

सत्यमेव जयते
भारत सरकार
GOVERNMENT OF INDIA
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MINISTRY OF FINANCE, DEPARTMENT OF REVENUE
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F. No. CUS/RFD/IGST/OTH/41/2026-Adjn-O/o Commr-Cus-Prev-Jamnagar

21-07-2026

SCN No. ADC-05/2026-27

SHOW CAUSE NOTICE

(Issued under Section 124 of the Custom Act, 1962)

BRIEF FACTS OF THE CASE:

An intelligence input was received from an informer indicating that an exporter, namely **M/s. King International (IEC: ABAFK4641A),** Palwal, Haryana, had been fraudulently claiming refund of Input Tax Credit (ITC) against export of Sanitary Ware Wash Basins classifiable under CTH 69109000. The said exporter had filed two Shipping Bill (i) S/B No. 3057060 and (ii) S/B No. 3057624, both dated 26.06.2025, at ICD, Morbi for export of Sanitary Ware Ceramic Wash Basins. The value of the export goods declared in the export invoices were Rs. 41,64,277/- and Rs. 39,83,009/- respectively, involving ITC amounts of Rs. 7,49,569/- and Rs. 7,16,941/- respectively. **(RUD-1)**

2. Further, intelligence revealed that M/s. King International had procured waste, broken, and used wash basins and mis-declared them as fresh ceramic wash basins for the purpose of export. It was further gathered that such waste/used material was shown to be sold under Invoice Nos. KI-013/2025-26 dated 24.06.2025 and KI-014/2025-26 dated 25.06.2025 at an abnormally inflated price of Rs. 4,899/- per piece, which was approximately four times of its actual purchase value. The goods were exported on payment of IGST. By adopting this modus operandi, the exporter appears to have claimed disproportionately high ITC refunds vis-à-vis the actual purchase value. Accordingly, a DRI-I (Information Report) dated 16.07.2025 was filed by the officer of Preventive Section, HQ, CCP–Jamnagar.

2.1 The intelligence was further developed through data analysis from ADVAIT, which revealed that M/s. King International availed ITC of approximately Rs. 3 Crores during F.Y. 2024–25 on the basis of invoices issued by four major suppliers, namely (i) M/s. Balaji Trader (GSTIN: 07CVCPJ6466N1Z0), (ii) M/s. V.K. Enterprises (GSTIN: 07DNLPK6121H1ZY), (iii) M/s. Credhill Ventures (GSTIN: 07GJIPM7854P1Z5), and (iv) M/s. Bhanu Trading Co. (GSTIN: 07DLGPK2745Q1ZI), all registered in Delhi. Further, verification of the GSTIN status of these suppliers revealed that the registrations of all these firms were either suspended or cancelled. Accordingly, it appeared that the ITC availed by M/s. King International during FY 2024-25 based on invoices issued by these firms is fraudulent and ineligible under the provisions of the CGST Act, 2017.

2.2 Further, as per ADVAIT data, it was revealed that during F.Y. 2025–26, M/s. King International availed ITC of around Rs. 17 Lakhs, out of which Rs. 14.20 Lakhs was availed on the basis of invoices issued by M/s. Anubhuti Traders (GSTIN: 07ACCFA7444E1ZM), whose GST registration was suspended on 10.07.2025.

2.3 It was further observed that the exporter utilized such ITC for payment of IGST on export goods and subsequently claimed IGST refunds, which appear to be ineligible, as the exporter allegedly enhanced the value of waste/old wash basins by mis-declaring them as fresh, high-value goods, thereby encashing fraudulent ITC through IGST refunds on exports. Intelligence also indicated that multiple shipping bills were filed on the same day in a spurt manner, suggesting a high probability of mis-declaration, and over-valuation of export goods with the intent to avail undue export benefits and IGST refunds. The supply chain of the exporter appears to be improper, manipulated, and largely paper-based, indicating transactions undertaken only in books without genuine movement of goods.

2.4 The details of the Shipping bills filled are as under:

Table- A **(Amount in Rs.)**

Sr. No.	SB No & Date	Description of the goods declared in SB	Quantity	FOB (INR)	Refund of duty involved
1	3057060/26.06.2025	Sanitary Ware Ceramic Wash Basin (CTH-69109000)	813	41,64,277.50	7,49,569
		Sanitary Ware Ceramic Wash			

2	3057624/26.06.2025	Basin (CTH-69109000)	850	39,83,008.95.	7,14,941
Total			**1663**	**81,47,286.45**	**14,66,510**

3. Further, the officers of Customs (Prev.) Commissionerate, Jamnagar visited ICD Morbi on 16.07.2025 for examination of the goods attempted to be exported vide Shipping Bill No. 3057060 & 3057624 both dated 26.06.2025, however no one from the exporter side appeared on that day. Thereafter, a letter was written to AC, ICD Morbi on 21.07.2025 to inform the exporter/CHA to remain present for examination of the goods.

