



प्रधानआयुक्तकाकार्यालय, सीमाशुल्क, अहमदाबाद  
 "सीमाशुल्कभवन", पहलीमंजिल, पुरानेहार्डकोर्टकेमामने, नवरंगपुरा, अहमदाबाद - 380 009.  
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**PREAMBLE**

**DIN: 20211271MN00008186B**

A	फाइलसंख्या / File No.	:	F. No. VIII/10-149/Prev/O&A/HQ/2020-21
B	कारण बताओ नोटिस संख्या -तारीख / Show Cause Notice No. and Date	:	VIII/48-16/PI/HQ/2020-21 dated 28.12.2021
C	मूलआदेशसंख्या / Order-In-Original No.	:	<b>76/ADC/AKS/O&amp;A/2021-22</b>
D	आदेशतिथि / Date of Order-In-Original	:	<b>27.12.2021</b>
E	जारीकरनेकीतारीख / Date of Issue	:	<b>27.12.2021</b>
F	द्वारापाठित / Passed By	:	<b>Abilash K. Sreenivasan,</b> Additional Commissioner, Customs, Ahmedabad.
G	आयातककानामऔरपता / Name and Address of Importer / Noticee	:	M/s K R International H No. 415, Block A, Sector-8, Rohini, Nr. Petrol Pump, Delhi - 110085 and Others
(1)	यहप्रतिव्यक्तिकेउपयोगकेलिएनिः शुल्कप्रदानकियाजाताहैजिन्हेंयहजारीकियाजाताहै।		
(2)	कोईभीव्यक्तिइसआदेशसेम्बन्धकोअसंतुष्टपाताहैतोवहइसआदेशकेविरुद्धअपीलइसआदेशकीप्रामिकीतारीखके 60 दिनोंकेभीतरआयुक्तकाकार्यालय, सीमाशुल्क (अपील), 7 वीमंजिल, मृदुलटॉवर, टाइम्सऑफइंडिया, आश्रमरोड, नवरंगपुरा, अहमदाबाद - 380009 मेंकरसकताहै।		
(3)	अपीलकेसाथकेवलपाँचरुपये (5.00 रुपये) केन्यायालयशुल्कटिकटलगाहोनाचाहिए, औरइसकेसाथहोनाचाहिए :		
(i)	अपीलकीएकप्रतिऔर		
(ii)	इसप्रतियाइसआदेशकीकोईप्रतिकेसाथकेवलपाँचरुपये (5.00 रुपये) केन्यायालयशुल्कटिकटलगाहोनाचाहिए।		
(4)	इसआदेशकेविरुद्धअपीलकरनेकेइच्छुकव्यक्तिको 7.5% (अधिकतम 10 करोड़रुपये) शुल्कजमाकरनाहोगा, जहांशुल्कयाड्यूटीऔरजुर्मानाविवादमेंहैं, याजुर्माना, जहांइसतरहकीदंडविवादमेंहैंऔरअपीलकेसाथइसतरहकेभुगतानकाप्रमाणपेशकरनेमेंअसफलरहनेपर, सीमाशुल्कअधिनियम, 1962 केधारा 129 केप्रावधानोंकाअनुपालननकरनेकेलिएअपीलकोखारिजकरदियाजाएगा।		

**Brief facts:**

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 3<sup>rd</sup> 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 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:

Sr. no.	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. 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 appeared that as per Opinion for FOB value dated 29.09.2020, the total value of goods for all the Shipping Bills was Rs. 71,300/- (Rupees Seventy One thousand Three Hundred only) whereas the total declared value as per tax Invoice was Rs. 93,36,275/- (Rupees Ninety Three Lakh Thirty Six Thousand Two Hundred Seventy Five only) which clearly shows the huge difference to the tune of Rs. 92,64,975/-. It therefore appears that the exporter M/s. K R International had resorted to gross overvaluation to the tune of Rs. 92,64,975/- (Rupees Ninety Two Lakh Sixty Four Thousand Nine Hundred Seventy Five only) i.e. **131 times** of the fair value of the goods. Shipping bill wise estimated fair value of the goods arrived at in total 10 such reports is compiled as tabulated in the table given below:

