



SHOW CAUSE NOTICE

(UNDER SECTIONS 28AAA AND 124 OF THE CUSTOMS ACT, 1962 READ WITH
SECTION 110AA OF THE CUSTOMS ACT, 1962)

Subject: Customs offence – SEIS scrips obtained by willful mis-statement and suppression of facts by **M/s Inventurus Knowledge Solution Limited**, 801, Building No.5 & 6, 8th Floor, Mind space Business Park (SEZ), Thane-Belapur Road, Airoli, Navi Mumbai-400 708 - Demand of duty under Section 28AAA of the Customs Act, 1962 — Forwarding of Investigation Report – Regarding.

WHEREAS IT APPEARS THAT:-

M/s Inventurus Knowledge Solution Limited, 801, Building No.5 & 6, 8th Floor, Mind space Business Park (SEZ), Thane-Belapur Road, Airoli, Navi Mumbai-400 708 (hereinafter referred as '**M/s IKS**'), has availed SEIS scrips credit by misclassification of the services exported, which was transferred to other entities who have utilized the same for payment of Customs Duty.

A. Background

M/s IKS holders of IEC No. 306051486 are engaged in providing Revenue Cycle Management/Medical Transcription/Medical coding/Virtual Scribe services to the Health Care providers (Hospitals) in the US.

2. Specific intelligence developed by DRI, Hyderabad Zonal Unit indicated that M/s IKS has exported Revenue Cycle Management/Medical Transcription/Medical coding/Virtual Scribe service to clients in the US and appears to have claimed Service Export from India Scheme (hereinafter referred to '**SEIS**') Scrips/Licences/Instruments (hereinafter referred to as '**Scrips**') benefits by classifying the services exported under "Accounting, Auditing & Book-keeping" and "Hospital Services" as notified under Appendix 3D of Foreign Trade Policy(FTP), 2015-2020. From the preliminary verification, it appeared that M/s IKS have availed SEIS benefit on services which are not in line with the services actually supplied by them; that M/s IKS are basically engaged in services which are in the nature of processing of Insurance claims, Business Process Outsourcing and Business Process Management which appears to be classifiable under "**Other Management Consultancy/services related to other management consulting**". Prima facie it appeared that M/s IKS has availed SEIS scrip

benefit of additional 2 percentage of Net Foreign Exchange over and above what they may be eligible. Hence investigation was initiated.

B. RELEVANT PROVISIONS AND DEFINITIONS

Relevant definitions and provisions of the Foreign Trade Policy 2015-2020, Foreign Trade (Development & Regulation) Act, 1992, General Agreement on Trade in Services (GATS), Service Exports from India (SEIS) scheme, the Provisional Central Product Classification (CPC) are given below:

FOREIGN TRADE POLICY

3. The Foreign Trade Policy 2015-2020 (henceforth referred as 'FTP'), which was notified under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (henceforth referred as 'FTDR') by the Director General of Foreign Trade with effect from 01.04.2015, introduced two new schemes viz. Merchandise Exports from India Scheme (MEIS) for exports of specified goods to specified markets and Service Exports from India Scheme (SEIS) for export of notified services, in the place of plethora of schemes existing earlier, as per Chapter 1 of FTP.

DEFINITIONS IN FOREIGN TRADE POLICY

3.1. Relevant definitions of terms used in FTP as given in Chapter 9 of the FTP are reproduced below:

- 9.00** *For purpose of FTP, unless context otherwise requires, the following words and expressions shall have the following meanings attached to them:-*
- 9.02** *"Act" means Foreign Trade (Development and Regulation) Act, 1992 (No.22 of 1992) [FT (D&R) Act] as amended from time to time.*
- 9.06** *"Applicant" means person on whose behalf an application is made and shall, wherever context so requires, includes person signing the application.*
- 9.20** *"Export" is as defined in FT (D&R) Act, 1992, as amended from time to time.*
- 9.38** *"Person" means both natural and legal and includes an individual, firm, society, company, corporation or any other legal person including the DGFT officials.*
- 9.50** *"Services" include all tradable services covered under General Agreement on Trade in Services (GATS) and earning free foreign exchange.*
- 9.51** *"Service Provider" means a person providing:*
 - (i)** *Supply of a 'service' from India to any other country;*

(Model- Cross border trade)

- (ii) *Supply of a 'service' from India to service consumer(s) of any other country in India; (Mode 2- Consumption abroad)*
- (iii) *Supply of a 'service' from India through commercial presence in any other country. (Mode 3 – Commercial Presence.)*
- (iv) *Supply of a 'service' from India through the presence of natural persons in any other country (Mode 4- Presence of natural persons.)*

DEFINITIONS IN FOREIGN TRADE (DEVELOPMENT & REGULATION) ACT, 1992

4. Definition of “**export**” in relation to services or technology as given in Section 2(e) of Foreign Trade (Development & Regulation) Act, 1992 is reproduced as below:

- (ii) *supplying, services or technology----*
 - (A) *from India into the territory of any other country;*
 - (B) *in India to the service consumer of any other country;*
 - (C) *by a service supplier of India, through commercial presence in the territory of any other country;*
 - (D) *by a service supplier of India, through presence of Indian natural persons in the territory of any other country:*

4.1 As per Section 2(j) of FTDR "services" means *service of any description which is made available to potential users and includes all the tradable services specified under the General Agreement on Trade in Services entered into amongst India and other countries who are party to the said Agreement and provided that, this definition shall not apply to the domain of taxation.*

GENERAL AGREEMENT ON TRADE IN SERVICES

5. The para 1 and 2 of “Article I – Scope and Definition of General Agreement on Trade in Services” (GATS), is as below:

Article I: Scope and Definition

1. This Agreement applies to measures by Members affecting trade in services.
2. *For the purposes of this Agreement, trade in services is defined as the supply of a service:*
 - (a) *from the territory of one Member into the territory of any other Member;*
 - (b) *in the territory of one Member to the service consumer of any other Member;*
 - (c) *by a service supplier of one Member, through commercial presence in the territory of any other Member;*
 - (d) *by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.*

5.1 The GATS define the “*supply of a service*” to include the production, distribution, marketing, sale and delivery of that service.

INTRODUCTION TO SEIS SCHEME

6. The SEIS scheme as notified in FTP from Para **3.07 to 3.12** are reproduced as below:

“3.07 Objective -

Objective of Service Exports from India Scheme (SEIS) is to encourage export of notified Services from India.

3.08 Eligibility

- (a) *Service Providers of notified services, located in India, shall be rewarded under SEIS, subject to conditions as may be notified. Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible. The notified services and rates of rewards are listed in Appendix 3D.*
- (b) *Such service provider should have minimum net free foreign exchange earnings of US\$15,000 in preceding financial year to be eligible for Duty Credit Scrip. For Individual Service Providers and sole proprietorship, such minimum net free foreign exchange earnings criteria would be US\$10,000 in preceding financial year.*
- (c) *Payment in Indian Rupees for service charges earned on specified services, shall be treated as receipt in deemed foreign exchange as per guidelines of Reserve Bank of India. The list of such services is indicated in Appendix 3E.*
- (d) *Net Foreign exchange earnings for the scheme are defined as under: Net Foreign Exchange = Gross Earnings of Foreign Exchange minus Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year.*
- (e) *If the IEC holder is a manufacturer of goods as well as service provider, then the foreign exchange earnings and Total expenses / payment / remittances shall be taken into account for service sector only.*
- (f) *In order to claim reward under the scheme, Service provider shall have to have an active IEC at the time of rendering such services for which rewards are claimed.*

3.09 Ineligible categories under SEIS

- (1) *Foreign exchange remittances other than those earned for rendering of notified services would not be counted for entitlement. Thus, other sources of foreign exchange earnings such as equity or debt participation, donations, receipts of repayment of loans etc. and any other inflow of foreign exchange, unrelated to rendering of service, would be ineligible.*

(2) Following shall not be taken into account for calculation of entitlement under the scheme

(a) Foreign Exchange remittances:

I. Related to Financial Services Sector

- (i) Raising of all types of foreign currency Loans;
- (ii) Export proceeds realization of clients;
- (iii) Issuance of Foreign Equity through ADRs/GDRs or other similar instruments;
- (iv) Issuance of foreign currency Bonds;
- (v) Sale of securities and other financial instruments;
- (vi) Other receivables not connected with services rendered by financial institutions; and

II. Earned through contract/regular employment abroad (e.g. labour remittances);

- (b) Payments for services received from EEFC Account;
- (c) Foreign exchange turnover by Healthcare Institutions like equity participation, donations etc.
- (d) Foreign exchange turnover by Educational Institutions like equity participation, donations etc.
- (e) Export turnover relating to services of units operating under EOU / EHTP/ STPI / BTP Schemes or supplies of services made to such units; (Amended vide Notification No 8/2015-20 dated 4th June, 2015)
- (f) Clubbing of turnover of services rendered by SEZ / EOU /EHTP / STPI / BTP units with turnover of DTA Service Providers;
- (g) Exports of Goods.
- (h) Foreign Exchange earnings for services provided by Airlines, Shipping lines service providers plying from any foreign country X to any foreign country Y routes not touching India at all.
- (i) Service providers in Telecom Sector.

3.10 Entitlement under SEIS

Service Providers of eligible services shall be entitled to Duty Credit Scrip at notified rates (as given in Appendix 3D) **on net foreign exchange earned.**

3.12 Effective date of schemes (MEIS and SEIS)

The schemes shall come into force with effect from the date of notification of this Policy, i.e. the rewards under MEIS/SEIS shall be admissible for exports made/services rendered on or after the date of notification of this Policy.

6.1. The Public Notice No.3/2015-20 dated 01/04/2015 issued by DGFT notified Appendix 3D which listed the services with the Provisional Central Product Classification (CPC) code pertaining to the services listed and admissible rate in % (on net foreign exchange earnings) as the reward for such export of services.

7. The Public Notice No.3/2015-20 dated 01/04/2015 issued by DGFT notified **Appendix 3D** which contains the list of services alongwith the provisional **Central Product Classification (CPC)** code and the admissible rate in % (on net foreign exchange earnings) as the reward for such export of services. The relevant services to the subject investigation as per Appendix 3D, are only reproduced below: -

S.No.	SECTORS	Central Product Classification (CPC) Code	Admissible rate in % (on Net Foreign Exchange earnings) [As amended by DGFT] (Till 31.10.2017/from 01.11.2017)
1	BUSINESS SERVICES		
A.	<u>Professional services</u>		
a.	Legal services	861	5/7
b.	Accounting, auditing and bookkeeping services	862	5/7
D	<u>Other business services</u>		
a.	Advertising services	871	3/5
b.	Market research and public opinion polling services	864	3/5
c.	Management consulting service	865	3/5
d.	Services related to management consulting	866	3/5
6	HEALTH-RELATED AND SOCIAL SERVICES		
A.	Hospital services	9311	5/7

8. About Central Product Classification:

8.1. The Provisional Central Product Classification (CPC) was issued by the Department of International Economic and Social Affairs, Statistical Office of the United Nations, constitutes a complete product classification covering goods and services. The CPC is a system of categories covering both goods and services that is both exhaustive (i.e.all goods and services are covered) and mutually exclusive (i.e. a given good or service may only be classified in one CPC category). The coding system of CPC is hierarchical and purely decimal. The classification consists of Sections (identified by the first digit), Divisions (identified by the first and second digits), Group (identified by the first three digits), Class (identified by the first four digits) and Subclass (identified by the first five digits). The first five sections classify products and second five sections classify services.

8.2. The CPC prescribes Rules of Interpretation for both products and services. The Rules of Interpretation as in the WCO-HSN is adopted for products. It states that the classification

of services shall be according to the terms of the categories as described in sections, divisions, groups, classes or subclasses of CPC. It devises rules when services are *prima facie* classifiable under two or more categories on the understanding that only categories at the same level (sections, divisions, groups, classes or subclasses) are comparable. With regard to classification it is mentioned in CPC as below:

‘B. Classification of services in the categories of Sections 5 to 9 inclusive shall be determined according to the terms of the categories as described in the sections, divisions, groups, classes or subclasses of the CPC. 1. When services are, *prima facie*, classifiable under two or more categories, classification shall be effected as follows, on the understanding that only categories at the same level (sections, divisions, groups, classes or subclasses) are comparable:

- (a) The category which provides the most specific description shall be preferred to categories providing a more general description.
- (b) Composite services consisting of a combination of different services which cannot be classified by reference to 1(a) shall be classified as if they consisted of the service which gives them their essential character, in so far as this criterion is applicable.
- (c) When services cannot be classified by reference to 1(a) or 1(b), they shall be classified under the category which occurs last in numerical order among those which equally merit consideration. 2. Services which cannot be classified in accordance with the above rules shall be classified under the category appropriate to the services to which they are most akin.’

8.3. The classification of services relevant to the subject investigation are given hereunder

8621 Accounting and auditing services

86211 Financial auditing services

Examination services of the accounting records and other supporting evidence of an organization for the purpose of expressing an opinion as to whether financial statements of the organization present fairly its position as at a given date and the results of its operations for the period ended on that date in accordance with generally accepted accounting principles. 86212 Accounting review services Reviewing services of annual and interim financial statements and other accounting information. The scope of a review is less than that of an audit and therefore the level of assurance provided is lower. 86213 Compilation of financial statements services Compilation services of financial statements from information provided by the client. No assurances regarding the accuracy of the resulting statements are provided. Preparation services of business tax returns, when provided as a bundle with the preparation of financial statements for a single fee, are classified here. Exclusion: Business tax preparation services, when provided as separate services, are classified in subclass 86302 (Business tax preparation and review services).

86219 Other accounting services

Other accounting services such as attestations, valuations, preparation services of pro forma statements, etc.

8622 86220 Bookkeeping services, except tax returns

Bookkeeping services consisting in classifying and recording business transactions in terms of money or some unit of measurement in the books of account. Exclusion: Bookkeeping services related to tax returns are classified in subclass 86302 (Business tax preparation and review services).

9311	93110	Hospital	services
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Services delivered under the direction of medical doctors chiefly to in-patients, aimed at curing, reactivating and/or maintaining the health status of a patient. Hospital services comprise medical and paramedical services, nursing services, laboratory and technical services including radiological and anaesthesiological services, etc.

865 8650 Management consulting services

86501 General management consulting services

Advisory, guidance and operational assistance services concerning business policy and strategy and the overall planning, structuring and control of an organization. More specifically, general management consulting assignments may deal with one or a combination of the following: policy formulation, determination of the organizational structure (decision-making system) that will most effectively meet the objectives of the organization, legal organization, strategic business plans, defining a management information system, development of management reports and controls, business turnaround plans, management audits, development of profit improvement programmes and other matters which are of particular interest to the higher management of an organization.

866 8660 Services related to management consulting

86601 Project management services other than for construction Coordination and supervision services of resources in preparing, running and completing a project on behalf of the client. Project management services can involve budgeting, accounting and cost control, procurement, planning of timescales and other operating conditions, coordination of subcontractors' work, inspection and quality control, etc. These services consist only of management services; operating staff services are excluded.