3.1 In compliance of the same, Shri Jai Kishan Kotak, CHA of M/s. King International appeared on 22.07.2025 to remain present for examination of the goods to be exported vide abovesaid two shipping bills and accordingly, the HQ Preventive team again visited ICD Morbi on 22.07.2025 to examine the said goods. Since the goods required detailed examination with respect to their quality and assessable value, a Government Approved Valuer/Chartered Engineer, namely Shri Pankaj Udani was engaged to ascertain the fair market value of the goods and valuation report of the said export goods was mandated. Further, the examination of the said goods has been carried out under Panchnama proceedings drawn at Warehouse No.1, ICD Morbi at Navkar Corporation Limited on 22-23.07.2025 in the presence of Shri Jai Kishan Kotak, CHA- M/s. Sri Radha Krishna Shipping Pvt Ltd, Shri Subhash Chandra, Sr. Executive (Operation)/Yard In charge, of warehouse no.1 at ICD Morbi and Shri Pankaj N. Udani, Chartered Engineer & Govt Approved Valuer (Empanelled with Customs Dept. & Banks). During the examination of the said goods, it was revealed that there were around 1663 pieces of Ceramic Wash Basins of various size and design, out of which around 400 pieces were found in broken condition, remaining 1263 pieces were also found defective/damaged and of inferior category. On examination of these 1263 pieces, it was further revealed that there were 11 types of wash basin as per their size, shape and design for which Shri Pankaj Udani, Chartered Engineer & Govt Approved Valuer, informed their actual market price as per their size, shape, design, and quality. On analysis of the same, it came to notice that present market value of these 1263 pieces comes to Rs.1,76,210/, whereas the exporter had shown the value as Rs. 81,47,286.45 in the Shipping Bills and claimed IGST refund on the said amount which comes to Rs.14,66,510/-, which appears to be mis-declared in terms of value and quality of goods and exaggeration of value of goods attempted to be exported to claim refund wrongfully, thus, the said goods were kept under seizure vide seizure memo dated 23.07.2025 under Section 110 of the Customs Act, 1962, as the same appeared liable for confiscation under Section 113 (i) and 113(ja) of the Customs Act, 1962. **(RUD-2&3)**

3.2 Further, the Custody of the said seized goods was handed over to Shri Subhash Chandra, Sr. Executive (Operational), warehouse of ICD Morbi on behalf of custodian M/s. Navkar Corporation Limited for safe custody.

3.3 During the Panchnama proceedings, Shri Jai Kishan Kotak, CHA of the exporter informed that M/s. King International is the exporter of the said goods and he had received the said consignment and documents to file Shipping Bills through M/s. Momentum Cargo Movers (GSTIN-07ADXPL3890P2ZD) on behalf of the exporter.

4 . <u>Investigation and Examination of Documents and other evidence gathered during investigation</u>:

4.1 After examination, the said goods were seized vide Seizure Memo dated 23.07.2025 under the provisions of Section 110 of the Customs Act, 1962.

4.2 Further, a letter dated 06.11.2025 was addressed to the Deputy Commissioner (Preventive), CGST Commissionerate, Faridabad, requesting initiation of appropriate action, including blocking of ineligible ITC, against M/s. King International and its associated suppliers to safeguard the government revenues and to recovery the Government dues arising out of fraudulent ITC claims.

4.3 In response of the letter dated 06.11.2025, the CGST Commissionerate, Faridabad, vide email and letter dated 08.12.2025, informed that an investigation against M/s. King International had already been initiated by their office wherein during the physical verification of its registered place of business, the firm was found to be non-existent. Consequently, the GSTIN of the said firm was cancelled retrospectively, and the available ITC was blocked. It was also informed that an Alert Circular has also been issued to all concerned Commissionerates where the buyers and suppliers of the firm are registered, and investigation in the matter is presently under progress with the Preventive Section, Faridabad. **(RUD- 4 & 5)**

4.4 Rejection and Redetermination of Valuation: As the goods exported vide Shipping Bill Nos. 3057060 and 3057624, both dated 26.06.2027, were found to be mis-declared in terms of description and quality, the said shipping bills appear liable to be re-assessed under Section 17(4) of the Customs Act, 1962.

4.5 Since the mis-declaration of goods in parameters such as description and quality, which has a direct bearing on valuation and admissibility of export benefits, the declared value of the goods is liable to be rejected under Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 (hereinafter referred to as the CV Rules, 2007). Accordingly, the value appears liable to be re-determined in terms of Rule 8, Explanation 2(i)

of the said Rules, by proceeding sequentially from Rule 4 to Rule 6 thereof.

4.6 Further, as per **Rule 4 of the CV Rules 2007**, Determination of export value by comparison, is reproduced as under as under –

> *(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.*

4.7 Further, the actual market value of the goods, as assessed on the basis of the valuation declared by Shri Pankaj N. Udani, Chartered Engineer and Government-approved Valuer (empaneled with the Customs Department and Banks), and the physical examination of the goods conducted during Panchnama proceedings dated 22–23.07.2025, is as under:

Table-B **(Amount in Rs.)**

Sr. No.	Goods Description	Size	Market Price (per piece)	Quantity	Total Value
1	Small Size Wash Basin	12 × 11	90	207	18,630
2	Small Size Wash Basin	14 × 9	90	32	2,880
3	Small Size Wash Basin	16 × 9	90	24	2,160
4	Medium Size Wash Basin	18 × 14 (Round)	120	576	69,120
5	Medium Size Wash Basin	18 × 14 (Design)	140	10	1,400
6	Medium Size Wash Basin	18 × 14 (Square)	120	16	1,920

7	Medium Size Wash Basin	18 × 15	120	5	600
8	Large Wash Basin	22 × 17	200	8	1,600
9	Large Wash Basin	22 × 18	200	8	1,600
10	Large Wash Basin	20 × 17	200	359	71,800
11	Large Wash Basin	21 × 18 (Design)	250	18	4,500
12	Broken Pieces	—	0	400	0*
Total				**1663**	**1,76,210**

***Value of broken items is taken as zero.**

4.8 The total value of the goods declared by the exporter in respect of the abovesaid two shipping bills was Rs. 81,47,286.45, which was substantially higher than the value assessed by the Chartered Engineer. The total ascertained value of the goods covered under the aforesaid two shipping bills has been determined as Rs. 1,76,210/-. **(RUD-6)**

5. <u>Statement of the Custom House Agent, Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai:</u>