S r. n o.	Shipping bill No.	Date	No. of Boxes	Quantity as per SB	Quantity actually Found	Declared value	Per piece value.	FOB Value	Estimated FOB Value as per Govt Valuer	IGST Amount
1	3190220	15.06.2020	3	1500	990	976800	651.2	986700	13400	273504
2	3197905	16.06.2020	3	1500	932	976800	651.2	986700	12700	273504
3	3189743	15.06.2020	10	500	404	925000	1850	934375	27800	166500
4	3195976	16.06.2020	1	500	1103	925000	1850	934375	1800	166500
5	3193545	15.06.2020	1	500	854	925000	1850	934375	1800	166500
6	3197964	16.06.2020	1	600	826	888000	1480	897000	6000	159840
7	3193573	15.06.2020	1	500	1270	925000	1850	934375	2500	166500
8	3195752	15.06.2020	1	500	975	925000	1850	934375	1700	166500
9	3190062	15.06.2020	1	600	848	888000	1480	897000	1800	159840
10	3195969	16.06.2020	1	600	820	888000	1480	897000	1800	159840
									<b>71300</b>	1859028

5. A letter C.No. VIII(SB)10/Cus.Prev/Gr.-IV/Follow up/400/2009 Pt dated 29.06.2020 was received from O/o the Principal Commissioner, Customs Preventive, New Custom House, New Delhi - 110037 in response to this office letter F.No. VIII/48-16/PI/HQ/2020-21 dated 22.06.2020. It was communicated in this letter that search warrant was issued to search the premises of M/s K R International having office address 3<sup>rd</sup> Floor, K H No. 487, Office no. 487/1, Near MCD School Road, Village- Peeragarhi, West Delhi-110088. However, on reaching the said address it was learnt that no firm by name of M/s K R International existed at the address. A letter was received from Shri Rajendra Singh s/o Shri Prem Sukh R/o Khasra 487/1, Near MCD School Road, Village Peeragarhi, West Delhi - 110088 regarding non-existence of any firm by name of M/s K R International.

6. As per IEC data base, IEC Number HERPS3900H has been issued to M/s. K. R. International on 09.05.2019 having address at H. No. 415, Block -A, PKT-2, Sector 8, Rohini, Nr. Petrol Pump, Delhi, North West Delhi, Delhi - 110085 & Mr. Jagveer Singh was the proprietor of the said firm. Therefore, search was caused at the said address through Customs Preventive, New Custom House, New Delhi. A letter C.No. VIII(SB)10/Cus.Prev/Gr.-IV/Follow-up/Ahd/458/2019 dated 09.07.2020 was received from O/o the Principal Commissioner, Customs Preventive, New Custom House, New Delhi - 110037. It was communicated in this letter that search warrant was issued to conduct search the premises of M/s K R International

H No. 415, Block A, Sector-8, Rohini, Nr. Petrol Pump, Delhi – 110085. Search was conducted under Panchnama on 06.07.2020. One Shri Shekhar was available in the said premises who introduced himself as caretaker of the said premises; which was 48 sq feet room and taken on rent by Shri Aman Handa as per the rent agreement dated 04.02.2019. A display board namely M/s K R International, H. No. 415, Block-A, Pocket-2, Rohini, Delhi-85 was installed at the entrance. However, no documents were found in the office premises. That he was hired for the purpose of collecting letters only and one Shri Rupesh used to visit the shop to collect letters/couriers once in 10-15 days and denied about knowing the whereabouts of Shri Rupesh. He further informed that he used to report only to Shri Rupesh who hired him. The rent agreement shows the address of Aman Handa as s/o Shri Prinice Handa, r/o A-1868, First Floor, Jahangirpuri, A-Block, Delhi-110033.

**7.** Thereafter, Customs Ahmedabad vide letter F.No. VIII/48-16/PI/HQ/2020-21 dated 28.07.2020 requested New Custom House, New Delhi for recording statement of Shri Aman Handa in whose name rent agreement has been made to know whether he has any relation to the firm M/s. K. R. International. It was also requested in the said letter to record the statement of Shri Rupesh as he was the person who was handling everything at the given address of M/s. K. R. International, H No. 415, Block A, Sector-8, Rohini, Nr. Petrol Pump, Delhi – 110085.