Exclusions: Construction project management services are classified in class 8671 (Architectural services), 8672 (Engineering services) and, for turnkey projects, 8673 (Integrated engineering services).

9. As per Para 3.04 of Hand Book of Procedures for FTP, the application for the SEIS reward for eligible services rendered, shall be filed in ANF-3B form. As per ANF-3B form, the applicant undertakes to certify that he/she makes a true declaration therein and certifies that the foreign exchange earned is on account of services rendered from India alone in terms of Para 9.51(i) and Para 9.51(ii) of FTP and do not fall under ineligible category or service as

per Para 3.08 and Para 3.09 of FTP and the Chartered Accountant/Cost and Works Accountant/Company Secretary certifies those declarations/claims after due examination.

SUMMARY OF ALL PROVISIONS:

10. From the combined reading of above-mentioned provisions and definitions, availment of reward / scrips under SEIS scheme is subject to following eligibility and entitlement criteria:

- a) Applicant of SEIS reward/scrip shall be actual provider of the notified service/specified services i.e. who actually renders or performs the services and not who arranges or otherwise deals with the notified service. (Para 3.08 (a) and Para 3.09 (1) of FTP);
- b) Applicant of SEIS reward should have either supplied the notified service to the service consumer in any other country (Para 9.51 (i) of FTP)
or
have supplied the notified service to service consumer of any other country in India. (Para & 9.51(ii) of FTP)

Meaning in respect of notified services there are only two modes of services eligible for SEIS benefit;

- c) Applicant should have earned the foreign exchange towards performing the notified service for which the SEIS reward is sought. (Para 9.50 & Para 3.09 (1) of FTP);
- d) Payment in Indian Rupees for service charges earned on specified services listed in Appendix 3E, shall be treated as receipt in deemed foreign exchange as per guidelines of Reserve Bank of India (RBI);
- e) Reward is calculated at the rate notified in Appendix 3D on the net foreign exchange earned by the applicant in performing the service after deducting the expenses/payments made in foreign exchange relating to service sector in the Financial Year. (Para 3.08(a) and Para 3.08(d) of FTP);
- f) Remittances received towards statutory dues/levies or remittances received for payment or payable to the third party service providers who provide the notified service to the service consumers of any other country in India are not eligible for claim of SEIS benefit. (Para 9.50 of FTP);

- g) Documentary evidence of payments which are approved by RBI as deemed to be received in foreign exchange and deemed to be earned in foreign exchange are required for claiming services listed in Appendix 3E (Para 3.08(c) of FTP);
- h) The GATS define trade in services in terms of four modes of supply. Thus, the tradable service includes only those services rendered between a resident and a non-resident. Para 9.51 (i) & 9.51(ii) of FTP have restricted the eligibility to only two modes of supply namely Mode-1 cross border trade and Mode-2 consumption abroad respectively;
- i) The CPC being a decimal system, a reference to an aggregate category must be understood as a reference to all of the constituent parts of that category. Put differently, a reference to a three-digit CPC Group should, in the absence of any indication to the contrary, be understood as a reference to all the four-digit Classes and five-digit Sub-classes that make up the group; and a reference to a four-digit Class should be understood as a reference to all of the five-digit Sub-classes that make up that Class. (Interpretative Rules of CPC);
- j) For any services to be qualified under CPC-862 Accounting auditing services for availing scrips, the service provider should conduct examination services of the accounting, to check whether financial statements are fairly prepared, review annual and interim financial statements, compilation of financial statements from information provided by the client, preparation services of business tax returns. Further, the service provider has to do recording business transactions in terms of money or some unit of measurement in the books of account for the services to qualify under 'Bookkeeping services';
- k) CPC 9311 'Hospital services' comprise medical and paramedical services, nursing services, laboratory and technical services including radiological and anaesthesiological services, etc
- l) CPC-866 'Services related to management consulting' includes Project management services other than for construction;
- m) Basically CPC-865 'General management consulting services' includes operational assistance services that would most effectively meet the objectives of the organization;
- n) the reward / scrips entitlement is 3% / 5% of the net foreign exchange earned for the period 01.04.2015 to 31.10.2017 / 01.11.2017 to 31.03.2019 respectively in respect of CPC-865-Management Consulting services, and CPC-866 Services related to management consulting services. The rate of scrips is 5% / 7% of the net foreign exchange earned for the period 01.04.2015 to 31.10.2017 /

01.11.2017 to 31.03.2019 in respect of 'CPC-862 Accounting auditing services' and 'CPC 9311 - Hospital Services'.

. INVESTIGATION

11. In pursuance of the intelligence gathered, details of SEIS availed during the period from 2016-17 to 2018-19, copies of ANF-3B Form filed before the DGFT, Client wise copies of sample invoices and statement of work/ Contract agreement etc. were sought from M/s IKS. During the course of investigation, M/s IKS submitted information and documents related to availment of SEIS scrip benefit by them vide the following letters as given below:

Letter dated 18.02.2020	Annexure A1
Letter dated 19.10.2021	Annexure A2
Letter dated 17.11.2022	Annexure A3

12. M/s IKS submitted copies of Scrips along with copies of ANF-3B forms received under SEIS along with the other details vide their letter dated 18.02.2020[Annexure A1]. On perusal of the documents, it is noticed that M/s IKS has availed SEIS incentives under the following categories of services which are summarized as follows:

TABLE I

S.No	For Financial Year	1Ab- Professional Services (Accounting, auditing and Book keeping Services(862))	1Dd- Other business Services (Services related to Management Consulting (866))	6A- Hospital Services (9311)
1	2015-16	8,01,64,672/-	31,59,875/-	14,04,376/-
2	2016-17	9,88,56,257/-	2,21,759/-	15,86,020/-
3	2017-18	8,24,77,367/-	11,21,628/-	3,19,10,178/-
4	2018-19	13,34,83,110/-	20,96,725/-	21,86,70,768/-
	Total	39,49,81,406/-	65,99,987/-	25,35,71,342/-

TOTAL = Rs 85,18,91,720/-

12.1. M/s IKS in their applications filed in ANF-3B form have:

- certified sector wise details of net foreign exchange earned for above mentioned services;
- certified that the particulars and statements made in the application are true and correct and nothing has been concealed or held therefrom and that they fully understand that any information furnished in the application if found incorrect or false will render them liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

12.2. Based on the applications, the Regional Authority, Directorate General of Foreign Trade, SEEPZ, Mumbai issued licence numbers as detailed below and granted scrips for duty credit and the same have been registered with Jawaharlal Nehru Custom House, Nhava Sheva and Bombay Air Cargo:

TABLE II

S. No.	SEIS Scrip No, Date and Port of Registration	Scrip Amount (in Rs.)
1	271900306 dt.31.08.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
2	2719003564 dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
3	2719003565dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
4	2719003566dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
5	2719003567dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
6	2719003568dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
7	2719003569dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
8	2719003570dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
9	2719003571dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
10	2719003572dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
11	2719003573dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
12	2719003574dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
13	2719003575dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
14	2719003576dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
15	2719003577dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
16	2719003578dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
17	2719003580dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
18	2719003581dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
19	2719003582dt.06.10.2017; NhavaSheva Sea (INNSA1)	50,00,000.00
20	2719009241 dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
21	2719009242dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
22	2719009243dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
23	2719009244dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
24	2719009245dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
25	2719009246dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
26	2719009247dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
27	2719009248dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
28	2719009249dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
29	2719009250dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,00,00,000.00
30	2719009251 dt.28.03.2019; NhavaSheva Sea (INNSA1)	1,55,09,172.00
31	2719012310 dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
32	2719012311dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
33	2719012312dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
34	2719012313dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
35	2719012314dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
36	2719012315dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
37	2719012316dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
38	2719012317dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00

F.No. GEN/ADJ/COMM/231/2024-Adjn-O/o Commr-Cus-Kandla
DIN- 20250271ML000061186A

39	2719012318dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
40	2719012319dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
41	2719012320dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
42	2719012321dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
43	2719012322dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
44	2719012323dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
45	2719012324dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
46	2719012325dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
47	2719012326dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
48	2719012327dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
49	2719012328dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
50	2719012329dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
51	2719012330dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
52	2719012331dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
53	2719012332dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
54	2719012333dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
55	2719012334dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
56	2719012335dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
57	2719012336dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
58	2719012337dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
59	2719012338dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
60	2719012339dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
61	2719012340dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
62	2719012341dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
63	2719012342dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
64	2719012343dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
65	2719012344dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
66	2719012345dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
67	2719012346dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
68	2719012347dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
69	2719012348dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
70	2719012349dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
71	2719012350dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
72	2719012351dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
73	2719012352dt.24.01.2020; Bombay Air Cargo (INBOM4)	50,00,000.00
74	2719012353dt.24.01.2020; Bombay Air Cargo (INBOM4)	36,70,768.18
75	2719003297 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
76	2719003298 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
77	2719003299 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
78	2719003300 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
79	2719003301 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
80	2719003302 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
81	2719003303 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
82	2719003304 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
83	2719003305 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
84	2719003307 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
85	2719003308 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00

86	2719003309 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
87	2719003310 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
88	2719003311 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
89	2719003312 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
90	2719003313 dt.31.08.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
91	2719003579 dt.06.10.2017 NhavaSheva Sea (INNSA1)	50,00,000.00
92	2719003583 dt.06.10.2017	56,64,035.00
	total	51,98,43,976

12.3. M/s IKS sold these above scrips to other consultants such as M/s. Madhu Exports, M/s Shangrila Corporate Services Private Limited and M/s Neelam Linens & Garments (India) Private Limited who in turn have sold these Scrips to other importers for utilization. The details of utilization of these SEIS scrips, Bills of Entry-wise is as follows:

TABLE III

S. No.	SEIS Scrip No, Date and Port of Registration	Scrip Utilized by	Bill of Entry No and Filed at	Utilised Amount (inRs.)
1	2719003306 dt.31.08.2017; NhavaSheva Sea (INNSA1)	Bunge India P Ltd	3844360 dt.02.11.2017; filed at INIXY1	102354.01
2	2719003564 dt.06.10.2017; NhavaSheva Sea (INNSA1)	AdaniWilmar Ltd	3893002 dt.06.11.2017; filed at INMUN1	49,99,999
3	2719003565 dt.06.10.2017; NhavaSheva Sea (INNSA1)	AdaniWilmar Ltd	3893002 dt.06.11.2017; filed at INMUN1	49,99,999
4	2719003566 dt.06.10.2017; NhavaSheva Sea (INNSA1)	AdaniWilmar Ltd	4430557 dt.16.12.2017; filed at INMUN1	49,99,987.57
5	2719003567 dt.06.10.2017; NhavaSheva Sea (INNSA1)	AdaniWilmar Ltd	3893002 dt.06.11.2017 filed at INMUN1	49,99,999
6	2719003568 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	49,99,935.25
7	2719003569 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3783285 dt.28.10.2017 filed at INCCU1	49,99,935.25
8	2719003570 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	49,99,935.25
9	2719003571 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	49,99,935.24
10	2719003572 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	49,99,935.25
11	2719003573 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	49,99,935.25
12	2719003574 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3782626 dt.28.10.2017 filed at INCCU1	22,66,473.46

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			3783285 dt.28.10.2017 filed at INCCU1	1,16,454.48
13	2719003575 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3783285 dt.28.10.2017 filed at INCCU1	49,99,935.27
14	2719003576 dt.06.10.2017; NhavaSheva Sea (INNSA1)	K.T.V. Health Food P Ltd	3752106 dt.25.10.2017 filed at INMAA1	49,99,999.57
15	2719003577 dt.06.10.2017; NhavaSheva Sea (INNSA1)	K.T.V. Health Food P Ltd	3752106 dt.25.10.2017 filed at INMAA1	19,52,114.23
			3752107 dt.25.10.2017 filed at INMAA1	30,47,885.04
16	2719003578 dt.06.10.2017; NhavaSheva Sea (INNSA1)	K.T.V. Health Food P Ltd	3752107 dt.25.10.2017 filed at INMAA1	39,04,228.76
17	2719003580 dt.06.10.2017; NhavaSheva Sea (INNSA1)	K.T.V. Health Food P Ltd	3752122 dt.25.10.2017 filed at INMAA1	41,43,654.5
18	2719003581 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3783285 dt.28.10.2017 filed at INCCU1	49,99,935.25
19	2719003582 dt.06.10.2017; NhavaSheva Sea (INNSA1)	EmamiAgrotech Ltd	3783285 dt.28.10.2017 filed at INCCU1	49,99,935.25
20	2719009241 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,980
21	2719009242 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,979.99
22	2719009243 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,989.99
23	2719009244 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,990.01
24	2719009245 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,979.92
25	2719009246 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,989.91
26	2719009247 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	99,99,985.08
27	2719009248 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4	87,53,633.7
			2695749 dt.03.04.2019 filed at INDEL4	12,46,346.29
28	2719009249 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695749 dt.03.04.2019 filed at INDEL4	88,07,899.01
			2697836 dt.03.04.2019 filed at INDEL4	11,92,080.13
29	2719009250 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2697836 dt.03.04.2019 filed at INDEL4	99,99,990.17
30	2719009251 dt.28.03.2019; NhavaSheva Sea (INNSA1)	MMTC Pamp India P Ltd	2695568 dt.03.04.2019 filed at INDEL4,	66,65,256.25
			2697836 dt.03.04.2019 filed at INDEL4	86,68,260.7

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		2701076 dt.04.04.2019 filed at INDEL4	1,75,634.82
		6958604 dt.20.02.2020 filed at INNSA1	4,39,285.2
		6961018 dt.20.02.2020 filed at INNSA1	7,71,427.8
		6961308 dt.20.02.2020 filed at INNSA1	5,14,285.2
		6961466 dt.20.02.2020 filed at INNSA1	3,29,463.9
		7027315 dt.26.02.2020 filed at INNSA1	2,98,067.6
		7047260 dt.28.02.2020 filed at INNSA1	2,21,164.8
		7065125 dt.29.02.2020 filed at INNSA1	4,57,665.6
		7084749 dt.02.03.2020 filed at INNSA1	1,48,930.7
		7095431 dt.03.03.2020 filed at INNSA1	16,632
		7107082 dt.04.03.2020 filed at INNSA1	2,21,164.8
		7107100 dt.04.03.2020 filed at INNSA1	1,91,026.6
		7108845 dt.04.03.2020 filed at INNSA1	2,21,164.8
		7109788 dt.04.03.2020 filed at INNSA1	1,84,911.9
		7121562 dt.05.03.2020 filed at INNSA1	1,87,070.3
		7130560 dt.05.03.2020 filed at INNSA1	2,58,924.6
		7209064 dt.12.03.2020 filed at INNSA1	3,59,173.3
		8396828 dt.06.08.2020 filed at INNSA1	1,65,439.9
31	2719012310 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Nilkamal Limited	

