month period was necessitated due to clear and unequivocal evidence of fraudulent practices, including diversion of imported goods to the domestic market, use of dummy firms, and falsification of records, which constitute a serious violation of Customs and FTP provisions.

- The objective of the SCN is not merely to await the lapse of the 18-month period but to initiate timely action to protect revenue and prevent further misuse or evasion where there is credible evidence of wrongdoing.

In view of the above I find no merit in the contention of the noticee.

38.5 I find that noticee has contended that the payments from Domestic Buyer i.e. M/s Dev Steel & Alloys was credited directly into the account of the respective firm instead of Shri Vipin Chaturvedi's personal account.

I find no merit in the contention of the noticee because of the following reasons:-

- In the instant case the crucial issue is the ultimate beneficiary and controller of these firms and the funds credited therein, not merely the account into which the payments were initially deposited.

- Evidence gathered from bank statements, financial trails, and call detail records clearly establishes that Shri Vipin Chaturvedi exercised exclusive control over the four proprietorship concerns, including their bank accounts and financial transactions.

- Significant amounts were later transferred from these firms' accounts to accounts directly associated with Shri Vipin Chaturvedi or his proprietary concerns, demonstrating direct personal enrichment from these transactions.

- Furthermore, the use of multiple dummy firms was a deliberate modus operandi to create a facade of separate entities to evade customs duties and mislead authorities, while in reality, all financial flows were centrally managed and controlled by Shri Vipin Chaturvedi.

- Therefore, the argument that payments were credited to the firms' accounts and not Shri Vipin Chaturvedi's personal account is factually irrelevant to establishing his role as the orchestrator and ultimate beneficiary of the fraudulent scheme.

- The evidence overwhelmingly proves that these payments were part of an integrated financial scheme controlled by Shri Vipin Chaturvedi, confirming his culpability and liability.

38.6 I find that noticee no. 01 has contended that in the case of Advance Authorization action can be initiated by DGFT not Customs and reliance is placed on Hon'ble Supreme Court Judgement in the case of M/s Tital Medical Systmes vs Collector of Customs.

I find no merit in the contention of the noticee becasaue of the following reasons:-

- The Advance Authorization exemption availed by the Noticee is granted under Notification No. 21/2023 dated 01.04.2023 which is issued under Section 25(1) of the Customs Act, 1962. This exemption is conditional, and the importer must fulfill certain post-import requirements such as:
    - Actual use of imported goods in manufacture of export products,
    - Fulfilment of export obligation within a specified period,
    - No diversion of goods to the domestic market.
- It is settled principle that when an exemption is claimed under a Customs notification, it is well within the powers of the Customs authorities to verify the correctness of the claim and to demand duty in case of non-compliance or misuse.

- **The scheme of** Advance Authorization Scheme is implemented jointly by **DGFT,** which issues the license/authorization, and **Customs** which administers the **exemption from duty** at the time of import. While DGFT monitors the export obligation and may initiate action like suspension/cancellation of authorization or blacklisting, the **Customs authorities retain independent power** to Deny exemption if conditions are not fulfilled, Demand differential duty under **Section 28 of the Customs Act,** and Confiscate or penalise under **Sections 111, 112, 114, 114A**, etc.
- The Noticee's reliance on the Supreme Court's judgment in *Titan Medical Systems Pvt. Ltd. v. Collector of Customs* is inapplicable in the present case. The Titan case dealt with a scenario where the importer had fulfilled export obligation and there was no evidence of fraud or diversion.

- In contrast, the present case involves the use of Use of dummy firms to fraudulently avail duty-free imports, Diversion of goods into the domestic market, non-fulfilment of export obligation, absence of any redemption or closure from DGFT and clear intention to evade customs duty.

In view of the above, the *Titan Medical systems* case cannot be relied upon in a case involving fraudulent intent**,** misdeclaration, and unauthorised diversion, where Customs duty has been evaded**.**

38.7 I find that noticee has contended that Relied Upon Documents were supplied to them on 01.09.2025, therefore the Show Cause Notice was fully served on 01.09.2025 and noticees time to reply to the notice shouls start from 01.09.2025.