**8.** A letter C.No. VIII(SB)10/ Cus.Prev /Gr.-IV /Ahmedabad /458 /2019 dated 29.09.2020 was received from the O/o the Principal Commissioner, Customs Preventive, New Custom House, New Delhi – 110037. It was informed by them that summons dated 11.09.2020 was issued to Shri Aman Handa, A-1868, First Floor, Jahangirpuri, Delhi -100033. However, the summons has been received undelivered in their office with comments 'no such person' on the envelope. They further informed that the address of Shri Rupesh has not been recorded during the investigation, therefore, the statements of Shri Aman Handa and Shri Rupesh could not be recorded.

**9.** Thereafter, summons was issued to Shri Aman Handa at his known address at A 1868, First Floor, Jahangirpuri, A Block, Delhi - 100033 for his appearance before the investigating officer on 16.11.2020. However, the said summons has been returned from the postal authority with remarks 'no such person' on the envelope. Therefore, the investigation in this case could not be extended to Shri Aman Handa and further the role of Shri Rupesh also could not be ascertained.

**10.** A summons dated 27.08.2020 under Section 108 of the Customs Act, 1962 was issued to Shri Sumit A. Jha and his statement was recorded under section 108 of the Customs Act, 1962. He submitted that the works of M/s K R International were given to him by Shri Malav Fadiya who was working in Venus Worldwide

Logistics LLP, Ahmedabad, a forwarder. Shri Sumit Jha further submitted that Malav Fadiya contacted him directly; that regarding Delhi based party exporting from Ahmedabad, Malav told him that the Delhi based exporter has a warehouse in Baroda and from there they did the packing and send the goods. That he submitted the copies of purchase invoices of M/s K. R. International. The said purchase invoices were issued by M/s. United India Enterprise, Ground Floor, Shop No. 2, Mukundpur Exradha Vihar, Village – Mukundpur, North Delhi – 110042. Shri Sumit further submitted that he has handled only 10 Shipping Bills of M/s K.R. International, the goods of which have been seized. He stated that he knew only Shri Malav Fadiya and hadn't received any amount as they were to pay him after 15 days of clearance of the consignment.

**11.** On perusal of the purchase invoices submitted by Sumit, it is found that same were issued by M/s. United India Enterprise, Ground Floor, Shop No. 2, Mukundpur Exradha Vihar, Village – Mukundpur, North Delhi – 110042 showing the supply of various items like Star Washer, Gear Packing assembly etc. to M/s. K.R. International, Delhi under different invoices. To check the veracity of these invoices, Summons was also issued to Ram Rattan, Proprietor of United India Enterprise, North Delhi for his appearance on 17.11.2020, however, the said summons was returned from the postal authority with remarks “repeated attempts made but could not found the recipient therefore returned”.

**12.** Statement of Shri Malav Fadia, residing at 204, Aatman Apartment, Pankaj Society, Bhatta, Paldi, Ahmedabad has been recorded under Section 108 of the Customs Act, 1962 on 25.11.2020. In his statement Shri Malav Fadia submitted that he is the sole proprietor of the company M/s Venus Worldwide, Ahmedabad. The said company is engaged in the business of freight forwarding-freight broker and limited to consignment exported/imported from ICD Khodiyar and Air Cargo Complex, mainly LCL cargo; that regarding export consignment of M/s K R International, he submitted that he did not know any one from M/s K R International but one Mr Jetal Dave (previously working with M/s Elecon Engineering as Consultant, Technical Person for import and export) approached him in the month of May 2020 and offered him to do the work of freight forwarding of export consignment of M/s K R International; that Mr Jetal Dave informed him that since his CHA was not working due to COVID and asked him whether he can arrange Customs Clearance to which he (Malav) told him (Jetal) that he could arrange the same through his known CHA; that thereafter, Mr. Jetal Dave had given him two sets of KYC documents duly signed by the export manager of M/s. K.R. International and one set of copy of export documents viz. Commercial Invoice cum packing list; that he produced one set of KYC available with him out of the two sets given to him by Mr. Jetal Dave (page No. 1 to 7).