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			8404180 dt.07.08.2020 filed at INNSA1	13,076
			8425574 dt.10.08.2020 filed at INNSA1	1031.7
32	2719012311 dt.24.01.2020; Bombay Air Cargo (INBOM4)	The Supreme Industries Ltd	7044794 dt.28.02.2020 filed at INNSA1	28,90,461.6
			7048962 dt.28.02.2020 filed at INNSA1	17,46,564.1
33	2719012312 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Supreme Petrochem Ltd	2770033 dt.15.02.2021 filed at INBOM1	1,12,368.7
			7006765 dt.25.02.2020 filed at INBOM1	37,63,908.3
			7142704 dt.06.03.2020 filed at INBOM1	11,23,717.8
34	2719012313 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
35	2719012314 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
36	2719012315 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
37	2719012316 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
38	2719012317 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
39	2719012318 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
40	2719012319 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,998.7
41	2719012320 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
42	2719012321 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
43	2719012322 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
44	2719012323 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
45	2719012324 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
46	2719012325 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	49,99,999.03
47	2719012326 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	49,99,998.98
48	2719012327 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	3,49,855.2
			6936591 dt.19.02.2020	46,50,144

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			filed at INIXY1	
49	2719012328 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	49,99,999.03
50	2719012329 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	49,99,999.03
51	2719012330 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7098305 dt.03.03.2020 filed at INIXY1	39,02,971.8
			7504308 dt.22.04.2020 filed at INIXY1	10,97,020.9
52	2719012331 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	30,36,689.9
			6928788 dt.18.02.2020 filed at INIXY1	19,63,309.01
53	2719012332 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928389 dt.18.02.2020 filed at INIXY1	49,99,999
54	2719012333 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
55	2719012334 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
56	2719012335 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6928788 dt.18.02.2020 filed at INIXY1	49,99,998.82
57	2719012336 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6937831 dt.19.02.2020 filed at INIXY1	31,05,621.49
			7022579 dt.26.02.2020 filed at INIXY1	18,94,378
58	2719012337 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
59	2719012338 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
60	2719012339 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	24,16,679.52
			6937831 dt.19.02.2020 filed at INIXY1	25,83,319
61	2719012340 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
62	2719012341 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
63	2719012342 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
64	2719012343 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,999
65	2719012344 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6936591 dt.19.02.2020 filed at INIXY1	49,99,998.98
66	2719012345 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6937831 dt.19.02.2020 filed at INIXY1	49,99,999
67	2719012346 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6937831 dt.19.02.2020 filed at INIXY1	49,99,999
68	2719012347 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	6937831 dt.19.02.2020 filed at INIXY1	49,99,999.01
69	2719012348 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7097543 dt.03.03.2020 filed at INIXY1	21,43,483.94

			7097699 dt.03.03.2020 filed at INIXY1	28,56,514.28
70	2719012349 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7022624 dt.26.02.2020 filed at INIXY1	35,94,464.9
			7097699 dt.03.03.2020 filed at INIXY1	14,05,534.02
71	2719012350 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7097543 dt.03.03.2020 filed at INIXY1	27,15,318.06
			7098305 dt.03.03.2020 filed at INIXY1	22,84,681
72	2719012351 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7022579 dt.26.02.2020 filed at INIXY1	33,50,043.9
			7022624 dt.26.02.2020 filed at INIXY1	16,49,957
73	2719012352 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7098305 dt.03.03.2020 filed at INIXY1	49,99,999
74	2719012353 dt.24.01.2020; Bombay Air Cargo (INBOM4)	Cargill India P Ltd	7098305 dt.03.03.2020 filed at INIXY1	36,70,767
	TOTAL			41,93,49,211

12.4. On perusal of the sample Work Order 003 of Revenue Cycle management Services entered between Inventurus Knowledge Solutions Private limited (“IKS) and Holston Medical Group (HMG/Client), it is noticed that the services rendered to the clients based out in USA is ‘Revenue Cycle Management services’ [herein after referred as ‘RCM’], the nature of work is kind of Back end Operations related to the insurance claims The relevant extracts of the Sample work order detailing the service activity is as reproduced below:

2. Services. IKS shall provide Revenue cycle management services (the “Services”) to Client. The responsibility given under this WO 003 is as follows:				
Function	Activities / Services			IKS
Front Office	Scheduling & Appointment Reminders			X
	Patient Demographics and POS Collections			X
	Clinic Management & Patient Treatment			X
	Eligibility Verification			X
	Authorizations / Pre-Certifications			X
Con-current Coding	Con-current Coding for specialty providers and MD charge*			X
Coding	All specialty CPT, ICD 9 and 10 Coding			X
Charge Entry**	Charge entry			X X
Billing	Submission of Claims Electronically			X
	Resolution of Billing Rejections (Scrubber/CH/Payer)			X
	Generating and uploading Patient Statements			X X
	Mailing & Scanning***			X
	Paper Billing & Appeals			X
Payment Posting	ERA Payment & Lockbox Payment Posting			X
	Patient Payment Posting			X
	Credit Balance Resolution			X
	Batching and Scanning			X
	Refund Check Processing			X
	Credit Balance Resolution			X
	Month End reporting and Reconciliation			X
Accounts Receivables	Insurance AR Follow Up			X
	Denials & Rejections			X
	Patient Self pay AR			X
	Customer Service			X
Contracting Credentialing &	Provider Credentialing			X
	Payer Contracting, contract maintenance – contract management			X
	Underpayment / Overpayment analysis			X
File Maintenance	File Maintenance (IKS will be responsible for adding payors, associates to Allscripts)			X X
Onsite Liaison	Onsite liaison managing the engagement			X
Reporting	MIS, Reporting and Business Analytics			X X
	Statutory reports for Medicare on quarterly basis			X

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12.5. On perusal of the invoices submitted by M/s IKS for claiming incentives under SEIS, it is noticed that their revenue generation is from rendering of RCM services and it is based on percentage collection of the RCM activities rendered by M/s IKS to their clients based out in USA. The fee structure on RCM services is 2.3% of Gross Collections. The relevant extract of Sample representative invoice and agreement copy are given hereunder for ready reference.

RCM Services

000238

Particulars	Fees
RCM services	2.30% of Gross Collections
Start-up fees^	
The Start-up Fees shall be paid in 5 installments as follows:	
First Installment of US\$12,000 payable on January 1, 2016	
Second Installment of US\$27,000 payable on February 1, 2016	
Third Installment of US\$27,000 payable on March 1, 2016	
Fourth Installment of US\$27,000 payable on April 1, 2016	
Fifth Installment of US\$7,000 payable on May 1, 2016	\$100,000, segmented across 5 periods as chronicled under Details on the left side of this table

INVOICE

000225

Bill To:	Holston Medical Group, P.C. 2323 N. John B. Dennis Highway Kingsport Tennessee 37660 United States of America	Number	2041000181
Ship To:	Holston Medical Group, P.C. 2323 N. John B. Dennis Highway Kingsport Tennessee 37660 United States of America	Date	30-APR-16
IEC No:	0306051486	Billing Period	01-Apr-2016 To 30-Apr-2016
Sr. No.	Description	Contract Ref	WO 003
1	Fees for service provided for RCM services for the month of Apr-16 From 1st Apr 2016 To 30th Apr 2016 on collections of Holston Medical Group (USD 6,392,253.18 X 2.3% = 147,021.82)	Contract Date	30-Nov-15
		6,392,253.18	0.0230
			147,021.82

12.6. It is noticed from the agreement entered between IKS and USMD Holding Inc. (“Client” or “USMD”) submitted in support of their claim for scrips under ‘Hospital services’, that the nature of services rendered by M/s IKS to the clients based out in USA is **Virtual Scribe and Clinical data management services**, the relevant extracts is reproduced hereunder for ready perusal:

3. **Services:** IKS shall provide Clinical Documentation Improvement (“CDI”) training, Virtual Scribe, and Concurrent Coding Services (collectively the “Services”) to Client under this statement of work also known as the Pilot effort (“Pilot”). The Services outlined herein are to be provided to two Client physicians as part of this Pilot. The CDI Training Plan and the responsibility matrices for Virtual Scribe and Concurrent Coding services, respectively, are given below:

Further it is noticed from the agreement, that it is clearly mentioned in the said agreement copy that M/s IKS is not providing any service which is or shall be construed as providing and/or supplementing any medical advice or medical decision making and Client Physician ultimately is responsible for all medical record documentation and coding decisions.

12.7. Further, the conditions in the said agreement was that staff of M/s IKS to never update Assessments, Orders and Medications or altering the data captured by the client clinical staff. There is no interaction of staff of M/s IKS with the patients. The staff of M/s IKS should also hold certifications through either the American Academy of Professional Coders (“AAPC”) or the American Health Information Management Association (“AHIMA”) and IKS to provide requirements of the hardware/software setup to facilitate the workflow. The scanned image is given here below:

c. IKS scribes will not update the following fields in the EHR:

- i. Assessments
- ii. Orders
- iii. Medications
- iv. Data captured by Client clinic staff
- v. Electronic billing, except as required by Concurrent Coding services explicitly outlined in Section 3 b; in every case Client physician will be accountable for finalization and submission of codes and charges

d. IKS coders will hold current certifications through either the American Academy of Professional Coders (“AAPC”) or the American Health Information Management Association (“AHIMA”).

e. The patient’s identity details will be verified and authenticated using any of the following measures:

- i. Check 1 – Encounter number in the EHR
- ii. Check 2 – Scheduled appointment

f. IKS will provide requirements of hardware/software setup to facilitate the work flow, including voice recording/storage devices, and Client will purchase, install, and manage the equipment.



5. Client Responsibilities: Client shall be responsible for the following:

- a. Access Rights:
 - i. Working with IKS IT to setup IT connectivity between IKS systems and Client systems.
 - ii. Providing appropriate access and relevant training as needed to IKS resources for updating Client's EHR.
 - iii. Providing necessary notification and relevant training as needed for IKS Team in relation to hardware and/or software modifications that may affect IKS's ability to deliver Services to Client.
 - iv. Establish remote connectivity between IKS and Client using Citrix systems. This can be either web based or thin ICA client based. For the former SSL; for the latter, VPN will be needed to ensure secure connectivity. IKS will exclusively access USMD via the established VPN tunnels.
- b. Medical :
 - i. Review, confirm and authenticate data and documentation by the Client physician.
 - ii. Client physician ultimately is responsible for all medical record documentation and coding decisions.
 - iii. Client acknowledges and confirms that IKS is not providing any service which is or shall be construed as providing and/or supplementing any medical advice or medical decision making.

13. To seek clarification in the above regard, following personnel of M/s IKS were summoned and their statements were recorded under Section 108 of the Customs Act, 1962:

Statement of Shri Sachin K Gupta dtd 27.06.2022	Annexure B1
Statement of Udaya Kumar Sadumpati dtd 04.01.2022	Annexure B2
Statement of Udaya Kumar Sadumpati dtd 23.02.2022	Annexure B3
Statement of Udaya Kumar Sadumpati dtd 11.05.2022	Annexure B4
Statement of Shri Arindrajit Datta, Vice President (Finance) dated 04.01.2022	Annexure B5
Statement of Shri Arindrajit Datta, Vice President (Finance) dated 23.05.2022	Annexure B6
Statement of Ms Nisha Raizada dtd 24.02.2022	Annexure B7

Gist of the Statements recorded are given here below:

13.1 Statement of Shri Sachin K. Gupta working as CEO, in M/s IKS was recorded on 27.06.2022, who interalia stated that:

- M/s IKS is a physician enablement platform that centralises and delegate known chore tasks (Non- core) from the physician group to do them better, cheaper and faster, that they are involved in day to day activities of the clients based in USA from their remote centres located in India. Which includes 1. **Revenue Optimization:** It involves capturing of revenue, validating the integrity of revenue, managing end to end collections of the revenue and enhancing the revenue as applicable, 2. **Clinical Support:** It involves taking non patient care tasks from the Doctors (Based in USA) work flow and doing those tasks in a better and cheaper manner such that the US doctors can focus entirely on taking care of their patients. 3. **Value based care:** It involves delivering tasks to Doctors in the USA such that the cost of care can be reduced and quality can be improved. 4. **Digital Health Solutions:** These are technology products that integrate data for USA physicians and provide intelligence for them to take better care of their patients;

- that M/s IKS, India helps in the most comprehensive capture of the Patient's diagnosis, such that the most effective care plans can be applied to their patients. This includes 1. **Scribble (Virtual Scribe):** M/s IKS, India with India based doctors listen into the encounters of the USA Doctors with their patients and create and fully structured clinical note that relieves the doctors of the burden of creating the note themselves and frees up upto two hours of their daily time. So that they can concentrate on their patients. 2. **Stacks (Document management and abstraction) :** In this service M/s IKS, India manage all the incoming data into the USA Physician Office sorts it, files it and then abstracts the relevant clinical data that can help the physician in taking better care of their patients.3. **AssureX (Prescription Refills) :** M/s IKS, India based clinical teams validate the health condition of the patient and help the USA Doctors in approval or rejection of the patients request for medication refill. That after getting access to the patient health record will study and validate any changes to the patient health condition based on which they will either approve the refill or not. In this process they are further saving the doctors time and also making patient care safer.

- they are not Qualified/Authorised to provide treatment to the patients in USA, but they assist US Doctors in the maintenance of the patient health status. At IKS India assist doctors based in USA so that they can maintain the health status of the patient, that M/s IKS, India never interact with the patient and they are only helping doctors to reduce their operational burden so that they can concentrate on their core work.

- **Revenue Cycle Management** is a process of capturing and validating the revenue of health care providers in the US for the services they render to their patients and it also includes collection of that revenue from their various payors (Insurance Companies, Patients etc). **Revenue Capture:** It includes the following scheduling :M/s IKS, India has a proprietary technology called patient profiler which based on the propensity on the patient to show up suggests schedule optimization interventions to the US physician Groups thereby increasing/optimising the Revenues.b. **Eligibility Verification/Authorisation:** By pre checking the Insurance Coverage (by calling/ checking on the web) of the patient for the type of Service that they are scheduled for M/s IKS, India helps the provider group to not deliver services that they wont get paid for thereby improving the providers revenue. M/s IKS, India has a technology that electronically connects the insurance companies and gets the eligibility/authorisation for the patients to receive the services from the physicians in the USA. c. **Charge capture and coding:** M/s IKS, India converts the clinical documentation into the relevant E & M (Evaluation and Management), Diagnosis and Procedural Codes that go onto the Bill (CMS-1500,Insurance Claim Form). Then the Billing Process starts which is basically submission of insurance claims and issuing patients statements. M/s IKS, India has a computer assisted coding technology that recommends the codes for the various types of services provided by the US physicians to their patients.d. **Contract Management/ Revenue Validation:** M/s IKS's, India technology and people check the contractually owed amount to the providers by the insurance companies for each of the services rendered on the patient and ensures that the physician groups are recognising revenue in compliance with contractually owed amounts. That through revenue capture M/s IKS, India is ensuring Revenue Integrity of the Clients based in USA

and also optimising the revenue. In this process M/s IKS, India is eliminating certain day to day administrative tasks that the physician groups based in USA might have to do themselves.

