



सीमाशुल्क आयुक्त का कार्यालय, एनएस-II
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-II
केंद्रीकृत निर्यात आकलन कक्ष, जवाहरलाल नेहरू सीमाशुल्क भवन
CENTRALIZED EXPORT ASSESSMENT CELL
JAWAHARLAL NEHRU CUSTOM HOUSE

न्हावा शेवा, तालुका -उरण, जिला -रायगढ़, महाराष्ट्र- 400 707
NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA-400707

F. No. CUS/ASS/MISC/476/2025-CEAC Date of Order: 13 .03.2026

F. No.: CUS/SIIB/MISC/362/2025-SIIB(E) Date of Issue: 13 .03.2026

DIN NO.: 20260378NT000000F973

जारीकर्ता / Passed By: **Shri Raghu Kiran B.**
Commissioner of Customs (in-situ),
CEAC, NS-II, JNCH, Nhava Sheva

मूलआदेशसंख्या/Order-In-Original No.: 1758 /2025-26/ADC/CEAC/NS-II/JNCH

निर्यातक का नाम/Exporter's Name: M/s. Meperis Impex (IEC- BRPPA3508J)

मूल आदेश

ORDER-IN-ORIGINAL

1. यह प्रति जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निः शुल्क दी जाती है।

This copy is granted free of charge for the use of the person to whom it is issued.

2. इस आदेश के विरुद्ध अपील सीमाशुल्क अधिनियम 1962 की धारा 128 (1) के तहत इस आदेश की संसूचना की तारीख से साठ दिनों के भीतर सीमाशुल्क आयुक्त (अपील), जवाहरलाल नेहरू सीमाशुल्क भवन, शेवा, ता. उरण, जिला - रायगढ़, महाराष्ट्र -400707 को की जा सकती है। अपील दो प्रतियों में होनी चाहिए और सीमाशुल्क (अपील) नियमावली, 1982 के अनुसार फॉर्म सी.ए.-1 संलग्नक में की जानी चाहिए। अपील पर न्यायालय फीस के रूप में 2.00 रुपये मात्र का स्टांप लगाया जायेगा और साथ में यह आदेश या इसकी एक प्रति लगायी जायेगी। यदि इस आदेश की प्रति संलग्न की जाती है तो इस पर न्यायालय फीस के रूप में 2.00 रुपये का स्टांप भी लगाया जायेगा जैसा कि न्यायालय फीस अधिनियम 1870 की अनुसूची 1, मद 6 के अंतर्गत निर्धारित किया गया है।

An appeal against this order lies with the Commissioner of Customs (Appeal), Jawaharlal Nehru Custom House, Nhava Sheva, Tal: Uran, Dist.: Raigad, Maharashtra - 400707 under section 128(1) of the Customs Act, 1962 within sixty days from the date of communication of this order. The appeal should be in duplicate and should be filed in Form CA-1 Annexure on the Customs (Appeal) Rules, 1982. The Appeal should bear a Court Fee stamp of Rs.1.50 only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a Court Fee Stamp of Rs. 1.50 only as prescribed under Schedule 1, items 6 of the Court Fee Act, 1970.

3. इस निर्णय या आदेश के विरुद्ध अपील करने वाला व्यक्ति अपील अनिर्णीत रहने तक, शुल्क या शास्ति के संबंध में विवाद होने पर माँगे गये शुल्क के 7.5% का, अथवा केवल शास्ति के संबंध में विवाद होने पर शास्ति का भुगतान करेगा।

Any person desirous of appealing against this decision or order shall, pending the appeal, make payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

M/s. Meperis Impex (IEC- BRPPA3508J) having address at 516, Golden Plaza, Ring Road, Surat – 395002 (hereinafter referred to as the 'Exporter') had filed the following Shipping Bill to export goods namely Ready-Made garments. The details of the said Shipping Bill are tabulated as below:

TABLE-I

S/B No. & Date	Description of Goods	Scheme Code	FOB (in Rs.)	Drawback (in Rs.)	RoSCTL (in Rs.)	IGST Amount
9168207 dated 20.03.2025	1. Shawls, Scarves, Mufflers, Mantillas, Polyester Dupatta	61 (EPCG, Drawback & RoSCTL)	50,26,087.50	1,66,110.00	1,90,991.00	2,51,627.25

2. On the basis of specific intelligence received by CIU, JNCH, it was suspected that the Exporter M/s. Meperis Impex (IEC- BRPPA3508J) having address at 516, Golden Plaza, Ring Road, Surat – 395002 (hereinafter referred to as the 'Exporter') was attempting to export Ready-Made garments (hereinafter called as 'the goods') vide Shipping Bill No. 9168207 dated 20.03.2025 (**RUD-I**), filed through Customs Broker, M/s. Fast Forward Agencies Pvt. Ltd. (CB No. AABCF2847GCH001) (hereinafter referred to as the 'Customs Broker'), from Nhava Sheva port with a view towards obtaining illegitimate export benefits. Subsequently, the goods under the said Shipping Bill were put on Hold for detailed investigation.

3. EXAMINATION & FINDINGS: The goods were examined 100% by CIU team under Panchnama dated 09.04.2025 (**RUD-II**) drawn at M/s. JWR CFS. During the course of examination, the following observations were made:

- The number of cartons was found as declared in terms of quantity.
- However, the weighment of goods was found to be 4477.5 Kg which exceeded the declared weight of 3955.00 Kgs, indicating a discrepancy of **522.5 Kgs.**

Further, Representative Sealed Samples (RSS) of the goods, were also drawn, in order to ascertain the nature, composition, correct classification and valuation of the goods. Also, an alert was inserted in ICES system in order to suspend IGST and other export incentives of the Exporter.

Further, the case was transferred by CIU to SIIB(X) as no vigilance angle was found.

4. DYCC REPORT: In order to ascertain the nature, composition and correct classification of the subject goods, the Representative Sealed Samples, drawn during the Panchanama, were sent to the DYCC Lab, JNCH. In response of which DYCC lab, JNCH forwarded its test reports vide Lab Report No 219 / SIIB (X) dtd. 13/05/25 (**RUD-III**), detailed as below:

"On opening the sample packet, three different samples were found in the form of readymade textile article (Three different colored and designed Dupatta). Each of the three samples is made of printed woven fabric having fringes on two sides. Each of the samples is wholly composed of filament yarns of polyester."

TABLE-II

<u>Sample Description</u>	<u>Net Weight</u>	<u>Composition</u>	<u>Average GSM (Grams per Square Meter)</u>
<i>Greenish colored Dupatta</i>	144.4 g	<i>Filament yarns of Polyester</i>	64.7
<i>Bluish colored</i>	145.7 g	<i>Filament yarns of Polyester</i>	57.2
<i>Orangish colored Dupatta</i>	122.5 g	<i>Filament yarns of Polyester</i>	57.6

From the DYCC report, it emerged that the goods in the Shipping Bill No. 9168207 dated 20.03.2025 were found as declared in terms of description/classification.

5. VALUATION OF THE GOODS: The declared value was rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, due to sufficient reasons to doubt its accuracy.

