

BRIEF FACTS OF THE CASE

Sub: Adjudication of the Show Cause Notice F. No. DRI/MZU/GRU/INT/08/2017 dated 03.07.2018 issued under the provisions of Section 124, read with section 18 of Customs Act, 1962 issued to M/s Global International Imex Pvt. Ltd. for overvaluation and mis-declaration of Shipments of 'Polypropylene Ropes'-reg.

M/s. Global International Imex Private Limited located at Plot No.97, Sector-19A, Near APMC Market, Behind Commodity Exchange Building, Vashi, Navi Mumbai – 400 705, holding IEC No. 0311069789 [hereinafter referred to as 'M/s GIPL'], had filed several Shipping Bills on 28.12.2016, for export of "Ropes purported to be Nylon Ropes".

2. Specific intelligence developed by the officers of Directorate of Revenue Intelligence (DRI), Goa(hereinafter referred to as Officers of DRI) that M/s GIPL was engaged in export of 'Ropes purported to be Nylon Ropes' through Marmagoa Port by mis-declaring and grossly inflating its value to avail undue and otherwise inadmissible export benefit under Merchandise Exports from India Scheme (hereinafter referred as MEIS). Discreet enquiries conducted by the officers of DRI further revealed that: -

- i. M/s GIPL had filed several Shipping Bills on 28.12.2016, for export of 'Ropes purported to be Nylon Ropes' by classifying the same under Customs Tariff Sub-Heading (CTSH) 5608 9020 with the description as 'Twist Net';
- ii. In one such Shipping Bill No. 3104727 dated 28.12.2016 and its supporting export invoice, it was noticed that for the export of 43,750 Metre of 'Twist Net', export remittance receivable was **Rs.1.40 Crore**, indicating that the rate per metre of 'Twist Net' **as Rs. 320/-;**
- iii. Further M/s GIPL clearly indicated in the said Shipping Bill that they intend to claim MEIS Reward under the MEIS Scheme, by declaring it in the Shipping Bills;
- iv. Initially, Let Export Order (LEO) was issued by Goa Customs Authorities for 32 Shipping Bills filed by the exporter on 28.12.2016, classifying the goods under CTSH 5608 9090 and declaring it as 'Twist Net';
- v. Subsequently, the LEO for these **32 Shipping Bills were cancelled by the Customs and ordered re-examination, samples were drawn, after which the classification was changed from CTSH 5608 9090 to CTSH 5607 9090** with the description of goods as **'Industrial Material (Ropes)** except in the case of Six shipping bills where the description still remained as 'Twist Net' with classification CTSH 5608 9090.
- vi. Similarly, there were another set of 48 Shipping Bills wherein M/s GIPL declared the export goods as 'Industrial Material (Ropes)'under

CTSH 5607 9090 and the Customs Authorities at the time of examination, drew samples for testing by the Customs Laboratory, Marmagoa to confirm the description, value and classification.

- vii. M/s GIPL further filed 80 Shipping Bills for which LEO was issued on 11.01.2017 and were assessed 'Provisionally' pending receipt of Test Reports.
- viii. Intelligence indicated that the total value of the export goods of around Rs. 100 Crores was highly inflated and the exporter clearly intended to **avail around Rs 5 Crores, i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II Sr. No. 2368 of Appendix – 3B - MEIS Schedule Table II).**

3. Acting on the above said intelligence, the officers of DRI identified the five (05) containers in which the said consignments of 'Ropes purported to be 'Nylon Ropes', declared as 'Twist Net' / 'Industrial Material (Ropes)' were being exported by M/s GIPL from Marmagoa Port. All the five containers, which were already sealed with Customs Seal and Shipping Line Seals, were opened and samples were drawn by DRI, Goa Regional Unit in the presence of officers of the Customs as well the employees of M/s Kamat & Co., Custom House Broker(CHB) of M/s GIPL under Panchanama dated 11.01.2017. These sealed samples were then forwarded to the Chemical Examiner, Custom House Laboratory, Custom House, Marmagoa vide letter F.No. DRI/MZU/GRU/INT/08/2017 dated 16.01.2017. During the course of the investigation, Shri Masiar Rahaman and his brother Shri Mijanur Rahaman filed an anticipatory Bail Petition No. 27/2017 in the Sessions Court, South Goa, Margao. The Hon'ble Sessions Court passed an Order dated 29.02.2017 directing the Respondent to grant Bail to the two applicants on furnishing Personal Bond of Rs 1,00,000/- with one surety of like amount. Accordingly, they were both arrested by DRI, **Goa Regional Unit but were released on bail bond of Rs 1,00,000/- each along with surety of like amount as directed by the court.**

4. To gather more evidence, the officers of DRI, visited the registered office premise of M/s GIPL, as mentioned in their IEC at 219, 2nd Floor, Creative Industries Premises, Sundar Nagar, Kalina, Santa Cruz East, Mumbai – 400 098 and residential premises of their directors i.e. Shri Masiar Rahaman and Shri Mijanur Rahaman, as mentioned in the IEC as 909, 9th Floor, C-Wing, Bhoomi Valley, Thakur Village, Kandivali East, Mumbai – 400101. However, it was noticed that both the premises were locked and un-used. Subsequently, efforts were made to trace out the new address of the company and it was gathered that M/s GIPL was operating from their cold storage facility located at Plot No. 97, Sector-19A, Near APMC Market, Behind Commodity Exchange

Building, Vashi, Navi Mumbai – 400 705. The said premise was searched on 21.01.2017 under the provisions of Section 105 of the Customs Act, 1962. The search resulted in recovery of several incriminating documents relating to export of 'Ropes purported to be Nylon Ropes' by M/s GIPL from Marmagaoa Port, which were resumed under Panchanama dated 21.01.2017 for the purpose of investigation.

5. During the course of the investigation, Statement(s) of the following persons were recorded under the provisions of Section 108 of the Customs Act, 1962 —

- i. **Shri Shivendra Singh, Cargo Manager in M/s Purnima Transport, Mumbai on 18.01.2017;**
- ii. Shri Haroon Shaikh, Director in M/s S K Freight Lines Pvt. Ltd., Navi Mumbai, on 18.01.2017 and 27.01.2017;
- iii. Shri Natraj Mohan Kanchan alias Raj, Facilitator, on 19.01.2017;
- iv. **Shri Valerian Joseph, Executive of M/s Kamat & Co., Custom House Broker, on 24.01.2017 and 25.01.2017;**
- v. Shri. Masiar Atiar Rahaman, Director of M/s GIPL, Mumbai, on 31.01.2017, 01.02.2017, 31.03.2017, 01.04.2017, 12.09.2017 and 06.04.2018;
- vi. **Shri Ashok Kumar Jain, presently working as Chief Manager, UCO Bank, Santa Cruz Branch, Mumbai on 29.03.2017; and**
- vii. **Shri Nilesh Ramchandra Jadyar, Commission Agent, on 25.07.2017.**

6.1 In his statement recorded on 18.01.2017, Shri Shivendra Singh, Cargo Manager of M/s Purnima Transport, Mumbai, stated, *inter alia* that:

- i. He is Cargo Manager of M/s Purnima Transport, Mumbai and was engaged into transportation of goods in and around JNPT. In the end of August 2016, he received a call from Shri Nilesh (Mob. No. 9892200160 & 7045263771) giving reference of Shri Haroon of M/s S K Freight lines and informed that some export cargo had to be picked up from Godown No. 992 or 993, Near Sheetal Hotel, Khadupada, Steel market, Kalamboli and to be dropped inside JNPT Port, to which he accepted the proposal. On 26.09.2016, he sent his driver Shri Shiv Kumar Kol with vehicles bearing Nos. MH 46 AF 7518, MH 06 G 7149, MH 46 AF 1088 and alongwith some hired trucks from other transporters to pick up the goods from the above mentioned Godown. A total of 5,531 MT of nylon rope bundles were unloaded in their warehouse. The exports goods were nylon rope bundles. On being failed to inform the destination for unloading the cargo Shri Nilesh requested to unload the cargo in their warehouse, which were to be picked up in a week's time.
- ii. On 23.12.2016, he received a call from Shri Haroon (Mob. No. 9819822904) of M/s S. K. Freight Lines Pvt. Ltd., to arrange trucks to transport the nylon rope bundles stored at their warehouse to Marmagaoa Port, Goa and in response he said that they do transportation of goods

only in and around Mumbai and not out of Mumbai. Then Shri Haroon called him on 25.12.2016 and informed that he was sending a vehicle bearing number No. MH 11 AL 1350 of M/s V Trans and gave him the Mob. No. 9665933171 of the Driver. Since 25th Dec was a holiday, the vehicle arrived on 26th at around 11.00 Hrs at their office and after loading of the nylon rope bundles left the godown with 2000 cartons of nylon rope bundles.

- iii. On the same day Shri Nilesh of M/s S K. Freight Lines Pvt. Ltd. forwarded Invoice and Packing list pertaining to the nylon rope bundles via his e-mail "info@skfreightlines.com" to their company e-mail id purnimatransport786@gmail.com. The Invoice No. GIPT-17/16-17 dated 26.12.2016 was raised by M/s Global International Imex Pvt. Ltd., Mumbai to M/s Tose-E-Tejarat Beynolmelal, Iran Port of Loading Marmagoa, final destination as Iran, 2000 packages of "Twist Net", QTY: 2000 CTNs, Rate per CTN INR 500.0000, amount in FOB 1,000,000.00 (Rs. Ten lacs Only). Packing List contained invoice no. GIPT-17/16-17 dated 26.12.2016 showing the following details (i) 2000 packages with goods description as "Twist Net" with total net weight of 8000 Kgs and gross weight of 8025 Kgs, Port of loading Marmagoa and final destination as Iran, (ii) exporter as M/s Global International Imex Pvt. Ltd., Mumbai and consignee as M/s Tose-E-Tejarat Beynolmelal, Iran.
- iv. On 29.12.2016, Shri Nilesh informed him over the phone that vehicles Nos. and respective contact nos. of the drivers i.e GA 04 T 4142 (Nikhil Mob. No. 9049553064) and GA 04 T 1594 (Venkatesh Mob. No. 9637857262) would be sent on 30.12.2016 for loading the nylon rope bundles to be dispatched to Goa. On 30.12.2016 After completion of loading the vehicles left on the same day. 3000 MT of nylon rope bundles i.e. 1500 MT per truck was dispatched on that day and the remaining 531 cartons of nylon bundles were still lying in their warehouse at Pagote Village. Documents for the 3000 MT of goods dispatched were not provided to him.
- v. However, Shri Nilesh provided the documents viz. packing list and invoice to the lorry drivers; He undertook to submit the relevant entries made in their register for dispatch of the nylon rope bundles on the above mentioned trucks.
- vi. Out of total 5531 cartons of nylon bundles stored at their warehouse, 2000 cartons were dispatched on 26.12.2016 and 3000 cartons were dispatched on 30.12.2016 to Marmagoa Port, Goa and the remaining 531 cartons of nylon bundles were still lying at their godown.
- vii. They had not received any amount in respect of these transportations till date from Shri Nilesh or from M/s S.K. Freight Lines and not raised any

invoice to M/s S.K. Freight Lines Pvt. Ltd. for transportation and warehousing of the nylon rope bundles.

6.2 In his statement recorded on 18.01.2017, Shri Haroon Shaikh, Director in M/s S K Freight Lines Pvt. Ltd., Navi Mumbai, stated, *inter alia* that: -

- i. In 2009, he started his own transportation and freight handling company in the name M/s S K Freight Lines Pvt. Ltd. which was mainly involved in transportation, freight handling and forwarding. The line did not have its own vehicles and mainly worked as a "Commission Agent" for transportation and Shipping lines. He, his wife Smt. Meenaz and his elder brother Shri Ismail Shaikh were the Directors in M/s S K Freight Lines.
- ii. On 10th December 2016, he met Shri Natraj, a freelancer, at Raghuleela Mall, in Vashi who was known to him since the last 4 / 5 years and met him several times over the years in the course of his professional work. As far as he knew, he was not associated with any particular company. In the said meeting with him on 10th December 2016, he requested Shri Natraj for some business as he was going through a lean patch in his business.
- iii. Thereafter he introduced Shri. Natraj to one Shri. Salim Bhai (7977315908) and they decided to get into the business of export of Nylon rope. On 23.12.2016, Shri Natraj (Mob. No. 8291216504) called him to pick up some export cargo of about 2000 cartons from the godown of M/s Purnima Transport at Pagote Village to be delivered at Marmagoa Port, Goa and was informed that the said cartons contained Nylon Rope Bundles.
- iv. Accordingly, he contacted M/s V Trans Logistics Ltd. for arranging trucks for transportation from godown of M/s Purnima Transport at Pagote village to Marmagoa Port, Goa and On 26.12.2016, Truck bearing No. MH 11 AL 1350 arranged by M/s V Trans Logistics Ltd. picked up around 2000 MT of cartons of nylon rope bundles. He quoted a price of Rs. 39,000/- (Rupees Thirty Nine Thousand) to Shri Natraj out of which he was supposed to pay to M/s V Trans Logistics Ltd.
- v. On the same day i.e. 26.12.2016, his office employee Shri Nilesh forwarded the documents pertaining to the nylon rope bundles via e-mail "info@skfreightlines.com@gmail.com" to M/s Purnima Transport in their e-mail id "purnimatransport786@gmail.com", with instructions to hand over these documents to the truck driver for hassle free transportation to Marmagoa Port, Goa. These documents consisted of Packing List and an Invoice. The **Invoice No. GIPT-17/16-17 dated 26.12.2016 was raised** by M/s Global International Imex Pvt. Ltd., Mumbai to M/s Tose-E-Tejarat Beynolmelal, Iran Port of Loading Marmagoa, final destination as Iran, 2000 packages of "Twist Net", QTY: 2000 CTNs, Rate per CTN INR 500.0000,

amount in FOB 1,000,000.00 (Rs. Ten lacs Only). Packing List contained invoice no. GIPT-17/16-17 dated 26.12.2016 showing the following details (i) 2000 packages with goods description as "Twist Net" with total net weight of 8000 Kgs and gross weight of 8025 Kgs, Port of loading Marmagaoa and final destination as Iran, (ii) exporter as M/s Global International Imex Pvt. Ltd., Mumbai and consignee as M/s Tose-E-Tejarat Beynolmelal, Iran.