Collections: After the Bill (Insurance claim form), is sent to the insurance company and/or patients M/s IKS, India then follows up (Through Phone/Web) to ensure timely payments in the process M/s IKS, India also manages any Insurance A/R (Account Receivables) or Denials by working closely with the physician group to provide the missiong information and/or justification for the Claim.

Payment Posting/Credit Balance/Under Payment Management: In this M/s IKS, India Reconciles the payments received from insurance companies and patients, in the bank account of the Doctor's Company, in which the Claim amount will be credited with the payment. This reconciliation will be accessed by M/s IKS, India. This paid amount once reconciled is then posted in the patient financial system such that the denial management, A/R follow up and under payment recovery teams can then do their job. In cases where some patient accounts receive more money than was billed in the Insurance claim or patient statement credit balances are then processed.

- Regarding amount paid to M/s IKS, India for the Services rendered he stated that at the time of contract with the Customer M/s IKS, India estimates how much people and technology will have to be deployed in this end to end Revenue Cycle Management for the Customer and then on the basis of the historical and anticipated Customer revenue i.e., from Insurance Companies and Patients M/s IKS, India estimates a fees which is on a percentage basis and gets into a contract with the Customer.
- That M/s IKS, India provides HCC Coding Servicers (Hieracichal Chronic Condition Coding Services) to US physician groups for care provided to their patients under Medicare advantage Contracts with the federal Insurance Providers and these coding services are paid on a per chart basis.

13.2 Statement of Shri Sadumpati Udaya Kumar Chartered Accountant ID: 220900 was recorded on 04.01.2022 and 23.02.2022. He interalia stated that

- as per his knowledge and explanation given by the company, the IKS Company is registered as a Knowledge Process Outsourcing (KPO) unit in SEZ, they get clients based in USA and they provide KPO services in India. M/s IKS, India receives an access to Electronic Health Records/Recording of the data of the patient for which coding is done and Insurance Claims are generated. After this, they are sent electronically to Insurance Companies for realisation of payments, that they act as bridge between insurance companies and Hospitals.

- that for certification of the Scrips, he verified copies of invoices and certified the same to the Company, that based on invoices, information and agreement copies, he considered the services as a book keeping and certified it; that for certifying purpose, M/s IKS, India submitted Insurance Claim Settlements of the particular month. For processing each Insurance claim, they are entitled for some amount on percentage basis. The invoices are raised on the revenue generated against those services.

- That based on the invoices generated for the consultancy services provided to US based Clients as per the agreements entered into by M/s IKS, India with its clients he certified;
- That based on the information provided by the company, he was of the opinion that their services fall under Book Keeping and certified the invoices for availing the scrips. However, now, after knowing their processes and understanding their nature of services rendered, he feels that their services rightly fall under Management Consultancy. Further, stated that he will inform the same to them and inform them to return the excess availed SEIS Scrips
- that he had informed the same to M/s IKS, India and requested to return the excess claim availed vide my e-mail dated 05.01.2022 from casudaykumar@gmail.com to Ms. Nisha Raizada on her E-mail nisha.raizada@ikshealth.com.
- that for certification i have verified invoices and payment confirmation of all the invoices on random basis along with the supporting agreement copies.

- With regard to nature of services being offered at M/s Inventurus Knowledge Solutions Private Limited, he stated that as per the agreement copies provided by them the company processing the clients Insurance and as they have claimed scrips for three services and the same was submitted to DGFT as Annexure A to the ANF-3B which he elaborated in detail.

Accounting, auditing and bookkeeping- company provides service to the client such as billing, Payment posting and bank reconciliation services.

Hospital Services- Company recruits doctors and provides services at hospitals between the patients and doctors and recording patient data by the staff recruited by the M/s IKS, India.

Services related to Management Consulting- Company is providing management services to its clients by way of Management information system such as ageing of the dues, Over due reports, reconciliations etc.

- With regard to Clinical Data Management and Virtual documentation as declared by him in the brief writeup of services submitted as Annexure-A for ANF-3B form and its relation to the Hospital Services rendered by M/s Inventurus Knowledge Solutions Private Limited, he stated that Clinical data management pertains to the patient record like EHR (Electronic Health Records) which are maintained by M/s IKS, India and regarding their relation to the Hospital Services that as records are maintained at Hospital he certified them as eligible services under Hospital Services under CPC Code 93110, that regarding Virtual documentation he stated that as they are registered under IT enabled services they get access to records of the patients virtually hence he was in an opinion that their Services fall under Hospital Services.

- that with regard to the nature of Hospital Services being offered by M/s Inventurus Knowledge Solutions Pvt. Ltd and reason for claiming scrips under Sub class: 93110-Hospital Services, he stated that since M/s IKS, India is registered under IT/ITes sector they use tools through which they are rendering

efficient services to Hospitals like Clinical data management in which clinical records are validated more effectively and affordably. Virtual documentation though which coding accuracy is significantly increased and gives physicians the confidence to practice medicine. that M/s IKS, India is maintaining the health status of the patients inform of Electronic Health Records (EHR) as they are maintaining health records he was of the opinion that their services squarely falls under hospital services.

- that the reason for certifying the Scrips availed by M/s IKS, India under Hospital Services even though the services rendered by them are not directly by doctors and are of nature of IT enabled Services that to his understanding the services provided by M/s IKS, Doctors at their client hospitals falls under Hospital Services, accordingly he certified the same., that he was an opinion that the services which were delivered through IT/ITeS were classifiable under Hospital Services basing on the invoices copies produced by them but now he feels that those Services which are rendered by M/s IKS, India doesn't fall under Hospital Services. And he admitted that he gave wrong certification by wrongly understanding the nature of services rendered by them.

- That upon confronting by showing the invoice copies he stated that IKS have utilized those invoices for claiming scrips under 93110-Hospital Services, however, after going through the CPC definition of Hospital Services he has opinion that that the description which they have mentioned like Coding Support Services, Virtual Scribe Service fees doesn't fall under hospital services and the Scrips claimed by M/s IKS, India are ineligible and he agreed that they have done wrong certification of the same.

- That the Services provided by IKS, India from India through IT/ITeS not provided by doctors to their inpatients and also agreed that he wrongly certified them under 93110-Hospital Services.

13.3 Statement of Shri Arindrajit Datta working as Vice President (Finance) M/s Inventurus Knowledge Solutions Pvt. Ltd., was recorded on 23.05.2022, during which he interalia stated that :

- under **Virtual Scribe Services** generally a conversation will be held between a doctor and the patient at a clients place i.e., Hospitals based out in US and the entire conversation will be recorded and after removing/editing the patient details that audio file will be transmitted electronically/will access from the clients server to the M/s IKS facilities based in India and here their trained professionals will hear and they convert that file in written form(Virtual Scribing) and resend it back to the hospital so that the concerned doctors may further work on them. With Virtual Scribes, Doctors can focus more on patients and can effectively give treatment to patients; that staff at M/s IKS, India never interact with patients (in patients) nor have the details of the patients and never involve in treatment of patients or maintaining Health Status. Further, he was in an opinion that as they are dealing with patient information they are rightly eligible for claiming Scrips under Hospital Services and he admitted that basing on the nature of services (Virtual Scribe) they are ineligible for claiming Scrips under Hospital Services and as the Services are delivered using IT/ITeS and they are aimed at increasing revenue of the Hospitals they squarely fall under

Business Process Management (BPM) services which are rightly classifiable under Other business Services (Services related to Management Consulting).

- Upon going through the Copy of Work Order 003 of Revenue Cycle Management Services entered between M/s Inventurus Knowledge Solutions Private Limited (“IKS”) and Holston Medical Group (HMG/Client) of Page No 236 of documents which were submitted by M/s IKS, India he commented with regard to

*** IKS will assist HMG to automate the Charge Entry Function”** (page 237) of Work Order , by stating that ‘Charge Entry’ is done by the billing section. It is nothing but assigning dollar value for each procedure code as per fees schedule i.e., fixing rate for each treatment/disease and after assigning prices the Insurance claims are posted in the system. By using the tools and technology M/s IKS, India reduces the time line and improve the charge entry function so that the time for claims processing will be reduced and revenue may be increased to the Clients.

- With respect to **“5f.IKS will only facilitate consulting service for choice of Lockbox and its implementation. All associate costs and charges for Lockbox shall be to the account of Client”** (Page 239) he stated that Lock Box is a mechanism used by the providers(Hospitals) for faster clearance of electronic cheques and payment processes electronically and they at M/s IKS, India will provide consultancy service to implement the lockbox at clients place, that M/s Inventurus knowledge solutions use various technology mainly to increase revenues to the clients using IT solutions

- there was an error from his part in understanding the nature of services rendered by M/s Inventurus Knowledge Solutions and certifying them it was not intentional and happened unknowingly and it is requested to take a lenient view of the same and give adequate time for rectification.

13.4 Statement of Ms. Nisha Raizada working as CFO, Inventurus Knowledge Solutions Pvt. Ltd., was recorded on 24.02.2022 during which she interalia stated that

- M/s Inventurus Knowledge Solutions Pvt. Ltd., is basically a health care services provider catering only to the physician groups and health systems based in the United States and M/s IKS, India is to help these organizations perform more effectively for better clinical financial and organizational outcomes. Company’s services are organized in three clusters 1. Focussing on revenue Optimization 2. Clinical solution and services 3. Digital health systems.
- That IKS has availed SEIS incentive for the period from 2015-16 as detailed below and the approximate value (in Rs.) year wise is as follows. A signed copy of the details is submitted for kind reference.

S.No	F Y	1Ab- Professional Services (Accounting, auditing and Book keeping Services(862))	1Dd- Other business Services (Services related to Management Consulting (866))	6A- Hospital Services (9311)
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1	2015-16	8,01,64,672/-	31,59,875/-	14,04,376/-
2	2016-17	9,88,56,257/-	2,21,759/-	15,86,020/-
3	2017-18	8,24,77,367/-	11,21,628/-	3,19,10,178/-
4	2018-19	13,34,83,110/-	20,96,725/-	8,30,90,934/-
	Total	39,49,81,406/-	65,99,987/-	11,79,91,50/-

6A- Hospital Services (9311): Under this line of services M/s IKS, India provide Clinical data management, Scribe support services, Remote care coordination and care delivery services.

1Ab- Professional Services(Accounting, auditing and Book keeping Services(862)):Under this line of services M/s IKS, India activities are designed to operate as an extension to clients financial and accounting teams reporting directly into the CFO objective is to improve financial outcomes of their business though the tools and IT solutions provided by M/s IKS, India.

1Dd- Other business Services (Services related to Management Consulting (866)):Under this line of services M/s IKS, India will help their clients by providing system implementation and support they help them build their financial and clinical dash boards to help the make operating decisions in a timely manner.

- That as stated earlier M/s IKS, India provide Clinical data management, Scribe support services, Remote care coordination and care delivery services.

Clinical data Management: IM/s IKS, India delivers valid and maintains complete clinical records for patients on behalf of the physicians, that M/s IKS, India receive the medical records electronically which were uploaded by the physicians and the team at M/s IKS, India who are trained in the language of medicine interpret the reports and raw data which are received electronically and update the health records in the respective fields through IT/ITes services.

Scribe Support Services: In Scribe support services they generally use physicians who are on the pay roll of M/s IKS, India access the patient physician interaction who abstract the patient physician interaction into a pre designed and pre agreed template that feeds back into the Electronic Health Record.

Remote care coordination and care delivery services: under this Clinical Summarises of patients are prepared to improve the interactions between patients and hospitals.They are prepared by the people who understands the language of medicine.

Further, stated that all the three are clinical back-end operations and services rendered by staff at M/s IKS, India in India through IT/Ites- platform.

-that upon going through CPC containing definition of Hospital Services and she stated that M/s IKS, India provides services by clinically trained staff in India that helps in maintaining the health status of a patient in the US. Further, stated that some of their services could also be construed to be covered under CPC 9312 as they are aimed at preventing, diagnosing and treating illnesses and provided by professionals from India.

- that with regard to phrase “**Services delivered under the direction of medical doctors chiefly to in-patients.....,” of sub class 93110- Hospital Services of Central Product Classification** she stated that Hospital Services means“ means that Services delivered under the direction of medical doctors chiefly to in-patients.....,” since clinical solutions are provided under the supervision of US Physician and aimed at maintaining the health status of end patients they have availed under sub class 93110- Hospital Services of Central Product Classification.
- that w.r.t invoice number 2031001084 dated 30.06.2016 which was used as one of the invoice for claiming scrips under Sub class: 93110 - Hospital Services she commented that Virtual scribe coding involves assigning appropriate codes for diagnosis, that under Virtual Scribe coding the clinically trained staff in India will not only complete the template for the patient physician interaction but also suggest appropriate ICD-10 Codes for the diagnosis to the client physician. It is an enhanced services under Hospital Services.
- That Medical Coding is the transformation of patients Electronic Health Records/Physician notes containing health care diagnosis(Nature of Disease), procedures (type of Surgery), Medical Services and Supplies (Ambulances, Wheel chair) into Universal Medical Alphanumeric Codes. Medical coding is generally done using 3 books

ICD-10 CM Expert – International Classification of Disease published by WHO used generally to code diagnosis.

CPT Professional – Current Procedural Terminology published by American Medical Association used generally to code procedures.

HCPCS Level II Expert- Health Common Procedure coding System published by Centre for Medicare and Medicaid Services.

For Medical coding, M/s IKS, India will be provided access to Physician charts/Electronic health records of the patients which had undergone treatment at Hospitals located in USA and at M/s IKS, India comprising of a team of certified coders, basing on the requirement of the hospitals will assign the appropriate codes by using above three books.

- that M/s Iks, India does not provide treatment or diagnosis to the patient in the US directly, that M/s IKS, India main responsibility is drafting the client physician interaction in a method that clearly captures the conversation and having it available for review within 24 hrs to Clients physician provider. Further, stated that M/s IKS, India captures history of present illness, past medical history, social history , family history, physical examination, review of systems, procedures, plan details and other details called out by the physician.
- that IKS role is limited to capturing the patient physician interaction and other details in a note including call outs by Client physician and ensuring coding accuracy of that interaction.
- that IKS is not a substitute for Client physician professional judgement and analysis and their services are limited to Virtual Scribe and coding documentation in this SOW for which they are paid as per the agreement.

- that M/s IKS, India is compensated on a per chart basis in SOW individually for the two distinct services, namely virtual scribe and concurrent coding.

- that she confirms that they provide an ancillary service that does not provide diagnosis/treatment to in-patients directly, which is not in line with actual definition of Hospital Services as per CPC. Further, also stated that the agreement copies which were provided and used for claiming the scripts also does not mention about the same.