I find no merit in the contention of the noticee because of the following: -

- I observe that the Show Cause Notice and relied upon documents were served to the Noticee well in advance, and subsequently, on the request of the noticee via email the RUDs were supplied again. The Noticee has filed a detailed written reply to the SCN and has also availed the opportunity of personal hearing before the adjudicating authority.
- It is a settled principle of law that supply of RUDs is a procedural requirement to enable the noticee to effectively defend their case. Once such documents have been supplied and the Noticee has availed the opportunity to respond and represent their case — both in writing and through personal hearing — no prejudice is caused, and the principles of natural justice are fully met.

38.9 I have carefully examined all contentions, explanations, and submissions made by the noticees during the course of adjudication. However, I find that these contentions are devoid of

merit, lacking any substantive evidence to counter oral, documentary, digital, financial and circumstaintial evidence placed on record. The noticees have failed to produce any credible documentation, justification, or rebuttal that could dislodge or even dilute the findings established through a coherent and corroborative chain of evidence. Accordingly, I find that the contentions raised are afterthoughts, aimed merely at evading liability, and do not carry an iota of merit to warrant any interference with the findings already established.

**H. Now I take up the next question as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex.**

39. I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

39.1 In view of the above, it has been undisputedly established that the firm M/s Vikranta Impex was operated under the effective control of Shri Vipin Chaturvedi, while being registered in the name of Shri Mahesh Joshi. Shri Mahesh Joshi knowingly permitted the use of his identity and documents for the establishment and operation of the said firm, despite having limited involvement in its day-to-day affairs. He received a fixed sum per transaction as compensation for allowing his credentials to be used. The firm imported goods duty-free under the Advance Authorisation scheme, which were meant to be used in the manufacture of export products. However, investigations have revealed that the imported goods were not utilised for the declared purpose but were illicitly diverted into the domestic market in contravention of the conditions of the Advance Licence. Shri Mahesh Joshi, by knowingly allowing his name and documents to be used for the import of goods under a scheme that he was aware was being misused, facilitated and abetted the diversion of duty-free goods into the domestic market. His role, though passive in appearance, was instrumental in enabling the commission of acts rendering the goods liable to confiscation under section 111(o) the Customs Act, 1962. Therefore, **Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex** is held liable for penal action under **Section 112(a)** of the **Customs Act, 1962**, for his role in **abetting and facilitating** the improper import and diversion of goods, which rendered the said goods liable to confiscation under the Act.

39.2 Since I am imposing penalty under section 112(a), therefore I refrain from imposing penalty under section 112(b) of the act.

**I. The next question is as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Anand Menon, Proprietor of M/s. Vrunda International.**

**40.** I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

40.1In view of the above, it has been undisputedly established that the firm **M/s. Vrunda International** was operated under the effective control of Shri Vipin Chaturvedi, while being registered in the name of Shri Anand Menon. Shri Anand Menon knowingly permitted the use of his identity and documents for the establishment and operation of the said firm, despite having limited involvement in its day-to-day affairs. He received a fixed sum per transaction as compensation for allowing his credentials to be used. The firm imported goods duty-free under the Advance Authorisation scheme, which were meant to be used in the manufacture of export products. However, investigations have revealed that the imported goods were not utilised for the declared purpose but were illicitly diverted into the domestic market in contravention of the con-

ditions of the Advance Licence. Shri Anand Menon, by knowingly allowing his name and documents to be used for the import of goods under a scheme that he was aware was being misused, facilitated and abetted the diversion of duty-free goods into the domestic market. His role, though passive in appearance, was instrumental in enabling the commission of acts rendering the goods liable to confiscation under section 111(o) the Customs Act, 1962. Therefore, **Shri Anand Menon, Proprietor of M/s. Vrunda International** is held liable for penal action under **Section 112(a)** of the **Customs Act, 1962**, for his role in **abetting and facilitating** the improper import and diversion of goods, which rendered the said goods liable to confiscation under the Act.

40.2 Since I am imposing penalty under section 112(a), therefore I refrain from imposing penalty under section 112(b) of the act.