This doubt was founded on the material mis-declaration of the shipment's fundamental physical parameters—a gross weight discrepancy of 522 kgs—which fundamentally undermined the credibility of the accompanying commercial documentation, thereby violating the obligation to prove the truth and accuracy of the declared value. Accordingly, as per Rule 3 (3) *ibid*, since the value of the impugned goods could not be determined under the provisions of Sub Rule (1), the value is to be re determined by proceeding sequentially through Rule 4 to Rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. As the export goods were not standard goods, the export data in Export Commodity Data Base (ECDB) could not be used for comparing price of the goods of like kind and quality as required under Rule 4 of CVR, 2007. Further, the subject goods were not identified specifically with any brand, mark, style and other specifications, the goods of like kind and quality exported cannot be identified to compare their transaction value with the declared value of the subject goods. Hence, value of the subject goods could not be determined under the Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. The Exporter has neither produced any cost of product on details, manufacturing or processing of export details and correct transport details nor produced cost design or brand or an amount towards profit etc. to derive computed value of the goods. In the absence of complete cost data details, value could not be determined as per Rule 5 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. The value of the impugned goods was, therefore, to be re-determined under Rule 6 of CVR (Export) Rules, 2007, using reasonable means consistent with the principles and general provisions of these rules. Accordingly, for the purpose of valuation of the goods, under this rule, Market Enquiry in the matter, in the presence of authorized representative of the Exporter, was conducted on 10.06.2025 (**RUD-IV**) on the basis of the RSS, drawn during the Panchanama, the details of which are as under:

Table- III

S/B & Date	Item Description	Shop 1 Krishna Dupatta Centre Dadar (W), Mumbai - 28.	Shop 2 Aviz Fashion Dadar (W), Mumbai - 400028.	Shop 3 Shilpi Creations, Dadar (West), Mumbai- 400028.	Average Wholesale Price (per Piece)	Declared PMV (per Piece)
9168207 dt. 20.03.2025	Polyester Dupatta	87	92	89	89.33	157.96

The Market Enquiry revealed that that the Exporter has inflated FOB value of the goods, in order to draw undue/excess export incentives.

6. RE-DETERMINATION OF EXPORT INCENTIVES: As the goods were found to be mis-declared in terms of value, FOB as well as export incentives of the goods, are re-determined, as below:

Table- IV

S/B No. & Date	Description of Goods	Declared FOB (in Rs.)	Re-determined FOB (in Rs.)	Drawback (in Rs.)	Re-determined Drawback (in Rs.)	RoSCTL (in Rs.)	Re-determined RoSCTL (in Rs.)
9168207 dated 20.03.2025	1.Shawls, Scarves, Mufflers, Mantillas, Polyester Dupatta	50,26,087.50	28,41,964.00/-	1,66,110.00	1,28,986.97/-	1,90,991.00	1,08,009.79/-

From the above, it can be clearly observed that the Exporter has attempted to avail un-due export incentives i.e. **Differential Drawback** to the tune of Rs. **37,123.03/-** (Rupees Thirty-Seven Thousand One Hundred Twenty-Three rupees and three paise only) and **Differential RoSCTL** to the tune of Rs. **82,981.21/-** (Rupees Eighty-Two Thousand Nine Hundred Eighty-One rupees and twenty-one paise only).

7. PROVISIONAL RELEASE: As requested by the Exporter, an NOC dated 16.05.2025 (RUD-V) for provisional release of the subject goods for export purpose, was granted by SIIB(X), JNCH. The request of the Exporter was accepted by the Adjudicating Authority as per the Provisions of Board Circular No. 01/2011 dated 04.01.2011 and 30/2013 dated 05.08.2013 and the goods were released Provisionally for export under section 110A of the Customs Act, 1962 on execution of Bond of FOB value and on submission of Bank Guarantee/Cash Security amounting to Rs. 7,00,000/- (Rupees Seven Lakhs only) by the Exporter.

8. GST SUPPLY CHAIN: Letters were forwarded to the jurisdictional GST offices of the Exporter as well as its suppliers, to verify their genuineness, particularly the supply chain.

Exporter: Reply letter dated 23.09.2025 received from DC (State Tax), Range-15, Surat vide F. No. DCST/RANGE-15/SURAT/2025-26/O.W.1101/1103 in respect of exporter. Vide this letter, the following was informed:

i. Physical verification of M/s. MEPERIS IMPEX (GSTN-24BRPPA3508J1ZW):

Physical verification of registered premise of taxpayer M/s. MEPERIS IMPEX (GSTN-24BRPPA3508J1ZW) Add: 516, GOLDEN PLAZA, RING ROAD, Surat, Gujarat, 395002 has been conducted on 22/07/2025. This registration is obtained with effect from 02/08/2018. During the spot visit Mr. Ratankumar Agrawal remains present along with Mr. Ayush Ratankumar Agrawal (Age 28 Years) (Proprietor of M/s. MEPERIS IMPEX) who is son of Mr. Ratankumar Agrawal. Mr. Ratankumar Agrawal informed that he is looking after all the business of M/s. MEPERIS IMPEX. During spot visit following points are noted.

- Declared business place is an office having area around 400 Sq. Feet. There is no stock or any kind of goods found there.
- As per registration records available on system, taxpayer do not have any additional place of business other than above mentioned office. Mr. Ratankumar Agrawal also confirm the same that they do not have any other place of business to keep stock of goods.
- Other than that two person, a son and father there is no employees or any other staff.
- It was observed that the signboard placed above the office door displayed the names of four different firms, each bearing a separate GSTIN. As per the GST system records, all four GSTINs are registered at the same premises. The details of the firms are as under:

Sr. No.	GSTIN	Trade Name	Legal Name	Constitution
1	24BRPPA3508J1ZW	MEPERIS IMPEX	AAYUSH RATANKUMAR AGRAWAL	Proprietorship
2	24ACHPA7556N1ZC	BALAJI IMPEX	ANITA RATANKUMAR AGRAWAL	Proprietorship
3	24AORPA7411A1ZI	SHREE SHYAM EXIM	SUNISH PRADEEP AGRAWAL	Proprietorship
4	24ABWPA8286F1ZB	AGRAWAL'S DISTRIBUTION CENTRE	LATA SUBODHKUMAR AGRAWAL	Proprietorship

- Mr. Ratankumar Agrawal informed that he is managing business of these four firms. He is involved in trading of goods business only.
- The undersigned has obtained a business process chart from M/s. MEPERIS IMPEX (GSTN24BRPPA3508J1ZW). As per the chart submitted, the taxpayer has outlined the step-wise process followed by them for export of goods, which is stated to be as under:

a. Local procurement: purchase of Fabric from domestic suppliers

- b. Quality inspection and storage: quality inspection and storage in warehouse then tagging and sorting as per export specification
- c. Export order receipt: from overseas buyers
- d. Export documentation: prepare invoice and packing list, generate e-way bill, file shipping bill on custom portal and apply for LUT for GST exemption
- e. Logistic and shipment: packaging of goods for export and handover it to logistic partner
- f. Post export compliance: filing of returns and maintaining documents regarding export
- g. GST Refund/Reconciliation: Apply for refund and reconcile export sales

From the business flow chart submitted, it is evident that the taxpayer has described the process in terms of purchase of fabrics, followed by quality checking, tagging, sorting as per export specifications, and subsequent storage in their warehouse. However, the spot verification of the premises revealed that the taxpayer **neither undertakes any such process nor possesses any facility for storage of goods.**

ii. Filing of GST returns by M/s. MEPERIS IMPEX (GSTN 24BRPPA3508J1ZW):

As per the records available on BOWEB PORTAL M/s. MEPERIS IMPEX (GSTN-24BRPPA3508J1ZW) has filed GSTR 1 and GSTR 3B returns up to the month of JULY-2025. The copies of GSTR1, GSTR2A and GSTR3B for the period from 01.11.2024 to 30.04.2025 has been attached with this letter.

iii. Genuineness of supplies received from M/s. KARUNANIDHAN WEAVING (GSTN-24AAXFK3962G2ZV) by M/s. MEPERIS IMPEX (GSTN-24BRPPA3508J1ZW):

During spot visit of M/s. KARUNANIDHAN WEAVING which was conducted on 29/07/2025 following points are noted.