Shri Jai Kishan Kotak S/o Shri Bipin Kotak, Director of M/s. Sri Radhakrishna Shipping (P) Ltd., Mumbai, was summoned on 22.07.2025 under Section 108 of the Customs Act, 1962, for tendering his statement in the matter and for producing relevant documents pertaining to the impugned goods. However, he sought 10 days' time to appear for recording of his statement. Accordingly, a fresh summons dated 31.07.2025 was issued. In response thereto, Shri Jai Kishan Kotak appeared on 31.07.2025 and tendered his oral statement before the authorities, wherein he, inter alia, stated as under:

a) That he looks after the customs-related work of M/s. King International, Haryana. He further stated that M/s. King International, Haryana is a trading partnership firm, and Shri Satyapal Singh and Shri Ratan Lal are its partners. He received the export orders, documents, and consignments pertaining to the said exporter through M/s. Momentum Cargo Movers. He also stated that the export-related documents were received from M/s. Momentum Cargo Movers, Delhi through their email ID: *momentummover@gmail.com.*

b) That he fully agreed with the examination report drawn vide Panchnama dated 22/23.07.2025 at ICD–Morbi and admitted that the goods attempted to be exported vide Shipping Bill Nos. 3057060 and 3057624, both dated 26.06.2025, were damaged/defective/secondary-class goods.

However, he stated that he was not aware of the said fact at the time of filing the shipping bills.

c) That he received the export orders for Wash Basins from M/s. Momentum Cargo Movers (GSTIN: 07ADXPL3890P2ZD) through Shri Madan Lal Dhanka, at a rate of Rs. 6,000/- per container.

d) That he was not aware that the goods attempted to be exported were damaged/defective/secondary-class until the time of physical examination of the goods.

e) That the value of the goods declared in the shipping bills was based solely on the documents supplied by M/s. Momentum Cargo Movers through email, and that he merely declared the said value in the shipping bills on that basis. (**RUD- 7)**

6. Statement of Freight Forwarder, Shri Madan Lal Dhanka, Proprietor of M/s. Momentum Cargo Movers:

The freight forwarder, Shri Madan Lal Dhanka, Proprietor of M/s. Momentum Cargo Movers, was issued summons dated 18.09.2025 under Section 108 of the Customs Act, 1962, for tendering his statement in the matter and for producing relevant documents in respect of the impugned goods. (**RUD-8)**

Accordingly, Statement of Shri Madan Lal Dhanka, Proprietor of M/s. Momentum Cargo Movers, Kakrola, South West Delhi, was recorded on 25.11.2025, wherein he, inter alia, stated as under: –

a) That he provides services such as container booking, airline space booking for cargo, and arranging trucks for cargo loading and unloading, for which he charges commission. He stated that bookings are generally received over the phone. In the present case, he received a cash commission of Rs. 6,000/- from the transporter, namely M/s. Fast India Transport.

b) That he has known Shri Satyapal Singh, one of the partners of M/s. King International, for the past 2–3 years, having been introduced through a common friend, Shri Ram Pratap Yadav. He stated that Shri Satyapal Singh contacted him in June 2025 and informed him about their intention to export ceramic items. He was told that the goods were lying at Mundra (Kutch) and enquired about a Customs House Agent (CHA). Accordingly, he suggested Shri Jai Kishan Kotak, Director of M/s. Sri Radhakrishna Shipping (P) Ltd., as the CHA. He further arranged vehicle No. GJ12AT5883 for transportation of the ceramic goods.

c) That he booked vehicle No. GJ12AT5883 from M/s. Fast India Transport for transportation of ceramic goods from Mundra to Morbi, pursuant to the request of Shri Satyapal Singh, partner of M/s. King International. The said vehicle was carrying goods covered under Invoice

Nos. KI-013/2025-26 and KI-014/2025-26. The goods were declared as Ceramic Wash Basin in Transport Bilty No. 3704 dated 25.06.2025, and the tax invoice was issued by M/s. Fast India Transport.

d) That he was initially not aware of the actual condition of the goods; however, upon arrival of the goods at ICD, Morbi, the CHA Shri Jai Kishan Kotak informed him that the wash basins had chips, cracks, scratches, and stains. Some of the items appeared to be waste or discarded, and certain pieces showed patched or repaired portions, clearly indicating that the goods were not fresh and not of export quality.

e) That this was his first business transaction with M/s. King International.

7 . <u>Statement of Authorised Representative of M/s. King International-Haryana:</u>

A summons dated 18.09.2025 was issued to M/s. King International under Section 108 of the Customs Act, 1962, for tendering its statement in the matter and for producing relevant documents in respect of the impugned goods.

Accordingly, the statement of Shri Faiyaz Hanif Kherani, authorised representative of M/s. King International, was recorded on 26.11.2025, wherein he, inter alia, stated as under: –

a) That, he is Shri Faiyaz Hanif Kherani s/o Shri Hanif Bhai Kherani, aged about 39 years, and is working as a salesperson in M/s. King International since December 2024. He is involved in activities related to purchase and sales. He stated that, till date, the firm has dealt in garments and ceramic items, which are exported to Dubai as well as they also supply these goods within Delhi.

b) That, the overseas buyer/consignee of ceramics and garments is M/s. Figure 99, General Trading FZ-LLC, Ras Al Khaimah, Dubai, UAE, and that payment is received from M/s. Noor Alarsh Trading LLC, No. 264-0-101, Abdul Rahman Hussain Ali Al Mukhayet Building, Al Buteen Area, Deira, Dubai, UAE. He submitted Purchase Order No. 0268 issued by M/s. Figure 99, General Trading FZ-LLC, Ras Al Khaimah, Dubai, UAE.