- vi. Though Shri Natraj told him that the cartons contained "Nylon Rope Bundles", the invoices sent to him by Shri Natraj showed description of goods as "Twist Net". At that particular time, he was not aware about the actual contents of the cartons as he had not personally seen the same.
- vii. Shri Natraj called him for further transportation of 3000 cartons of the cargo from the godown of M/s Purnima Transport at Nagote Village to Marmagaoa Port, Goa. For the said transport, he contacted Shri Jangam of M/s Deccan Queen Transport for arranging the trucks and offered rate of Rs. 25,000/- (Rupees Twenty Five Thousand) per truck and quoted Rs. 27,000 /- (Rupees Twenty-Seven Thousand) per truck to Shri Natraj for keeping Rs. 2,000/- (Rupees Two Thousand) per truck as his commission;
- viii. After approval from Shri Natraj, he sent two trucks on 30.12.2016 bearing Nos. GA 04 T 4142 and GA 04 T 1594 arranged by M/s Deccan Queen Transport to godown of M/s Purnima Transport at Nagote Village to pick up 3000 cartons (1500 cartons each truck) for delivery at Marmagaoa Port, Goa and documents were not provided by Shri Natraj for this consignment but lorry receipt documents must have been delivered to the respective drivers directly by Shri Natraj at the loading point i.e. godown of M/s Purnima transport at Nagote Village. Shri Natraj did not give him any payment for the said consignments too.
- ix. In the evening of 11.01.2017, Shri Natraj arranged cash of Rs. 4,80,000 /- (Rupees Four Lakh Eighty Thousand) which was sent to his office at Vashi with instructions over the phone to transfer the money to M/s Marine air & Logistics, Goa (Shri Kishore, Mob. No. 9823193597) towards ocean freight booking and M/s Kamat & Co., Goa for Customs paperwork and handling charges and the same was deposited into his Account No. 108605000340 at ICICI Bank, J B Nagar branch, Andheri (E) on 12.01.2017 by Shri Natraj. As directed by Shri Natraj, he transferred an amount of Rs. 3,33,879/- from his account to M/s Marineair & Logistics, Goa by way of RTGS and Rs. 1,36,400/- to M/s Kamat & Co., Goa by way of NEFT on 12.01.2017.
- x. Shri Natraj said him to contact an agent in Iran for Customs Clearance of the goods once the goods reach the destination port and as directed he searched for the same on the internet from a list of World Shipping Association. But he could not do this as the goods had not yet reached at the destination port and Shri Natraj had not given any confirmation about

the same. He also arranged 'Certificates of Origin' and Invoices for other clients too.

- xi. On being shown, e-mail communication dated 14.01.2017 along with its attachment, under heading "Book1.xlsx" which was forwarded by him through his e-mail ID "haroon@skfreightlines.com@gmail.com" to his employee Shri Amol Kadam on e-mail ID "amol@skfreightlines.com@gmail.com", he stated that Shri Nilesh had given him the soft copies of invoices, packing list for taking quotation from agents for Customs clearance in Iran. He affixed his dated signature on all the printouts of said e-mail communication.
- xii. He requested details from M/s Care Container Lines Pvt. Ltd., Mumbai having a branch office in Iran for obtaining quotation for Customs clearance of goods at Destination Port at Iran.
- xiii. On the basis of the said documents along with photo copy of Bill of Lading, he arranged 'Certificates of Origin' to Shri Nataraj as they were required for Banking purpose.
- xiv. As the said documents were kept in the car, he requested his employee Shri Nilesh Nanche to go to his vehicle bearing No. MH 01 3808 (Honda City) which was parked near to DRI office and bring them up to DRI office;
- xv. The said documents i.e. Original Invoices, Packing Lists and Certificate of Origin were arranged by him for the purpose of filing the same with the Iranian Customs at the Port of Iran as per the directions of Shri Nilesh (mobile No. 9892200160 & 7045263771) (Not his Employee).
- xvi. Shri Nataraj gave him the copies of Bills of Lading, original destination Invoices & their packing lists and original 'Certificate of Origin' which were as under:
 - 1) Bill of Lading No. GOIBND1700001 wherein the container No. is mentioned as JFSU0130868/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-01 TO 16 /16-17 dated 26.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 26.12.2016 referring Invoice No. GIPT-1 to 16/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
 - 2) Bill of Lading No. GOIBND1700002 wherein the container No. is mentioned as JFSU0132135/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-17 TO 32 /16-17 dated 26.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 26.12.2016 referring

Invoice No. GIPT-17 to 32/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.

- 3) Bill of Lading No. GOIBND1700005 wherein the container No. is mentioned as JFSU0130908/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-33 TO 48 /16-17 dated 28.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-33 to 48/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
- 4) Bill of Lading No. GOIBND1700003 wherein the container No. is mentioned as JFSU0129229/20', containing: Industrial Material (Ropes), net weight 5000Kgs, Destination Invoice No. GIPT-49 TO 64 /16-17 dated 28.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-49 to 64/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
- 5) Bill of Lading No. GOIBND1700004 wherein container No. is mentioned as JFSU0132156/20', containing: Industrial Material (Ropes), net weight 5000Kgs, Destination Invoice No. GIPT-65 TO 80 /16-17 dated 28.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-49 to 64/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.

- xvii. He signed and submitted all the aforementioned documents for further investigation and Shri. Nilesh had not provided original Bill of lading to him till date.
- xviii. Shri Nilesh and Shri Natraj requested him to arrange the above said documents for submission to the Iranian Customs at the destination port i.e. Bandar Abbas; and these documents pertained to the goods which were exported in the above mentioned containers on 12.01.2017 by M/s Global International Imex Pvt. Ltd from Marmugao Port.

6.3 In his statement recorded on 19.01.2017/20.01.2017, Shri Natraj Mohan Kanchan, stated, *inter alia* that: -

- i. He was a proprietor of 1) M/s SNK Trading & Exports, 336, Grohitam building, plot No. 14B, Sector-19, Vashi, Navi Mumbai 2) M/s Sush International, Grohitam building, plot no. 14B, sector-19, Vashi, Navi Mumbai and 3) M/s V K Exim, Grohitam building, plot no. 14B, sector-19,

Vashi, Navi Mumbai and his work involved coordination between the CHA, freight forwarder and Customs, for monetary consideration in the form of Commission to the tune of max 2% of freight.

- ii. Around three months back Shri Haroon Shaikh, a Freight Forwarder (Mobile No. 9819822904) known to him through one of his friends Shri. Dinesh (who is also CHA at JNPT Port) approached him for his services which meant coordination with officers of Customs to ensure hassle free export of goods from India, for monetary consideration for a party, who had huge cargo for export.
- iii. Thereafter, Shri. Nilesh (Mobile No. 7045263771) and Shri. Salim (Mobile No. 7977315908) residents of Mumbai were introduced to him by Shri. Haroon Shaikh who approached him for export related work and both wanted to export some cargo under free Shipping Bills with inflated FOB value. His work was to manage Officers of Customs from the Ports through which the cargo was intended to be exported and he agreed to their request.
- iv. They intended to export goods such as garments, steel, ropes, auto parts etc., by inflating the FOB value. Thereafter, they intended to avail benefit of MEIS/ Drawback scheme. After receiving the said proposal from them, he explored the possibilities in different ports for export of goods with inflated FOB value and finally decided to export goods from Marmagao Port, Goa.
- v. Accordingly, he met Shri. Vivekanand Reddy, Assistant Commissioner at Marmagao Port, through a common friend Dr. Sanjeev. Then Shri Viveknand Reddy introduced him to one of the CHA firm by name M/s. Kamat & Co. working in Goa and after finalization of rates for their services, CHA firm agreed to work for them.
- vi. He gave about 4-5 different IEC details of some of the companies for registering the same with Goa Customs to the CHA firm, wherein one of the exporter was M/s Global International Imex Pvt. Ltd., Mumbai (IEC 0311069789). He did not know who has arranged the cargo, but he felt that the same might have been arranged by Shri Nilesh or Shri Salim.
- vii. Shri Haroon Shaikh gave him the details of the trucks, for transportation of the cargo to Goa and which were forwarded to the CHA in Goa. In the CHA firm, he always interacted with Shri Joseph or Shri Akhil.
- viii. He saw the export cargo contained bundles of Nylon rope for the first time in Marmagao Port while loading of the same into the containers. The said nylon rope would cost around 300 per Kg in the local market.
- ix. He never met or interacted with any of the Directors/Employee of M/s Global International Imex Pvt. Ltd., Mumbai (IEC 0311069789) and always interacted with Shri Nilesh / Shri Salim, as both of them appeared to be representatives of the exporter.

- x. Shri Nilesh had prepared the invoices and certificates for country of origin with the help of Shri Haroon Shaikh and forwarded the same to CHA for filing Shipping Bills.
- xi. Shri. Haroon Shaikh forwarded to him on his Whatsapp Account at 8.39 PM, the phone number of the truck driver (9665933171) alongwith truck No. MH 11 Al 1350 which was transporting 2000 MTS of export Nylon Rope bundles from Nhava Sheva to Goa (Vasco-Da-Gama) on 26.12.2016 and this was the first export consignment. On the second occasion, Shri. Haroon Shaikh forwarded to him to his WhatsApp account, the details of truck drivers and truck nos. as GA 04 T 4142 (1500 cartoons) and GA 04 1594 (1500 cartoons) at 8.27AM on 30.12.2016. He forwarded these details to the representative of CHA for loading of cargo in the designated containers.
- xii. Customs Classification of the export cargo was communicated to him by Shri Haroon Shaikh and he insisted the CHA to describe and classify the goods as "Twisted Rope Net" as communicated to him by Shri Nilesh / Shri Salim, however, Shri. Joseph, the employee of CHA objected for the same. Thereafter, subsequent deliberations with the Assistant Commissioner of Customs, it was decided to change the classification and description of the export cargo.
- xiii. Initially 32 Shipping Bills were filed on 28.12.2016 with description of the cargo as "Twist Net", for export in two containers from Marmagoa port and after assessment done by Shri Vivekanand Reddy, Let Export Order (LEO) was issued by the concerned Customs officer. However, in the meantime, Shri. Mahtab, Assistant Commissioner of Customs, who was handling regular charge of Export, resumed his duties and ordered for the cancellation of all the Let Export Orders (LEO), issued for the said 32 Shipping Bills filed on 28.12.2016.
- xiv. He approached Shri Mehtab as the export consignment was stopped by him and discussed with him the circumstances which led to the cancellation of LEOs.
- xv. They totally filed 80 Shipping Bills for export of Bundles of Nylon Ropes in 5 containers (16 Shipping Bills for each container) in the name of M/s Global International Imex Pvt. Ltd., Mumbai (IEC 0311069789).
- xvi. As they decided to claim benefit under MEIS reward scheme they decided to file multiple Shipping Bills in the name of M/s Global International Imex Pvt. Ltd., Mumbai with inflated FOB value for Export to Iran considering that it would be easy to claim such benefit from the DGFT after export of cargo by showing more number of Shipping Bills.
- xvii. He was aware that the valuation / declared price of the export cargo was much higher than its actual cost in local market.

- xviii. The 80 Shipping Bills filed in the name of M/s Global International Imex Pvt. Ltd., Mumbai were provisionally assessed and samples were also drawn for testing of cargo, by the Goa Customs authorities, thereafter, the goods were exported as per the laid down procedure and specifically added that initially it was decided to get all the Shipping Bills 'Finally Assessed' but as the CHA representative objected on the classification of the nylon rope bundles, the Customs officers were forced to change the description and classification of the cargo.
- xix. Earlier the Shipping Bills were filed for export of 'nylon rope bundles' under chapter heading 5608 9020 and the goods had description of "Twisted Twin Rope/Net". The Shipping Bills were marked as "WE INTEND TO CLAIM REWARD UNDER MEIS SCHEME". He admitted the invoices and packing lists submitted alongwith the Shipping Bills too indicated that the goods description as "Twist Net";
- xx. The exporter later changed the description of the goods in the invoices as "Industrial Material(Ropes)". All the 80 shipping Bills were filed under Chapter Heading 5607 9090.
- xxi. All the 80 Shipping Bills filed in the name of M/s GIPL were for export of Nylon Ropes to consignee M/s Toss E Tejarat Beynolmelal, Persia, No. 23, RD Alley Khan, ED Eslamboli, Iran.
- xxii. He was not aware how the consignee would pay the amount for such inflated FOB valued cargo to the seller i.e. M/s GIPL. He was not aware whether seller and buyer were related companies in terms of the Customs Act, 1962. He was not aware about any contract for sale/purchase of cargo between the buyer and seller for export of the said goods. Shri Nilesh and Shri Salim informed him that they had already received advances for export of the said goods. But he was not aware if the export remittances were already received as advance or yet to come in the bank account of M/s GIPL.
- xxiii. Initially the plan was to export nearly 50 containers per month from Marmagoa port with different commodities and also claim MEIS reward scheme;
- xxiv. Shri Haroon Shaikh had paid all the charges for ocean freight as well as to CHA from his bank account through RTGS/NEFT and as he was busy handling export shipment of the said exporter in Goa, hence was not aware as to who had paid these charges to Shri. Haroon Shaikh. He had not paid any charges towards freight, transportation, CHA charges in any form to Shri Haroon Shaikh;
- xxv. The exporter M/s GIPL promised to pay him Rs. 5 lakhs per container, out of which he had to give Rs. 3 Lakhs to Customs, 1 Lakh to Dr. Sanjeev and remaining Rs. 1 Lakh per container was his profit and reiterated that as the

volume of containers was high, he thought that he would make enough money in this deal.

xxvi. In his presence the DRI officers opened his E-mail ID "sushinternational5@gmail.com" and after scrutiny of e-mails, printouts of certain e-mails were taken and affixed his dated signature on all the printouts of e-mail communication as a proof of having seen and confirmed the same.

xxvii. The details of the said e-mails and his say on the same are as under:

1. E-mail dated 20 Dec. 2016 at 12.55 PM - received from "dumlogistics@gmail.com" to "vkexims@gmail.com" and "sushinternational5@gmail.com", under heading "Fwd:Fw:Fwd:AD CODE REGISTRATION OF UCO BANK." In this regard, he stated that the said bank account registration form dated 03.03.2016 and letter dated 08.03.2016 addressed to Asst./Dy. Commissioner of Customs, was forwarded to his e-mail ID by dumlogistics@gmail.com, i.e. by Shri Haroon Shaikh, for onward submission to CHA for customs clearance. He was not aware as to how and from whom, Shri Haroon Shaikh had got these forms.
2. E-mail dated 24 Dec. 2016 at 12.22 PM - forwarded by him from E-mail Id "sushinternational5@gmail.com" to "joseph@kamatco.com", and "akhil@kamatco.com", under heading 'Invoice & Packing List'. This e-mail was about forwarding copies of invoices and packing list 1 to 16 to CHA for customs clearance.
3. E-mail dated 26 Dec. 2016 at 1.23PM - forwarded by "dumlogistics@gmail.com", i.e. by Shri Haroon Shaikh to his e-mail Id, wherein Shri Haroon Shaikh had forwarded copies of invoices alongwith packing list for invoices from 17 to 32 for submission to CHA for customs clearance. In the said e-mail and trailing e-mail there was a discussion with representative of CHA, Shri. Joseph about the exact classification of export goods, as CHA was objecting the description and classification of the goods. (Enclosure to statement Page Nos. 36-77). In the said e-mail, there were two invoices having invoice GIPT -01/16-17 dated 22.12.2016 and GIPT- 02/2016 dated 22.12.2016, wherein rate per MTR of the cargo was shown as USD 0.0100. This was the rate at which the export goods were supposed to be declared with the Iranian Customs at port Bandar Abbas. However, he was not aware as to how he had forwarded the said invoices to CHA for customs clearance. The description of the cargo shown in invoices with the said e-mail as "Twist Net" was not correct, as the said export cargo was not Twist Net but it was Nylon rope only. It was earlier decided to declare in the export goods in the Shipping Bills as "Twist Net"
4. E-mail dated 27 Dec. 2016 at 3.20 PM from "dumlogistics@gmail.com" i.e. Shri Haroon Shaikh to CHA and CC to his e-mail ID "sushinternational5@gmail.com", under heading "Re: FW: REGISTRATION OF A.D. CODE//FREEIGHT EX MRM TO B.ABBAS". The said e-mail was in relation to charges to be paid to CHA. The said e-mail also contained enclosures wherein there was a format for Cargo Manifest for Bandar Abbas, wherein cargo

description was shown as “TWINE NET”, use of products shown as “FOR NETS” and HS code shown as 5608 9020.

5. E-mail dated 27 Dec. 2016 at 3.46 PM from CHA to him on e-mail ID “sushinternational5@gmail.com” & to “dumlogistics@gmail.com”, i.e. to Shri Haroon Shaikh, for approval of checklist before preparing final Shipping Bills.
6. E-mail dated 29 Dec. 2016 at 1.21 PM from “dumlogistics@gmail.com” i.e. Shri Haroon Shaikh to CHA and CC to his e-mail ID “sushinternational5@gmail.com”, for forwarding format of draft for first print. (enclosure to statement Page nos. 120-122).

6.4 In his statement recorded on 24.01.2017 of Shri. Valerian John Joseph, Employee of M/s Kamat & Co., Goa, stated, *inter alia* that: -

- i. In 2006-07, he joined as Customs Clearance clerk (Export) in M/s Kamat & Co, (Customs Broker) in Mumbai office, he is still working in the said company as Customs Executive and his job profile involves coordination with clients, assisting classification of goods as per the direction of his boss Shri Amit Kamat, attending customs work for assessment. He sometimes attended examination of the goods if the regular employees were not available.
- ii. On 16/17.12.2016, Shri Vivekanand Reddy, Assistant Commissioner of Customs called him in his office at Customs House, Marmagoa and informed him that his friend from Bangalore intend to export some consignments of Steel Rods, fishing nets under free Shipping Bills and requested him to provide Customs House Services and informed that he would give his contact number to his friend. He agreed to the same as it appeared to be a good business opportunity;
- iii. He soon received a phone call on his mobile No. 9923200637 and the person calling from opposite side informed him that he was Shri Vivekanand Reddy’s friend and would like to meet him and after affirmative reply, the person visited his office within one hour to discuss about business. The person who came to his office introduced himself as Mr. Raj and wanted to export steel rods. He promised to provide documents in this regard and during discussions, their charges were fixed at Rs. 5,000/- per container.
- iv. Next day he was given documents such as IEC, banker’s letter, exporters request letter for registration of Authorized Dealer (AD) code & IFSC code and PAN card copies of M/s Riddhi Saree (IEC 5215921806), M/s Gaurav Enterprises (IEC 5210039617), M/s J B Enterprises (IEC 5209063411) and M/s Trinity Overseas India (IEC 0316959995);
- v. Mr. Raj gave him documents of the above named firms for registration with Customs EDI system. He informed that he was working as an

agent on behalf of the exporter/s. Mr. Raj never submitted any letter authorizing him to work on behalf of the Exporter;

- vi. Thereafter, he met Shri Vivekanand Reddy, AC Customs and informed him that the person who met him giving his reference was not the actual exporter and further requested to find out who Mr. Raj was and whether he was a genuine person. Shri. Vivekanand Reddy told him that Mr. Raj happened to be a friend of his best friend who works as an Assistant Commissioner in Bangalore Customs whose name was not disclosed to him and assured that the exporters were genuine and all the Shipping Bills were free Shipping Bills. Thereafter, Mr. Raj started meeting him frequently in office of M/s Kamat & Co. located at Marmagoa Harbour and subsequently he gave him three more documents for registration with Customs EDI system. The three documents were IEC of M/s Versatile Enterprises (IEC 0316966045), M/s Posignat Overseas (IEC 0316969150) & M/s Vilotter Multitrading Co. (IEC 0316969214).
- vii. On suspicion Mr. Raj was asked as to why he was submitting so many IEC's and why they wanted to export from Goa port. He replied that they want to increase the volume of the export consignments from Marmagoa Port in order to help Shri Vivekanand Reddy, AC Customs, Marmagoa;
- viii. On 21st December 2016, Shri Raj met him in their company office and informed that the export of steel would be done later but at the moment they intend to export fishing nets and documents for this consignment of M/s Global International Imex Pvt. Ltd., Mumbai that included KYC documents, banker's letter, exporters request letter, IEC and Pan copy of the exporter for registration with the Customs EDI system. However, he did not submit the copy of contract or purchase order.
- ix. On 27th December, 2016, he forwarded invoice and packing list of M/s Global International Imex Pvt. Ltd. via e-mail dumlogistics@gmail.com to their office e-mail ID kamatcogoa@gmail.com, for export of "Twist Net" and he specifically informed to classify the same under CTH 5608 9020. Accordingly, on 28th December 2016, a check list was generated for final printout of Shipping Bill and the same was forwarded back on e-mail ID dumlogistics@gmail.com. After the checklist was approved, Shri. Raj, who was present in Goa informed about its approval.
- x. As requested by DRI officers he opened their company's e-mail on the computer available in DRI office and printouts were taken in regard to these e-mail communications. All these e-mails were signed by him as a token of confirmation.
- xi. Shri Raj gave them the vehicle No. MH 11 AL 1350, name of driver i.e. Kevat Nishad, ID proof of the driver, who was carrying export goods

from Mumbai to Goa, for the purpose of obtaining gate permission and passes at the port. Accordingly, they arranged his gate pass to enter the vehicle in the Marmagoa Port.

- xii. The said vehicle unloaded the goods in Marmagoa Port and simultaneously examination of the goods was carried out by Shri Nitin Kumar, Inspector (Examiner) and the goods were stuffed in the container on 29.12.2016. He was not present at the time of examination as he was on leave for Christmas. Shri Sameer Raul, their company representative was present throughout the stuffing process of the goods filed under the first 32 Shipping Bills all dated 28.12. Shri Sameer Raul would be in a position to comment about the custom clearance of above mentioned 32 Shipping Bills.
- xiii. He joined his duties on 30.12.2016 and got the feedback from his colleague Shri Sameer Raul that the goods declared by the exporter in the first 32 Shipping Bills were different from the actual ones.
- xiv. On 30.12.2016, Shri Raj sent a second lot of documents to them via e-mail ID dumlogistics@gmail.com to process the customs formalities. Shri Raj also forwarded the vehicle and driver's details carrying export goods from Mumbai to Goa on what's App number 9158921684. These details are vehicle No. GA 04 T 1594 (drivers name Shri Sagar Harrijan having mobile No. 9420973840) and other vehicle No. GA 04 T 4142 (drivers name Shri Mangaldas Manerkar).
- xv. Knowing the export goods were not properly classified, he objected for the same and due to this Shri Raj said that ropes could be described as "Industrial fabric" material, and as the actual goods appeared to be 'Nylon Rope', the classification suggested by Shri Raj as CTH 5608 9020 was not correct. Accordingly, he suggested CTH of the goods to be 5607 5040 for Nylon ropes which is proper but Shri Raj insisted that the goods were rope of industrial material (fabric) and not made up of Nylon material and therefore should be classified under CTH 5607 9090. As Shri Raj was adamant on this classification they had no option but to classify under CTH 5607 9090.
- xvi. Shri Raj was insisted on classifying the export goods under CTH 5608 9020 or CTH 5607 9090, as it appeared that the exporter was claiming the reward scheme under MEIS, for the which the benefit for CTH 5608 9020 or CTH 5607 9090 for the country Iran was 5% of the FOB value and there was no reward benefit for CTH 5607 5040 (which was suggested by them).
- xvii. The second lot of export goods (48 Shipping Bills all dated 02.01.2017) were received in the port on 03.01.2017, and the said goods were stuffed in the container. During the process of examination by Shri

Michael, Examiner of Customs, my colleague Shri Sameer Raul was present. As directed by him, his colleague Shri. Sameer Raul brought one sample of the goods for their reference and it was noticed that the export goods stuffed in container were Nylon/Plastic rope. From the invoices and after physically verification of the export goods, he came to know that the value of the goods appeared to be high.

- xviii. So he informed his boss Shri Amit Kamat on 05.01.2017 about the same and as per his instructions, they decided to clear the export shipments on provisional basis after taking samples to find out the actual content of the goods as well as the value of the goods.
- xix. Thereafter, he and Shri Michael, Examiner of Customs met Shri Mehtab, AC Customs and informed him about the high value of the goods and reward benefit to be claimed by the exporter. Shri Mehtab, AC Customs called Shri Raj (representative of the exporter) and informed him about their concern to which Shri Raj was not agreeing for change of classification of the export goods from CTH 5607 9090 to 5607 5040.
- xx. There was some heated argument between him and Shri Raj in the cabin of Shri. Mehtab, AC Customs about the classification of export goods. As Shri Raj was not ready to listen, they submitted a letter dated 09.01.2017 to Customs for clearance of all 80 Shipping Bills provisionally and to draw samples for all Shipping Bills and he submitted a signed copy of the said letter.
- xxi. Shri Mehtab, AC Customs cancelled the previous LEO issued for 32 Shipping Bills, all dated 28.12.2016 and ordered for examination of all 80 shipping bills after drawing samples. Accordingly, all the 80 shipping bills (32 S/Bs dated 28.12.2016 plus 48 S/Bs dated 02.01.2017) were provisionally assessed and samples for each S/B were taken & registered with Customs. Thereafter the shipment in five containers was allowed to load in the vessel, M.V. Pamba on 12.01.2017.
- xxii. Shri Raj also submitted a letter dated 09.01.2017 to customs for change of classification to CTH 5607 9090 for 32 Shipping Bills all dated 28.12.2016.
- xxiii. He had submitted signed copies of 32 Shipping Bills all dated 28.12.2016, wherein LEO was given and subsequently cancelled by Goa Customs;
- xxiv. However, when they came to know that there was large number of Shipping Bills going to be filed by the exporter, the charges were renegotiated for Rs 5,000/- plus Rs. 425/- per shipping bill instead of Rs. 5000/- per container and the same have been paid by the exporter through NEFT (reference no. 000020456338) in their HDFC account No. 00722320000589 through from M/s S.K. Freight Lines having ICICI

Bank Account No.108605000340 on 12.01.2017.He was not aware as to how M/s S.K. Freight Lines paid the service charges.

- xxv. He had submitted signed copies of printouts of E-mail communication dated 27.12.2016 about the initial negotiations of CHA charges with Shri Raj.They had never met the Director of the exporting company i.e. M/s Global International Imex Pvt. Ltd., nor an employee of the said company and the correct name of Shri Raj (representative of M/s Global International Imex Pvt. Ltd.) was Shri Natraj Mohan Kanchan (PAN No. AFJPK4775N).

6.5 In his statement recorded on 25.01.2017 of Shri Valerian John Joseph, Employee of M/s Kamat & Co., Goa, stated, *inter alia* that: -

- i. The Shipping Bills filed by M/s Global International Imex Pvt. Ltd., Mumbai were filed as Free Shipping Bills and for the same they had not questioned them.
- ii. As the exporter was not claiming benefits like duty drawback, advance license or EPCG, the Shipping Bills filed by M/s. Global International Imex Pvt. Ltd., Mumbai were filed as free Shipping Bills.Even though the exporter intended to claim MEIS reward scheme, there was no provision for mentioning the MEIS scheme code in the system, hence, the same were considered as free Shipping Bills.
- iii. Shri Natraj Mohan Kanchan alias Raj had not given any letter of authorization on behalf of exporter M/s Global International Imex Pvt. Ltd., Mumbai to file Shipping Bills and assurance was given by Mr. Raj that he would be submitting the same in due course of time.
- iv. Shri Raj further informed them that he was authorized by the exporter for the signing all the documents on their behalf and he had occasionally taken printouts of invoices, packing list of the exporter and other misc. letters in their office. Immediately after signing the same by him, Shri Raj submitted the same to them for further processing with the Customs.
- v. As M/s Global International Imex Pvt. Ltd., Mumbai was a first time exporter from the Marmagoa port, they had taken precautions to ascertain the authenticity of the exporter by requesting the exporter to furnish the documents like Vat registration certificate having No. MH01V975700, Certificate of Incorporation of the company dated 03.06.2010 and Memorandum of Association of company and sent an e-mail dated 20.12.2016 from his e-mail ID 'joseph@kamatco.com' to Shri Natraj's e-mail ID "vkexims@gmail.com" & sushinternational5@gmail.com to provide the same.The printout of the e-mail communication was already submitted in his previous statement

recorded on 24.01.2017. For registration of the exporter with the customs, they had submitted a letter dated 21.12.2016 issued by M/s UCO Bank, mentioning Authorized Dealer Code, IFSC Code, Account No. and Swift Code and subsequently, Goa Customs registered the details of said exporter.