- that Revenue cycle management is the process to track the revenue from patients, from their initial appointment or encounter with the healthcare system(Doctors/Hospitals) to their final payment of balance. RCM is nothing but a Health Care Management where there will be a Patient, who is suffering from illness/injury, Provider (Doctor) who will provide treatment and a Payer, which is insurance Company that covers insurance to the patient. RCM includes the following

Patient Registration: Patient Schedule appointment for treatment and when patient reaches hospital for the same at the reception, information such as patient demographic, insurance card and reason for visit is collected. In general M/s IKS, India does verification electronically by accessing clients server of patients and their insurance coverage in order to ensure that the patient has the ability to pay for the insurance service. through IT/ITes platform.

Referral and Authorization: Based on Patient visit reason, Provider(Doctor) needs to seek pre authorization from the insurance Companies. The same are performed at the front office by the clients based in USA.

Collection of Copay and balances: Copay is a fixed amount that need to be paid by the policy holder(Patient) directly to the provider(Doctor) before each visit and then services are rendered by the doctors where treatment/consultation is done.

At the time of treatment, a voice file containing treatment protocols is created which will be converted into a medical record by Medical Transcriptioner/Scribe.

Medical Coding: Post treatment, the medical coders convert the Medical record into diagnosis code and provider services (treatment) to procedure code as per ICD 10 guidelines and after coding, those are handed over to the billing section. Further, stated that there is standard insurance claim form which is CMS-1500 standard insurance claim form for which codes are assigned as per the procedures laid down.

Charge Entry: It is done by the billing section. It is nothing but assigning dollar value for each procedure code in the CMS-1500 as per fees schedule i.e., fixing rate for each treatment/disease and after assigning prices the Insurance claims are posted in the system. It is important to note that payments collected at the front desk (copay) are also adjusted in these accounts and final posting is done and they at M/s IKS, India electronically do the charge entry through IT/IT enabled platform.

After charge entry and before filing the Insurance Claim to the payer(Insurer), Claim Inspection (Audit) will be done just to verify all relevant guidelines (both from client side and insurer side) are being followed by the health care providers so that their Insurance Claim will not get denied/rejected due to errors. Generally to avoid those errors experienced Billers/Coders will be assigned that role which is of mostly auditing type.

Clearing House: Acts as a Scrubber between billing software and insurance companies where if any discrepancies are noted in the Insurance claims, the same are corrected and clean claims are filed with the insurance companies and processing of which takes some time. Further, at M/s IKS, India doent maintain clearing house they just utilise the services of third party clearing house.

Payment/Denial Posting: after processing of claims, if Insurance claimsare error free and accurate, payments will be released to the provider(Doctor/Physician/Hospital) in the form of Cheques/Virtual Credit cards which are posted against the said claims in the patients account and claims which are rejected(Denials) are handed over to Accounts Receivables so that they can work on them for rectification of the Insurance claims In this Explanation of Benefits (EOB) will be generated and sent to the Provider(Doctor) and the patient. Further, they at M/s IKS, India post the total amount of claims processed electronically in the EPM(Electronic Practice management).

Accounts Receivables follow up: They are responsible to follow up on the Insurance claims that are denied by the insurance companies for various reason, resolve the issue that denies the claim and bring payments from the denied claim. Further, at M/s IKS, india they follow up by calling the patients and they also call the insurance providers to ensure timely collections.

Collections and Adjustments : Any Patient responsibilities in account i.e., necessary balances billed towards patients are collected from patient by sending statements on regular intervals and any adjustments on claims, will be adjusted by the provider and balances are moved towards collection agency if not collected within specific time. Further, stated that at M/s IKS, India update the EPM and highlight where the receivable are doubtful.

- That basic qualification/requirement of medical coders is any life science graduate with basic knowledge of human physiology and need to undergo Certified Professional Coder Exam (CPC) conducted by AAPC- American Association of Professional Coders.
- That Billing/Charge Entry, is based on the code identified by each service rendered in the Hospitals, an insurance claim will be generated for the particular record/EHR and a Monetary Value/Charges/Rate is assigned to each code by M/s IKS, India after which it is validated for any errors. Thereafter, it is sent to Insurance Companies through electronic mode using clearing houses, which are outsourced. The Insurance Claim generated(CMS-1500) is validated to reduce errors so that the claim will be processed without any rejections.
- That Clearing House is nothing but an insurance company which acts as a common point for receiving invoices/bills from the hospitals/physicians for processing the Insurance Claim. I would like to state that at M/s IKS, India does not have a separate clearing house and they outsource the same.
- that Payment/Denial Posting is payment posting is nothing but accounting of receipt of amount received from the insurance companies against the invoices/bills/claims sent to the insurance company.

- that since they have an access to the EPM (Enterprise Practice Management System) which is basically software, they frequently check how many claims/bills are processed which can be confirmed by the amounts received and then they will be posting into the financial systems against the said claim. They also do the bank reconciliation, which involves accessing hospitals bank networks and ensures all cash received from insurance providers is appropriately adjusted against the outstanding receivable in the EPM.
- that Accounts Receivable follow up includes reviewing the reasons for rejections(Denials) and performing necessary action to ensure that the claim is processed and amount is paid by the insurance companies to the hospitals. In this, they will be following up with the insurance companies for getting additional information for the reason of the rejection so that the rejected claims may be processed and the amounts can be received from the rejected claims. In addition they perform services that identify systemic under payment from the insurance companies which are in deviation to customer contracts with the insurance provider.
- that w.r.t the fee structure on RCM services i.e., 2.3% of Gross Collections mentioned at page 120 of the Work Order 003 stated that RCM services are typically priced by referencing the actual cost that would have been incurred by the client to keep RCM functions in house, that 2.3% is arrived at by putting M/s IKS, India margin on top of their original US dollar cost, that for them gross collections includes cash collected by M/s IKS, India for the services rendered in scope of the SOW.
- that M/s IKS, India does not prepare journals, ledgers, Trial Balances, Compile balance sheets, profit and loss Account, etc., of Health care providers(Hospitals), that IKS does not manage their entire books of accounts, nor perform attestation, valuations and preparation of proforma statements of its health care providers;
- that M/s IKS, India does not examine services of the accounting records and other supporting evidence of an organization for the purpose of expressing an opinion as to whether financial statements of the organization present fairly its position as at a given date and the results of its operations for the period ended on that date in accordance with generally accepted accounting principles.
- that M/s IKS, India does not review services of annual and interim financial statements and other accounting information of the health care providers but M/s IKS, India will do analysis on provider performance, insurance contract, debtors ageing and provide an opinion on reserves to be created and amounts to be written off.
- that M/s IKS, India does not compile the financial statements of its clients viz., the health care providers(Hospitals) in the U.S.A
- that the reason for Claiming Scrips under Accounting, Auditing and Book Keeping is that they believed debtors management is the integral part of the accounting and book keeping, As they are into insurance claim/billing , Account receivable and payment which is an integral part of Revenue Cycle management, they claimed scrips under Accounting, Auditing and Book Keeping. Further, they record business transactions for the customers and they also do MIS and some other ancillary services. Further, she was in an opinion though their business services

which are of kind of IT/IT enabled-back end insurance claim processing falls under accounting, auditing of CPC-862.

- that upon going through ISIC Classification of Accounting, Auditing and Book keeping agreed that claim services doesn't fall under Accounting, Auditing and Book Keeping services.
- that as per Service Tax Registration Certificate they are registered for Business auxillary Services, Business Support services, Legal Consultancy services etc..
- that in GST Registration, Business Support services mentioned as one of the services.
- that to the Development Commissioner of SEEPZ-SEZ it was mentioned M/s IKS, India as a minor industry under BPO's and ITES under SEZ Sector: IT and ITES as M/s IKS, India is a registered entity under IT/ITes-BPO wherin certain services are provided to the clients in US through IT/ITes and certain back end operations which are technologically driven where clients servers are accessed for the delivery of services through remote desktop. That reason for mentioning Business Support Services in Service Tax registration, GST registration and Letter of approval submitted to SEEPZ-SEZ is that as per their understanding business support services are being mentioned as M/s IKS, India utilizes these to conduct operations,

D DISCUSSION AND ANALYSIS:

14. From the analysis of the documents submitted by M/s IKS during investigation and statements given by the persons concerned, vis a vis Legal Provisions, it is revealed that the M/s IKS is engaged in Reverse Management Consultancy services which is evident from the agreement copy, work order and invoices however from SEIS details it is noticed that M/s IKS have claimed SEIS rewards under Accounting, auditing and Book keeping Services, services related to Management Consulting and Hospital Services.

14.1 Revenue cycle management (RCM) is the process in healthcare organizations to manage financial operations related to billing and collecting revenue for medical services. It begins when a patient schedules an appointment and ends when the account balance is resolved through reconciliation of insurance payments, contractual adjustments, write offs, or patient payments. RCM helps strengthen revenue by minimizing claim denials, reducing days in accounts receivable, and increasing collections. As a result, healthcare providers receive correct and timely payments and optimize financial performance. Effective RCM also can help healthcare organizations comply with regulatory requirements and improve patient satisfaction. The primary objective of RCM software is to maximize earnings, minimize financial discrepancies, and prevent claim denials and potential revenue loss, all while reducing the complexity associated with the RCM process. RCM closes the gap between the

patient accounts side and clinical side of healthcare. streamlines the billing and collection cycles by accurately preregistering, making appointments for, and scheduling patients; collecting existing balances; processing payments; and questioning insurers when they deny claims.

14.2 It is revealed that –

- M/s IKS, India does not prepare journals, ledgers, Trial Balances, nor Compile balance sheets, profit and loss Account, etc., of Health care providers(Hospitals),
- that IKS is not managing their entire books of accounts, nor perform attestation, valuations and preparation of proforma statements of its health care providers;
- M/s IKS, India does not examine services of the accounting records and check whether financial statements of the organization presented fairly its position;
- M/s IKS, India does not review services of annual and interim financial statements and other accounting information of the health care providers
- M/s IKS, India did not compile the financial statements of its clients viz., the health care providers (Hospitals) in the U.S.A
- in Service Tax registration, GST registration they have registered for rendering Business Support Services;
- M/s IKS are not Qualified/Authorised to provide treatment to the patients in USA and that they are only helping doctors to reduce their operational burden so that they can concentrate on their core work, they were assisting US Doctors in the maintenance of the patient health status.

-M/s IKS was not authorized to update Assessments, Orders and Medications or altering the data captured by the client clinical staff. There is no interaction of staff of M/s IKS with the patients.

- M/s IKS is not providing any service which is or shall be construed as providing and/or supplementing any medical advice or medical decision making and Client Physician ultimately is responsible for all medical record documentation and coding decisions.

14.3 M/s IKS was not examining the accounting record of their clients based in USA, nor checking whether financial statements of the organization have been fairly presented and neither they were doing compilation services of financial statements from information provided by their client. Also there is no evidence indicating that M/s IKS has rendered ‘Bookkeeping services’ by classifying and recording business transactions in terms of money or some unit of measurement in the books of account. Thus revenue was generated by M/s

IKS not for rendering Accounting, Auditing and Book Keeping Services. Therefore it appears that M/s IKS has irregularly availed scrips declaring services as Accounting, Auditing and Book Keeping Services.

14.4 It is noticed from the agreement copies, IKS are rendering Virtual Scribe and Clinical data management services. Further it appears that M/s IKS was not providing medical services and they have no qualified medicos the staff of M/s IKS were to be qualified coders. Therefore it appears that M/s IKS has not rendered 'Hospital services'.

15. In view of afore discussion, it appears the activity of M/s IKS is a kind of health care management and they were providing operational assistance services to their clients based in USA and such services of RCM qualify to fall under CPC code of 865 - General Management Consultancy services. It appears that M/s IKS has wrong declared the services and irregularly claimed SEIS rewards under '1Ab- Professional Services (Accounting, auditing and Book keeping Services(862)' '1Dd- Other business Services (Services related to Management Consulting (866)' and '6A- Hospital Services (9311)'. Whereas the nature of services exported 'Management Consultancy and Management Services'. In respect of Accounting, auditing and Book keeping Services(862) and Hospital Services (9311), rewards is 5% of the net foreign earnings in the period 01.04.2015 till 31.10.2017 and 7% from 01.11.2017 till 31.03.2019. Whereas for CPC-865- Management Consultancy and Management Services', rewards /scrips entitled is 3% of the net foreign earnings from 01.04.2015 till 31.10.2017 and 5% from 01.11.2017 till 31.03.2019. Therefore it appears that M/s IKS has availed extra 2% of scrips over and above what they are eligible.

16. Irregular availment of SEIS scrips in Mode IV services

On perusal of the "*sample Work Order 003 of Revenue Cycle Management Services entered between Inventurus Kowledge Solutions Private limited ("IKS) and Holston Medical Group (HMG/Client)*" regarding staffing it was found out that M/s IKS appointed a full time onsite-RCM manager for rendering their services from the clients location. The extract of the work order is given below:

4. **Staffing:**

- a. The resources will follow IKS's vacation and holiday policies.
- b. IKS shall appoint an onsite transition manager for the duration of transition. This onsite transition manager will manage the transition/handover from Client to IKS.
- c. Post transition, a full time onsite RCM manager shall be deployed by IKS to monitor and oversee the effort. Additionally, this RCM manager shall serve as the liaison between Client and IKS' offshore team.

16.1 It appeared that the said services rendered by this RCM manager falls under Mode-4 category which are ineligible for claiming rewards under SEIS. As per FTP 2015-20:

***9.50.** "Services" include all tradable services covered under General Agreement on Trade in Services (GATS) and earning free foreign exchange.

9.51 "Service Provider" means a person providing:

- (i) Supply of a 'service' from India to any other country; (Mode 1- Cross border trade)
- (ii) Supply of a 'service' from India to service consumer(s) of any other country in India; (Mode 2-Consumption abroad)
- (iii) Supply of a 'service' from India through commercial presence in any other country. (Mode 3 – Commercial Presence)
- (iv) Supply of a 'service' from India through the presence of natural persons in any other country (Mode 4- Presence of natural persons)

Mode-1 and Mode-2 Supply of Services are only eligible for claiming rewards under SEIS in terms of para 3 of FTP 2015-20 and Mode-3 and Mode-4 of Supply of Services are not eligible under FTP 2015-20.

16.2. M/s IKS have availed scrip reward to the tune of Rs 4,35,251/- (Scrip amount) for services rendered by this RCM manager which they are not eligible to avail in terms of 9.51 Foreign Trade Policy.