**J. <u>Now I take up the next question as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Atul Shashikant Herekar, Proprietor of M/s. Ascent International.</u>**

41. I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

41.1 In view of the above, it has been undisputedly established that the firm **M/s. Ascent International** was operated under the effective control of Shri Vipin Chaturvedi, while being registered in the name of Shri Atul Shashikant Herekar. Shri Atul Shashikant Herekar knowingly permitted the use of his identity and documents for the establishment and operation of the said firm, despite having limited involvement in its day-to-day affairs. He received a fixed sum per transaction as compensation for allowing his credentials to be used. The firm imported goods duty-free under the Advance Authorisation scheme, which were meant to be used in the manufacture of export products. However, investigations have revealed that the imported goods were not utilised for the declared purpose but were illicitly diverted into the domestic market in contravention of the conditions of the Advance Licence. Shri Atul Shashikant Herekar, by knowingly allowing his name and documents to be used for the import of goods under a scheme that he was aware was being misused, facilitated and abetted the diversion of duty-free goods into the domestic market. His role, though passive in appearance, was instrumental in enabling the commission of acts rendering the goods liable to confiscation under section 111(o) the Customs Act, 1962. Therefore, **Shri Atul Shashikant Herekar, Proprietor of M/s. Ascent International** is held liable for penal action under **Section 112(a)** of the **Customs Act, 1962**, for his role in **abetting and facilitating** the improper import and diversion of goods, which rendered the said goods liable to confiscation under the Act.

41.2 Since I am imposing penalty under section 112(a), therefore I refrain from imposing penalty under section 112(b) of the act.

**K. <u>As to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International.</u>**

**42.** I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

42.1 In view of the above, it has been undisputedly established that the firm **M/s. Vivanta International** was operated under the effective control of Shri Vipin Chaturvedi, while being registered in the name of Shri Nitin Ranganath Anchan. Shri Nitin Ranganath Anchan knowingly

permitted the use of his identity and documents for the establishment and operation of the said firm, despite having limited involvement in its day-to-day affairs. He received a fixed sum per transaction as compensation for allowing his credentials to be used. The firm imported goods duty-free under the Advance Authorisation scheme, which were meant to be used in the manufacture of export products. However, investigations have revealed that the imported goods were not utilised for the declared purpose but were illicitly diverted into the domestic market in contravention of the conditions of the Advance Licence. Shri Nitin Ranganath Anchan, by knowingly allowing his name and documents to be used for the import of goods under a scheme that he was aware was being misused, facilitated and abetted the diversion of duty-free goods into the domestic market. His role, though passive in appearance, was instrumental in enabling the commission of acts rendering the goods liable to confiscation under section 111(o) the Customs Act, 1962. Therefore, **Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International** is held liable for penal action under **Section 112(a)** of the **Customs Act, 1962**, for his role in **abetting and facilitating** the improper import and diversion of goods, which rendered the said goods liable to confiscation under the Act.

42.2 Since I am imposing penalty under section 112(a), therefore I refrain from imposing penalty under section 112(b) of the act.

**L. <u>Now I take up the question as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Dev Steel & Alloys.</u>**

43**.** I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

43**.**1 I find that during the course of investigation, it has been undisputedly established that the conditionally exempted goods imported under the Advance Authorization Scheme were illicitly diverted into the domestic market in contravention of the conditions prescribed under the said scheme. These diverted goods were found to have been purchased by M/s. Dev Steel & Alloys, whose proprietor has admitted to procuring the said goods in cash, after having made initial advance payments.
By purchasing the duty-free imported goods, which were meant solely for fulfillment of export obligations, M/s. Dev Steel & Alloys knowingly participated in undermining the objectives and integrity of the Advance Authorization Scheme. The facts clearly established that M/s. Dev Steel & Alloys acquired possession of and was concerned in dealing with goods that were liable to confiscation under Section 111(o) of the Customs Act, 1962. It is evident that M/s. Dev Steel & Alloys, through its acts of omission and commission, has knowingly acquired and purchased such goods, despite having knowledge — or at least reason to believe — that the said goods were imported in violation of the conditions of exemption and were liable to confiscation. Accordingly, **M/s. Dev Steel & Alloys** is held liable to penal action under **Section 112(b)** of the Customs Act, 1962, **for acquiring possession of and being concerned in dealing with the impugned goods**, which they knew or had reason to believe were liable to confiscation under the provisions of the Act.