- Declared business place is a manufacturing unit at 23, BLOCK NO.524/B, PLOT NO.19-20-21-22, GANESH IND ESTATE-3, OLPAD, Sayan, Surat - 394130 having area around 9000 Sq. Feet.
- Taxpayer involved in the business of manufacturing of grey Fabric only. Grey fabric means **Unprocessed/unfinished fabric** that comes directly from the loom or knitting machine. It has not yet undergone any further processes such as bleaching, dyeing, printing, or finishing. It is the raw material for dyeing and printing units. In short M/s. Karunanidhan Weaving producing knitted cloth without any treatment from yarn. No stock of other finished goods other than of grey fabric was seen at the business place. M/s. Karunanidhan does not have any additional place of business also. HSN code as per registration records are 5407 and 5408 which is for woven fabric of synthetic filament yarn and woven fabric of artificial filament yarn respectively.
- As per invoice raised by M/s. KARUNANIDHAN WEAVING to M/s. MEPERIS IMPEX product sold is "Poly Dupatta". Whereas M/s.

KARUNANIDHAN WEAVING do not produce Poly dupatta it only produces grey fabric which is seen from spot visit as well as registration - records. Making of dupatta required further process of dying, printing, cutting, packing etc. depends on the type of dupatta. As per export invoice raised by M/s. MEPERIS IMPEX and shipping bills product exported is Poly dupatta size 1.80 mtr/2.0 mtr having HSN code 62149099 which is for "shawls, scarves, mufflers, mantillas".

- Another important aspect we have observed from the submission received from M/s. MEPERIS IMPEX is regarding the prices of exported goods received from M/s. KARUNANIDHAN WEAVING. As per invoice no. 769 to 775 dated 19.03.2025 raised by M/s. KARUNANIDHAN WEAVING to M/s. MEPERIS IMPEX total 35000 pieces of Poly Dupatta were sold at the rate of Rs. 140 per piece. Same quantity of dupatta was exported by M/s. MEPERIS IMPEX vide invoice no. EXP/24-25/140 dated 19.03.2025. In that invoice sales rate is 1.67 USD and foreign agent commission is 10.5%. So net consideration receivable by M/s. MEPERIS IMPEX is 52312.75 USD [58,450 USD (35000*1.67USD)-6137.25 USD (58450*10.5%)]. When we convert it into Indian rupees it comes to Rs.45,04,128/- (52312.75*86.10) means Rs. 128.68 (4504128/35000) per piece of dupatta were received. **M/s. MEPERIS IMPEX had purchased at Rs.140 and sold at Rs.128.68 which is practically not possible.** Exporter has to incur other expenses also for effecting export of goods.
- During verification of the business premises of **M/s. MEPERIS IMPEX**, the taxpayer stated that goods purchased from M/s. KARUNANIDHAN WEAVING **exported directly from the place of M/s. KARUNANIDHAN WEAVING to the Port for export.** In support of this, the taxpayer furnished copies of export invoices along with corresponding e-way bills. However, during the spot verification of the premises of M/s. KARUNANIDHAN WEAVING, it was informed that the goods supplied to M/s. MEPERIS IMPEX had, in fact, been **delivered at the business premises of M/s. MEPERIS IMPEX.** Documentary evidence in the form of delivery challans duly signed by the recipient, invoice copies, and e-way bills were also produced. On further scrutiny, it was observed that for Invoice Nos. 769 to 775, the e-way bills generated by M/s. KARUNANIDHAN WEAVING mentioned both the place of dispatch and place of delivery as Surat, with vehicle number MH26AD1848. In e-way bill generated by M/s MEPERIS IMPEX place of dispatch is Surat and vehicle no. is MH46AF5344. It is illogical that goods once loaded in a vehicle at Surat would be unloaded at another location in Surat, reloaded in a different vehicle, and then dispatched to Nhava Sheva Port, Mumbai. In genuine cases of export consignments, goods are generally loaded once at Surat and transported directly to Mumbai without such intermediate unloading and reloading. In view of this discrepancy, the vehicle movement details were verified on the RFID portal using the relevant e-way bill numbers. Verification of RFID details revealed that in most of the cases vehicles purportedly used for the transportation of **goods did not cross any toll naka, and there was no record of such vehicle movement on the dates mentioned in the e-way bills.**

Screenshots of the portal verification are attached herewith. Vehicle movement is also not found for 2 E-way bills of march-2025 generated for export of goods by M/s. MEPERIS IMPEX which are purchased from

M/s. KARUNANIDHAN WEAVING. Screenshots of RFID portal is produced below:

E - Waybill MIS System

Report on Details of Vehicle movement of E-Waybill

E-Way Bill No. 671875573285

(Latest time reported from the Fastag system : 20-09-2025 14:00:01)

Details of Eway-bill

E-Way Bill Details			Dispatch From Place & Pincode	Dispatch To Place & Pincode	HSN Code & Description	Assessable Value and Tax Value (Rs)
EWB No.	EWB Date	Valid Till				
671875573285	19-09-2025 17:14:00	21-09-2025 00:00:00	Surat 394130	999999	621490 - Of other textile material	5022543.00 & 251627.25

Vehicles entered for the E-way bill (Part B details of only Road are considered)

Vehicle No.	Vehicle details entry date in EWB	Next vehicle details entry date in EWB (if any)
MH48AF3344	19/09/2025 17:14:00	NA

Toll Details passed by Vehicle

No Record Available

Details of Tolls Passed by Vehicle in Bharath Map

E - Waybill MIS System

Report on Details of Vehicle movement of E-Waybill

E-Way Bill No. 621875576896

(Latest time reported from the Fastag system : 20-09-2025 14:00:01)

Details of Eway-bill

E-Way Bill Details			Dispatch From Place & Pincode	Dispatch To Place & Pincode	HSN Code & Description	Assessable Value and Tax Value (Rs)
EWB No.	EWB Date	Valid Till				
621875576896	19-09-2025 17:17:00	21-09-2025 00:00:00	Surat 394130	999999	621490 - Of other textile material	5022543.00 & 251627.25

Vehicles entered for the E-way bill (Part B details of only Road are considered)

Vehicle No.	Vehicle details entry date in EWB	Next vehicle details entry date in EWB (if any)
MH48AF4433	19/09/2025 17:17:00	NA

Toll Details passed by Vehicle

No Record Available

Details of Tolls Passed by Vehicle in Bharath Map

- On verification of purchase of M/s. KARUNANIDHAN WEAVING, doubtful purchase from M/s. H R SILK AND YARN (GSTIN: 24CYBPR7391J1ZX) and M/s. PUSHTI SILK MILLS (GSTIN: 24AXWPT4584F1ZQ) has been found. This two GSTIN has direct bogus purchase from cancelled/bogus dealers as per BIFA tool. Hence, possibility of bogus billing activity without actual sales of any goods by M/s. KARUNANIDHAN WEAVING is very high. In march-2025 total taxable value of purchases by M/s. KARUNANIDHAN WEAVING as per GSTR2A is Rs. 1,46,92,758/- whereas purchases from M/s. H R SILK AND YARN (GSTIN: 24CYBPR7391J1ZX) and M/s. PUSHTI SILK MILLS (GSTIN: 24AXWPT4584F1ZQ) is Rs. 1,02,57,565/ means around 69% purchases from these two dealers who in turn has purchases from bogus/cancelled

dealers.