c) That, he agreed with the Panchnama proceedings dated 23.07.2025 conducted at ICD, Morbi. He further stated that they were not aware of the original condition of the Wash Basins. When the export consignment was put on hold, the CHA, Shri Jai Kishan Kotak, informed Shri Madan Lal Dhanka and Shri Satyapal Singh about the condition of the goods. Thereafter, the export consignment was kept on hold through the CHA. He further stated that they were in discussion with their suppliers regarding the poor condition of the goods and that, till date, no payment has been made to the suppliers

for the said consignments. Accordingly, no ITC has been availed in respect of these consignments.

d) That, he agreed with the valuation report dated 31.07.2025, wherein it was reported that the ceramic wash basins were of different sizes and shapes, and that 400 wash basins were found to be totally broken, while the remaining wash basins were also found to be defective in condition. In token of having seen the said report, he affixed his dated acknowledgement thereon.

e) That, he was not aware of the original condition of the goods and that the prices were declared as per fresh pieces, based on the invoices raised by their suppliers. He reiterated that, as no payment has been made for the consignments, no ITC has been availed in respect thereof.

f) That, both the shipping bills were filed by their CHA, Shri Jai Kishan Kotak, on the instructions of Shri Satyapal Singh and Shri Madan Lal Dhanka.

g) That, the goods were purchased from two suppliers i.e. (i). M/s. SK Impex, New Delhi (GSTIN: 07A0HPY9289C1Z8) vide Invoice No. SK-019/2025-26 dated 10.06.2025; and (ii). M/s. Rotek Enterprise, New Delhi (GSTIN: 07BGGPK1497Q2ZN) vide Invoice Nos. RE-001/2025-26 dated 05.06.2025, RE-002/2025-26 dated 07.06.2025, and RE-003/2025-26 dated 08.06.2025.

h) That, the consignment was received at Mundra from a warehouse and transported by truck from Mundra to ICD, Morbi. The transporter, M/s. Fast India Transport (GSTIN: 27JRFPS9829Q1ZC), provided Vehicle No. GJ12AT5883 for transportation of the consignment. E-Way Bill No. 342028239610 dated 25.06.2025 was generated in respect of Invoice No. KI-014/2025-26 dated 25.06.2025 having a value of Rs. 49,13,847/-, and E-Way Bill No. 372028236186 dated 25.06.2025 was generated in respect of Invoice No. KI-013/2025-26 dated 24.06.2025 having a value of Rs. 46,99,950/-.

i) That, they do not want any SCN for this mistake and expressed willingness to pay applicable interest and penalties as per the provisions of the Customs Act, 1962.

M/s. King International also submitted the documents related to cancelation of their GST Registration of the company. The reply to Show Cause Notice Ref No. ZA060825050320V dated 14/08/2025- Regarding Physical Verification of Business Premises of M/s King International (GSTIN- 06A6AFK4641A1ZX) dated 13.10.2025 submitted to Superintendent of CGST, Range-25, Palwal, Faridabad-Haryana to schedule a fresh physical verification of their registered premises and to drop the proceedings for cancellation of registration under Section 29(2)(c) of the

CGST Act, 2017. **(RUD-9)**

8. RULES OF INTERPRETATION: -

8.1 As specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), Classification of goods in this Schedule shall be governed by the following principles.

1. The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:

2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled.

(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

3. When by application of rule 2(b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be affected as follows:

a. the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.
b. mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.
c. when goods cannot be classified by reference to (a) or (b), they shall be classified under the heading which occurs last in numerical order

among those which equally merit consideration.

9. Differential Drawback, RoDTEP, IGST Refund and Other Export Benefits:

9.1 Based on the investigations conducted in the matter, it appears that the exporter mis-declared the value of the goods attempted to be exported. Accordingly, the exporter appears to have contravened the provisions of Section 14 and Section 50 of the Customs Act, 1962, read with Rule 7 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, in as much as they failed to declare the correct value of the goods in the shipping bills filed by them.

9.2 In view of the examination report and the valuation report of the Chartered Engineer, the eligible amount of Drawback is required to be re-determined. The summary of the calculation is as follows:

Table C: Eligible Drawback

Sr. No.	SB No & Date	Description declared	Qty (PCS) Declared	Declared FOB	Drawback claimed (Rs.)	CTH	Eligible DBK Rate	FOB	Eligible DBK Amount	Differential Drawback claimed in excess
1	3057060 & 3057624/26.06.25	Sanitary Ware Ceramic Wash Basin	**1663**	**81,47,286.45**	**114062.02**	69109000	1.40%	176210	2466.94	1,11,595

From **Table C above**, it appears that the exporter is **eligible for a drawback amount of Rs. 2466.94/-**.

9.3 The **eligible amount of RoDTEP** is also required to be **re-determined**. The **summary of the calculation** is as follows:

Table- D: RoDTEP

Sr. No.	SB No & Date	Description declared	Qty (PCS) Declared	Declared FOB	RoDTEP claimed	CTH	Eligible RoDTEP Rate	FOB	Eligible RoDTEP Amount	Differential RoDTEP claimed in excess
1	3057060 & 3057624/26.06.25	Sanitary Ware Ceramic Wash Basin	**1663**	**81,47,286.45**	**73325.58**	69109000	0.9	176210	1585.89	71739.69

From Table D above, it appears that the exporter is **eligible for an amount of Rs. 1585.89/- under RoDTEP**.