43.2 Since I am imposing penalty under section 112(b), therefore I refrain from imposing penalty under section 112(a) of the act.

**M. <u>Now I take up the next question as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Steelage Overseas Private Limited.</u>**

44. I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

44.1 I find that during the course of investigation; it has been undisputedly established that the conditionally exempted goods imported under the Advance Authorization Scheme were illicitly diverted into the domestic market in contravention of the conditions prescribed under the said scheme. These diverted goods were found to have been purchased by M/s. Steelage Overseas Private Limited, whose proprietor has admitted to procuring the said goods in cash, after having made initial advance payments. By purchasing the duty-free imported goods, which were meant solely for fulfillment of export obligations, M/s. Steelage Overseas Private Limited knowingly participated in undermining the objectives and integrity of the Advance Authorization Scheme. The facts clearly established that M/s. Steelage Overseas Private Limited acquired possession of and was concerned in dealing with goods that were liable to confiscation under Section 111(o) of the Customs Act, 1962. It is evident that M/s. Steelage Overseas Private Limited, through its acts of omission and commission, has knowingly acquired and purchased such goods, despite having knowledge — or at least reason to believe — that the said goods were imported in violation of the conditions of exemption and were liable to confiscation. Accordingly, **M/s. Steelage Overseas Private Limited** is held liable to penal action under **Section 112(b)** of the Customs Act, 1962, for **acquiring possession of and being concerned in dealing with the impugned goods**, which they knew or had reason to believe were liable to confiscation under the provisions of the Act.

44.2Since I am imposing penalty under section 112(b), therefore I refrain from imposing penalty under section 112(a) of the act.

**N. <u>Next question is as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on M/s. Prudent Stainless Private Limited</u>.**

45. I reiterate my findings from paras 28 to 35 above for the question of penalty also as the same are mutatis mutandis applicable to this issue also.

45.1 I find that during the course of investigation it is has been establidhed that M/s Prudent Stainless Pvt. Ltd. was falsely shown as the supporting manufacturer in the Advance Authorization licenses to lend an appearance of legitimacy to the imports. However, no imported goods were ever received at or processed by the said unit. The company had no actual role in the manufacturing or export process as mandated under the Advance Authorization Scheme. The involvement of M/s Prudent Stainless Pvt. Ltd. was limited to providing its name and credentials as a facade, thereby enabling the misuse of the Advance Authorization licenses. The actual operations, including the procurement and diversion of the imported goods into the domestic market, were controlled and executed by Shri Vipin Chaturvedi. By knowingly permitting the use of its name and status as a supporting manufacturer without undertaking any legitimate manufacturing activity, M/s Prudent Stainless Pvt. Ltd. abetted and facilitated the import and subsequent diversion of goods that were conditionally exempt from customs duty. This conduct has rendered the imported goods liable to confiscation under Section 111(o) of the Customs Act, 1962.
Accordingly, **M/s Prudent Stainless Pvt. Ltd.** is held liable to penal action under **Section 112(a)** of the Customs Act, 1962, for its **role in abetting and facilitating** the unauthorized diversion of duty-free imported goods in contravention of the conditions of the Advance Authorization scheme.

45.2 Since I am imposing penalty under section 112(a), therefore I refrain from imposing penalty under section 112(b) of the act.

**O. Now I take up the next question as to whether penalty under Section 112(a) & 112(b) of the Customs Act, 1962 should be imposed on Shri Satyapal, Proprietor of Satya Steel.**

46. I reiterate my findings from paras 28 to 35 above for the questin of penalty also as the same are mutatis mutandis applicable to this issue also.