- M/s. MEPERIS IMPEX in its shipping bills mentioned more than one name (two/three/four) as a buyer of a goods and receive payment from any of it. Undersigned has not observed such practice before in VAT or GST era. This might be some modus operandi to show export in one country (for example Dubai) and receive export payment from some another country (for example Tanzania, Guiana, Sri Lanka, Hong Kong, Malaysia) through illegal channels.
- On verification of purchases of M/s. MEPERIS IMPEX (GSTN 24BRPPA3508J1ZW), taxpayer has purchase from a firm M/s. Balaji impex (GSTIN: 24ACHPA7556N1ZC) which is registered in his mother's name amounting to Rs. 7.31Cr in F.Y. 2024-25 which is more than 70% of total sales of M/s. Balaji impex in F.Y. 2024 25. Also, M/s. MEPERIS IMPEX has made purchases from other five taxpayers worth Rs. 2.86 Cr who in turn making purchases from M/s. Balaji impex in F.Y. 2024-25. M/s. Balaji impex has total taxable supply amounting Rs. 10.40 Cr in F.Y. 2024-25 which includes direct supply to M/s. MEPERIS IMPEX of amounting Rs. 7.31 Cr. and indirect supply via another taxpayers amounting Rs. 2.86 Cr. Hence it can be derived that M/s. Balaji impex has supplied more than 97% taxable supply to only M/s. MEPERIS IMPEX in F.Y. 2024-25 raising doubt that taxpayer is involved in circular trading transactions without any actual sale of goods.
- Total taxable value of purchase of M/s. MEPERIS IMPEX is Rs.58.05 Cr. in F.Y. 2024-25. Out of that, purchases of Rs. 8.54 Cr was from seven suppliers who has shown purchases from M/s. H R SILK AND YARN (GSTIN: 24CYBPR7391J1ZX) and M/s. PUSHTI SILK MILLS (GSTIN: 24AXWPT4584F1ZQ). This two GSTIN has direct bogus purchase from cancelled/bogus dealers as per BIFA tool.

iv. Genuineness of exporter M/s. MEPERIS IMPEX (GSTN24BRPPA3508J1ZW):

From the above facts and verifications, it is evident that the activities reported by M/s. MEPERIS IMPEX (GSTN-24BRPPA3508J1ZW) are inconsistent with the actual business operations found during spot verification. The taxpayer has declared processes and transactions which are not supported by physical infrastructure, manpower, or genuine movement of goods. Further, discrepancies in the nature of goods supplied, pricing structure, vehicle movement, and involvement of related/bogus entities strongly indicate the possibility of circular trading, paper transactions, and bogus billing without actual supply of goods. The manner of export documentation and receipt of payments from multiple overseas parties also raises serious doubts about the genuineness of business entity.

Supplier: Various letters have been sent for the purpose of GST verification of the supplier and the EPCG license holder, M/s. Karunanidhan Weaving (GSTIN 24AAXFK3962G2ZV), however, no reply has been received till date by any means of communication (**RUD-VI**).

9. SUMMONS AND STATEMENTS: Statement of **Shri Ratan Agrawal (RUD VII)**, presenting himself as the authorized representative (Father of the Proprietor) of M/s. Meperis Impex (IEC: BRPPA3508J), recorded under Section

108 of the Customs Act, 1962 on 29.09.2025 wherein he interalia stated the following:

i. Admission of Factual Discrepancies and Over-Valuation:

- The exporter admitted to a significant discrepancy in the weight of the goods covered under Shipping Bill No. 9168207 dated 20.03.2025. The declared weight was 3955.00 Kgs, whereas the actual weighment during examination revealed 4477.5 Kgs.
- He further acknowledged the findings of the market enquiry report dated 10.06.2025, which concluded that the goods were overvalued.

ii. Explanation Regarding Pricing and Reliance on Incentives:

- When confronted with the fact that the goods were purchased at ₹140 per piece but exported at ₹128.68 per piece, Shri Agrawal stated that their business model is predicated on availing export incentives.
- He explicitly admitted that "since export incentives such as Drawback/ROSCTL are available, part of the benefit is passed on to buyers."

iii. Nature of Business Operations and Premises:

- He confirmed that the business premises of M/s. Meperis Impex, as verified by GST authorities, is a 400 sq. ft. office with no stock or storage facility.
- Activities declared in the business process chart and for GST refunds, such as "quality checking, tagging, sorting, and warehousing," were admitted to be performed not at the exporter's premises but at the supplier's (M/s. Karunanidhan Weaving) location. The exporter's office is used solely for documentation.

iv. Supply Chain, Transportation, and Inconsistencies:

- Procurement: The goods were procured as finished "Poly Dupatta" from M/s. Karunanidhan Weaving. When questioned how a weaver supplied finished goods, he stated the supplier undertakes job work through third parties.
- **Transportation & E-Way Bill Anomalies:**
 - He described a convoluted movement where the supplier generated an e-way bill for local delivery within Surat on vehicle MH26AD1848, while the exporter generated a separate e-way bill from Surat to Nhava Sheva on a different vehicle, MH46AF5344.
 - He claimed the goods moved directly on vehicle MH46AF5344, but could not immediately reconcile this with the supplier's e-way bill or explain the physical transfer of goods without a warehouse.
 - In response to the GST verification report which indicated that the declared vehicles did not cross toll plazas enroute to Nhava Sheva, he undertook to submit proof of movement, which was not provided at the time of the statement.

v. Relationship with Associated Firms and Circular Trading Concerns:

- He confirmed that four different firms, including M/s. Meperis Impex and

M/s. Balaji Impex (registered in his wife's name), operate from the same address.

- He admitted that M/s. Balaji Impex sells nearly 97% of its goods to M/s. Meperis Impex. His explanation was that Balaji Impex procures goods and gets job work done through other GSTINs before supplying the finished product to Meperis Impex for export. *This arrangement raises serious questions about circular trading and the genuineness of the supply chain.*

vi. Benefits Claimed and Undertaking:

- Shri Agrawal confirmed that they have claimed GST refunds, Duty Drawback, and ROSCTL benefits against the subject shipping bill, though these have not yet been disbursed.
- He gave an undertaking to return any export incentives availed if the export proceeds are not realized within the stipulated time frame under FEMA, 1999.