D-CONCLUSION

17. By conjoint reading of provisions of FTP and SEIS scheme provisions and the information and documents submitted by M/s IKS and depositions of Personnel of M/s IKS, it therefore appears that the services rendered by M/s IKS qualify to fall under **CPC-865- Management Consultancy and Management Services**, therefore it appears M/s IKS have claimed 2% excess than what is eligible to them, as detailed below:

18. The details of Scrips availed and the quantification of the excess 2% availed is as follows;

S.No	For Financial Year	1Ab- Professional Services (Accounting, auditing and Book keeping Services(862)) (Rs)	6A- Hospital Services (9311) (Rs)	1Dd- Other business Services (Services related to Management Consulting (866)) (Rs)	Differential Amount(2% Excess claimed) (Rs)

1	2015-16	8,01,64,672	14,04,376	4,89,41,428	3,26,27,619
2	2016-17	9,88,56,257	15,86,020	6,02,65,366	4,01,76,911
3	2017-18	8,24,77,367	3,19,10,178	7,50,16,264	3,93,71,279
4	2018-19	13,34,83,110	8,30,90,934	15,46,95,746	6,18,78,279
	Total	39,49,81,406	11,79,91,510	33,89,18,804	17,40,54,105

19. M/s IKS vide letter dated 17/11/2022 [ANNEXURE A3] informed that the said discrepancies in the claims was on account of the advice rendered by their external advisor who was engaged by them for claiming the incentives under the scheme. The detailed account of the issues was presented to their Board and the Board decided to close the issue by making the payment of excess incentives availed along with interest. Accordingly, IKS made the entire payment of excess incentives along with interest as detailed above and requested to dispose off the present proceedings as the external advisor misguided them in selection of codes under SEIS which led to a bona fide error. M/s IKS voluntarily paid the duty involved in Scrips issued for FY 2015-16 to 2018-19 along with applicable interest. The payment particulars are as follows.

SI. No.	Challan No. & Date	Amount (Rs.)
1	198 dated: 31.03.2022	17,40,54,105/- (Scrip amount)
2	M-89 dated: 02.11.2022	8,65,08,859/- (Interest)
	TOTAL	26,05,62,964/-

19.1. Further, M/s IKS also voluntarily deposited Rs. 4,35,251/- along with interest of Rs. 3,20,000/- for the “on-site” revenue for the services which are falling under Mode-4 (ineligible services).

SI. No.	Challan No. & Date	Amount (Rs.)
1	6 dated: 02.11.2022	4,35,251/- (Scrip amount)
2	M-90 dated: 02.11.2022	3,20,000/- (Interest)
	TOTAL	7,55,251/-

E SUMMARY OF THE INVESTIGATION

20. In view of foregoing facts, evidences on record, and legal provisions mentioned above, it appears that: -

- M/s IKS is engaged in providing Revenue Cycle Management Services and Virtual Scribe Services to their clients based out in USA but not Accounting, Auditing and Book Keeping Services and Hospital Services as stated by them.
- M/s IKS received SEIS Scrips to tune of Rs.65,51,52,735/- for the financial years2015-16 to 2018-19. SEEPZ Mumbai had issued them a total 92 Scrips, as detailed above in Table II which are registered at various ports.

- Investigation has revealed their services fall under CPC-865- Management Consultancy and Management Services there by claiming excess 2% than what is eligible. Hence, it appears that M/s IKS is liable to pay back the ineligible SEIS benefits transferred by them.
- Further, on being pointed out M/s IKS accepting their duty liability had paid back entire duty liability along with applicable interest and requested for closure of proceedings.
- The duty credit scrips so obtained by M/s IKS have been sold and utilized for payment of Custom duties at the time of import by others.
- As the said SEIS scrips under dispute are instruments referred in Section 28AAA of the Customs Act, 1962, which appear to have been obtained by M/s IKS by wilfulmis-statement, and were utilized for payment/debit of Customs duties as referred above, the duty so debited appears liable to be demanded from M/s IKS alongwith interest
- M/s IKS appears to have wrongly availed the SEIS scrips by wilfulmis-statement and suppression of facts before DGFT. The same were sold by M/s Inventurus Knowledge Solution Private Limited (and utilized by M/s Bunge India Private Limited, M/s AdaniWilmar Limited, M/s EmamiAgrotech Limited, M/s K.T.V. Health Food Pvt. Ltd, M/s MMTC Pamp India Pvt. Ltd, M/s Nilkamal Limited, M/s The Supreme Industries Limited, M/s Supreme Petrochem Limited and M/s Cargill India Pvt. Ltd), leading to payment of duty using the ineligible SEIS scrips.
- M/s IKS appear to have made incorrect declarations before DGFT while applying for SEIS scrips. It appears that they did not reveal to the fact that they never render Accounting, Auditing and Book Keeping; Hospital Services to their Clients which is clear from their agreement copies, Further, they also did not mention that they have declared their 100% export turnover under Business Process Management Services under Management Consultancy Services, which was clear from their agreement copies..
- Therefore it appears that M/s IKS have misused SEIS scheme vide Notification 25/2015-Cus. dated 08.04.2015 available under Section 25 of the Customs Act, 1962, therefore it appears they are liable to reverse the excess component of SEIS rewards availed and also they are liable for penal action.

F STATUTORY PROVISIONS CUSTOMS ACT, 1962:

21. In terms of Notification No.25/2015-Cus dated 08.04.2015, the Central Government exempted goods when imported into India against a Service Exports from

India Scheme duty credit scrip issued by the Regional Authority under paragraph 3.10 read with paragraph 3.08 of FTP from-

- (a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); and
- (b) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act.

21.1. The exemption shall be subject to following conditions: -

- (1) *that the duty credit in the said scrip is issued to a service provider located in India against export of notified services listed in Appendix 3D of Appendices and AyatNiryat Forms of Foreign Trade Policy 2015-2020;*
- (2).....
- (3) *that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;*
- (4) *that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of Customs, taking into account the debits already made under this exemption and debits made under the notification Nos. 21 of 2015 - Central Excise, dated the 8th April, 2015 and 11 of 2015 -Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;*
- (5) *that the said scrip and goods imported against it shall be freely transferable;*

....

21.2. As per Section 2(4) of the Customs Act, 1962, "bill of entry" means a bill of entry referred to in section 46.

As per Section 2(14) of the Customs Act, 1962, "dutiable goods" means any goods which are chargeable to duty and on which duty has not been paid.

As per Section 2(18) of the Customs Act, 1962, "export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India.

As per Section 28(4) of the Customs Act, 1962, where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of-

- (a) collusion; or
- (b) any wilful mis-statement; or
- (c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been

so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

'Section 28AA of the Customs Act, 1962- Interest on delayed payment of duty— (1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with the provisions of Section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section.'

21.3. Section 28AAA provides for recovery of duties relatable to instruments (licenses) issued under FTDR Act, 1992/Foreign Trade Policy by DGFT. The Sections provides thus:

"SECTION 28AAA. Recovery of duties in certain cases. - (1) Where an instrument issued to a person has been obtained by him by means of -

- (a) collusion; or*
- (b) wilful misstatement; or*
- (c) suppression of facts,*

for the purposes of this Act or the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), by such person or his agent or employee and such instrument is utilised under the provisions of this Act or the rules made or notifications issued thereunder, by a person other than the person to whom the instrument was issued, the duty relatable to such utilisation of instrument shall be deemed never to have been exempted or debited and such duty shall be recovered from the person to whom the said instrument was issued :

Provided that the action relating to recovery of duty under this section against the person to whom the instrument was issued shall be without prejudice to an action against the importer under section 28.

Explanation 1.— For the purposes of this sub-section, "instrument" means any scrip or authorisation or licence or certificate or such other document, by whatever name called, issued under the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), with respect to a reward or incentive scheme or duty exemption scheme or duty remission scheme or such other scheme bestowing financial or fiscal benefits, which may be utilised under the provisions of this Act or the rules made or notifications issued thereunder.

Explanation 2. — The provisions of this sub-section shall apply to any utilisation of instrument so obtained by the person referred to in this sub-section on or after the date on which the Finance Bill, 2012 receives the assent of the President, whether or not such instrument is issued to him prior to the date of the assent.

(2) Where the duty becomes recoverable in accordance with the provisions of sub-section (1), the person from whom such duty is to be recovered, shall, in addition to such duty, be liable to pay interest at the rate fixed by the Central Government under section 28AA and the amount of such interest shall be calculated for the period beginning from the date of utilisation of the instrument till the date of recovery of such

duty.

(3) For the purposes of recovery under sub-section (2), the proper officer shall serve notice on the person to whom the instrument was issued requiring him to show cause, within a period of thirty days from the date of receipt of the notice, as to why the amount specified in the notice (excluding the interest) should not be recovered from him, and after giving that person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty or interest or both to be recovered from such person, not being in excess of the amount specified in the notice, and pass order to recover the amount of duty or interest or both and the person to whom the instrument was issued shall repay the amount so specified in the notice within a period of thirty days from the date of receipt of the said order, along with the interest due on such amount, whether or not the amount of interest is specified separately.

(4) Where an order determining the duty has been passed under section 28, no order to recover that duty shall be passed under this section.

(5) Where the person referred to in sub-section (3) fails to repay the amount within the period of thirty days specified therein, it shall be recovered in the manner laid down in sub-section (1) of section 142.”

21.4. Section 110AA of the Customs Act, 1962: Where in pursuance of any proceeding, in accordance with Chapter XIIA or this Chapter, if an officer of customs has reasons to believe that—

- (a) any duty has been short-levied, not levied, short-paid or not paid in a case where assessment has already been made;
- (b) any duty has been erroneously refunded;
- (c) any drawback has been erroneously allowed; or
- (d) any interest has been short-levied, not levied, short-paid or not paid, or erroneously refunded,

then such officer of customs shall, after causing inquiry, investigation, or as the case may be, audit, transfer the relevant documents, along with a report in writing—

- (i) to the proper officer having jurisdiction, as assigned under section 5 in respect of assessment of such duty, or to the officer who allowed such refund or drawback; or
- (ii) in case of multiple jurisdictions, to an officer of customs to whom such matter is assigned by the Board, in exercise of the powers conferred under section 5, and thereupon, power exercisable under sections 28, 28AAA or Chapter X, shall be exercised by such proper officer or by an officer to whom the proper officer is subordinate in accordance with sub-section (2) of section 5.”

21.5. As per Section 111(o) of the Customs Act, 1962, any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer are liable for confiscation.

21.6. In terms of Section 112(a) of the Customs Act, 1962, 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 111 shall be liable to penalty.

21.7. As per Section 114A of the Customs Act, 1962, where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined ---

Provided also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 114.

21.8. As per Section 114AA of the Customs Act, 1962, 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.

21.9. As per Section 114AB of the Customs Act, 1962, where any person has obtained any instrument by fraud, collusion, wilful misstatement or suppression of facts and such instrument has been utilised by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument.

Explanation. — For the purposes of this section, the expression “instrument” shall have the same meaning as assigned to it in the Explanation 1 to section 28AAA.

21.10. As per Section 117 of the Customs Act, 1962, any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding four lakh rupees.

G VIOLATION OF STATUTORY PROVISION, DEMAND OF CUSTOMS DUTY, CONFISCATION OF GOODS AND PENALTIES

22. DEMAND:

22.1. During the period FY 2015-16 to 2018-19, M/s IKS have availed scrips to the tune of **Rs.17,40,54,105/-** in violation of Customs Duty exemption vide Notification 25/2015-Cus. dated 08.04.2015 available under Section 25 of the Customs Act, 1962. Therefore it appears that **Rs.17,40,54,105/-** is liable for recovery under Section 28AAA of the Customs Act, 1962 alongwith applicable interest under section 28AA of the Customs Act.

22.2. However, M/s IKS has paid amount of Rs 17,40,54,105/- vide challan No 198 dated 31.03.2022 alongwith applicable interest of Rs 8,65,08,859/- vide challan No M-89 dated 02.11.2022. The same is liable for appropriation against the demand raised against IKS

22.3. Further, M/s IKS has availed Rs 4,35,251/- of scrips for the “on-site” revenue for the services which are falling under Mode-4 (ineligible services) as per Para 3.08 of the provisions of FTP. The same is liable for recovery under Section 28AAA alongwith interest under section 28AA. However M/s IKS has voluntarily deposited Rs. 4,35,251/- vide challan No 6 dated 02.11.2022 along with interest of Rs. 3,20,000/- vide challan No M-90 dated 02.11.2022. Therefore it appears amount of Rs. 4,35,251/- paid is liable for appropriation against the demand and amount of Rs. 3,20,000/- paid towards interest appears to be adjustable against the interest demand.

23. From the independent documentary evidences as well as confirmatory statements on record, it appears that they have wilfully and fraudulently mis-stated the manner of services provided by them with an intent to avail undue benefit of SEIS. Such SEIS scrips fraudulently obtained by them are invalid ab-initio. It appears that M/s IKS, by resorting to such acts, have contravened the provisions of Foreign Trade (Development and Regulation) Act, 1992, Foreign Trade (Regulation) Rules 1993 and Foreign Trade Policy, 2015-20 as detailed below:

- (a) **Section 11 of the Foreign Trade (Development and Regulation) Act, 1992, read with Rule-14 of Foreign Trade (Regulation) Rules, 1993,** in as much as they have made, signed and used the declarations, statements or documents for the purposes of obtaining SEIS Scrips knowing or having reason to believe that such declarations, statements or documents were not representing the true, correct, and actual classification of services, and they thereby have employed fraudulent practice for the purposes of obtaining the SEIS Scrips;
- (b) **Provisions of Exim policy related to SEIS scheme** in as much as they have availed benefit of SEIS scheme of Foreign Trade Policy 2015-2020 though they were not eligible for the services rendered by them, if classified correctly.
- (c) **Para 3.09 (2) (e) of FTP 2015-2020:** 3.09 Ineligible categories under SEIS (2) (e) Export turnover relating to services of units operating under EOU / EHTP / STPI / BTP Schemes or supplies of services made to such units; The notified services and rates of rewards are listed in Appendix 3D.

23.1. Investigations have revealed IKS have wilfully and fraudulently mis-stated and mis-classified the services provided, before the DGFT (SEEPZ, Mumbai) with an intent to avail undue excess benefit of SEIS scrips. On the basis of their declarations in ANF3B , SEIS

Scrips were issued to them by DGFT. M/s IKS is in the business of revenue cycle management services and virtual scribe services and had not rendered services such as Accounting, Auditing Book Keeping Services and Hospital Services. However, it appears that for the purpose of claiming benefit of excess 2%, they have mis-declared their service as Accounting, Auditing Book Keeping Services and Hospital Services under Appendix 3D at the time of filing the application. M/s IKS have irregularly availed scrips by 2% above what they are actually eligible which were sold to other entities who have utilized such scrips for discharging import duty, thereby ineligible scrips was utilized by importers to discharge Import duties. But for the unearthing of the misuse of SEIS benefit and detail investigation conducted by the DRI officers the excess availment of scrips would have gone unnoticed and there would have been loss to Government revenue to the tune of Rs 27 crores (~). In view of the above it appears that M/s IKS, Mumbai is liable for penal action.

23.2. Further, for having made wrong declarations in ANF-3B Form, knowing well that they are false and incorrect in material particulars as explained above for purpose of availing benefit of Customs Duty exemption available under Section 25 of the Customs Act, 1962, M/s IKS appears to have made themselves liable for penalty under Section 114AA of the Customs Act, 1962.