- vi. Since M/s UCO Bank issued letter certifying the details of the said exporter, it meant that they had verified the details of the M/s Global International Imex Pvt. Ltd., Mumbai. He and his colleague Shri Nilesh Govekar has signed the check list/s, for submission of the same to the customs as the representative of the Custom Broker sometimes sign the checklist on exporter's behalf. For signing the said check list/s, the exporter had not given any authorization to them, however it was a general practice that usually customs broker used to sign the check list.
- vii. They received a letter dated 09.01.2017, addressed to Asstt. Commissioner of Customs, Marmagoa by the exporter mentioning request for change of description of goods as "Industrial Material (ropes) with RITC as 5607 9090 on their E-mail Id for information and Shri Natraj Mohan Kanchan alias Raj only submitted the same to the customs authorities. He has once again submitted printout of the said e-mail communication dated 09.01.2017 for information.

6.6 In his statement recorded on 27.01.2017, Shri Haroon Shaikh, Director in M/s S K Freight Lines Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i. In his last statement dated 18.01.2017, he wrongly informed that Shri. Natraj had paid cash amount of Rs. 4,80,000/- to him out of which he transferred Rs. 3,33,879/- to M/s Marine air and Logistics & Rs. 1,36,400/- to M/s. Kamat & Co. but Shri Nilesh Jadyar (Mob. No. 7045263771) (not his employee) in consultation with Shri Natraj alias Raj paid him the said cash for onward transfer to M/s Marine air and Logistics & M/s Kamat & Co..
- ii. Till date the exporter had not paid the amount due towards transportation for their services of transporting export goods from the godown in Nhava Sheva to Marmagoa port. Shri Nilesh Jadyar promised to pay him the amount towards transportation charges, however till date he had not paid the same.
- iii. He and his company employees operated the following E-mail Id's
 - 1) haroonshaikh1212@gmail.com
 - 2) haroon@skfreightlines.com
 - 3) info@skfreightlines.com
 - 4) amol@skfreightlines.com
 - 5) dumlogistics@gmail.com;

- iv. In his previous statement dated 18.01.2017, he had not disclosed e-mail Id dumlogistics@gmail.com operated by him and/ or his company employees.
- v. Shri Nilesh Jadyar, who was the mastermind behind this racket and representing the exporter, created the E-mail Id dumlogistics@gmail.com in his office by using one of their office computers for transactions related to M/s Global International Imex Pvt. Ltd..
- vi. Shri Nilesh Jadyar used to visit his office located at Room No. 211, 2nd Floor, Sai Siddhi Bldg., Plot No. 165-174, Behind State Bank of India, APMC Market, Sec-19C, Vashi, Navi Mumbai-400 705 and used to operate the said E-mail Id with his consent.
- vii. As they were good friends, he used to permit Shri Nilesh Jadyar to use his office computers; Whenever, Shri. Nilesh Jadyar was out of Vashi, he called him and instructed him to check for the Inbox of E-mailid dumlogistics@gmail.com and accordingly as per his directions his employee Shri Nilesh Ninche (9978601420) used to operate/check the same e-mail.
- viii. Whenever instructions were received from Shri Nilesh Jadyar or Shri Natraj kanchan alias Raj for creating fake invoices or packing list in soft format, he used to prepare and forwarded the same to Shri Natraj from E-mail Id dumlogistics@gmail.com (which was specially created for the such transactions) to sushinternational5@gmail.com & vkexims@gmail.com (two e-mail Ids of Shri Natraj). Nobody had given him or his staff, any authorization for signing customs related documents i.e. Invoices & Packing Lists on behalf of the exporter M/s Global International Imex Pvt. Ltd.;
- ix. The e-mail id dumlogistics@gmail.com which Shri Nilesh Jadyar created in his office at Vashi used an alternate E-mail Id for recovery of password as ssultan01@gmail.com, which was the E-mail of Shri Sultan Shaikh (Mobile No. 9987666023), his employee and relative, who joined in April,2016 as Sales Executive. Shri Sultan Shaik requested by him to share his e-mail Id and password and printouts had been taken wherein it can be seen that the e-mail id dumlogistics@gmail.com was created on 23.09.2016 with the recovery e-mail Id is ssultan01@gmail.com. The password and recovery e-mail was changed by Shri Nilesh Jadyar on 19.01.2017. He had affixed his dated signature on the aforementioned printouts as a proof of having seen and confirmed the same.
- x. He was not aware as to who has signed Export Invoices and Packing list pertaining to goods exported by M/s Global International Imex Pvt. Ltd., from Marmagoa port and felt that the same might have been signed by

Shri Nilesh Jadyar, as he was mostly staying in Goa, for the purpose of supervising the loading of export goods in containers.

- xi. Shri Nilesh Jadyar prepared invoices as well as packing lists in their office and forwarded the same from e-mail id dumlogistics@gmail.com and none of the Export Invoices and Packing lists submitted to the customs at Marmagoa Port were signed by him or his employees. Shri Nilesh Jadyar gave him Invoices and Packing Lists in soft format for submission to Iranian Customs. He prepared some of such Invoice/s, as Shri. Nilesh Jadyar had promised him to give him work of releasing the containers at Iranian Port through local agents in Iran.
- xii. Some of such invoices prepared in his office at Vashi had already been submitted by him in his previous statement dated 18.01.2017 and Original destination invoices pertaining to export from Marmagoa port were signed by him on instructions of Shri. Nilesh Jadyar whereas there was no written authorization from the exporter i.e. M/s Global International Imex Pvt. Ltd. and he has merely done the same on the instructions of Shri Nilesh Jadyar.
- xiii. On being shown an e-mail dated 27.12.2016 of dumlogistics@gmail.com and its trailing e-mail which was sent to Customs Broker M/s Kamat & Co. on e-mail Id kamatcogoa@gmail.com, having attachment "Invoices", he had confirmed that the said e-mail was forwarded from dumlogistics@gmail.com and confirmed that his employee Shri Nilesh Ninche sent the same from his office computer. He was also shown attachment Invoice No. GIPT-01/16-17 and Packing list both dated 22.12.2016;
- xiv. He was also shown an attachment Invoice No. GIPT-02/16-17 dated 22.12.2016 alongwith Packing list for 1000 Pkgs. wherein description of goods was shown as "Twist Net", Quantity 625000 MTR, rate per MTR in USD as 0.0100 for total amount of USD 6250.00 and both these invoices and its packing lists were seen by him and he affixed his dated signature on the aforementioned invoice and packing list as a token of him having seen the same.
- xv. These said invoices were prepared by Shri Nilesh Jadyar in his office for the purpose of submission to the Iranian Customs. Each invoice pertained to goods loaded per container i.e. reflecting for 1-16 and 17-32 invoices which were declared in the Shipping Bills filed at Marmagoa port and goods stuffed in each container were of goods declared in 16 Shipping Bills each.
- xvi. However, he was not aware as to why these Invoices and Packing Lists intended for submission to Iranian Customs were sent to Customs Broker M/s Kamat & Co, as it was nowhere related to them.

- xvii. As it was evident that the same were sent from dumlogistics@gmail.com, they must have been sent as per the directions of Shri Nilesh Jadyar.
- xviii. He was shown Invoice Nos. 1) GIPT-01 TO 16/16-17 dated 26.12.2016 2) GIPT-17 TO 32/16-17 dated 26.12.2016 raised by M/s Global International Imex Pvt. Ltd., to M/s Tose-E-Tejarat Beynolmelal, Iran submitted by him during his previous statement dated 18.01.2017, wherein in both the invoices, the rate per MTR USD was shown as USD 0.002, totally amounting to UDD 1250.00 each. Further, he was shown invoices submitted by Customs Broker in his statement dated 24.01.2017 which were discussed above having Nos. 1) GIPT-01/16-17 dated 22.12.2016 and 2) GIPT-02/16-17 dated 22.12.2016, wherein both invoices show rate per MTR as USD 0.010, for total amount of USD 6250.00. There was difference in rate as declared in the invoices submitted by him wherein rate was shown as USD 0.002/MTR and the invoices mailed by him to Customs Broker showing rate as USD 0.010/MTR. He had wrongly sent invoices by e-mail to the Customs Broker. The invoices submitted by him in his statement dated 18.01.2016, were the actual invoices prepared for the purpose of submission to Iranian Customs for Clearance of goods at the destination port Bandar Abbas, Iran.
- xix. He had also submitted invoices in his earlier statement dated 18.01.2016 having number 1) GIPT-33 TO 48/16-17 dated 28.12.2016, for 1000 packages, wherein material was shown as "Industrial Material (Ropes)", quantity 625000 MTR, rate USD 0.002 MTR totally amounting to USD 1250.00 2) GIPT- 49 TO 64/16-17 dated 28.12.2016, for 1000 packages, wherein material was shown as "Industrial Material (Ropes)", quantity 625000 MTR, rate USD 0.002 MTR totally amounting to USD 1250.00 3) GIPT- 65 TO 80/16-17 dated 28.12.2016, for 1000 packages, wherein material was shown as "Industrial Material (Ropes)", quantity 625000 MTR, rate USD 0.002 MTR totally amounting to USD 1250.00. These invoices were actual invoices prepared for the purpose of submission to Iranian Customs for Clearance at the destination port, Iran. Each invoice (made for submission to Iranian Customs) pertained to goods declared in their respective container as mentioned in Bill of Lading and each Bill of Lading consisted 16 invoices each, as declared in Load port.
- xx. As Shri Nilesh Jadyar promised him the work of clearance of importation of the said goods at the destination port i.e. Bandar Abbas, Iran, he gave permission for making such Invoices and Packing Lists in his office and he was aware of the price i.e. rate per meter being declared as USD 0.002 /MTR. He signed these invoices on behalf of the exporter as per the instructions of Shri Nilesh Jadyar. Shri. Nilesh Jadyar promised him to

arrange payment for his services directly from the exporter i.e. M/s Global International Imex Pvt. Ltd., Mumbai, once he gets the work of clearance of the goods at Iran done and he confirmed the goods for export were 'nylon/plastic rope' as seen by him when he visited the godown/warehouse of M/s Purnima Transport at Pagote village (near JNPT) with his employee during the process of loading of goods onto the trucks.

6.7 In his statement recorded on 31.01.2017, Shri. Masiar Atiar Rahaman, Director, M/s. Global International Imex Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i. In 2010, he started a company "M/ Global International Imex Pvt. Ltd." at Plot No. 97, Sector 19A, Near APMC Market, Vashi, Navi Mumbai with Rs. One lakh as a capital investment for trading of perishable and non-perishable products like vegetables, pulses, rice, fruits and other general trading to different countries including Gulf countries, African countries and UK.
- ii. He looked after all business transactions of M/s Global International Imex Pvt. Ltd., however, his brothers Shri Mijamur Rahaman & Shri Shfirur Rahaman were looked after general administration of above said company. His brother in law was working as Manager in the said company and also looked after Poultry business located at Survey No. 161/1, Beed/Asthi, Ahmednagar-414 001;
- iii. He and his brother Shri. Mijamur Rahaman were directors of M/s. Global International Imex Pvt. Ltd.. He was also Director in 1) M/s Mizan Imex International Pvt. Ltd., 2) M/s Skypoint Multitrade Pvt. Ltd., 3) M/s Global Infra Pvt. Ltd. and 4) M/s Starlink Auto Ventures Pvt. Ltd., all having the same address as plot No. 97, Sector 19A, Near APMC Market, Vashi, Navi Mumbai but did not have any overseas company nor was he a Director/Shareholder of any overseas company;
- iv. M/s Global International Imex Pvt. Ltd. is mainly into export of various agricultural products like rice, onion, potato, fresh fruits & vegetables, etc. to Africa, Gulf and UK and M/s Mizan Imex International Pvt. Ltd. and M/s Skypoint Multitrade Pvt. Ltd were active into trading of poultry, goats and textile products. However, other companies such as M/s Global Infra Pvt. Ltd., and M/s Starlink Auto Ventures Pvt. Ltd., were only incorporated for future business opportunities and these companies were not active nor having any transactions.
- v. In 2012, he came across one person by name Shri Kamlesh Ajmera (Mobile No.7021317348), who introduced himself as businessman dealing in export/import of iron and steel, resident of A-11, Sagar Sarita

CHS, Nr. Adarsh dairy, Off Marva Road, Malad (W), Mumbai-400 064, through one common friend by name Shri Prashant

- vi. After becoming good friend, one day Shri Kamlesh requested him in getting Rs 30 Lakh loan for his business purpose and therefore he applied for the Rs 30 Lakhs loan against his property at A-11, Sagar Sarita CHS, Nr. Adarsh dairy, Off Marva Road, Malad (W), Mumbai-400064 M/s Oriental Bank of Commerce, P.M Road, Fort Branch, Mumbai,; wherein he had an account. Thereafter, he gave Rs 30 Lakh loan of Shri Kamlesh Ajmera by RTGS in favour of his proprietorship firm M/s Nisha Enterprises, 118/120, Vithalwadi, Ground Floor, Kalbadevi, Mumbai and same was utilized by him for his business. However, as promised Shri Kamlesh Ajmera did not return the said amount to him.
- vii. He repaid the loan to the bank on behalf of Shri Kamlesh Ajmera. However, he constantly followed Shri Kamlesh Ajmera for Rs 30 lakhs. As he was unable to repay him the said amount, Shri Kamlesh Ajmera promised to work as mediator for some customers and that he would give him good business from prospective customers and As promised he was introduced to Shri Suleiman Thektilal, Director of M/s Axis Energy General Trading LLC, Dubai and after long deliberations, a contract was signed for export of vegetables. After signing a contract, as first consignment he exported onions worth Rs. 10 Lakhs and initially was paid Rs. 5 Lakhs for the said export.
- viii. Thereafter, Shri. Suleiman Thektilal insisted for more supply of vegetables and after supply of substantial amount of vegetable amounting to Rs. 65 Lakhs, Shri. Suleiman Thektilal, M/s Axis Energy General Trading LLC, Dubai, had not made any payments to him against the said exports. As he was not able to get 65 lakhs towards export of vegetables from M/s Axis Energy General Trading LLC, Dubai, he asked Shri. Kamlesh Ajmera to contact Shri Suleiman Thektilal and get him his money.
- ix. Shri Kamlesh Ajmera informed him that he was unable to pursue the matter and suggested that they do business with a customer who would give payment in advance. Thereafter, as per Shri Kamlesh Ajmera's own request he was made Director in M/s Global International Imex Pvt. Ltd. as per board resolution in 2012.
- x. After passage of some time, he went to Iran for new business opportunities, representing M/s Global International Imex Pvt. Ltd. as Director and finalized a deal with M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, No 23, 3rd Alloy, Khaled Eslamboli, Ave, Tehran, Iran, for export of Agri products, Metal Products, Industrial Products, Automotive Products, General electronics Products, Chemicals, Petrochemical

products and Software Turn-Key-Projects and accordingly, a Contract was signed with the said company in Dubai on 29th September, 2013, in the presence of two independent witnesses namely Shri. Hemant Parikh and Shri Ali Reza for a total amount of Rs. 900 crores, by Shri. Kamlesh Ajmera representing M/s Axis Energy General Trading LLC, Dubai, with Shri. Mohammad Gorbani Ali of Buyer M/s. Tose-E-Tejarat, Beynolmelal Zarrin Persia. He submitted self-attested photocopy of the said agreement.