The statement of Shri Ratan Agrawal reveals critical admissions regarding misdeclaration of weight and value, a business model entirely reliant on export incentives to offset commercially non-viable transactions, and a lack of physical control over the goods. The operational setup, coupled with the complex and unexplained relationships with associated firms and anomalies in the transportation trail, severely undermines the bona fides of the export transaction and points towards an attempt to avail undue export benefits.

Summary of GST Findings and Exporter's Submissions:

	GST Findings	Exporter's Submissions
1.	Registered office is 400 sq. ft. with no stock or storage facility.	Office used for documentation, GST compliance, and export coordination
2.	Business process chart mentions quality checking, tagging, sorting, warehousing - not observed on premises.	Processing occurs at supplier's premises.
3.	Export invoiced at ₹128.68 per piece while purchased at ₹140; deemed commercially non-viable.	export incentives such as Drawback/ROCTL are available, part of the benefit is passed on to buyers
4.	E-way bill anomalies: Supplier vehicle MH26AD1848 shows Surat-Surat, Exporter vehicle MH46AF5344 shows Surat-Nhava Sheva; RFID portal shows no movement.	Vide e-mail dated 28.10.2025, the exporter submitted a summary of toll payments for vehicle No. MH46AF5344 and explained that, as per the toll records, the said vehicle crossed the Achhad Border Check Post on 20.03.2025 and IRB Charoti and Khaniwada on 20.03.2025 and 21.03.2025

		respectively. The exporter also submitted screenshots of the Gate-in (MH46AF5344) and carting dated 21.03.2025 generated from the JWR CFS system.
5.	Supplier M/s. KARUNANIDHAN WEAVING manufactures grey fabric but exported goods are Poly Dupatta.	Supplier undertakes job work through third parties; finished product supplied.
6.	Balaji Impex supplies 97% of goods to M/s. MEPERIS IMPEX, suggesting circular trading.	Balaji Impex is engaged in domestic trading activity, whereas Meperis Impex is solely engaged in exports. Whenever goods require specific job work or processing, the same is procured in the name of Balaji Impex. Thereafter, Balaji Impex gets the job work executed through other registered GSTIN holders and subsequently supplies the finished goods to Meperis Impex.
7.	Multiple buyers in shipping bills; payment received from different countries.	There are four sister concerns of the consignee. As per the demand of the consignee, all four buyers were added in the shipping bill, as the consignee sends the payment through any of the four firms.
8.	Four different firms (four GSTINs) operate from the same premises; same person managing multiple firms.	All four firms belong to my family members. They are independent trading firms, using the premises for documentation purpose only.

10. RELEVANT PROVISIONS OF LAW APPLICABLE IN THIS CASE:

A. Customs Act, 1962:

Section 50: Entry of goods for exportation-

(1) The Exporter of any goods shall make entry thereof by presenting [electronically] [on the customs automated system] to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export [in such form and manner as may be prescribed]:

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

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

(3) The Exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely: -

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

Section 113: Confiscation of goods attempted to be improperly exported, etc.-

(i) Any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under section 77, shall be liable to confiscation;

(ia) Any goods entered for exportation under claim for drawback which do not correspond in any material particular with any information furnished by the Exporter or manufacturer under this Act in relation to the fixation of the rate of drawback under Section 75, shall be liable to confiscation.

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

Section 114: Penalty for attempt to export goods improperly, etc.-

(iii) Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable, in the case of any other goods, to a penalty not exceeding the value of the goods as declared by the Exporter or the value as determined under this Act, whichever is the greater;

Section 114AB. Penalty for obtaining instrument by fraud, etc.

Where any person has obtained any instrument by fraud, collusion, willful misstatement or suppression of facts and such instrument has been utilised by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument.

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

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

B. Foreign Trade (Development and Regulation) Act, 1992:

Section 11: (1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made there under and the foreign trade policy for the time being in force.

C. Foreign Trade (Regulation) Rules, 1993:

Rule 11: On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.

11. FINDINGS OF THE INVESTIGATION

11.1 Based on specific intelligence, the export consignment of M/s. Meperis Impex (IEC-BRPPA3508J) vide Shipping Bill No. 9168207 dated 20.03.2025 was interdicted and put on hold by CIU, JNCH, on suspicion of being an attempt to avail illegitimate export benefits.

11.2 The exporter filed the subject shipping bill through Customs Broker M/s. Fast Forward Agencies Pvt. Ltd., declaring the export of "Shawls, Scarves, Mufflers, Mantillas, Polyester Dupatta" with a declared FOB value of Rs. 50,26,087.50, and claiming Drawback of Rs. 1,66,110.00 RoSCTL of Rs. 1,90,991.00 and IGST refund of Rs. 2,51,627.25.

11.3 The goods were subjected to 100% examination under Panchnama dated 09.04.2025 at JWR CFS. While the number of cartons was as declared, the physical weighment revealed a gross weight of 4477.5 Kgs, which was 522.5 Kgs more than the declared weight of 3955.00 Kgs. This constituted the first instance of material mis-declaration. Representative sealed samples were drawn for testing and valuation.

11.4 M/s. Meperis Impex (IEC- BRPPA3508J) filed Shipping Bill No. 9168207 dated 20.03.2025 for the export of "Shawls, Scarves, Mufflers, Mantillas, and Polyester Dupatta", under the EPCG scheme using the EPCG Authorization held by M/s. Karunanidhan Weaving, which is the supplier in the subject Shipping Bill. The original EPCG License No. 5231007489 dated 23/02/2024 authorized the import of 48 sets of Brand New Shuttleless Water Jet Loom RJW6600-190CM (24 sets under PI No. HZ202310070A and 24 sets under PI No. HZ20231007B), enabling duty-free import of capital goods to facilitate exports. The exported goods include Polyester Shawls (HSN Code 62149099), which corresponds to Export Item No. 11 in the EPCG license.

11.5 The samples were tested by the DYCC Lab, JNCH (Lab Report No. 219/SIIB(X) dated 13.05.2025). The test confirmed the goods were Polyester Dupattas as declared, meaning the mis-declaration was restricted to quantity (weight) and not the nature of the goods.

11.6 Due to the established weight mis-declaration, the truth and accuracy of the declared value were doubted, and it was rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. A market enquiry was conducted on 10.06.2025 in the presence of the authorized representative of the exporter, which established the average wholesale market price of the goods at ₹89.33 per piece, against the present market value of ₹157.96 per piece. Consequently, the FOB value was re-determined downwards to Rs. 28,41,964.00, confirming over-valuation to the tune of approximately 77%.

11.7 Based on the re-determined value, the admissible export incentives were re-calculated. It was found that the exporter had attempted to avail undue incentives amounting to Rs. 1,20,104.24/- comprising Differential Drawback of Rs. 37,123.03 and Differential RoSCTL of Rs. 82,981.21.

11.8 Pending adjudication and upon the exporter's request, the goods were allowed to be provisionally exported vide NOC dated 22.05.2025, subject to the execution of a Bond for 100% value of the goods and a Bank Guarantee/Cash Security of Rs. 7,00,000/-.

11.9 GST Verification – The comprehensive reply dated 23.09.2025 revealed a complete lack of bona fides, uncovering the following critical facts:

- Physical Verification of Exporter: The business premises was a 400 sq. ft. office with no stock, storage, or quality checking facilities without any quality checks.