9.4 The eligible amount of IGST refund is required to be re-determined. The summary of the calculation is as follows:

Table E: IGST Refund

Sr. No.	SB No & Date	Description Found	Qty (pcs) Declared	IGST Taxable Declared value	IGST paid	Rate of IGST	IGST Taxable Value as per CE Report	Eligible IGST refund Amount	IGST excess claimed
1	3057060 & 3057624/26.06.25	Sanitary Ware Ceramic Wash Basin	850	**81,47,286.45**	**14,66,511.56**	18%	1,49,330.51	26,879.49	**14,39,632.07**

From Table E above, it appears that the exporter is **eligible for an amount of Rs. 26,879.49- towards IGST refund.**

10. Relevant Legal provisions:

10.1 Section 2: Definitions given in Section 2 of the Customs Act, 1962: -

> ***[(2) "assessment"*** *means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to -*
>
> *(a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;*
>
> *(b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;*
>
> *(c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force;*
>
> *(d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;*
>
> *(e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if*

the amount of duty, tax, cess or any other sum is affected by the origin of such goods;

(f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods,

and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil;]

***(3A) "beneficial owner"** means any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported;*

10.2 Section 17: As per Section 17(4) of the Customs Act, 1962: -

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

10.3 Section 50: Relevant portion of Section 50 of the Customs Act, 1962: -

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

(3) The exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely: —
(a) the accuracy and completeness of the information given therein;
(b) the authenticity and validity of any document supporting it; and
(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force."

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

"(h) any [* *] goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*

(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;

(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 rate of drawback under section 75;

(ja) any goods entered for exportation under claim for 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 time being in force;"

10.5 Section 114: Penalty for attempt to export goods improperly, etc. - *Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable, -*

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 1[2[not exceeding three times the value of the goods as declared by the exporter or the value as determined under this Act]], whichever is the greater;

3 [(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the penalty so determined;]

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

10.6 Section 114AA: Penalty for use of false and incorrect material: -

"If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the

*transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.***"**

10.7 1[114AC. Penalty for fraudulent utilisation of input tax credit for claiming refund.- *Where any person has obtained any invoice by fraud, collusion, wilful 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.*

Explanation. —For the purposes of this section, the expression "input tax credit" shall have the same meaning as assigned to it in clause (63) of section 2 of the Central Goods and Services Tax Act, 2017.]

10.8 Section 125: Option to pay fine in lieu of confiscation.

"(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, 3 [no such fine shall be imposed]:

Provided further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.]

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending."

10.9 Relevant provisions of Customs Valuation (Determination of Value of Export Goods) Rules, 2007: -

*"**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.

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.
……..

7. Declaration by the exporter. -
The exporter shall furnish a declaration relating to the value of export goods in the manner specified in this behalf.

***8.* Rejection of declared value. –**

(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any export goods, he may ask the exporter of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such exporter, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, the transaction value shall be deemed to have

not been determined in accordance with sub-rule (1) of rule 3.

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

Explanation. - (1) For the removal of doubts, it is hereby declared that-
(i) This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 6.

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

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

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

(b) the significantly higher value compared to the market value of goods of like kind and quality at the time of export.

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

10.10 Section 3 of the Foreign Trade (Development and Regulation) Act, 1992: -

"3. Powers to make provisions relating to Exports and exports. -
(1) The Central Government may, by Order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating Exports and increasing exports.
(2) The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and

subject to such exceptions, if any, as may be made by or under the Order, the Export or export of goods.
(3) All goods to which any Order under sub-section (2) applies shall be deemed to be goods the Export or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly."

10.11 Section 11 of the FTDR Act, 1992:

"11. Contravention of provisions of this Act, rules, orders and export and Export policy. –
(1) No export or Export shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the export and Export policy for the time being in force.
(2) Where any person makes or abets or attempts to make any export or Export in contravention of any provision of this Act or any rules or orders made thereunder or the export and Export policy, he shall be liable to a penalty not exceeding one thousand rupees or five times the value of the goods in respect of which any contravention is made or attempted to be made, whichever is more.
(3) Where any person signs or uses, or causes to be made, signed or used, any declaration, statement or document submitted to the Director General or any officer authorised by him under this Act, knowing or having reason to believe that such declaration, statement or document is forged or tampered with or false in any material particular, he shall be liable to a penalty of not less than ten thousand rupees or more than five times the value of the goods or services or technology in respect of which such declaration, statement or document had been submitted, whichever is more.
(4)….
(5)…..
(6) ….
(7) …
(8) Where any contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy has been, is being, or is attempted to be, made, the goods (including the goods connected with services or technology) together with any package, covering or receptacle and any conveyances shall, subject to such conditions and requirement as may be prescribed, be liable to confiscation by the Adjudicating Authority.
(9) The goods (including the goods connected with services or technology) or the conveyance confiscated under sub-section (8) may be released by the Adjudicating Authority, in such manner and subject to such conditions as may be prescribed, on payment by the person

concerned of the redemption charges equivalent to the market value of the goods or conveyance, as the case may be."

10.12 Rules 11, 14 and 17 of the Foreign Trade (Regulation) Rules, 1993: -

Rule 11. Declaration as to value and quality of Exported goods. -
"On the Exportation 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 Shipping bills 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 Shipping bills or Shipping Bill or any other documents. "

***Rule* 14. Prohibition regarding making, signing of any declaration, statement or documents-**
"(1) No person shall make, sign or use or cause to be made, signed or used any declaration, statement or document for the purposes of obtaining a licence or exporting any goods knowing or having reason to believe that such declaration, statement or document is false in any material particular.
(2) No person shall employ any corrupt or fraudulent practice for the purposes of obtaining any licence or Exporting or exporting any goods."