- xi. As part of the deal, around December, 2013, first advance payment amounting to Rs. 6 crores, was received in the company bank account held with M/s UCO bank, Fort Branch. Thereafter, they had frequently received advances in their bank account and totally received Rs. 205 crores from M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, Iran. Similarly, they received some advances amounting to Rs. 5,57,13,375/- and Rs. 15,98,88,576.29 from M/s Tose Tejarat Movahedin and M/s Vala Tejarat Beh Parvar respectively. M/s Tose Tejarat Movahedin and M/s Vala Tejarat Beh Parvar were sister companies of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia. He submitted self-attested copy of all these transactions in relation to Advance towards export remittances received in his company i.e. M/s Global International Imex Pvt. Ltd.. He received Rs. 225 Crore, as advance remittance for export from all the three companies mentioned above.
- xii. In the time span of 3-4 years, they were unable to discharge the export obligation and decided to export goods to the aforementioned companies against the said advances. He requested Shri. Kamlesh Ajmera to look into the matter and do something to fulfil the export obligation.
- xiii. Accordingly, Shri Kamlesh Ajmera approached Shri Vijay Vipat, who in turn approached Shri Hemant Parikh and thereafter, Shri Hemant Parikh approached Shri Nilesh, Shri Natraj Mohan Kanchan alias Raj and Shri Haroon Shaikh and devised a scheme to export goods to fulfil the export obligation.
- xiv. Shri. Vijay Vipat and Shri Hemant Parikh planned to export some goods through Marmugao Port. They in turn contacted Shri. Nilesh, Shri. Natraj Mohan Kanchan alias Raj and Shri Haroon Shaikh.
- xv. He was not aware what they have exported for fulfilment of export obligation in the name of M/s Global International Imex Pvt. Ltd. to Iran. On 21.12.2016, he was made aware that they would be exporting from Marmagoa Port and on enquiry as to why Marmagoa Port was chosen for export instead of JNPT, Shri Kamlesh Ajmera said that he would take care of all the formalities and advised not to worry for the export.

- xvi. He promised to do the needful to fulfil the export obligation against the Advance remittances received during 2013-14 from Iranian company M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia. On 12.01.2017, he received shipping documents which were filed at Marmagoa Port. Shri Vijay Vipat and Shri Hemant brought the original exporter copies of Shipping Bills to his office. He was made aware of the goods exported vide 80 Shipping Bills filed at Marmagoa Port only on that day. He was not aware about the valuation of the export goods, however Shri Kamlesh Ajmera informed him that they were going to do the needful for fulfilling export obligation.
- xvii. He was shown copy of Panchanama dated 21.01.2017, drawn at the office of M/s Global International Imex Pvt. Ltd., Plot No. 97, Sector 19A, Vashi, Navi Mumbai, wherein it was mentioned in Annexure to Panchanama that file No. 11 contained Shipping Bills for export from Marmagoa Port and was aware that these Shipping Bills for export of goods from Marmagoa port were lying in his office which were subsequently seized by the officers of DRI, which were handed over to him by Shri Vijay Vipat and Shri Hemant.
- xviii. He had indeed submitted these documents to M/s Bank of India, Opera House Branch, Mumbai, for necessary action through M/s UCO bank, Fort Branch. However, officials of Bank of India returned back these documents by saying that their branch deals only in transactions of diamonds and therefore cannot process the said request.
- xix. The description of the export goods in the Shipping Bill Nos. 3104727, 3104728, 3105779, 3106869, 3106875 & 3112903 all dated 28.12.2016 was mentioned as "*Twist Net*" with Customs Tariff classification of goods as 5608 9020. He affixed his dated signature on the same as proof having seen and confirmed the same.
- xx. Apart from the aforementioned Shipping Bills, in rest of the Shipping Bills, the description of export goods was mentioned as "*Industrial Material (Ropes)*" with Customs Tariff Classification as 5607 9090. He was not aware as to why there was a difference in Customs Tariff Classification of exported goods as "*Twist Net*" with classification code as 5608 9020 and "*Industrial Material (Ropes)*" with classification code as 5607 9090, when the goods being exported are the same Nylon Ropes in all the five containers.
- xxi. The FOB value mentioned in all the Shipping Bills were in the range of Rs. 1 Crore to 1.5 Crore INR. He was not aware about the basis of valuation of the goods declared in the Shipping Bills, as he had not personally seen the goods which were exported and he does not know the quality of the goods. He was not aware from where the exported goods

were procured locally in India. His company had not paid any amount to any domestic seller for purchase of goods, as declared in the Shipping Bills. The goods declared in the Shipping Bills were arranged by Shri Hemant and Shri Nilesh.

- xxii. He undertook to furnish copies of purchase invoices pertaining to these export goods in a day. Being Director of the company he was the signing authority for banking transactions and without his knowledge no payments could be made to any party from the company's bank accounts. There was no purchase of Twist Net or Industrial Ropes by M/s Global International Imex Pvt. Ltd.
- xxiii. Shri Kamlesh Ajmera too was one of the Authorized Signatory of Current Account No. 00610210002148 of M/s Global International Imex Pvt. Ltd., at Santa Cruz (W) branch of UCO Bank. Shri Kamlesh Ajmera and Shri Vijay Vipat were looking after the said exports from Marmagoa port.
- xxiv. He was not aware about the warehousing and transportation of the goods to Marmagoa Port. He was also not aware who was doing documentation for Customs Viz. Purchase Order / Contract, Invoices, Packing List. He was not aware as to how the ocean freight was paid and the documents would be filed in Iranian port. He had not signed any Contract, Invoices, Packing List, etc. pertaining to the goods exported from Marmagoa port.
- xxv. None of the Directors of the company had authorized any person in writing to prepare/sign the Export Invoices & Packing lists, or authorized to represent the company before the Customs at Marmagoa Port. Neither he nor his company had made any payments towards warehousing, transportation, CHA charges, Ocean freight, insurance, etc. for the said goods exported from Marmagoa port. However, he took the responsibility to submit these details in a day i.e. on 01.02.2017, as the goods were exported by his company i.e. M/s Global International Imex Pvt. Ltd.
- xxvi. He had given one request letter to UCO Bank, Santa Cruz (W) branch of for giving Certificate to Customs Authorities at Marmagoa Port, that their company i.e. M/s Global International Imex Pvt. Ltd., was maintaining a current account No. 00610210002148 at the branch, as the certificate was required for fulfilling the customs formalities at the port. As per his request the bank issued a certificate reflecting Account No. as '*FOREX BANK ACC:006120210002148*' which was later handed over to Shri Vijay Vipat for further processing. This same account No. of their company was reflected in the Shipping Bills filed at the Marmagoa Port.
- xxvii. Their company intended to claim MEIS benefit scheme against these shipments as the same was clearly mentioned in the first page of all the Shipping Bills filed at Marmagoa Port "WE INTEND TO CLAIM REWARD UNDER MEIS SCHEME" and down below is mentioned "*FOREX BANK*

ACC:006120210002148".Until he saw the Shipping Bills, he was not aware that they intended to claim MEIS benefits against these shipments.

- xxviii. It was an undisputed fact that whatever benefit under MEIS reward scheme would be received against these shipments, would have been credited in their aforementioned bank account of the company and as stated earlier, apart from him, Shri Kamlesh Ajmera was also an Authorized Signatory in the aforementioned bank account.

6.8 In his statement recorded on 01.02.2017, Shri. Masiar Atiar Rahaman, Director, M/s. Global International Imex Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i. The Nylon Ropes exported by M/s Global International Imex Pvt. Ltd. from Marmagoa Port to Iran, were procured by Shri. Nilesh from one of his friend. Shri Nilesh informed him that around 5,500 cartons of Bundled Nylon Ropes were lying in his friend's godown at Nhava Sheva, for last three years. Accordingly, they decided to purchase the said 5,500 cartons of Bundled Nylon Ropes and export the same to Iran from Marmagoa Port. By exporting these bundles of Nylon Ropes he planned to fulfil his Export Obligations.
- ii. He was fully aware that the consignment of Bundled Nylon Ropes were exported to Iran in five containers from Marmagoa Port and the cargo loaded in all the five containers for export from Marmagoa Port was 5,000 cartons of bundled Nylon Ropes only and apart from these bundles of Nylon Ropes no other material was loaded in these five containers.
- iii. The remaining 500 cartons containing bundles of Nylon Ropes were still lying in the godown of M/s Purnima Transport at Pagote Village. He was aware about the inferior quality of Nylon Ropes.
- iv. His company i.e. M/s Global International Imex Pvt. Ltd., had not made any payments against the invoices till date. Shri Nilesh had agreed for payment towards these bundles of Nylon Rope after 2-3 months.
- v. He was shown statement of Shri Natraj Mohan Kanchan, recorded on 19.01.2017/20.01.2017 along with all the enclosures. **He has affixed his dated signature on the aforementioned statement and enclosures as a proof of the same being shown to him and he having seen and gone through the same;**
- vi. On identifying the consignment of Nylon Ropes it was decided to export the same to Iran and fulfil their Export Obligation. So for smooth export of the cargo and completion of Customs formalities without any hitch, Shri Natraj Mohan Kanchan alias Raj was contacted who assured them that he would

manage all the formalities related to exports in lieu of some commission as he had good contacts in Customs Department particularly in Marmagaoa Port.

- vii. It was also proposed by Shri Nilesh and Shri Natraj Mohan Kanchan alias Raj, that whatever the expenses in relation to these exports to Iran from Marmagaoa Port including facilitation fees, taxes, commission, CHA charges, transportation charges, Ocean freight charges, warehousing charges, etc could be easily covered by claiming MEIS reward scheme benefits against these shipments and everyone agreed to the proposal. He told Shri Raj to go ahead and export in the name of M/s Global International Imex Pvt. Ltd. from Marmagaoa port to Iran.
- viii. He had given specific instructions to Shri Natraj Mohan Kanchan alias Raj, that whatever documents would be required for exports viz. Contracts / Purchase Order, Invoices, Packing List, etc. he could generate and sign on behalf of the company i.e. M/s Global International Imex Pvt. Ltd. and submit to the Customs authorities / CHA at Marmagaoa Port for fulfilling of Customs formalities. Accordingly, as per instructions, Shri Natraj prepared the documents i.e. Invoices & Packing Lists and signed them and submitted to the Customs authorities / CHA at Marmagaoa Port.
- ix. It was agreed with Shri Natraj Mohan Kanchan alias Raj, that whatever payments had be made for smooth export of the cargo including the fulfilment of all the formalities and charges, he must arrange from his own and after exports were completed and MEIS claimed against these shipments and MEIS amount credited in their company's bank account, Shri Natraj could claim the same including his commission.
- x. He had been specifically shown page Nos. 2 & 3 of the enclosures of statement of Shri Natraj Mohan Kanchan, recorded on 19.01.2017/20.01.2017 wherein at page No. 2 is "BANK ACCOUNT REGISTRATION FORM" dated 03.03.2016 issued by the company i.e. M/s Global International Imex Pvt. Ltd. printed on the company's letter head showing their IEC as 0311069789 and Bank Account No. 00610210002148 maintained at Santa Cruz(W) branch of UCO bank and he confirmed that the signatures on this form is his own along with that of Shri Kamlesh Ajmera's and at page No. 3 is a letter addressed to Asst./Dy. Commissioner of Customs dated 08.03.2016 issued by UCO Bank, Santa Cruz (W) Branch, certifying that M/s Global International Imex Pvt. Ltd. maintained Current Account No. 00610210002148, with them. He confirmed that he has put his dated signature today on the aforementioned documents as a proof of the same being shown to him and he having seen and gone through the same. The same documents were submitted to the

Customs Authorities/CHA at Marmagoa port during filing of Shipping Bills;