23.3. As M/s IKS has obtained scrips by fraud, collusion, wilful misstatement or suppression of facts and such scrips have been utilised by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument. M/s IKS appears to be liable to penalty under Section 114AB of the Customs Act, 1962.

24. The Hon'ble Supreme Court in the case against M/s Sheshank Sea Foods Private Limited has settled the above position. The order inter alia states that-

"Section 111 (o) states that when goods are exempted from Customs duty subject to a condition and the condition is not observed, the goods are liable to confiscation. The case of the respondents is that the goods imported by the appellants, which availed of the said exemption subject to the condition that they would not be sold, loaned, transferred or disposed of in any other manner, had been disposed of by the appellants. The Customs authorities, therefore, clearly had the power to take action under the provisions of Section 111 (o)."

We do not find in the provisions of the Import and Export Policy or the Hand Book of Procedures issued by the Ministry of Commerce, Government of India, anything that even remotely suggests that the aforesaid power of the Customs authorities had been taken away or abridged or that an investigation into such alleged breach could be conducted only by the licensing authority. That the licensing authority is empowered conduct such an investigation does not by itself preclude the Customs authorities from doing so.

The communication of the Central Board of Excise and Customs dated 13th May, 1969, refers to the breach of the condition of a license and suggests that it may not be possible to take action under Section 111 (o) in respect thereof. It is true that the terms or the said Exemption Notification were made part of the appellants' licences and, in that sense, a breach of the terms of the said Exemption Notification is also a breach of the terms of the license, entitling the licensing authority to investigate. But the breach is not only of the terms of the license; it is also a breach of the condition in the Exemption Notification upon which the appellants obtained exemption from payment of Customs duty and, therefore, the terms of Section 111 (o) enable the Customs authorities to investigate."

24.1 The said judgement of the Hon'ble Supreme Court was again reaffirmed by Bench in the case of the Commissioner of customs Vs Pennar Industries (2015 (322) E.L.T. 402 (S.C.).

24.2. Hence it appears the value of goods as detailed below are liable for confiscation under Section 111(o) of the Customs Act, 1962 as the said ineligible scrips/rewards issued to M/s. IKS were transferred to the actual importers who utilized them in payment of Customs duty exemption on goods imported vide Bills of Entry at various ports referred therein.

TABLE IV

S. No.	Bill of Entry No and Filed at	Imported by/ Utilized by	SEIS Scrip No.	Item wise/ Proportionate Assessable Value (Rs.)	Utilised Amount (in Rs.)
1	3844360 dt.02.11. 17; filed at INIXY1	Bunge India P Ltd	27190 03306	688521.97	102354.01
2	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12313	14634027.54	4999999
3	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12314	14643395.82	4999999
4	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12315	14999784.73	4999999
5	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12316	14999784.73	4999999
6	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12317	14643395.82	4999999

F.No. GEN/ADJ/COMM/231/2024-Adjn-O/o Commr-Cus-Kandla
DIN- 20250271ML000061186A

7	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12318	14999784.73	4999999
8	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12319	14823989.1	4999999
9	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12320	14643395.82	4999999
10	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12321	14999784.73	4999999
11	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12322	14999784.73	4999999
12	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12323	14114946.93	4999999
13	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12324	14114946.93	4999999
14	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12325	15030126.53	4999999.03
15	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12326	15073798.77	4999998.98
16	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12327	1054729.59	349855.2
	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd		13127309.79	4650144
17	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12328	15030126.53	4999999.03
18	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12329	15030126.53	4999999.03
19	7098305 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd	27190 12330	11881678.76	3902971.8
	7504308	Cargill India P		3134345.51	1097020.9

F.No. GEN/ADJ/COMM/231/2024-Adjn-O/o Commr-Cus-Kandla
DIN- 20250271ML000061186A

	dt.22.04. 20; filed at INIXY1	Ltd			
20	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12331	8883777.69	3036689.9
	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd		5901757.72	1963309.01
21	6928389 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12332	14627400.55	4999999
22	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12333	14114946.93	4999999
23	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12334	14114946.93	4999999
24	6928788 dt.18.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12335	15054051.7	4999998.82
25	6937831 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12336	8293252.98	3105621.49
	7022579 dt.26.02. 20; filed at INIXY1	Cargill India P Ltd		5657836.23	1894378
26	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12337	14114946.93	4999999
27	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12338	14114946.93	4999999
28	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12339	6822261.99	2416679.52
	6937831 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd		6898496.18	2583319
29	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12340	14114946.93	4999999
30	6936591	Cargill India P	27190	14114946.93	4999999

F.No. GEN/ADJ/COMM/231/2024-Adjn-O/o Commr-Cus-Kandla
DIN- 20250271ML000061186A

	dt.19.02. 20; filed at INIXY1	Ltd	12341		
31	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12342	14114946.93	4999999
32	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12343	14114946.93	4999999
33	6936591 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12344	14114946.93	4999998.98
34	6937831 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12345	13351999.5	4999999
35	6937831 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12346	13351999.5	4999999
36	6937831 dt.19.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12347	13351999.5	4999999.01
37	7097543 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd	27190 12348	6525354.91	2143483.94
	7097699 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd		8409735.65	2856514.28
38	7022624 dt.26.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12349	11148293.51	3594464.9
	7097699 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd		4137969.62	1405534.02
39	7097543 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd	27190 12350	8266174.9	2715318.06
	7098305 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd		6955173.42	2284681
40	7022579 dt.26.02. 20; filed at INIXY1	Cargill India P Ltd	27190 12351	10005394.79	3350043.9
	7022624 dt.26.02.	Cargill India P Ltd		5117369.47	1649957

	20; filed at INIXY1				
41	7098305 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd	27190 12352	15221319.79	4999999
42	7098305 dt.03.03. 20; filed at INIXY1	Cargill India P Ltd	27190 12353	11174785.91	3670767
Kandla Port		Total	589724368	202676054.6	
43	2770033 dt.15.02. 21; filed at INBOM1	Supreme Petrochem Ltd	27190 12312	5618433.15	112368.7
	7006765 dt.25.02. 20; filed at INBOM1	Supreme Petrochem Ltd		188195415	3763908.3
	7142704 dt.06.03. 20; filed at INBOM1	Supreme Petrochem Ltd		56185890.5	1123717.8
Bombay Sea Port		Total	249999738.7	4999994.8	
44	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03568	32524215.82	4999935.25
45	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03569	32524215.7	4999935.25
46	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03570	32524215.82	4999935.25
47	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03571	32524215.82	4999935.24
48	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03572	32524215.82	4999935.25
49	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03573	32524215.82	4999935.25

50	3782626 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03574	14743245.3	2266473.46
51	3783285 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03575	757527.96	116454.48
52	3783285 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03581	32524215.7	4999935.27
53	3783285 dt.28.10. 17; filed at INCCU1	EmamiAgrotech Ltd	27190 03582	32524215.7	4999935.25
	Kolkata Sea Port		Total	308218715.2	47382345.2
54	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09241	103836562.2	9999980
55	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09242	103836561.5	9999979.99
56	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09243	103836664.5	9999989.99
57	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09244	103836664.2	9999990.01
58	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09245	103836560.4	9999979.92
59	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09246	103836664.8	9999989.91
60	2695568	MMTC Pamp	27190	103836612.7	9999985.08

	dt.03.04. 19; filed at INDEL4	India P Ltd	09247		
61	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09248	90894903.89	8753633.7
	2695749 dt.03.04. 19; filed at INDEL4			12941657.37	1246346.29
62	2695749 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09249	91458386.33	8807899.91
	2697836 dt.03.04. 19; filed at INDEL4			12378174.07	1192080.13
63	2697836 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09250	103836665.6	9999990.17
64	2695568 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd	27190 09251	69209867.49	6665256.25
	2697836 dt.03.04. 19; filed at INDEL4	MMTC Pamp India P Ltd		90008418	8668260.7
	2701076 dt.04.04. 19; filed at INDEL4	MMTC Pamp India P Ltd		1823735.22	175634.82
	Delhi Air Cargo		Total	1199408098	115508996.9
65	3752106 dt.25.10. 17; filed at INMAA1	K.T.V. Health Food P Ltd	27190 03576	38834947.85	4999999.57
66	3752106 dt.25.10. 17; filed at INMAA1	K.T.V. Health Food P Ltd	27190 03577	15162052.53	1952114.23
	3752107 dt.25.10.	K.T.V. Health Food P Ltd		23672893.37	3047885.04

F.No. GEN/ADJ/COMM/231/2024-Adjn-O/o Commr-Cus-Kandla
DIN- 20250271ML000061186A

	17; filed at INMAA1				
67	3752107 dt.25.10. 17; filed at INMAA1	K.T.V. Health Food P Ltd	27190 03578	30324107.01	3904228.76
68	3752107 dt.25.10. 17; filed at INMAA1	K.T.V. Health Food P Ltd	27190 03580	32183723.92	4143654.5
Chennai Sea Port		Total		140177724.7	18047882.1
69	3893002 dt.06.11. 17; filed at INMUN1	AdaniWilmar Ltd	27190 03564	38834943.69	4999999
70	3893002 dt.06.11. 17; filed at INMUN1	AdaniWilmar Ltd	27190 03565	38834943.69	4999999
71	4430557 dt.16.12. 17; filed at INMUN1	AdaniWilmar Ltd	27190 03566	15797830.84	4999987.57
72	3893002 dt.06.11. 17; filed at INMUN1	AdaniWilmar Ltd	27190 03567	38834943.69	4999999
Mundra Port		Total		132302661.9	19999984.57
73	6958604 dt.20.02. 20; filed at INNSA1	Nilkamal Ltd	27190 12310	5857137	439285.2
	6961018 dt.20.02. 20; filed at INNSA1	Nilkamal Ltd		10285704	771427.8
	6961308 dt.20.02. 20; filed at INNSA1	Nilkamal Ltd		6857136	514285.2
	6961466 dt.20.02. 20; filed at INNSA1	Nilkamal Ltd		4392852.75	329463.9
	7027315 dt.26.02.	Nilkamal Ltd		3974233.98	298067.6

	20; filed at INNSA1				
	7047260 dt.28.02. 20; filed at INNSA1	Nilkamal Ltd		2948863.5	221164.8
	7065125 dt.29.02. 20; filed at INNSA1	Nilkamal Ltd		6102205.52	457665.6
	7084749 dt.02.03. 20; filed at INNSA1	Nilkamal Ltd		1985742.72	148930.7
	7095431 dt.03.03. 20; filed at INNSA1	Nilkamal Ltd		221759.96	16632
	7107082 dt.04.03. 20; filed at INNSA1	Nilkamal Ltd		2948863.5	221164.8
	7107100 dt.04.03. 20; filed at INNSA1	Nilkamal Ltd		2547021.8	191026.6
	7108845 dt.04.03. 20; filed at INNSA1	Nilkamal Ltd		2948863.5	221164.8
73	7109788 dt.04.03. 20; filed at INNSA1	Nilkamal Ltd	27190 12310	2465492.5	184911.9
	7121562 dt.05.03. 20; filed at INNSA1	Nilkamal Ltd		2494270.9	187070.3
	7130560 dt.05.03. 20; filed at INNSA1	Nilkamal Ltd		3452328	258924.6
	7209064 dt.12.03. 20; filed at	Nilkamal Ltd		4788976.87	359173.3

	INNSA1				
74	8396828 dt.06.08. 20; filed at INNSA1	Nilkamal Ltd	27190 12311	2205865.04	165439.9
	8404180 dt.07.08. 20; filed at INNSA1	Nilkamal Ltd		174346.2	13076
	8425574 dt.10.08. 20; filed at INNSA1	Nilkamal Ltd		13756.2	1031.7
75	7044794 dt.02.03. 20; filed at INNSA1	The Supreme Industries Ltd	27190 12330	28904616.18	2890461.6
	7048962 dt.28.02. 20; filed at INNSA1	The Supreme Industries Ltd		17465641.2	1746564.1
75	7504308 dt.22.04. 20; filed at INNSA1	Cargill India P Ltd	27190 12330	3134345.51	1097020.9
	NhavaSheva Port		Total	116170022.8	10733953.3

24.3 Further, it appears M/s IKS as well as on the above mentioned Importers who have utilized the irregular scrips for discharging their Customs duty namely M/s Bunge India P Ltd, M/s Cargill India P Ltd, M/s Supreme Petrochem Ltd, M/s. Emami Agrotech Ltd, M/s MMTC Pamp India P Ltd, M/s K.T.V. Health Food P Ltd, M/s. AdaniWilmar Ltd, M/s Nilkamal Ltd and M/s The Supreme Industries Ltd., are liable for penalty in terms of Section 112(a) of the Customs Act, 1962, for cause of rendering the above detailed goods liable to confiscation under Section 111 ibid.

24.3.1 Clause (a) of Section 112 of the Customs Act, provides for penalty against the 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 111, or abets the doing or omission of such an act. As per intention of the legislature, this part of clause (a) is applicable to importer, exporter and/or beneficial owner, as any omission/ commission of conditions of Section 111, by them has rendered the goods liable to confiscation. The Supreme Court in Chairman SEBI versus Shri Ram Mutual Fund, (2006), SCC,361 has affirmed this view, wherein it was held that;

"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligations as contemplated in the Act and regulation is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must be made by the defaulter with guilty intention or not."

Further, there are several rulings to emphasize the point that once the goods are mis-declared and become liable to confiscation, penalty under Section 112 becomes justified. Some are quoted below

- (i) M/s PINE CHEMICAL SUPPLIERS vs COLLECTOR OF CUSTOMS as reported in [1993 (67) E.L.T 25 (S.C.)].
- (ii) M/s VARSHA PLASTICS PVT. LTD vs UNION OF INDIA as reported in 2009 (235) E.L.T. (193) (S.C.)
- (iii) COMMISSIONER OF CUSTOMS VERSUS P.V. UKKRU INTERNATIONAL TRADE as reported in 2009 (235) E.L.T. 229 (Ker.)

Accordingly, it appears that M/s IKS and the Importers namely M/s Bunge India P Ltd, M/s Cargill India P Ltd, M/s Supreme Petrochem Ltd, M/s Emami Agrotech Ltd, M/s MMTC Pamp India P Ltd, M/s K.T.V. Health Food P Ltd, M/s Adani Wilmar Ltd, M/s Nilkamal Ltd and M/s The Supreme Industries Ltd are liable for penalty under Section 112 (a) of the Customs Act. Further it appears that penalty under section 117 of the Customs Act is imposable on M/s IKS for contravening the provisions of Foreign Trade (Development & Regulation) Act, 1992 and also the above mentioned Importers are liable for penalty under section 117 for abetting in the contraventions.