***Rule 17. Confiscation and redemption* -**
"(1) Any Exported goods or materials or goods or materials for export or goods or materials connected with Export or export or services or technology, in respect of which—
(a) ……
(b)……
(c) any condition imposed under the policy with regard to the sale, disposal, Export or export of such goods or materials or goods or materials connected with services or technology;
has been, is being, or is attempted to be contravened, shall together with any package, covering or receptacle in which such goods or goods connected with services or technology are found, be liable to the confiscated be the Adjudicating Authority, and where such goods or materials or goods or materials connected with services or technology

are so mixed with any other goods or materials that they cannot be readily separated, such other goods or materials shall also be liable to be so confiscated: ……. (2) ……"

11. Outcome of the Investigation: -

11.1 A total of two shipping bills were filed by the exporter, M/s. King International (IEC: ABAFK4641A), Palwal, Haryana, with the intent to export highly over-valued consignments for availing export incentives. Acting on the specific intelligence, a detailed examination of the said export consignments was conducted in the presence of the Customs House Agent (CHA), a representative of the CFS, and a government approved Chartered Engineer.

11.2 During examination, it was revealed that the said consignment comprised 1,663 pieces of wash basins of various sizes and designs, out of which approximately 400 pieces were found to be completely broken, while the remaining 1,263 pieces were found to be defective/damaged and of inferior category. Examination of these 1,263 pieces further revealed that there were 11 different types of wash basins based on size, shape, and design. Shri Pankaj Udani, Chartered Engineer, assessed and informed the actual market value of the goods based on their size, shape, design, and quality. Analysis thereof revealed that the prevailing market value of the 1,263 pieces appeared to be Rs. 1,76,210/-, whereas the exporter had declared total value of goods to be exported vide abovesaid two shipping bills as Rs. 81,47,286.45/- and claimed IGST refund amounting to Rs. 14,66,510/-. This clearly indicates mis-declaration of value and quality of the goods and gross exaggeration of value with the intent to wrongfully claim export benefits/refunds.

11.3 As the goods were found to be mis-declared, the FOB value declared in the abovesaid two shipping bills, amounting to Rs. 81,47,286.45/-, appeared liable to be rejected. Accordingly, in terms of Section 14(1) of the Customs Act, 1962, read with Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, the FOB value appeared to be re-determined as Rs. 1,76,210/- under Rule 6 of the said Rules, based on the valuation report of the Government-approved Valuer/Chartered Engineer.

11.4 The exporter was summoned for recording of statement under Section 108 of the Customs Act, 1962. Accordingly, the statement of Shri Faiyaz Hanif Kherani, authorised representative of M/s. King International, was recorded on 26.11.2025 wherein he, inter alia, acknowledged the valuation report issued by the Government-approved Valuer/Chartered Engineer and further stated that no export benefits had been claimed by them.

11.5 The total drawback amount claimed on the export goods under the

aforesaid two Shipping Bills, amounting to Rs. 1,14,062.02/- (Rupees One Lakh Fourteen Thousand Sixty-Two and Paise Two Only), appeared liable to be rejected and recovered in terms of Section 75 of the Customs Act, 1962.

11.6 The total RoDTEP benefit claimed on the export goods under the aforesaid two Shipping Bills, amounting to Rs. 73,325/- (Rupees Seventy-Three Thousand Three Hundred Twenty-Five Only), appeared liable to be denied/rejected in terms of Section 51B of the Customs Act, 1962, read with the applicable provisions of the Foreign Trade Policy and relevant RoDTEP guidelines issued thereunder.

11.7 The total IGST amount declared/claimed on the export goods under the aforesaid two Shipping Bills, amounting to Rs. 14,66,511.56/- (Rupees Fourteen Lakh Sixty-Six Thousand Five Hundred Eleven and Paise Fifty-Six Only), appeared liable to be rejected/denied in terms of Section 16 of the Integrated Goods and Services Tax Act, 2017, read with Section 54 of the Central Goods and Services Tax Act, 2017, and Rule 96 of the Central Goods and Services Tax Rules, 2017.

11.8 The exporter appears to have violated the provisions of Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992, inasmuch as they failed to make a true and correct declaration of value and description of the goods in the shipping bills submitted to the Customs authorities.

11.9 Whereas, the Custom House Agent Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai has filed the impugned Shipping Bills and other export documents on behalf of the exporter. Further, a Customs House Agent (CHA), acting within the scope of the statutory obligations prescribed under the applicable customs laws and regulations, is required to ensure the accurate and lawful classification of goods for customs purposes and to maintain complete, accurate, and up-to-date records pertaining to import and export transactions. In addition, a CHA is obligated to undertake such examination or verification of the goods or conveyances as may be required under the law before facilitating or authorizing their clearance for entry into or departure from the territory of the country, thereby ensuring compliance with the provisions of the customs legislation and safeguarding the interests of the revenue.

11.10 Further, it was incumbent upon the CHA to conduct due diligence and comply with the Know Your Customer (KYC) requirements, including verification of the antecedents, existence of the exporter, correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information before undertaking customs clearance and filing the aforesaid shipping bills. This indicates a failure on the part of the

CHA to discharge its statutory obligations of due diligence as mandated under the applicable provisions of Customs Brokers Licensing Regulations, 2018.

11.11 Investigation further revealed that the Customs Broker was not merely acting as a filing agent but knowingly facilitated the export of the mis-declared goods as it is also evident from the statement of Freight Forwarder, Shri Madan Lal Dhanka, Proprietor of M/s. Momentum Cargo Movers mentioned at Para 4(d) above. The statements recorded under Section 108 of the Customs Act, 1962, together with documentary and other corroborative evidence gathered during investigation, indicates that the Customs Broker was aware of, and actively assisted in, filing export documents containing false declarations regarding the description, quality and value of the export goods, thereby facilitating an attempt to obtain inadmissible export benefits.

11.12 Whereas, by the aforesaid acts and omissions, Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai, Customs Broker, appeared knowingly concerned itself with and abetted the attempted improper export of goods liable to confiscation under Section 113 of the Customs Act, 1962 and, thus, rendered himself liable for penal action under Section 114(iii) of the Customs Act, 1962.