Shri Malav contacted Shri Sumit Jha as the latter is known to him for the clearance of the above said export consignment. Later, Shri Sumit filed the documents meant for customs purpose accordingly.

**13.** Summons was issued to Shri Jetal Dave for his appearance before the investigating officer on 18.12.2020 for recording his evidence under Customs Act, 1962. His statement was recorded under Section 108 of the Customs Act, 1962 on 18.12.2020 wherein he interalia stated that he had started his own consultancy & he had been working as Technical consultant since last 10 years and providing consultancy services to various Engineering units; that his work profile includes Component inspection, Ultrasonic testing, vendor approval & third party inspection; that regarding export consignment of M/s. K.R. International, he stated that he personally did not know anyone from M/s. K.R. International but he knew one Mr. Amit Tyagi who was in his contact for around last ten years; that he was working with Aditya Forging, Gaziabad as Marketing executive and had come in his contact while he was coming to Gujarat for company's work; that thereafter Mr. Amit Tyagi shifted to Hong Kong and started trading business there; that Mr. Amit Tyagi approached him sometime in the month of April 2020 and informed him that one of his known party wanted to export the consignment of M/s. K.R. International from Ahmedabad Air Cargo Complex, Ahmedabad and inquired from him whether he (Mr. Jetal Dave) can arrange any freight forwarder and Customs agent for the clearance of the export consignment of M/s. K.R. International to which he (Mr. Jetal Dave) told him (Mr. Amit Tyagi) that he can arrange the same through his known person who was doing freight forwarding; that thereafter, he contacted Mr. Malav Fadia who was known to him & offered him to do freight forwarding as well as Customs Clearance of M/s. K.R. International to which Mr. Malav Fadia agreed; that Mr. Malav Fadia informed him that freight forwarding part would be looked after by him and Customs clearance part he would arranged through Mr. Sumit Jha of Mohak Enterprise; that he received two sets of KYC documents duly signed by the export manager of M/s. K.R. International through courier from Delhi; that he handed over the said two sets of KYC to Mr. Malav Fadia; that after two to three days, he was informed by Mr. Amit Tyagi that cargo of M/s. K.R. International meant for export along with original export documents would be arriving next day at Ahmedabad Air Cargo which he informed to Mr. Malav Fadia; that thereafter, Mr. Malav Fadia looked after export documentation and air freight of the export consignment of M/s. K. R. International; that apart from the KYC documents received from M/s. K.R. International, he did not receive any documents of M/s. K. R. International either through whatsapp or email or by post; that on being asked as to whether he asked to Mr. Amit Tyagi about what was the description of goods and why the exporter based at Delhi wanted to export the goods from Ahmedabad Air Cargo Complex, he stated that he did not ask the same to Mr. Amit Tyagi; that he did not know the owner or any other staff of M/s. K. R. International; that he charged

Rs. 2500/- to Mr. Amit Tyagi but he (Mr. Amit Tyagi) did not pay the same to him till date; that after some days, he received call from Mr. Malav Fadia that the export consignment of M/s. K.R. International which was sent by Mr. Amit Tyagi was put on hold by Customs as there was valuation problem (overvalued); that he informed the same to Mr. Amit Tyagi; that he did not see the said export cargo; however, upon inquiry with Mr. Amit Tyagi he informed him that the exporter was not claiming any export incentive on the said export cargo.

**14.** The said exporter had willfully suppressed the facts by mis-declaring the quantity and value of the goods. As per Rule 3 of the Customs Valuation (Determination of Value of Export Goods) Rules 2007 as given below:

**3. Determination of the method of valuation.-**

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

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

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

*However under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules 2007, the value as declared by the exporter cannot be accepted.*

**8. Rejection of declared value. -**

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

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

*As per Rule 4, 5 and 6 of the Customs Valuation (Determination of Value of Export Goods) Rules 2007,*

**4. Determination of export value by comparison.-**

*(1) The value of the export goods shall be based on the transaction value of goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule (2).*

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

*(i) difference in the dates of exportation,*



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

**5. Computed value method. -**

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

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

**6. Residual method. -**

*(1) Subject to the provisions of rule 3, where the value of the export goods cannot be determined under the provisions of rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules provided that local market price of the export goods may not be the only basis for determining the value of export goods.*

**15.** 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 as discussed in para 3 supra. As per the said valuation report exporter M/s. K R International had resorted to gross overvaluation to the tune of Rs. 92,64,975/- (Rupees Ninety Two Lakh Sixty Four Thousand Nine Hundred Seventy Five only) i.e. **131 times** of the fair value of the goods with an intent to take benefits of higher IGST refund.