- Web of Related Firms: Four different firms, including M/s. Meperis Impex and M/s. Balaji Impex (in the name of the proprietor's mother), were operating from the same small office.

- Discrepancy in Supplier's Profile: The supplier, M/s. Karunanidhan Weaving, was verified to be a manufacturer of grey fabric, yet it had invoiced finished "Poly Dupatta" to the exporter, a product beyond its manufacturing capability.

However, the exporter during statement dated 29.09.2025 stated that the supplier undertakes job work through third parties. Further, vide e-mail dated 28.10.2025 submitted copy of challan jobwork dated 10.02.2025 and 10.03.2025 i.e. "Printing and stitching".

- Commercially Illogical Pricing: The exporter purchased the goods at ₹140 per piece but exported them at a net realization of ₹128.68 per piece, a commercially unviable transaction which the exporter later admitted was sustained only by export incentives.

- Bogus Goods Movement: The e-way bills presented by the exporter and supplier showed an illogical movement of goods involving two different vehicles within Surat without a warehouse. Crucially, RFID records proved that the vehicles mentioned in the e-way bills for the journey to Nhava Sheva never crossed the requisite toll plazas, establishing that the goods never physically moved as claimed.

However, the exporter vide e-mail dated 28.10.2025 submitted Summary of toll payment for vehicle MH46AF5344 and explained that as per toll payment

vehicle MH46AF5344 crossed Achhad Border check post on 20.03.2025 and IRB Charoti & Khaniwada on 20.03.2025 and 21.03.02025 respectively. Further, the exporter submitted the screenshot of Gate in (MH46AF5344) and carting dated 21.03.2025 from JWR CFS system, which indicate a possible movement of goods from Gujarat to JWR CFS on vehicle MH46AF5344.

- Bogus Inputs in Supply Chain: The supplier, M/s. Karunanidhan Weaving, was found to have procured 69% of its inputs from suppliers who had suppliers that were suspected of being bogus, indicating a potential bogus billing chain.

- Circular Trading: M/s. Meperis Impex procured significant amount of its goods from the related party M/s. Balaji Impex, strongly indicating circular trading without actual movement of goods.

- The GST authority concluded that the activities were inconsistent with actual business operations and indicated paper transactions and bogus billing.

11.9 Recording of Statement u/s 108 of the Customs Act, 1962: In light of the overwhelming evidence, a statement was recorded from Shri Ratan Agrawal, the authorized representative of the exporter, on 29.09.2025. He critically admitted to:

- The weight discrepancy.

- The over-valuation as per the market enquiry.

- That their business model was predicated on export incentives, allowing them to sell below cost.

- That their office had no storage or quality checking facilities.

- The complex and questionable supply chain involving M/s. Balaji Impex and M/s. Karunanidhan Weaving.

11.10 The investigation, piecing together the evidence from examination, valuation, GST verification, and the exporter's own admissions, conclusively establishes that M/s. Meperis Impex attempted to export goods by willfully mis-declaring their weight and value. Further, GST findings reveal that a substantial portion of purchases in the supply chain trace back to M/s. H R Silk and Yarn and M/s. Pushti Silk Mills, both of whom have shown direct purchases from cancelled/bogus dealers as reflected in the BIFA tool. In the case of M/s. Karunanidhan Weaving, around 69% of its total purchases in March 2025 were from these two entities, while in the case of M/s. Meperis Impex, purchases amounting to Rs. 8.54 crore were sourced through suppliers linked to the same entities. In view of these findings, the supply chain appears to be dubious, thereby casting serious doubt on the genuineness of the underlying transactions and the legitimacy of the export benefits claimed.

12. Based on the facts depicted above, it appeared that:

- i. The goods, covered under Shipping Bill No. 9168207 dated 20.03.2025 are liable to be held for confiscation under Section 113(i) & 113(ia) of the Customs Act, 1962, for not corresponding in

a material particular (namely, the gross weight and the true value) with the entry made under the said Act;

- ii. The goods, covered under Shipping Bill No. 9168207 dated 20.03.2025, are liable to be held for confiscation under Section 113(ja) of the Customs Act, 1962, as they were entered for exportation under the claim of remission or refund of duty (specifically RoSCTL) by making a wrongful claim in contravention of the provisions of the Customs Act, 1962 and in view of the dubious supply chain and questionable ITC utilized for such refund;
- iii. The declared FOB Value of Rs. 50,26,087.50/- (Rupees Fifty Lakh Twenty-Six Thousand and Eighty-Seven and Paise Fifty only) are liable to be rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, and re-determined to Rs. 28,41,964.00/- (Rupees Twenty-Eight Lakh Forty-One Thousand Nine Hundred and Sixty-Four only) under Rule 6 of the said Rules, read with Section 14 of the Customs Act, 1962;
- iv. The claimed amount of Duty Drawback of Rs. 1,66,110.00/- (Rupees One Lakh Sixty-Six Thousand One Hundred and Ten only) is liable to be rejected and re-determined to Rs. 1,28,986.97/- (Rupees One Lakh Twenty-Eight Thousand Nine Hundred and Eighty-Six and Ninety-Seven Paise only), and the claimed amount of RoSCTL of Rs. 1,90,991.00/- (Rupees One Lakh Ninety Thousand Nine Hundred and Ninety-One only) is liable to be rejected and re-determined to Rs. 1,08,009.79/- (Rupees One Lakh Eight Thousand Nine and Seventy-Nine Paise only);
- v. Since the goods were cleared for provisional Export, the differential drawback and RoSCTL of Rs. 37,123.03/- and 82,982.21 respectively is liable to be demanded from the Exporter along with applicable interest under Section 75 and 75A of the Customs Act 1962 read with Rule 17 & 18 of the drawback Rules, 2017 and Notification No. 25/2023-Cus (N.T) dated 01.04.2023 read with section 28AAA of Customs Act 1962 along with applicable interest under section 28AA of the Customs Act, 1962;
- vi. Penalty is liable to be imposed on the exporter under Section 114(iii) and 114AA of the Customs Act, 1962, for the acts of omission and commission by which they rendered the said goods liable for confiscation under the aforementioned sections of the Act;
- vii. Penalty is liable to be imposed on the exporter under Section 114AB of the Customs Act, 1962, on the grounds that the instrument of the Shipping Bill, used to claim RoSCTL benefits, appears to have been attempted to be obtained based on a value that was significantly higher than the market price;
- viii. Penalty is liable to be imposed on the exporter under Section 114AC of the Customs Act, 1962, as the input tax credit (ITC)

utilized for claiming IGST refund appears to have been availed on the basis of invoices issued by M/s. Karunanidhan Weaving, whose purchases are substantially linked to entities found to be dealing with cancelled/bogus suppliers as per GST verification and further, a portion of the procurement was made through suppliers connected to the same doubtful entities, thereby casting serious doubt on the genuineness of the transactions rendering the supply chain dubious and the ITC claimed and utilized for export benefits questionable;

WRITTEN SUBMISSION

13. The exporter, vide their letter dated 01.03.2026, submitted that *“the issues involved in the present matter are purely factual and legal in nature and have been adequately explained. We have been explained the provision of section 113 & 114 of the customs act 1962 by the officers of the customs and we have understood the same. Having now realized that our goods could be liable for confiscation under section 113 and it could be liable for penal action under section 114 of the Customs Act, 1962. We request that issue of written Show Cause Notice be waved in our case and we further submit that we do not want any personal hearing either.”*

RECORDING OF PERSONAL HEARING

14. At the request of the Exporter, grounds on which it is proposed to confiscate the goods or to impose penalty have been orally explained to the Exporter. The Exporter vide letter dated 01.03.2026 addressed to the Commissioner of Customs (in-situ), CEAC, JNCH voluntarily requested for waiver of SCN and PH in the matter and to decide the case on the basis of records and written submissions made by them. Accordingly, in terms of first proviso to Section 124 of the Customs Act, 1962, written notice has not been given to the Exporter.