- xi. He was specifically shown page Nos. 05-35 & 40-71 of the enclosures to statement of Shri Natraj Mohan Kanchan, recorded on 19.01.2017/20.01.2017, wherein page Nos. 05 to 35, contained copies of invoices and packing list from No. GIPT – 01/16-17 to GIPT – 16/16-17 all dated 22.12.2016. In all the aforementioned invoices, description was shown as “TWIST NET” and “RATE PER MTR INR” shown as Rs. 320.00.
- xii. He confirmed to have affixed his dated signature on the aforementioned documents as a proof of the same being shown to him and he having seen and gone through the same.
- xiii. The description in the invoices and packing list did not appear to be correct as they had exported only Bundles of Nylon ropes and not Twist Net and agreed the valuation of the cargo as INR 320.00 per Meter is on the higher side as nylon ropes which they had procured were not of high quality and make. The said over-valuation was done deliberately by them to claim MEIS benefits against these exports, so higher the value shown as FOB value of export, the higher the benefit they would accrue in the form of MEIS reward.
- xiv. Initially it was decided to declare the bundles of Nylon ropes as “Twist Net”, however, due to some objection raised by the CHA the goods were declared as “Industrial Material (Ropes)” while filing documents with the Customs. Even though the goods exported in 5 containers from Marmagoa Port were bundles of Nylon Rope, in some Shipping Bills they were still mentioned as “Twist Net”. There was no consignment of “Twist Net’ in those 5 containers exported from Marmagoa Port to Iran.
- xv. He was shown statement of Shri Haroon Shaikh, recorded on 18.01.2017 and 27.01.2017 alongwith the enclosures and confirmed to have affixed his dated signature on the aforementioned statement and its enclosures as a proof of it being shown to him and he having seen and gone through the same.
- xvi. As stated earlier, he had given specific instructions to Shri Nilesh and Shri Natraj Mohan Kanchan, to manage each and everything regarding these exports including all the payments and documentation and they must have involved Shri Haroon Shaikh for transportation of the 5000 cartons (Bundles) of Nylon ropes from Nhava Sheva to Marmagoa Port and for documents to be submitted at Iran Port, payment to CHA and Ocean freight. Shri Haroon Shaikh had not raised any Invoice for transportation of these goods from Nhava Sheva to Marmagoa Port and he had also not raised any invoice for the services for documentation at Iranian Port.

xvii. His company had not paid any amount towards any services rendered by Shri Haroon Shaikh, as there was already an understanding between them that any payments in this regard regarding smooth execution of export including fulfilment of all the formalities and charges, must be arranged from their own sources. After the export, as and when the MEIS is claimed and received for the said shipments, they could claim their expenses including their commission.

xviii. He was specifically shown following enclosures of statement of Shri Haroon Shaikh, recorded on 18.01.2017 -

1. Bill of Lading No. GOIBND1700001 for Container No. JFSU0130868/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-01 TO 16 /16-17 dated 26.12.2016 for 1000 packages of "Industrial Material (Ropes)", 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 26.12.2016 referring Invoice No. GIPT-1 to 16/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
2. Bill of Lading No. GOIBND1700002 for Container No. JFSU0132135/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-17 TO 32 /16-17 dated 26.12.2016 for 1000 packages of "Industrial Material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 26.12.2016 referring Invoice No. GIPT-17 to 32/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
3. Bill of Lading No. GOIBND1700005 for Container No. JFSU0130908/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-33 TO 48 /16-17 dated 28.12.2016 for 1000 packages of "Industrial material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-33 to 48/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
4. Bill of Lading No. GOIBND1700003 for Container No. JFSU0129229/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-49 TO 64 /16-17 dated 28.12.2016 for 1000 packages of "Industrial material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-49 to 64/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.
5. Bill of Lading No. GOIBND1700004 for Container No. JFSU0132156/20', containing: Industrial Material (Ropes), net weight 5000Kg, Destination Invoice No. GIPT-65 TO 80 /16-17 dated 28.12.2016 for 1000 packages of "Industrial material (Ropes), 625000 QTY MTR having Rate Per MTR USD 0.002, totally amounting to 1250.00 USD, Packing List dated 28.12.2016 referring Invoice No. GIPT-49 to 64/16-17 dated 26.12.2016, Certificate of Origin Reference No. 47676 dated 17.01.2017.

- xix. He confirmed to have affixed his dated signature on the aforementioned documents as a proof of the same being shown to him and he having seen and gone through the same;
- xx. The said documents were meant to be submitted to the Iranian Customs at Iran port.
- xxi. The description in these Invoices and Packing list as “Industrial material (Ropes)” appeared to be correct as they were exporting only Cartons of Bundled Nylon ropes. Further, the value of the cargo as USD 0.002 per meter was correct as cartons of Bundled Nylon ropes which they had procured was not of high quality and make. At Bandar Abbas Port i.e. the destination port, they were supposed to declare the correct value of these nylon ropes as import duty had to be paid there.
- xxii. He was specifically shown a printout of e-mail communication in the attachments to statement of Shri Haroon Shaikh, recorded on 18.01.2017, wherein there was an e-mail from dumlogistics@gmail.com dated 27.12.2016 and its trailing e-mail which was sent to Customs Broker “M/s Kamat & Co. on e-mail Id kamatcogoa@gmail.com”, along with attachments as “Invoices”;
- xxiii. He was also shown two attachments, Invoice No. GIPT-01/16-17 and Packing list both dated 22.12.2016. The Invoice for 1000 Kgs. of “Twist Net”, Quantity 625000 MTR shows rate per MTR as 0.0100 USD for total amount of 6250.00 USD and Invoice No. GIPT-02/16-17 dated 22.12.2016 along with Packing list for 1000 Pkgs. wherein description of goods was shown as “Twist Net” Quantity 625000 MTR, rate per MTR in USD as 0.0100 for total amount of USD 6250.00.
- xxiv. He affixed his dated signature on the aforementioned documents as a proof of the same being shown to him and he having seen and gone through the same;
- xxv. The said invoices must have been prepared by Shri Nilesh in the office of Shri Haroon Shaikh for the purpose of submission to the Iranian Customs. There was difference in rate per meter, in earlier invoices as 0.002 USD and in those which were sent by e-mail as USD 0.0100 per meter. In the invoices wherein the rate is mentioned as USD 0.0100 per meter, it might have been prepared mistakenly and sent by e-mail to CHA. The actual and true rate of the cargo exported in five containers from Marmagoa Port to Iran might be USD 0.002 per meter.
- xxvi. The e-mail id dumlogistics@gmail.com was created by Shri Nilesh in the office of Shri Haroon Shaikh using one of the computers and the recovery e-mail id sultan01@gmail.com belong to an employee Shri Sultan Quereshi. The recovery mobile number of Shri Nilesh (Mobile No. 7045263771) was mentioned in the said e-mail and the particular e-mail id was specifically

created to communicate and transfer documents with regard to these exports.

- xxvii. As evidenced from the statement of Shri Haroon Shaikh dated 18.01.2017 & 27.01.2017, payment to the CHA and ocean freight charges were paid by Shri Haroon Shaikh by way of transfer from his bank account and he might have arranged these payments from his own sources as per prior understanding in respect of payments for smooth execution of export including fulfilment of all formalities and charges and could claim their charges when the MEIS claim against these shipments gets credited to the company's bank account. Due to the said reason Shri Haroon Shaikh, Shri Nilesh and Shri Natraj Mohan Kanchan might have paid the CHA, M/s Kamat and Co. and ocean freight charges for M/s Marineair on behalf of the company i.e. M/s Global International Imex Pvt. Ltd. The main motive behind the said export from Mormugoa Port to Iran was to settle his export obligations.
- xxviii. He once again reiterated that, a Contract was already signed with M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia in Dubai on 29th September, 2013, for a total amount of Rs. 900 crores, by Shri. Kamlesh Ajmera representing his company with Shri Mohammad Gorbani Ali of Buyer M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia for export of Agriculture Produce, Metal, Industrial, Automotive, General electronics, Chemicals and Petrochemical products as well as execution of Software Turn-Key-Projects;
- xxix. As part of the said deal, first advance payment amounting to Rs. 6 crores was received in December, 2013, in the company's Bank Account No. 00610210002148 maintained at UCO bank, Santa Cruz (W) branch. Thereafter, they frequently received advances in their said bank account, and totally received Rs. 239 crores from M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, Iran, M/s Tose Tejarat Movahedin and M/s Vala Tejarat Beh Parvar. M/s Tose Tejarat Movahedin and M/s Vala Tejarat Beh Parvar were sister companies of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia.
- xxx. Self-attested copy of all these transactions in relation to Advance remittances towards export during his statement dated 31.01.2017 and from all the three companies mentioned above, he had received around Rs. 239 Crores an advance remittance towards exports to be made later, in their company's Bank Account No. 00610210002148 maintained at UCO bank, Santa Cruz (W) branch.
- xxxi. He was shown copy of Panchanama dated 21.01.2017, drawn at the office of M/s. Global International Imex Pvt. Ltd., Plot No. 97, Sector 19 A, Vashi, Navi Mumbai, wherein file No.12 having description "SUBMISSION OF EXCHANGE CONTROL COPIES" was mentioned in Annexure to

Panchanama and said file contained letters all dated 18.01.2017 addressed to Bank of India, Opera House Branch in their company's letter head. He confirmed all the said letters were signed by him.

- xxxii. Along with the said letters, exchange control copies of Shipping Bills filed at Marmagosa Port, Bill of Lading, Invoices and their Packing Lists were also enclosed. All the invoices and packing list which were signed by him were enclosed along with the said letters for submission to the aforementioned bank which were prepared and printed at their company's office at Vashi, Navi Mumbai. In all these invoices it is mentioned "RATE PER MTR INR" as 320.00 and this was the same rate which had been declared to the Customs Authorities at the time of filing of Shipping Bills at Marmagosa Port.
- xxxiii. After receiving the Original exporter copy of Shipping Bills at their office, they had prepared these set of letters for submission to the bank authorities for further processing, enclosing therewith exchange control copies of Shipping Bills filed at Marmagosa Port, Bill of Lading, Invoices and their Packing Lists and submitted these documents to Bank of India, Opera House Branch, Mumbai, for necessary action through UCO bank for settlement of advance foreign remittances received from the buyer. However, officials of Bank of India returned these documents by saying that their branch office dealt only in transactions of diamond trade and therefore could not process the said request.
- xxxiv. These documents were not submitted to UCO Bank as he was under apprehension that UCO Bank may reject these documents as the product which was now declared in the Shipping Bills i.e. Industrial Materials (Ropes), was different from the product which was declared in the purchase invoice i.e. Sunflower seed oil for getting advance remittances from the buyer M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, Iran and officials of Bank of India would be unaware of these advance remittances it would have been easier to process these documents with Bank of India.

6.9 In his statement recorded on 29.03.2017, Shri Ashok Kumar Jain, presently working as Chief Manager, UCO Bank, Santa Cruz Branch, Mumbai, stated, *inter alia* that:

- i. He was presently working as Chief Manager in UCO Bank, Santa Cruz Branch, Mumbai and as Chief Manager and their branch was an 'Authorised Dealer Category-B' Bank and was authorized to undertake all foreign exchange transactions within the ambit of RBI and FEMA guidelines, however they did not maintain foreign currency nostro accounts.

- ii. M/s Global International Imex Pvt. Ltd., (hereinafter referred as “M/s. GIPL”) was a customer of their branch since 17.09.2013 and maintaining a Current Account No. 00610210002148 with their branch.
- iii. Shri Masiar Atiar Rahaman and Shri Mijanur Atiar Rahaman were the two Directors of the company. As per the account opening form and other relevant documents submitted by M/s GIPL at the time of opening of the said account, Shri Masiar Rahaman, was the only authorized signatory and he had the mandate for operating the aforementioned bank account. The said fact was based on the Board Resolution of M/s GIPL dated 15.09.2013, submitted by M/s GIPL at the time of opening of the said account. He submitted attested copies of KYC and other relevant documents furnished by M/s GIPL at the time of opening of the said account and corresponding account opening form filed up by them in this regard.
- iv. On 27.01.2014, the operating mandate of the said account was changed, wherein Shri Kamlesh Ajmera, was added as an authorized signatory to this account and submitted an attested copy of “SPECIMEN SIGNATURE CARD” dated 27.01.2014 of M/s GIPL, wherein at Sr. No. 1, Shri Masiar Rahaman, Sr. No. 2, Shri Mijanur Rahaman and at Sr. No. 3, Shri Kamlesh Ajmera signatures were appended.
- v. The said “SPECIMEN SIGNATURE CARD” down below it is mentioned “Mode of Operation – 1 or 2 jointly with 3” i.e. “*Any one Director with Kamlesh Ajmera*”. As per the mandate Shri Masiar Rahaman or Shri Mijanur Rahaman together with Shri Kamlesh Ajmera could operate the account. So for transferring of funds, minimum two-persons signature would be required, which could either be Shri Masiar Rahaman or Shri Mijanur Rahaman together with Shri Kamlesh Ajmera.
- vi. Subsequently, the operating mandate for this account was again changed by M/s GIPL on 07.07.2014 vide their letter Ref No. GIPL/UCO/AS008/2014-15 dated 07.07.2014, signature of both the directors viz. Shri Masiar Rahaman and Shri Mijanur Rahaman were affixed and they also submitted a copy of Board Resolution of M/s GIPL dated 05.07.2014 to this effect wherein the name of Shri Kamlesh Ajmera was removed from the authorized signatory by M/s GIPL.
- vii. The company M/s GIPL had furnished/registered contact number as 9920730909 and they had not registered an e-mail id for official communication with the bank, however, the bank used to correspond with M/s GIPL on their e-mail id “globalinternationalimex@gmail.com”. He submitted statement of Current Account No. 00610210002148 of M/s. Global International Imex Pvt. Ltd. held with their Branch.