11.13 Further, Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai, Customs Broker, appeared to have knowingly used, signed, processed and caused to be used false declarations, invoices, packing lists, Shipping Bills and other material documents in connection with the export of the said goods and therefore, rendered himself liable for penal action under Section 114AA of the Customs Act, 1962.

12. In view of the discussion in foregoing paras, it appears that: -

a) The declared FOB value of the export goods amounting to Rs. 81,47,286/- (Rupees Eighty-One Lakh Forty-Seven Thousand Two Hundred Eighty-Six Only), covered under the aforesaid two Shipping Bills as detailed above in Table-A, is liable for rejection under Section 14(1) of the Customs Act, 1962 read with Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, as the declared value does not represent the true transaction value of the goods. Accordingly, the value is required to be re-determined under Rule 6 of the said Rules at Rs. 1,76,210/- (Rupees One Lakh Seventy-Six Thousand Two Hundred Ten Only), based on the valuation report of the Government-approved Valuer/Chartered Engineer, derived from market survey, condition of the goods and contemporaneous available data, as detailed above in Table-B.

b) The drawback claim filed in respect of the aforesaid two Shipping Bills

is liable for rejection and consequent denial under Section 75 of the Customs Act, 1962 read with the Customs and Central Excise Duties Drawback Rules, 2017, for the reasons discussed hereinabove. Accordingly, the drawback amount is liable to be restricted proportionately to the re-determined FOB value, as detailed above in Table-C.

c) The claim of benefit under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme in respect of the aforesaid two Shipping Bills is liable for rejection/restriction in terms of the provisions of Paragraph 4.55 of the Foreign Trade Policy, 2023 read with the applicable RoDTEP Scheme Guidelines and Customs notifications issued thereunder, for the reasons discussed above. Accordingly, the RoDTEP benefit is liable to be restricted to the re-determined FOB value, as detailed in Table-D.

d) The claim of refund of Integrated Goods and Services Tax (IGST) in respect of the aforesaid two Shipping Bills is liable for rejection/restriction under Section 16 of the Integrated Goods and Services Tax Act, 2017 read with Section 54 of the Central Goods and Services Tax Act, 2017 and Rule 96 of the CGST Rules, 2017, for the reasons discussed above. Accordingly, the IGST refund is liable to be restricted to the re-determined FOB value, as detailed in Table-E.

e) The goods covered under the said two Shipping Bills, having a re-determined value of Rs. 1,76,210/- (Rupees One Lakh Seventy-Six Thousand Two Hundred Ten Only), are liable to confiscation under **113(h), 113(i), 113(ia), and 113(ja),** read with Section **50(2)** of the Customs Act, 1962, Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and Section **11(1)** of the Foreign Trade (Development and Regulation) Act, 1992.

f) Penalty is liable to be imposed on M/s. King International under **Section 114(iii)** of Customs Act, 1962 for knowingly and intentionally furnishing false declarations relating to the description, value, composition and quality of the export goods with intent to avail undue export benefits.

g) Penalty is liable to be imposed on M/s. King International, under **Section 114AA** of Customs Act, 1962 for knowingly and intentionally furnishing false declarations relating to the description, value, composition and quality of the export goods with intent to avail undue export benefits.

h) Penalty is liable to be imposed on M/s. King International, under **Section 114AC** of the Customs Act, 1962 for using/furnishing fraudulent invoices and documents obtained through collusion, wilful misstatement and suppression of facts with intent to avail inadmissible Input Tax Credit (ITC) and undue export benefits. By such acts and omissions, the exporter rendered the goods liable to confiscation under Sections 113(h), 113(i), 113(ia) and 113(ja) read with Section 50(2) of the Customs Act, 1962, Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and Section 11(1) of the Foreign

Trade (Development and Regulation) Act, 1992.

i) The export goods covered under the impugned Shipping Bills were grossly mis-declared in respect of their description, quality and value with the intent to fraudulently avail inadmissible IGST refund. The goods declared as "Sanitary Ware Wash Basins" were found to be old, used and broken wash basins, thereby rendering them liable to confiscation under Section 113 of the Customs Act, 1962. I further find that Shri Jai Kishan Kotak, Director of M/s. Sri Radhakrishna Shipping (P) Ltd., Mumbai, Customs Broker, knowingly facilitated the export of the mis declared goods by filing Shipping Bills and other export documents containing false declarations regarding the description and value of the goods. The evidence on record, including the statements recorded under Section 108 of the Customs Act, 1962 and other corroborative material, establishes the Customs Broker's active involvement in the attempted improper export. Accordingly, Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai is liable to penalty under **Section 114(iii)** of the Customs Act, 1962 for abetting the attempted improper export of goods liable to confiscation under Section 113 and is also liable to penalty under **Section 114AA** of the Customs Act, 1962 for knowingly using false declarations and documents in connection with the export.

13. Further, it is noticed that an extension of six months under Section 110(2) of the Customs Act, 1962, for issuance of the Show Cause Notice (SCN) in respect of the seized goods has been duly obtained from the competent authority in the present matter.