DISCUSSION AND FINDINGS

15.1 I have carefully gone through the records of the case, the investigation carried out by the department, the documentary evidences placed on record, and the written submission dated 01.03.2026 filed by the exporter M/s. Meperis Impex. I also note that the exporter has voluntarily waived the issuance of Show Cause Notice as well as personal hearing under the first proviso to Section 124 of the Customs Act, 1962 and has requested that the matter be decided on the basis of available records. Accordingly, the case is being decided on merits based on the evidences available on record.

15.2 The present proceedings arise out of the investigation conducted by CIU/SIIB(X), JNCH, on the basis of specific intelligence that the exporter M/s. Meperis Impex was attempting to export ready-made garments by inflating the value of the goods with the intention of availing undue export incentives such as Duty Drawback, RoSCTL and IGST refund. The exporter had filed Shipping Bill No. 9168207 dated 20.03.2025 declaring export of goods described as “Shawls, Scarves, Mufflers, Mantillas, Polyester Dupatta” with a declared FOB value of ₹50,26,087.50 and claiming export incentives including Duty Drawback of ₹1,66,110/- and RoSCTL of ₹1,90,991/-.

15.3 The first issue that arises for determination is whether the goods exported under the said shipping bill were correctly declared in terms of quantity and other material particulars. The records show that the goods were subjected to 100% examination under Panchnama dated 09.04.2025. During examination, although the number of cartons matched the declaration, the gross weight of the goods was found to be 4477.5 Kgs as against the declared weight of 3955.00 Kgs, resulting in a discrepancy of 522.5 Kgs. This clearly establishes that the exporter had mis-declared a material parameter of the goods in the shipping bill. Under Section 50(2) and 50(3) of the Customs Act, 1962, the exporter is under a statutory obligation to ensure the truth, accuracy and completeness of the declarations made in the shipping bill and the supporting documents. The significant discrepancy in the weight of the goods clearly demonstrates failure to comply with these statutory requirements and renders the declaration unreliable.

15.4 In order to ascertain the nature and classification of the goods, representative sealed samples were drawn during examination and sent to the DYCC Laboratory, JNCH. As per the laboratory report dated 13.05.2025, the samples were found to be polyester dupattas made of printed woven fabric composed wholly of filament yarns of polyester. Thus, I find that the description and classification of the goods as declared by the exporter broadly correspond with the laboratory findings. Therefore, the mis-declaration in the present case does not pertain to the description or classification of the goods but relates primarily to the quantity (weight) and the value declared by the exporter.

15.5 The next issue that requires examination is whether the declared FOB value of the export goods is acceptable for the purpose of assessment. The investigation has brought on record that the declared FOB value of ₹50,26,087.50 was found to be significantly higher than the prevailing wholesale market value of the goods. Since the substantial discrepancy in the declared weight cast serious doubt on the accuracy and credibility of the commercial documents submitted by the exporter, the declared value was rightly rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

15.6 After rejection of the declared value, the value was required to be determined sequentially in accordance with Rules 4 to 6 of the said Rules. It is observed that the goods were not standard goods identifiable by brand, style or other distinguishing specifications, and therefore contemporaneous export data for goods of like kind and quality could not be reliably identified under Rule 4. Similarly, the exporter failed to provide any cost data relating to production, processing, profit margin or other relevant elements necessary to determine the value under Rule 5. In such circumstances, the value was correctly re-determined under Rule 6 of the said Rules using reasonable means consistent with the principles of the valuation rules.

15.7 For this purpose, a market enquiry was conducted on 10.06.2025 in the presence of the authorized representative of the exporter. The enquiry revealed that the average wholesale market price of the subject polyester dupattas was approximately ₹89.33 per piece as against the declared present market value of ₹157.96 per piece. Based on the findings of the market enquiry, the FOB value of the goods was re-determined at ₹28,41,964/-. I find that the methodology adopted for re-determination of value is reasonable and consistent with the

provisions of Rule 6 of the Customs Valuation Rules, 2007. Accordingly, I hold that the declared FOB value is liable to be rejected and the re-determined value is liable to be accepted for the purpose of assessment.

15.8 Consequent to the re-determination of FOB value, the admissible export incentives were also required to be recalculated. On the basis of the revised FOB value, the admissible Duty Drawback works out to ₹1,28,986.97 and the admissible RoSCTL benefit works out to ₹1,08,009.79. It is therefore evident that the exporter had attempted to claim excess export incentives amounting to ₹37,123.03 towards Duty Drawback and ₹82,981.21 towards RoSCTL. The attempt to inflate the FOB value directly resulted in an inflated claim of export incentives.

15.9 The investigation has also brought on record several serious irregularities relating to the supply chain and business operations of the exporter. The GST verification conducted by the jurisdictional tax authorities revealed that the registered premises of the exporter is merely a small office of about 400 sq. ft. without any storage facility, stock of goods or infrastructure for carrying out the activities such as quality inspection, tagging or warehousing which were claimed in the exporter's business process description. The verification further revealed that four different firms belonging to the same family were operating from the same premises, including M/s. Meperis Impex and M/s. Balaji Impex. The pattern of transactions indicated that a substantial portion of the goods supplied to the exporter originated from related entities, raising concerns regarding circular trading.

15.10 Further, it was observed that the supplier M/s. Karunanidhan Weaving, who had supplied "Poly Dupatta" to the exporter, was primarily engaged in the manufacture of grey fabric. The manufacturing capability of the supplier did not correspond with the finished goods supplied to the exporter. Although the exporter subsequently stated that the supplier carried out job work through third parties for printing and stitching, the overall circumstances raise serious doubts about the transparency and genuineness of the supply chain.

15.11 The GST authorities also reported anomalies in the movement of goods based on e-way bills and vehicle records. The e-way bills generated by the supplier and exporter reflected different vehicles and local movement within Surat despite the goods allegedly being transported for export to Nhava Sheva. Verification of RFID toll records initially did not show corresponding vehicle movement. Although the exporter subsequently produced certain toll payment records and gate-in details from JWR CFS indicating possible movement of vehicle MH46AF5344, the discrepancies in the documentation and logistics trail further weaken the credibility of the exporter's version.

15.12 Another important aspect emerging from the investigation is the commercially irrational pricing structure adopted by the exporter. The records show that the exporter purchased the goods at ₹140 per piece but exported them at a net realization of approximately ₹128.68 per piece. When confronted with this anomaly, the authorized representative of the exporter admitted in his statement recorded under Section 108 of the Customs Act, 1962 that their business model relied upon export incentives and that a part of the incentive benefit was passed on to overseas buyers. This admission clearly establishes that the inflated export value was used as a mechanism to claim higher export incentives and offset otherwise commercially unviable transactions.