- viii. He was shown a chart prepared on the basis of the bank statement which showed Advance Remittances received from Iran and corresponding INWARD REMITTANCE BILL No. issued by their Bank and the same chart was enclosed with this statement.
- ix. He affixed his dated signature on the said chart as a proof of having seen and confirmed the same;
- x. He under took to submit copies of relevant documents for inward remittances issued by their Bank supporting communications with foreign bank& documents in relation to the foreign inward remittance in a week's time;
- xi. As per chart it was noticed that, from 06-12-2013 to 11-06-2014, M/s Global International Imex Pvt. Ltd., received approximately Rs. 2,39,67,11,634/- as advances for export to Iran and the exporters had to generally fulfil their export obligations within one year of receipt of advances as per RBI, Master Circular No.14/2013-14 dated July 01, 2013.
- xii. They had specifically asked M/s GIPL, the reasons behind delayed fulfilment of export obligations vide their office letter No. UCO/SANTACRUZ/328/14-15 dated 25.02.2015 and subsequent reminder letter No. UCO/SANTACRUZ/160/15-16 dated 11.09.2015, both having subject *Advance Payment Received for export to Iran*. However, in both the letters the amounts were wrongly mentioned as Rs. 2,08,77,50,987/- instead of Rs. 2,39,67,11,634/-.
- xiii. Vide their reply dated 13.10.2015, M/s GIPL stated that they were trying for some merchanting trade with Iran as they could bring goods to India and cited some technical difficulties regarding documentation. They also mentioned they were trying to get extension of time from Reserve Bank of India in this regard. He submitted attested copies of all the aforementioned letters.
- xiv. M/s GIPL approached their branch on 21.12.2016, requesting for AD Code of the branch on the Bank's letterhead for onward submission to the Office of Dy. Commissioner of Customs, Marmagoa Port, Goa.
- xv. Vide the above referred letter, M/s GIPL enclosed self-attested copies of following documents -
- 1) IEC No. 0311069789 of M/s GIPL,
 - 2) PAN Card No. AADCG8395A of M/s GIPL
 - 3) Board resolution dated 21.12.2016
 - 4) Bank account registration form to be duly attested by the bank
 - 5) Performa of letter to be addressed to Dy. Commissioner of Customs, Marmagoa, Goa.
- xvi. He confirmed Shri Masiar Rahaman himself signed the said letter addressed to their branch by M/s GIPL. Further, all the enclosures to the said letter were self-attested by Shri Masiar Rahaman.

- xvii. After receipt of the said letter from M/s GIPL the bank issued a letter to the office of Dy. Commissioner of Customs, Marmagoa Port, Goa dated 21.12.2016, certifying M/s GIPL was maintaining a Current Account No. 00610210002148 with their branch. The said letter also mentioned IEC of M/s GIPL as 0311069789 and PAN of M/s GIPL as AADCG8395A. The aforementioned letter issued by their branch was signed by Shri A K Menon, Manager of their branch and was personally handed over to Shri Amit Kumar (Mob. No. 9702896985), an employee of M/s GIPL on 21.12.2016 and his acknowledgment was obtained in the said letter. He submitted attested copies of all the aforementioned letters.
- xviii. He confirmed M/s GIPL had not submitted any export documents to their bank against the advance remittances of Rs. 239 Crores received from Iran, till date and as per Master Circular No.14/2013-14 dated July 01, 2013, issued by the RBI, an exporter has to submit export documents to the concerned bank within 21 days of the exports, which M/s GIPL has failed to do.

6.10 In his statement recorded on 31.03.2017, Shri Masiar Atiar Rahaman, Director, M/s Global International Imex Pvt. Ltd., Mumbai, stated, inter alia that: -

- i. In his statement dated 31.01.2017 and 01.02.2017, he wrongly mentioned that they had entered into a contract with M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, Iran on 29th September, 2013, for a total amount of Rs. 900 crores and that advances for exports were received against this contract.
- ii. In fact, they had prepared this contract in their own office at Navi Mumbai just after exports from Marmagoa Port took place i.e. around 15th January, 2017 and said dummy contract dated 29th September 2013 was signed by Shri Kamlesh Ajmera on behalf of M/s GIPL and Miss Niloffer Shaikh, Accounts Manager of M/s GIPL on behalf of Shri Mohammad Gorbani Ali of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia.
- iii. The said dummy contract was prepared around 2nd week of January, 2017 in their office at Navi Mumbai, however, at present he did not remember if there was any contract entered with the said buyer during the period 2013-14 towards which advances amounting to Rs. 239 Crores were received into the Current Account of M/s GIPL maintained at UCO Bank, Santa Cruz(W) bank from the overseas buyer of Iran and regretted giving wrong information in his previous statements dated 31.01.2017 & 01.02.2017.

- iv. He was shown a copy of letter dated 21.12.2016, having subject "Request for AD Code", from M/s GIPL addressed to UCO Bank, Santa Cruz(W) branch, Mumbai and also a copy of letter dated 21.12.2016, issued by UCO Bank, Santa Cruz(W) branch, Mumbai addressed to "The office of Dy. Commissioner of Customs, Marmagoa Port, Goa" and the same was confirmed by him.
- v. Vide the above referred letter; they had enclosed self-attested copies of the documents mentioned in the **Point No. XV of Para 6.9 above** and confirmed that the said letter was signed by him. Further, he self-attested all the enclosures to the said letter. He confirmed his signature was appended in all the aforementioned documents;
- vi. The request for issue of AD Code on bank's letter head was also forwarded to the Santa Cruz(W) branch of UCO Bank on their official e-mail id <santac@ucobank.co.in> from e-mail id globalinternationalimex@gmail.com. The request was forwarded to the bank on their e-mail id as per directions of the bank officials.
- vii. He submitted a self-attested print out of e-mail communication dated 22.12.2016 having subject "AD CODE FORMAT ON BANK LETTER HEAD" sent from the company's e-mail id i.e. globalinternationalimex@gmail.com to official e-mail id of Santa Cruz(W) branch of UCO Bank i.e. santac@ucobank.co.in. Alongwith the said letter a covering letter dated 21.12.2016 having subject "Request for AD Code" and AD CODE_BANK LETTER FORMAT in soft copy was attached. He confirmed that the said e-mail was sent by him to the UCO Bank. The e-mail id globalinternationalimex@gmail.com was being used by him for official correspondence.
- viii. He was shown copy of Panchanama dated 21.01.2017, drawn at the office of M/s Global International Imex Pvt. Ltd., Plot No. 97, Sector 19A, Vashi, Navi Mumbai, wherein it was mentioned in 'Annexure-A' to Panchanama that File No. 12 has description "SUBMISSION OF EXCHANGE CONTROL COPIES";
- ix. This file contained letters on their company's letter head, all dated 18.01.2017, addressed to Bank of India, Opera House Branch, Mumbai. **All the letters were signed by him and he confirmed he affixed his dated signature on the aforementioned letters as a proof of being shown to him and he having seen and gone through the same;**
- x. Alongwith the letter, exchange control copies of Shipping Bills filed at Marmagoa Port, Bill of Lading, Invoices and their Packing Lists were also enclosed and he confirmed all these invoices and packing list were signed by him, which were enclosed along with the letter for submission to the aforementioned bank. All the invoices and packing list were prepared and

- printed at their company's office at Vashi, Navi Mumbai. In all the invoices mentioned 'RATE PER MTR INR' as 320.00 and the same rate was declared to the Customs Authorities at the time of filing of Shipping Bills at Marmagoa Port.
- xi. After receiving the Original Exporter copies of Shipping Bills at their office, they had prepared the set of letters for submission to the bank authorities for further processing (i.e. towards their export obligations), enclosing Exchange Control copies of Shipping Bills filed at Marmagoa Port, Bills of Lading, Invoices and their Packing Lists and submitted the same to Bank of India, Opera House Branch, Mumbai, for processing to UCO Bank for fulfilment of export obligation for the advance foreign remittances received from the buyer i.e. M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, Iran. The same was returned by the bank because they only dealt in transaction related to diamond trade. Since officials of Bank of India would be unaware of these advance remittances and it would have been easier to process these documents.
- xii. During export of Bundles of Nylon ropes from Marmagoa Port, he was never in contact with the buyers i.e. M/s Tose-E-Tejarat Beynolmelal Zarrin Persia, Iran. All the export documentation for the Bundles of Nylon ropes were handled and managed by Shri Vijay Vipat and his accomplices i.e. Shri Hemant Parikh, Shri Natraj and Shri Haroon Shaik. They might have been in touch with the aforesaid Iranian buyers regarding the export. He was not aware of the current status of the bundles of nylon ropes which were shipped from Marmagoa port as everything was handled by them.
- xiii. He was informed by their company Auditor Shri Subramaniam that a search by the officers of DRI was in progress at the office premises of M/s GIPL in Navi Mumbai i.e. on 21.01.2017 and the same was informed by him to Shri Kamlesh Ajmera. A meeting was fixed at 5 PM at Café Coffee Day outlet at Belapur to chalk out a strategy in dealing with investigations being conducted by DRI and also decided to call Shri Vijay Vipat and Shri Hemant Parikh to attend the meeting. Shri Vijay Vipat and Shri Hemant Parikh were called as they had arranged consignment of Bundles of Nylon ropes exported from Marmagoa Port and they would be in a better position to explain what had gone wrong in course of export from Marmagao port. As decided they all met at the decided venue and later Shri Natraj & Shri Haroon Shaikh also joined them. In the meeting Shri Natraj and Shri Haroon Shaikh informed that they were already called by the officers of DRI at Mumbai office and their statements were recorded in this regard and in the said meeting he came to know about the seriousness of the issues involved in the export from Marmagoa port.

6.11 In his statement recorded on 01.04.2017, Shri. Masiar Atiar Rahaman, Director, M/s Global International Imex Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i.** He once again reiterated the same as per the **Point No. (i) of Para 6.10.**
- ii.** Along with the said dummy contract they had also prepared two letters dated 09.12.2016 and 27.12.2016, on the letterhead of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia and per mtr Rs. 320/- for both Twist Net/String (Industrial Grade) & Industrial Material Ropes (Industrial Grade) were shown in the same. These letters were prepared by them in their office at Navi Mumbai on 15.01.2017 and again forged by Miss Niloffer Shaikh, Accounts Manager of M/s GIPL in Urdu on behalf of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia. He regretted giving wrong information in his previous statements dated 31.01.2017 & 01.02.2017.
- iii.** He was shown copy of Contract dated 29th September, 2013 and copy of two letters dated 09.12.2016 and 27.12.2016, on the letterhead of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, which were submitted by him with his statement dated 31.01.2017, he affixed his dated signature on the same as a proof of having seen and gone through the same. He affixed his dated signature on the same as a proof of having seen and gone through the same.
- iv.** The aforementioned dummy contracts and false Final order letters dated 09.12.2016 and 27.12.2016, printed on letterhead of M/s. Tose-E-Tejarat, Beynolmelal Zarrin Persia, wherein Rate per mtr Rs. 320/-, for both Twist Net/String (Industrial Grade) & Industrial Material Ropes (Industrial Grade) was mentioned, were prepared as per instructions of Shri Vijay Vipat and Shri Hemant Parikh. Both Shri Vijay Vipat and Shri Hemant Parikh along with Shri Kamlesh Ajmera were present in their office at Navi Mumbai on 15.01.2017, during the preparation of these false documents. Miss Niloffer Shaikh, Accounts Manager of M/s GIPL had signed on these documents on behalf of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia, as per his instructions only and Miss Niloffer Shaikh had resigned from M/s GIPL on 28.02.2017 and is no more employed with them.

6.12 In his statement recorded on 25.07.2017, Shri Nilesh Ramchandra Jadyar, stated, *inter alia* that: -

- i.** In 2015 when he was doing freelancing in trading, he bought one consignment of around 7000 cartons @ rate of Rs. 110 per Kg. of bundles of Nylon rope from one Shri Jetan Dave of Rajkot, Gujarat. One

carton contained 5kg of Nylon ropes which is of 625 metres in length. He paid around Rs.18 lakhs for the said consignment of bundles of Nylon rope and he promised to pay Shri Jetan Dave rest of the money after sale of the cargo.

- ii. He was not in possession of the purchase invoices pertaining to the bundles of Nylon Ropes bought from Shri Jetan Dave, however he undertook to submit the same within two days. He bought the said consignment for selling locally at Mumbai market, however, due to quality and thickness issues of this consignment, he did not get a proper buyer.
- iii. He had stored the said consignment of bundles of Nylon rope at godown of M/s Purnima Transport at Pagote, Navi Mumbai. He did not know the exact date of receipt of consignment from Shri Jaten Dave and undertook to submit details of storage and warehousing at godown of M/s Purnima Transport, Pagote village in a week's time.
- iv. The cargo was not getting sold and was lying in M/s Purnima Godown, Pagote for a period of more than a year; Both, Shri Jetan Dave, supplier of bundles of Nylon rope and Shri Shivendra Singh of M/s Purnima Transport (godown owner), were after him for payments. Moreover, his investment of Rs. 18 Lakh too was locked.
- v. As a result of all these developments he was very tensed and he shared his problem with one of his old and close friend Shri Hemant Parikh. Shri Hemant Parikh promised to help him out. Somewhere in December, 2016 one Shri Haroon Shaikh of M/s S K Freightlines and Shri Natraj contacted him giving the reference of Shri Hemant Parikh for purchase of the said bundles of Nylon rope. Accordingly, a meeting was fixed where Shri Hemant Parikh, Shri Natraj & Shri Haroon Shaikh were present.
- vi. In the meeting, Shri Natraj informed that they want to purchase the consignment of bundles of Nylon rope lying at godown of M/s Purnima Transport as they were looking for some material for export and intended to purchase around 5,000 cartons of nylon rope, however he categorically informed Shri Natraj and Shri Haroon Shaikh that they should first inspect the material as these nylon ropes were of inferior quality and they might face some issues during export. Shri Natraj replied that they were not concerned regarding the quality of the Nylon ropes as they just need some material for export, so as to fulfil the export obligations of a company.
- vii. Upon enquiry, he was informed by Shri Natraj and Shri Hemant Parikh that one company by name of M/s Global International Imex Pvt. Ltd.,

Navi Mumbai intended to purchase the said consignment of bundles of Nylon rope for fulfilment of their export obligations.