14.1 Now therefore, M/s. King International (IEC: ABAFK4641A) situated at Railway Road, Near Dharam Public School, Palwal, Haryana-121102 is hereby called upon to show cause to the Additional Commissioner of Customs (Prev.), having his Office at “Seema Shulk Bhavan” Rajkot-Jamnagar Highway, Jamnagar within 30 days of the receipt of this Notice as to why:

i) The description of impugned goods declared as fresh ceramic wash basins should not be rejected and the same should not be re-described as broken and used wash basins. The total declared FOB value of the said goods declared as fresh ceramic wash basins under CTH 69109000 covered under the aforesaid two Shipping Bills as detailed above in Table-A, as Rs. 81,47,286/- (Rupees Eighty-One Lakh Forty-Seven Thousand Two Hundred Eighty-Six Only), should not be rejected under Section 14(1) of the Customs Act, 1962 read with Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, as the declared value does not represent the true transaction value of the goods, and the same should not be re-

determined as Rs. 1,76,210/- (Rupees One Lakh Seventy-Six Thousand Two Hundred Ten Only), as discussed at Para 4.7 above.

ii) The goods covered under the said two Shipping Bills, should not be held liable to confiscation under **113(h), 113(i), 113(ia), and 113(ja),** read with Section **50(2)** of the Customs Act, 1962, Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and Section **11(1)** of the Foreign Trade (Development and Regulation) Act, 1992.

iii) Penalty should not be imposed on M/s. King International under **Section 114(iii)** of Customs Act, 1962 for knowingly and intentionally furnishing false declarations relating to the description, value, composition and quality of the export goods with intent to avail undue export benefits.

iv) Penalty should not be imposed on M/s. King International, under **Section 114AA** of Customs Act, 1962 for knowingly and intentionally furnishing false declarations relating to the description, value, composition and quality of the export goods with intent to avail undue export benefits.

v) Penalty should not be imposed on M/s. King International, under Section 114AC of the Customs Act, 1962 for using/furnishing fraudulent invoices and documents obtained through collusion, wilful misstatement and suppression of facts with intent to avail inadmissible Input Tax Credit (ITC) and undue export benefits.

14.2 Further, Shri Jai Kishan Kotak, Director of M/S. Sri Radhakrishna Shipping (P) Ltd., Mumbai, is also called upon to show cause to the Additional Commissioner of Customs (Prev.), having his Office at "Seema Shulk Bhavan" Rajkot-Jamnagar Highway, Jamnagar within 30 days of the receipt of this Notice as to why:

i) Penalty under **Section 114(iii)** of the Customs Act, 1962 should not be imposed upon him for abetting the attempted improper export of goods liable to confiscation under Section 113 of Customs Act, 1962.

ii) Penalty under **Section 114AA** of the Customs Act, 1962 1962 should not be imposed upon him for knowingly using false declarations and documents in connection with the export.

15. This show cause notice is being issued under Section 124 of Customs Act, 1962 without prejudice to any other action that may be against the Noticee or any other persons concerned in respect of the aforesaid goods

under the Customs Act, 1962 and /or any other law for the time being in force. The aforesaid Noticees are further required to note that their written submissions, if any, should reach this Office within 30 (thirty) days from the date of receipt of this Notice. They are also required to produce all evidence upon which they intend to rely in support of their defense. They are further required to indicate in their written reply as to whether they desire to be heard in person before the case is adjudicated.

16. If no cause is shown by them against the action proposed above within 30 days from the date of receipt of this Show Cause Notice or if they do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record, without further reference to them.

17. The documents relied upon in the present Notice are as listed at Annexure attached to this Show Cause Notice.

18. This office reserves the right to issue another show cause notice in any other contravention, non-fulfilment of conditions or any other issue leading to the contravention of any provisions of EXIM Policy/Foreign Trade Policy, not covered in this show cause notice for importation and supply of the said goods.

Digitally signed by
Nakidi Srujan Kumar
Date: 21-07-2026
17:09:22

(Srujan Kumar Nakidi)

Additional Commissioner

Customs (Preventive) Jamnagar

List of Relied Upon Documents (RUDS) to the SCN in respect of M/s. King International (IEC: ABAFK4641A) situated at Railway Road, Near Dharam Public School, Palwal, Haryana-121102:

RUD No.	Subject	Remarks
RUD-1	Shipping Bill Nos. 3057060 and 3057624, both dated 26.06.2025 with documents.	Copy attached.
RUD-2	Panchnama proceedings drawn at Warehouse No.1, ICD Morbi at Navkar Corporation Limited on 22-23.07.2025.	Copy attached.
RUD-3	Seizure memo dated 23.07.2025	Copy attached.

RUD-4	GSTIN Certificate of M/s. King International, Palwal	Copy attached.
RUD-5	CGST Commissionerate, Faridabad, letter dated 08.12.2025 and Alert Circular.	Copy attached.
RUD-6	The Valuation report dated 31.07.2025 of the Chartered Engineer and Government-approved Valuer.	Copy attached.
RUD-7	Statement of the Custom House Agent, Shri Jai Kishan Kotak S/o Shri Bipin Kotak, Director of M/s. Sri Radhakrishna Shipping (P) Ltd., Mumbai dated 31.07.2025.	Copy attached.
RUD-8	Statement of Freight Forwarders, Shri Madan Lal Dhanka, Proprietor of M/s. Momentum Cargo Movers dated 25.11.2025.	Copy attached.
RUD-9	Statement of Shri Faiyaz Hanif Kherani, authorized representative of M/s. King International, dated 26.11.2025.	Copy attached.

By Speed Post/Regd. Post/E-mail/Hand Delivery

To:

1. M/s. King International (IEC: ABAFK4641A),
   Railway Road, Near Dharam Public School,
   Palwal, Haryana-
   121102

2. Shri Jai Kishan Kotak,
   Director of M/s. Sri Radhakrishna Shipping (P) Ltd.
   (CB Code-AABCS5273MCH002/CHA Licence No. 11/468),
   40, Goa Street, Off. Shahid Bhagat Singh Road,
   Fort, Mumbai-400001

Copy to:

1. The Commissioner, Customs [Preventive], HQ. Jamnagar.
2. The Assistant Commissioner, ICD, Morbi.
3. Guard File.