46.1 I find that investigations has undisputedly established that Shri Satyapal, Proprietor of M/s. Satya Steel, knowingly facilitated the diversion of duty-free imported goods by Shri Vipin Chaturvedi. Shri Satyapal consciously provided his KYC documents and enabled the creation and operation of the proprietorship firm, M/s. Satya Steel, despite being aware that it was being used to support activities in violation of the Advance Authorization Scheme. The premises of M/s. Satya Steel were used to store the diverted SS Seamless Pipes Grade 304, imported duty-free under Advance Authorization. These goods were never meant for local sale but were instead illegally diverted from the intended export-oriented supply chain. A portion of the said goods was subsequently seized from the premises, confirming the firm's direct involvement in handling the contraband goods. By knowingly allowing his premises to be used for the storage and further local sale of such goods, Shri Satyapal acquired possession of and was concerned in the keeping and disposal of goods which he knew, or had reason to believe, were liable to confiscation under Section 111(o) of the Customs Act, 1962. Accordingly, the acts of omission and commission on the part of **Shri Satyapal, Proprietor of Satya Steel** render him liable to **penal action under Section 112(b)** of the **Customs Act, 1962**, for acquiring possession of, and being concerned in, the storage and distribution of goods which were liable to confiscation under the provisions of the Act.

46.2 Since I am imposing penalty under section 112(b), therefore I refrain from imposing penalty under section 112(a) of the act

47. **I observe that Shri Vipin Chaturvedi was arrested by DRI Vapi** for the offence of the nature described under Section 135 (1)(a) & (b) of Customs Act, 1962, punishable under Section 135 (1)(i)(A) and 135 (1)(i)(B) of Customs Act, 1962, as he has knowingly concerned himself with the diversion of imported duty-free Steel pipes (grade 304) of 360 MTs approx. in violation of the conditions laid down under the Notification No. 21/2023-Customs, dated 01.04.2023 and license issued under Advance Authorization Scheme.

47.1 In view of the above finding and discussions offence, the deliberate and well-orchestrated fraud involving the misuse of the Advance Authorization Scheme, and the consequent evasion of customs duty amounting to **₹13.95 crores**. I find that this case is a fit case for lauching prosecution under the provisions of Section 135 of the Customs Act, 1962. Accordingly, prosecution may be **initiated against Shri Vipin Chaturvedi as per Circular No. 07/2017-Customs dated 06.03.2017**, which mandates prosecution in cases involving fraudulent availment of export incentives or duty exemptions through willful misstatement, suppression of facts, or use of dummy entities.

48. In view of the above, I pass the following order:-

ORDER

**(a)** I hold **Shri Vipin Chaturvedi** the real Mastermind, Controller and Beneficial Owner of (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B)

**(b)** I confiscate the impugned goods having Assessable value of **Rs. 8,12,75,524/- (Rupees Eight Crores Twelve Lakhs Seventy-Five Thousand Five Hundred Twenty-Four only),** which had been imported by Shri Vipin Chaturvedi in the name of (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023 ( as per Annexure A above) under section 111(o) of the Customs Act, 1962. Out of the said goods imported, only total 803 PCs of Stainless-steel seamless Pipes of grade 304 of marking A,B,X,C,D,G,Y,H,I,J,K,L imported under advance authorization scheme by Vrunda International, Vivanta International and Vikranta Impex, assessed at value of **Rs.50,83,767/-** which were seized on 03.07.2024 are physically available for confiscation. I impose a redemption fine of **Rs 2,50,00,000/- (Rupees Two crores Fifty lakhs only)** on Shri Vipin Chaturvedi being the controller and benefical owner of (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), in lieu of confiscation under Section 125(1) of the Customs Act, 1962.

**(c)** I confirm the demand of differential Customs duty of **₹13,93,97,786/- (Rupees Thirteen Crores Ninety Three Lakhs Ninety Seven Thousands Seven Hundred Eighty Six Only)** including Anti-Dumping Duty foregone on import of **360.251 MTs** of Stainless Steel Seamless Pipe (Hot/Cold Rolled) valued at **₹8,12,75,524/-** by (i) Ascent International (IEC-ABWPH4340R), (ii) Vikranta Impex (IEC-AACPJ4996Q), (iii) Vivanta International (IEC-AHTPA1064A) & (iv) Vrunda International (IEC-BSCPM6046B), during the period from 04.07.2023 to 16.11.2023 by wrongly availing the benefit of Notification No. 21/2023-Customs dated 01.04.2023, as amended, from **Shri Vipin Chaturvedi** under the provision of Section 28(4) of the Customs Act, 1962 along with applicable interest leviable under Section 28AA of the Customs Act, 1962.