**16.** It appeared from the investigations and various statements recorded and documents as narrated herein above that M/s. K R International has attempted to export the goods in this firm by resorting to gross overvaluation of the export goods and also resorted to mis-declaration of quantity and description of the export goods, as tabulated in Para 2, with intent to get undue refund of Integrated Goods & Services Tax and thus rendered the goods having declared F.O.B. of Rs. 93,36,275/- and involving wrongful claim of refund of Integrated Goods & Services Tax of Rs. 18,59,028/-, placed under seizure under the provisions of Section 110 of the Customs Act, 1962 vide panchnama dated 23.06.2020, liable for confiscation under Section 113 (h) & (i) of the Customs Act, 1962.

**17.** It appeared that Shri Aman Handa was instrumental & consciously involved in the entire scheme of illegal export to avail undue benefits. It appears that he has floated firm M/s. K. R. International at H No. 415, Block A, Sector-8, Rohini, Nr. Petrol Pump, Delhi – 110085 and made rent agreement dated 04.02.2019 for the said premises (recovered during the search of the said premises) for the said premises. Search carried out at the said premises revealed that M/s. K. R. International was not working at the said premises. Further, summons sent to the

address of Shri Aman Handa was also returned undelivered from postal authority with remark 'no such person'. It therefore appears that Shri Aman Handa is evading his presence before the investigating officer. All these acts on the part of Shri Aman Handa have rendered the goods liable for confiscation under Section 113(h) & (i) of the Customs Act, 1962 and rendered themselves liable for penalty under Section 114 (iii) and 114AA of the Customs Act, 1962.

**18.** It appeared that M/s. Mohak Entrprise, Ahmedabad has been licensed Customs Broker and Shri Sumit Jha G card holder of the said CHA firm knew that the goods were overvalued by the said exporter. No due diligence was applied by M/s. Mohak Entrprise, Ahmedabad or Shri Sumit Jha G Card holder of M/s Mohak Enterprise as they did not verify as to who is the proprietor / owner of M/s. K.R. International on record and whether said person existed at the given address or not. Further, they did not verify about what is the status of Shri Aman Handa in M/s. K R International. He has filed the Shipping bills and checklist with the customs on the basis of documents received by Shri Malav Fadia without ascertaining any veracity of the said documents. Shri Sumit Jha had acted as per the instructions of Shri Malav to execute the export using the export invoice showing false declaration to defraud the exchequer. Thus, it appears that Shri Sumit A. Jha / M/s. Mohak Entrprise was instrumental in execution of export of M/s. K.R. International. Had they not accepted the documents or had they applied due diligence in verifying the sanctity of the KYC, they could very well prevent the fraud. M/s. K.R. International in connivance with S/ Shri Jetal Dave, Malal Fadia & Shri Sumit A Jha G Card holder of M/s. Mohak Enterprise presented export document to Customs showing mis -declaration in quantity of goods and grossly overvaluation mala fide intent to defraud the government exchequer.

As per Rule 13 (d) of the Custom House Agent Licensing Regulations 2013, it is the obligation of the Custom House Agent to *advise his client to comply with the provisions of the Act and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs* and as per Rule 13 (n) of the Custom House Agent Licensing Regulations 2013, it is the obligation of the Custom House Agent to *verify antecedent, correctness of Importer Exporter Code (IEC) Number, identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information.* In this case, Shri Sumit Jha and M/s Mohak Enterprise collected the KYC documents, however, not verified whether the exporter is genuine or not. It therefore appears that Shri Sumit Jha and M/s Mohak Enterprise have knowingly concerned themselves with such goods which they knew were liable for confiscation under Section 113 (h) & (i) of the Customs Act, 1962 and have rendered themselves liable for penalty under Section 114(iii) and 114 AA of the Customs Act, 1962.