15.13 The statement of Shri Ratan Agrawal, recorded under Section 108 of the Customs Act, 1962, contains several significant admissions. He acknowledged the discrepancy in the weight of the goods and accepted the findings of the market enquiry indicating over-valuation. He also confirmed that the business premises had no facility for storage or processing of goods and that the operational activities were carried out at the supplier's premises. These admissions lend further credence to the findings of the investigation and reinforce the conclusion that the export transaction lacked transparency and commercial justification.

15.14 I further note that the GST verification also revealed that a significant portion of the purchases in the supply chain could be traced to entities whose own purchases were linked with cancelled or suspicious dealers as reflected in the BIFA tool. In the case of the supplier M/s. Karunanidhan Weaving, approximately 69% of its purchases were traced to such entities, while the exporter had also sourced goods through suppliers connected to the same network. These findings cast serious doubt on the genuineness of the underlying transactions and the authenticity of the input tax credit utilized in the supply chain.

15.15 In view of the above facts, I find that the exporter had mis-declared the weight of the goods and significantly over-valued the export consignment with the intent of claiming higher export incentives. Such acts render the goods liable to confiscation under Section 113(i) and 113(ia) of the Customs Act, 1962 for mis-declaration of material particulars in the shipping bill. Further, since the goods were entered for export under claim of remission or refund of duty in the form of RoSCTL benefits based on inflated value, the provisions of Section 113(ja) of the Customs Act, 1962 are also attracted.

15.16 I also find that the acts of omission and commission on the part of the exporter have rendered the goods liable to confiscation and therefore attract penal provisions under Section 114(iii) and 114AA of the Customs Act, 1962. The attempt to obtain export incentives based on inflated value also attracts the provisions relating to penalty under Section 114AB and Section 114AC of the Customs Act, 1962 in view of the doubtful supply chain and questionable utilization of input tax credit for claiming export benefits.

15.17 In light of the foregoing discussion and findings, I hold that the declared value of the export goods is not acceptable and the re-determined value arrived at during investigation is liable to be adopted. I further hold that the exporter attempted to claim undue export incentives by mis-declaring the weight and inflating the value of the goods. Consequently, the differential export incentives are liable to be recovered and penal action is warranted under the provisions of the Customs Act, 1962.

16. In view of the above discussions, I pass the following order:

ORDER

- i. I order to confiscate the goods, covered under Shipping Bill No. 9168207 dated 20.03.2025, having FOB value of Rs 50,26,087.50/- under Section 113(i), 113(ia) & 113(ja) of the Customs Act, 1962. However, I impose Redemption Fine of Rs 1,50,000/- (Rupees One Lakh Fifty Thousand only) on the Exporter, M/s. Meperis Impex (IEC-

BRPPA3508J) under the provisions of Section 125(1), read with section 125(3) of the Customs Act, 1962, in lieu of confiscation.

- ii. I reject the declared FOB Value of Rs. 50,26,087.50/- under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, and re-determined it to Rs. 28,41,964/- as shown in Table – IV, under Rule 6 of the said Rules, read with Section 14 of the Customs Act, 1962;
- iii. I reject the claimed amount of Duty Drawback of Rs. 1,66,110/- and RoSCTL of Rs. 1,90,991/- and re-determined it to Rs. 1,28,986.97/- . Rs. 1,08,009.79/- respectively as shown in Table IV;
- iv. Since the goods were cleared for provisional Export, I order to recover the differential drawback and RoSCTL of Rs. 37,123.03/- and 82,982.21/- respectively from the Exporter along with applicable interest under Section 75 and 75A of the Customs Act 1962 read with Rule 17 &18 of the drawback Rules, 2017 and Notification No. 25/2023-Cus (N.T) dated 01.04.2023 read with section 28AAA of Customs Act 1962 along with applicable interest under section 28AA of the Customs Act, 1962;
- v. I impose penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the exporter, M/s. Meperis Impex (IEC-BRPPA3508J) under Section 114(iii) of the Customs Act, 1962, for the acts of omission and commission by which they rendered the said goods liable for confiscation under the aforementioned sections of the Act;
- vi. I impose penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the exporter, M/s. Meperis Impex (IEC-BRPPA3508J) under Section 114AA of the Customs Act, 1962, for the acts of omission and commission by which they rendered the said goods liable for confiscation under the aforementioned sections of the Act;
- vii. I impose penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the exporter, M/s. Meperis Impex (IEC-BRPPA3508J) under Section 114AB of the Customs Act, 1962, on the grounds that the instrument of the Shipping Bill, used to claim RoSCTL benefits, appears to have been attempted to be obtained based on a value that was significantly higher than the market price;
- viii. I impose penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the exporter, M/s. Meperis Impex (IEC-BRPPA3508J) under Section 114AC of the Customs Act, 1962, as the input tax credit (ITC) utilized for claiming IGST refund appears to have been availed on the basis of invoices issued by M/s. Karunanidhan Weaving, whose purchases are substantially linked to entities found to be dealing with cancelled/bogus suppliers as per GST verification and further, a portion of the procurement was made through suppliers connected to the same doubtful entities, thereby casting serious doubt on the genuineness of the transactions rendering the supply chain dubious and the ITC claimed and utilized for export benefits questionable;

17. This order is issued without prejudice to any other action that may be taken against the Noticee(s) or any other person(s) concerned with the said goods under the Customs Act, 1962 or any other law for the time being in force in India.

R.K.B. 13/03/26.
(RAGHU KIRAN B.)

Commissioner of Customs (in-situ)
CEAC, NS-II, JNCH.

To,

Noticee,

M/s. Meperis Impex (IEC- BRPPA3508J)
516, Golden Plaza,
Ring Road, Surat - 395002

Copy to:

1. The Commissioner of Customs, NS-II, JNCH, Nhava Sheva.
2. The Dy. Commissioner of Customs, Review Cell, NS-II, JNCH, Nhava Sheva.
3. The Dy. Commissioner of Customs, CRRC Cell, NS-II, JNCH, Nhava Sheva.
4. EDI Section, for upload on the JNCH website.
5. The Supdt., CHS, JNCH, Nhava Sheva - for display on Notice Board.
6. Office Copy.

ANNEXURE-A

RUD NO.	DETAILS OF DOCUMENT / EVIDENCE
RUD-I	Shipping Bill No. 9168207 dated 20.03.2025
RUD-II	Panchnama dated 09.04.2025 drawn at JWR CFS
RUD-III	DYCC Laboratory Test Report No. 219/SIIB(X) dated 13.05.2025
RUD-IV	Market Enquiry Report dated 10.06.2025
RUD-V	NOC for Provisional Release dated 16.05.2025
RUD-VI	Various letters sent to the jurisdictional GST office of M/s. Karunanidhan Weaving (GSTIN-24AAXFK3962G2ZV) (No reply received)
RUD-VII	Statement of Shri Ratan Agrawal, Authorized Representative of M/s. Meperis Impex, recorded u/s 108 of the Customs Act, 1962 on 29.09.2025