



OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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F.No. VIII/48-16/PI/HQ/2020-21

Dated : 28.12.2020

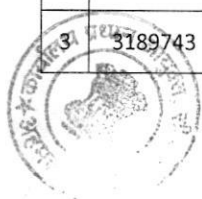
DIN-20201271MN0000611226

:: SHOW CAUSE NOTICE ::**WHEREAS IT APPEARS THAT :**

Specific intelligence was developed by the Preventive Section of Customs, Custom House, Ahmedabad that M/s K R International bearing IEC Code No. HERPS3900H having office address 3rd Floor, K H No. 487, Office no. 487/1, Near MCD School Road, Village- Peeragarhi, West Delhi-110088 which was dummy exporter & not in existence was exporting goods from Air Cargo Complex, Ahmedabad by resorting to gross overvaluation as well as mis-declaration in the actual quantity with an intent to avail undue benefits like IGST refund of duty paid on such higher value of the said goods. The live consignments of the said exporter were pending clearance for export lying at Air Cargo Complex, Ahmedabad.

2- Based on the above intelligence, a team of officers of Customs Ahmedabad reached the Air Cargo Complex, Ahmedabad on 23.06.2020 & identified total 23 boxes containing goods covered under 10 Shipping Bills filed M/s. K. R. International. Examination of the export cargo packed in total 23 boxes covered under 10 Shipping Bills were carried out under Panchnama dated 23.06.2020 (RUD-01) in the presence of two independent panchas and Shri Sumit Ashok Jha, G card Holder of CHA M/s. Mohak Enterprise, Ahmedabad on behalf of M/s K R International & Shri Satish Mansalbai Patel, AGM – operation, GSEC, Air Cargo Complex, Ahmedabad (Custodian of the goods). The details mentioned in the said 10 Shipping Bills are as detailed in table below (RUD-02) ;

S r. n o.	Shipping bill No.	Date	Corresponding Invoice no.	Invoice Date	Description of goods	No. of Boxes	Quantity as per SB	Quantity actually Found	Declared value	Per piece value.	FOB Value	IGST Amount
1	3190220	15.06.2020	KR/006/2020-21	22.05.2020	RG Handle	3	1500	990	976800	651.2	986700	273504
2	3197905	16.06.2020	KR/015/2020-21	12.06.2020	RG Handle	3	1500	932	976800	651.2	986700	273504
3	3189743	15.06.2020	KR/009/2020-21	22.05.2020	Lug Housing	10	500	404	925000	1850	934375	166500



4	3195976	16.06.2020	KR/011/2020-21	12.06.2020	Star Washer	1	500	1103	925000	1850	934375	166500
5	3193545	15.06.2020	KR/010/2020-21	22.05.2020	Star Washer	1	500	854	925000	1850	934375	166500
6	3197964	16.06.2020	KR/014/2020-21	12.06.2020	Gear packing assly	1	600	826	888000	1480	897000	159840
7	3193573	15.06.2020	KR/001/2020-21	22.05.2020	Star Washer	1	500	1270	925000	1850	934375	166500
8	3195752	15.06.2020	KR/012/2020-21	12.06.2020	Star Washer	1	500	975	925000	1850	934375	166500
9	3190062	15.06.2020	KR/003/2020-21	22.05.2020	Gear packing assly	1	600	848	888000	1480	897000	159840
10	3195969	16.06.2020	KR/013/2020-21	12.06.2020	Gear packing assly	1	600	820	888000	1480	897000	159840
											9336275	1859028

3. During the Panchnama it was found that the exporters had mentioned RG Handle”, “Lug Housing”, “Star Washer” and “Gear packing assly as the description of the goods in their Shipping Bills. On physical verification of the goods, it was found that the quantity of the goods declared by the said exporter in the Shipping Bills did not match with the actual consignment which was physically examined by the Customs officer under panchnama. The details of discrepancy are as mentioned in above table. To ascertain the actual description and value of the goods covered under these 10 consignments, Chartered Engineer Shri Bhaskar Bhatt of B.G.Bhatt & Co. having registration no. M-103975/4 was called upon and requested to give expert opinion about the actual description and value of the export goods in respect of said 10 consignments.

4. Shri Bhaskar Bhatt, Government Approved Empanelled Valuer/Chartered Engineer gave valuation reports dated 29.09.2020 in respect of shipping bills as tabulated in Para 2. **(RUD- 03)**. To arrive at the conclusion for the opinion regarding detained goods for their value as per the printed Specs and type of materials used for the metal items, same were physically verified / examined by the Chartered Engineer. The laboratory test for confirmation of printed Specs was under gone and metallurgical test for materials of construction. The estimated fair value of the detained /seized goods has been arrived by the Chartered Engineer on the basis of visit of local shops dealing in similar items, search for such export goods/items through internet/electronic media & considering the value available thereof.

4.1 In view of the above, it appears that as per Opinion for FOB value dated 29.09.2020, the total value of goods for all the shipping bills was Rs.