ROLE AND RESPONSIBILITY:

25. It appears in the misuse of SEIS benefit by the company M/s IKS, Shri Sachin K. Gupta, CEO, Ms Nisha Raizada, CFO/ Director, Shri Arindrajit Datta Vice President, Shri S.Udaya Kumar, Chartered Accountant have crucial role and responsibility. It is noticed that mis-declaration of classification of services in the SEIS application viz., Form ANF-3B, Annexures and Declarations filed by M/s IKS before DGFT, were signed by Shri Arindrajit Datta Vice President of M/s IKS. Further he is also authorised signatory for the SEZ and the CA.

Shri Sachin K. Gupta is the CEO and founder of M/s IKS, being the CEO he is in charge of the overall management of the company, he is the face of the company, from his statement it is seen that he knows the actual nature of the services M/s IKS is engaged in, and also he was aware for which services scrips rewards were being availed. It appears the misuse of benefit has happened in his knowledge. Ms Nisha Raizada, CFO/ Director, with educational background in CA, she was heading the finance team, she too is well aware of the actual services rendered by M/s IKS as well as she was aware of the nature of services on which the scrips credits was availed as seen from her depositions. Also being a CA she must be aware

of implications of giving wrong declaration before statutory authorities, yet misdeclarations were done. Further, Shri S.Udaya Kumar, Chartered Accountant has certified the SEIS claim applications of M/s. IKS. The Chartered Accountants being the professional is engaged/mandated by the statute to certify documents that means the statutory authorities have placed absolute assurance on CA's certifications. The engagement of a Chartered Accountant is to nullify the material misstatement and also to deter fraud and illegal acts. In the instant case, the CA has certified that the application by M/s IKS does not include any earning related to ineligible services. As CA Shri S.Udaya Kumar has failed in examining the claim of M/s.IKS properly and verify the records/documents as required under ANF-3B and therefore it appears Shri S.Udaya Kumar, CA has abetted M/s.IKS in their suppression and mis-statement of facts for the purpose of getting exemption benefit under the Notification 25/2015-Cus. dated 08.04.2015.

25.1. Until Shri Sachin K. Gupta, CEO, Ms NishaRaizada, CFO/ Director, Shri Arindrajit Datta Vice President, S.Udaya Kumar, Chartered Accountant were confronted with the documents and information, agreements and invoices during the course of recording of statements only then they admitted that the services declared for SEIS scrips before DGFT were misclassified by them. In their depositions Shri Sachin K. Gupta, CEO, Ms Nisha Raizada, CFO/ Director, Shri Arindrajit Datta Vice President, stated that they assumed the services of IKS would fall under accounting and hospital services. There is nothing on record to indicate that they had approached any GST department or Customs dept to get clarification on the classification of services. The misuse of extra scrips went on for four consecutive years but for the intelligence filed by the officers of DRI, the misuse would have gone unnoticed and there would have been grave revenue loss to Government exchequer. It is case of pure dereliction of duties and mis leading of Government authorities by these professionals with malafide intention.

25.2. Therefore, it appears that Shri Sachin K. Gupta, CEO, Ms Nisha Raizada, CFO/ Director, Shri Arindrajit Datta Vice President, S.Udaya Kumar, Chartered Accountant are responsible for suppressing the facts and wilfully mis-stating the true, correct, and actual classification of services to get irregular benefit to the Company. They appear to have abetted with M/s IKS in availment of undue benefit of SEIS Scheme and causing the importers to utilise the wrongly obtained SEIS duty credit Scrips for their imports. Therefore, it appears that by their deliberate acts of commission and omission, Shri Sachin K. Gupta, CEO, Ms Nisha Raizada, CFO/ Director, Shri Arindrajit Datta Vice President, Shri S.Udaya Kumar, Chartered Accountant are involved for having rendered the goods which were imported by utilising the ineligible Scrips liable for confiscation. Therefore, it appears that they are liable for penalty under Section 112(a) of the Customs Act, 1962.

25.3. Further it appears that Shri Sachin K. Gupta, CEO, Ms Nisha Raizada, CFO/ Director, Shri Arindrajit Datta Vice President and Shri S.Udaya Kumar, Chartered Accountant have made themselves liable for penalty under Section 114AA of the Customs Act, 1962 for

giving false and incorrect in material particulars as explained above for purpose of availing benefit of Customs Duty exemption available under Section 25 of the Customs Act, 1962.

26. Subsequent to enactment of the Finance Act 2022, CBIC issued a Notification No. 28/2022 Customs (N.T.) dated 31.03.2022 assigning the proper officer for the purpose of Section 110AA wherein multiple jurisdictions are involved. In terms of S.No. 1 of said Notification, the officer of the jurisdiction having highest amount of duty at the stage of transfer is assigned as the proper officer for the said case. In the instant case, the highest duty involved falls under INIXY1 (Kandla Port). In view of the S.No. 1 of the said Notification, as the total duty involved is more than Rs. 50 Lakh, the proper officer to issue SCN and adjudicating authority would be **Principal Commissioner/ Commissioner of Customs, Kandla Port, Kachch Customs Commissionerate.**

ACTION TAKEN BY DGFT

27. The Development Commissioner, SEEPZ SEZ, Mumbai vide SCN F. No. SEEPZ-SEZ/SEZ/SEIS/80017/AM18 dated 05.12.2024 has proposed cancellation of the Licence/Scrip issued to M/s Inventurus Knowledge Solutions Ltd. and also proposed imposition of penalty for inappropriately availing the benefits of SEIS Claim under Section 11A of Foreign Trade (Development & Regulations) Act, 1992.

Therefore, as per Para II.2 of D.O. Letter F. No. 334/01/2012-TRU dated 01.06.2012, the duty amount is recoverable from M/s Inventurus Knowledge Solutions Ltd. under the provisions of Section 28AAA of the Customs Act, 1962.

28. Now, therefore, M/s Inventurus Knowledge Solutions Ltd., 801, Building No.5 & 6, 8th Floor, Mind space Business Park (SEZ), Thane-Belapur Road, Airoli, Navi Mumbai-400 708 are hereby required to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210 within 30 days of receipt of this notice, as to why:-

- (i)** Customs Duties of **Rs.17,40,54,105/- [Rupees Seventeen Crores forty Lakh fifty four Thousand One Hundred and five only]** should not be demanded and recovered from them under Section 28AAA of the Customs Act, 1962 read with FTP, as discussed in Para 22.1 above;
- (ii)** An amount of **Rs.17,40,54,105/- [Rupees Seventeen Crores forty Lakh fifty four Thousand One Hundred and five only]** paid by M/s Inventurus Knowledge Solutions Ltd. towards the Customs Duty mentioned at (i) above, should not be appropriated;
- (iii)** Interest, as applicable under section 28AA of the Customs Act, 1962, should not be demanded on the Customs Duties mentioned at (i) above;
- (iv)** An amount of **Rs. 8,65,08,859/- [Rupees Eight Crore Sixty Five Lakh Eight Thousand Eight Hundred and Fifty Nine Only]** paid by M/s Inventurus Knowledge Solutions Ltd. towards the Interest mentioned at (iii) above should not be appropriated;

- (v) An amount of **Rs.4,35,251/- [Rupees Four Lakhs Thirty Five Thousand Two Hundred and Fifty one only]** should not be demanded and recovered from them under Section 28AAA of the Customs Act, 1962 for availing scrips for the services falling under Mode-4 (ineligible services), as discussed in Para 22.3 above;
- (vi) An amount of **Rs.4,35,251/- [Rupees Four Lakhs Thirty Five Thousand Two Hundred and Fifty one only]** paid by M/s Inventurus Knowledge Solutions Ltd. should not be appropriated towards the Customs Duty mentioned at (v) above;
- (vii) Interest, as applicable under section 28AA of the Customs Act, 1962, should not be demanded on the Customs Duties mentioned at (vi) above;
- (viii) An amount of **Rs. 3,20,000/- [Rupees Three lakhs twenty thousand only]** paid by M/s Inventurus Knowledge Solutions Ltd. towards the Interest mentioned at (vii) above, should not be appropriated;
- (ix) Penalty under Section 114AA ibid should not be imposed on M/s IKS for making wrong declarations of the services in ANF-3B Form, for the purpose of availing excess scrip benefit;
- (x) Penalty under Section 114AB ibid should not be imposed on M/s IKS for irregular availment of scrips by fraud, collusion, wilful misstatement or suppression of facts and selling such scrips to Importers for utilization towards discharging duty;
- (xi) Penalty under section 112(a) of Customs Act should not be imposed on M/s IKS as discussed in para 24.3 above;
- (xii) Penalty under section 117 of Customs Act should not be imposed on M/s IKS;
- (xiii) Penalty under section 112(a) of Customs Act should not be imposed on Shri Sachin K. Gupta, CEO, Ms NishaRaizada, CFO/ Director, Shri Arindrajit Datta Vice President, S.Udaya Kumar, Chartered Accountant as discussed in para 25.2 above and
- (xiv) Penalty under section 114AA should not be imposed on Shri Sachin K. Gupta, CEO, Ms NishaRaizada, CFO/ Director, Shri Arindrajit Datta Vice President, Shri S.Udaya Kumar, Chartered Accountant as discussed in para 25.3 above

28.2. Now, therefore, **M/s Adani Wilmar Limited**, Fortune House, near Navrangpura, Railway Crossing, Ahmedabad, Gujarat-380009 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs13,23,02,662/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s Adani Wilmar Limited.**

28.3. Now, therefore, **M/s Bunge India Private Limited**, Survey No.151/1, 151/2, 152 and 154, Village Moti Chira, Taluka Bhachau, Gujarat are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji

temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs 6,88,522/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s Bunge India Private Limited.**

28.4. Now, therefore, **M/s Cargill India Private Limited**, Survey No.415, National Highway Road, 8-A, P.O. Bhimasar, TalukaAnjar, Gujarat-370240 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs. 58,03,04,752/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s Cargill India Private Limited.**

28.5. Now, therefore, **M/s EmamiAgrotech Limited**, J.L.No.149, HPL Link Road, MouzaDebhog, Haldia, West Bengal-721657 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs 30,82,18,715/-in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s EmamiAgrotech Limited.**

28.6. Now, therefore, **M/s K.T.V. Health Food Private Limited**, B-69, Sipcot Industrial Complex, Gummidi poondi, Tamil Nadu-601201 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210 within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs14,01,77,725/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112**

(a) and section 117 of the Customs Act should not be imposed on M/s K.T.V. Health Food Private Limited.

28.7. Now, therefore, **M/s MMTC-Pamp India Private Limited**, RojkaMeo Industrial Estate, Teshil Nuh, Haryana-122103 are hereby called upon to show cause the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210 within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs. 1,19,94,08,098/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s MMTC-Pamp India Private Limited.**

28.8. Now, therefore, **M/s Nilkamal Limited**, Plot No.971 A2/1, B2/2 and 1&2/1, Stice, Musalgaon, Sinnar, Nashik, Maharashtra-422103 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs6,66,65,420/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by wilfulmis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s Nilkamal Limited.**

28.9. Now, therefore, **M/s The Supreme Industries Limited**, 612, Raheja Chambers, Nariman Point, Mumbai, Maharashtra are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why the imported goods of assessable value of Rs 4,63,70,257/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by willful mis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s The Supreme Industries Limited.**

28.10. Now, therefore, **M/s Supreme Petrochem Limited**, Village Amdoshi Wakan Roha Road, L Roha, Nagothane, Maharashtra-402106 are hereby called upon to show cause to the Commissioner of Customs having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch Gujarat-370210, within thirty days of receipt of this Notice, as to why

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the imported goods of assessable value of Rs. 24,99,99,739/- in respect of the Bills of Entry detailed above in Table IV, for which duty exemption under the Notification 25/2015-Cus. dated 08.04.2015 was availed, based on SEIS scrips obtained by willful mis-statement and suppression of facts for availing duty, **should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962. Further, as to why penalty under section 112 (a) and section 117 of the Customs Act should not be imposed on M/s Supreme Petrochem Limited.**

29. All the above notices are required to show cause to the adjudicating authority within thirty days (30) of receipt of this notice and are further required to indicate in their written reply whether they wish to be heard in person before the case is adjudicated. If no cause is shown against the action proposed to be taken within 30 days from the date of receipt of this notice or having shown cause, they do not appear before the adjudicating authority when the case is posted for personal hearing, the case will be adjudicated, ex-parte based on the evidences available on record.

30. This notice is issued without prejudice to any other action that may be initiated under the Customs Act, 1962 or any other Act for the time being in force in India.

31. The department reserves its right to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material fact which may come to the notice of the Department after the issuance of this notice.

32. Reliance for issuance of this notice is based on the documents listed in Annexure enclosed to this notice. Copies of all the relied upon documents listed in Annexure are enclosed to this notice. It may be noted that all the documents enclosed to this Show Cause Notice are an integral part of this Show Cause Notice.

(M. Ram Mohan Rao)
Commissioner of Customs,
Custom House, Kandla

DIN- 20250271ML000061186A

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Encl: Annexure (Relied upon documents).

To

- 1) M/s Inventurus Knowledge Solutions Ltd.
Building No.5 & 6, 8th Floor,
Mind space Business Park (SEZ),

Thane-Belapur Road, Airoli, Navi Mumbai-400 708

- 2) M/s Bunge India Private Limited, Survey No.151/1, 151/2, 152 and 154, Village Moti Chira, Taluka Bhachau, Gujarat
- 3) M/s Supreme Petrochem Limited, Village AmdoshiWakanRoha Road, L Roha, Nagothane, Maharastra-402106
- 4) M/s EmamiAgrotech Limited, J.L.No.149, HPL Link Road, MouzaDebhog, Haldia, West Bengal-721657
- 5) M/s MMTC-Pamp India Private Limited, RojkaMeo Industrial Estate, Teshil Nuh, Haryana-122103
- 6) M/s K.T.V. Health Food Private Limited, B-69, Sipcot Industrial Complex, Gummidipoondi, Tamil Nadu-601201
- 7) M/s Adani Wilmar Limited, Fortune House, near Navrangpura, Railway Crossing, Ahmedabad, Gujarat-380009
- 8) M/s Nilkamal Limited, Plot No.971 A2/1, B2/2 and 1&2/1, Stice, Musalgaon, Sinnar, Nashik, Maharashtra-422103
- 9) M/s The Supreme Industries Limited, 612, Raheja Chambers, Nariman Point, Mumbai, Maharastra
- 10) M/s Cargill India Private Limited, Survey No.415, National Highway Road, 8-A, P.O. Bhimasar, TalukaAnjar, Gujarat-370240

Copy to:-

- 1) The Joint Development Commissioner, O/o the Development Commissioner, SEEPZ, SEZ, Andheri East, Mumbai- 400096
- 2) The Additional Director General, DRI, Hyderabad Zonal Unit, H.No.10-2-289/57/1 &2, Suryavanshi Residency, II Cross Road, Shanthinagar, Masab Tank, Hyderabad - 500028.
- 3) CEIB, New Delhi.
- 4) The Superintendent (EDI), Kandla for uploading the notice on website of Kandla customs.