**(d)** I impose a penalty equivalent to differential duty of **₹13,93,97,786/- (Rupees Thirteen Crores Ninety-Three Lakhs Ninety-Seven Thousand Seven Hundred Eighty-Six Only)** and interest accrued there upon on Shri Vipin Chaurvedi under section 114A of the Customs Act, 1962.

In terms of the first and second proviso to Section 114A ibid, if duty and interest is paid within thirty days from the date of the communication of this order, the amount of penalty liable to be paid shall be twenty-five per cent of the duty and interest, subject to the condition that the amount of penalty is also paid within the period of thirty days of communication of this order.

**(e)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex under Section 112(a) of the Customs Act, 1962.

**(f)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on Shri Anand Menon, Proprietor of M/s. Vrunda International under Section 112(a) of the Customs Act, 1962.

**(g)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on Shri Atul Shashikant Herekar, Proprietor of Ascent International under Section 112(a) of the Customs Act, 1962.

**(h)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International under Section 112(a) of the Customs Act, 1962.

**(i)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on M/s. Dev Steel & Alloys under Section 112(b) of the Customs Act, 1962.

**(j)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on M/s. Steelage Overseas Private Limited under Section 112(b) of the Customs Act, 1962.

**(k)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on M/s. Prudent Stainless Private Limited under Section 112(a) of the Customs Act, 1962.

**(l)** I impose a penalty of **Rs. 50,00,000/- - (Rupees Fifty lakhs only)** on Shri Satyapal, Proprietor of Satya Steel under Section 112(b) of the Customs Act, 1962.

Digitally signed by Vijay Risi
Date: 28-09-2025 13:03:34

**Vijay Risi**
**Commissioner of Customs**
**NS-III, JNCH, Nhava Sheva**

To,

**1.** Shri Vipin Kanhaiyalal Chaturvedi**,**
B-702, V-2 Signature, Vapi Daman Road,
Chala Vapi, Gujarat 396191

**2.** Shri Mahesh Joshi, Proprietor of M/s. Vikranta Impex,
C-203, Sai Dham Tower, Achole Road,
Nalasopara (East), Mumbai-401209

**3.** Shri Anand Menon, Proprietor of M/s. Vrunda International
40, Kanchan Room 304, Vasant Vihar CHS,
Pokhran Road No. 2, Thane, Maharashtra – 400610

**4.** Shri Atul Shashikant Herekar, Proprietor of Ascent International
401, Casario 3rd Avenue D wing, Caspiana
Dombivali East, Kalyan, Thane, Maharashtra-421204

**5.** Shri Nitin Ranganath Anchan, Proprietor of M/s. Vivanta International
501-502, Building No.10, Sector 6
Shanti Garden Meera Road (East) Thane-401107

**6.** M/s. Dev Steel & Alloys
1st Floor, 101, Rajgiri Apartment Cooperative Housing Society
Wing-A, Khemraj Shri krishnadas Marg,
Khetwadi 13th Lane, Girgaon, Mumbai,
Maharashtra,400004

**7.** M/s. Steelage Overseas Private Limited,
Mezanine Floor, Office No. 105-A,
Kushal Bhavan, 65, Maruti Mandir Marg,
5th Kumbharwada Lane, Mumbai, Maharashtra, 400004

**8.** M/s. Prudent Stainless Private Limited,
Plot No A2-229/1 GIDC, Umbergaon-396170,
Gujarat

**9.** Shri Satyapal, Proprietor of Satya Steel,
Plot No. 1840, Kalamboli Street Market,
Navi Mumbai, Kalamboli, Maharashtra- 410218

Copy to:

A. The Asst. Director, DRI Vapi – With a kind request to take necessary action as per para 47 and 47.1 above.
B. AC/DC, Group – IV, JNCH.
C. The Asstt / Dy. Commissioner of Customs, SIIB (Import), JNCH, Nhava Sheva - to up-load the OIO in DIGIT.
D. AC/DC, Chief Commissioner's Office, JNCH
E. AC/DC, Centralized Revenue Recovery Cell, JNCH
F. Superintendent (P), CHS Section, JNCH – For display on JNCH Notice Board.
G. Office Copy.