- viii. On further enquiry he was informed that one Shri Masiar Rahaman owned M/s GIPL. He quoted a price of Rs.150/- per kg. to Shri Natraj and Shri Haroon Shaikh with a condition that they would have to arrange their own transportation from the godown of M/s Purnima Transport at Pagote Vilage, Navi Mumbai and requested them for early release of payments.
- ix. On this, Shri Natraj and Shri Haroon Shaikh offered to pay him Rs.300/- per kg. for the material, but insisted that they would pay only after 2-3 months after export. Basically they wanted the material on credit for 2-3 months. On enquiring the reason for credit in respect of consignment of bundles of Nylon ropes they explained to him that after the export they would be claiming some export incentives in the form of MEIS (Merchandise Exports from India Scheme) and once they receive the benefits they would pay for the said cargo purchased from him.
- x. Since they offered him much higher price for the cargo, he accepted their offer. He raised an invoice to M/s Global International Imex Pvt. Ltd. for sale of 5,000 cartons of Nylon ropes at the rate of Rs. 300 per Kg..He was not in possession of the said sale invoice right now; however, he undertook to submit it to DRI within two days. Till date, he had not received any money against the said sale.
- xi. Shri Natraj and Shri Haroon made arrangements for transportation of the cargo from the godown of M/s Purnima Transaport at Pagote village. Shri Natraj and Shri Haroon informed him that they would be transporting the cargo to Marmagoa Port at Goa and material would be exported from Marmagoa port. Shri Natraj had specifically mentioned that since he had good contacts at Marmagoa Customs, he would be exporting the goods from Marmagoa Port.
- xii. In the evening of 14.01.2017, Shri Natraj called him on his mobile No. 7045263771 and informed him that he needed to go to the Mumbai Airport to collect Shipping documents pertaining to export of bundles of Nylon ropes made by M/s Global International Imex Pvt. Ltd., from Marmagoa Port.
- xiii. Since he resided near Mumbai Airport, accordingly, he collected the documents from the courier office at Mumbai Airport on 14.01.2017 at around 8.30 PM. After collecting documents, he received a call from Shri Hemant Parikh that next day i.e. on 15.01.2017, he should hand over all those shipping documents pertaining to export of bundles of Nylon ropes made by M/s Global International Imex Pvt.Ltd., personally

to Shri Masiar Rahaman, Director of M/s Global International Imex Pvt. Ltd., Navi Mumbai.

- xiv. On 15.01.2017, a meeting was fixed with Shri Masiar Rahaman at Four Point Hotel at Vashi, Navi Mumbai. In that particular meeting he personally handed over shipping documents pertaining to export of bundles of Nylon ropes made by M/s Global International Imex Pvt.Ltd from Marmagao port to Shri Masiar Rahaman. In the said meeting Shri Natraj, Shri Hemant Parikh and Shri Vijay Vipat were also present. In the meeting, Shri Masiar Rahaman requested him to prepare the documentation for submission to the bank for fulfilment of export obligations. Since he already had exposure to prepare bank related documents in his earlier stint with M/s Decent Diamond, he agreed to help Shri Masiar Rahaman.
- xv. On 16.01.2017, he visited the office premises of M/s Global International Imex Pvt. Ltd. at Vashi, Navi Mumbai and met Shri Masiar Rahaman & Shri Kamlesh Ajmera. On request of Shri Masiar Rahaman, he helped them in preparation of documents for submission to the bank. He guided them in preparing Performa Invoices, Letters to the bank etc. During preparation of Performa invoices, he noticed that the rate mentioned of nylon ropes which were exported from Marmagao Port was Rs. 320 per metre.
- xvi. The rate of Nylon rope on the invoice appeared to be grossly overvalued, as he was well aware about the quality of rope which was supplied by him. Upon enquiry about such gross overvaluation of the bundles of Nylon ropes with Shri Masiar Rahaman, he replied that, he wanted to cover up maximum export obligation with these shipments, hence he purposely mentioned such high rate per meter of Nylon rope on the export invoices.
- xvii. He was aware that these documents were prepared for submission to the bank for fulfilment of export obligations of M/s Global International Imex Pvt. Ltd.. After documentation, Shri Masiar Rahaman, requested him to accompany him to the bank next day i.e on 17.01.2017, as he was new to all these things. On the next day i.e. 17.01.2017, as per the request of Shri Masiar Rahaman, he accompanied him to Bank of India, Opera House Branch for submission of these export related documents.
- xviii. They went to Bank of India, Opera House Branch for submission of these documents as Shri Masiar Rahaman informed him that M/s Global International Imex Pvt. Ltd. had an account with Bank of India, Opera House Branch and the same were not accepted by the bank officials since Opera House Branch of Bank of India dealt only with customers trading in diamonds. After refusal by bank authorities to

accept the documents, Shri Masiar Rahaman left along with those documents, which were meant for submission to the bank and after that day he neither met Shri Masiar Rahaman nor visited the office of M/s Global International Imex Pvt. Ltd. at Navi Mumbai.

6.13 In his statement recorded on 12.09.2017, Shri Masiar Atiar Rahaman, Director, M/s. Global International Imex Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i. As undertaken by him in his previous statements, he submitted self-attested copy of purchase invoice pertaining to the goods exported to Iran by M/s Global International Imex Pvt. Ltd., Navi Mumbai (M/s GIPL) from Marmagoa Port.
- ii. The said "Sale Invoice" having Ref No. Sale/01/2016 dated 27.12.2016 was raised by Shri Nilesh Jadyar to M/s Global International Imex Ltd. and was sent on the company's official e-mail id globalinternationalimex@gmail.com and mijanimexinternational@gmail.com on 31.08.2017. As per the said Invoice, rate of Nylon Rope sold by Shri Nilesh Jadyar to M/s GIPL is Rs. 300/- per Kg for 5000 cartons. One carton contained 5kg of Nylon rope which is of 625 metres in length. From the said invoice it was quite clear that rate of Nylon rope works out to Rs. 2.40 per metre whereas in the Shipping Bills filed by M/s GIPL with the Customs, Marmagoa, they had declared Rs. 320 per metre, which was abnormally high.
- iii. He was shown statement of Shri Nilesh Jadyar recorded on 25.07.2017.

6.14 In his statement recorded on 06.4.2018, Shri. Masiar Atiar Rahaman, Director, M/s Global International Imex Pvt. Ltd., Mumbai, stated, *inter alia* that: -

- i. As per "Sale Invoice" having ref no. Sale/01/2016 dated 27.12.2016, raised by Shri Nilesh Jadyar to M/s Global International Imex Ltd., the rate of Nylon Ropes sold by shri Nilesh Jadyar to M/s GIPL is Rs 300 per Kg for 5000 cartons; One carton contained 5Kg of Nylon rope which was 625 meters in length;
- ii. He reconfirmed that M/s GIPL had exported the said 5000 cartons (bundles) of Nylon rope in 5 containeres from Marmagoa Port in January 2017 to M/s Tose-E-Tejarat Beynolmelal, Iran.
- iii. From the 'Sale Invoice' having ref No. Sale/01/2016 dated 27.12.2016, it was quite clear that purchase price of bundles of Nylon rope worked out to Rs. 2.40 per meter whereas in the Shipping Bills filed by M/s GIPL with the Marmagoa Customs, they had declared the price for the

said Bundles of Nylon rope as Rs 320 per meter, which was abnormally high.

- iv. He once again reiterated that the overvaluation was done by M/s GIPL with an intention to set off maximum export obligation, as they had already received advances in the account of M/s GIPL at UCO Bank, in 2013-14 and also to claim higher export incentives in the form of MEIS (Merchandise Exports from India Scheme), so as to cover our expenses incurred in relation to export.
- v. He submitted a self-attested chart showing working of the actual 'Transaction Value' in respect of the aforementioned export of 5000 cartons of Bundles of Nylon rope in 5 containers from Marmagoa Port. The chart submitted by him is as under:

1.	Purchase Price of the cargo as per Invoice raised by Shri Nilesh Jadyar	Rs. 75,00,000. 00
2.	Add: Transportation Charges	Rs. 50,060.00
3.	Add: Custom Broker Charges	Rs. 1,36,400.00
4.	Total Costing	Rs. 76,86,460. 00
5.	Add: Profit @ 2% on the Costing	Rs. 1,53,729.20
6.	Total FOB Price of the cargo	Rs.78,40,189.20

- vi. He stated that cargo of 5000 cartons of Bundles of Nylon rope were delivered by Shri Nilesh Jadyar at the Godwon of M/s Purnima Transport, Pagote Village, from where Shri Haroon Sheikh arranged for the transportation to Marmagoa Port and Shri Haroon Sheikh had paid for the transportation and as per invoice 'dated Dec. 000223' dated 31.12.2016, the transportation charges incurred was Rs. 50,060/- as mentioned at Sr. No. 2 of the above table.
- vii. He submitted self-attested copy of the said transport invoice raised by M/s Deecan Queen Transport Company, Mumbai.
- viii. Rs. 1,36,400/- mentioned at Sr. No. 3 of the above table pertained to Custom Brokerage raised by CHA M/s Kamat & Co., Marmagoa, which was also paid by Shri Haroon Sheikh.
- ix. By adding 'Transportation Charges' & 'Custom Broker Charges' as mentioned in Sr. No. 2 & 3 respectively, to their purchase price as mentioned at Sr. No. 1 of the above table, the actual cost of the cargo could be arrived at Marmagoa Port i.e. Rs. 76,86,460/-.
- x. The FOB price of the cargo was arrived by adding a profit margin to the actual cost of the cargo as mentioned at Sr. No. 4 of the above table. He accepted that profit margin @ 2% appeared to be reasonable for addition

to the cost as mentioned at Sr. No. 4 of the above table. He said that, profit margin @ 2% as shown in Sr. No. 5 of the table i.e. Rs. 1,53,729.20, was added to the actual cost of the cargo at Marmagoa Port to arrive at FOB price.

- xi. The FOB price of the cargo so arrived was Rs. 78,40,189/- as mentioned at Sr. No. 6 of the above table. He stated that M/s GIPL had exported 5000 cartons of Bundles of Nylon rope in 5 containers, which amounted to total of (5000 x 625) meters = 31,25,000 meters of Nylon Rope. Therefore, per unit FOB price of the Nylon Ropeso exported will be Rs. (78,40,189 / 31,25,000) = Rs. 2.50 per meter, which appeared to be quite reasonable.
- xii. He was shown Letter F.No. 1/Cus.Lab/2017 date 10.02.2017, from the Chemical Examiner Gr.-I, Custom House Laboratory, Custom House, Marmagoa, Goa addressed to the Assistant Director, DRI, Goa Regional Unit, Goa wherein test report of 25 samples is mentioned as *“Each of the twenty-five samples is cut piece of dull green colored three ply multifilament rope. Each sample is composed of pigmented polypropylene and inorganic additives”*.
- xiii. From the aforesaid test report of the Chemical Examiner Gr.-I, Custom House Laboratory, it appeared that the 5000 cartons of Nylon rope exported by M/s GIPL to Iran from Marmagoa Port in 5 containers in the month of January 2017 was actually ‘Polypropylene Rope’.
- xiv. The test report given by a Chemical Examiner of Custom House Laboratory appeared to be genuine and correct and the rope exported by M/s GIPL from Marmagoa Port must be ‘Polypropylene Rope’.

7. Summary of various statements recorded:

From the plain reading of the various statements recorded, it appears that: -

- i. The Bundles of “Ropes purported to be Nylon Ropes” were stored at godown of M/s Purnima Transport at Pagote Village, Nhava Sheva as per Shri Haroon Shaikh’s instructions.
- ii. Shri Haroon Shaikh at the behest of Shri Masiar Atiar Rahaman, Director of M/s Global International Imex Pvt. Ltd., Mumbai had supplied the packing list with the description of Invoice No. GIPT-17/16-17 dated 26.12.2016 showing the exporter as M/s Global International Imex Pvt. Ltd., Mumbai and consignee as M/s Tose-E-Tejarat Beynolmelal, Iran, to Shri Shivendra Singh of M/s Purnima Transport which were subsequently given to the truck drivers for transportation of cargo from Navi Mumbai to Marmagoa Port, Goa.

- iii. Shri Haroon Shaikh had arranged payments to Custom House Broker and ocean freight Charges to Cargo Agents at Marmagoa Port, as per the instructions of Shri Natraj Kanchan alias Raj who was appointed by Shri Masiar Atiar Rahaman to represent M/s GIPL at Marmagoa Customs.
- iv. Shri Natraj Kanchan alias Raj had coordinated with Custom House Broker & Customs authorities at Goa, for the export of Bundles of Polypropylene Rope and documents were sent to the Custom House Broker through e-mail id dumlogistics@gmail.com operated by Shri Haroon Shaikh.
- v. Shri Nilesh Jadyar had supplied M/s GIPL the “Ropes purported to be Nylon Ropes” which were eventually exported by M/s GIPL from Marmagoa Port. Nilesh Jadyar had quoted sale price of Rs. 150 per kg but Shri Haroon Shaikh and Shri Natraj Kanchan on behalf of M/s GIPL bargained and bought the same for Rs 300/ per kg i.e. INR 2.40 per metre on credit with the promise that the entire amount would be paid within three months to which he agreed. M/s GIPL then deliberately declared these said “Ropes purported to be Nylon Ropes” as Twist Net/Industrial Material Ropes by hugely overvaluing the same at a rate of INR 320 per metre in the Shipping Bills filed at Customs, Marmagoa Port, to claim MEIS benefit fraudulently which was otherwise ineligible.

8.0 Scrutiny of various documents retrieved during Investigation:

8.1 From the scrutiny of documents pertaining to export of ‘Ropes purported to be Nylon Ropes’ recovered from M/s GIPL and from various statements recorded by the officers of DRI during the course of the investigation, it appears that: -

8.1.1 In all, M/s GIPL had exported cargo declared as Twist Net/Industrial Material Ropes vide 80 Shipping Bills in 5 containers, as detailed in ‘Annexure-A’ to this Notice. It appears that the exporter M/s GIPL purchased the cargo i.e. ‘Ropes purported to be Nylon Ropes’ at a much lower price than that was declared in the Shipping Bills filed at Marmagoa Port. It appears that M/s GIPL declared a much higher value to the Customs deliberately. Moreover, these ‘Ropes purported to be Nylon Ropes’ were mis-declared by M/s GIPL, as Twist Net/Industrial Material Ropes to claim MEIS Reward under MEIS Scheme which was otherwise not eligible. The total inflated value of the export goods was Rs INR 100,00,00,000 (One Hundred Crore only) and the exporter intended

to avail around Rs 5 Crore, i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II) [RUD 2].

8.1.2 Initially, M/s GIPL filed Shipping Bills by classifying the goods to be exported i.e. ‘Ropes purported to be Nylon Ropes’, under CTSH 56089020 with the description of goods as ‘Twist Net’. The Customs Authorities sensing that the value and description was not proper in the first lot of 32 Shipping Bills for which Let Export Order (LEO) was already given, cancelled the LEO and re-examination of 32 Shipping Bills was carried out along with another set of 48 Shipping Bills. The Customs Authorities, at the insistence of the exporter, subsequently revised the CTSH from CTSH 56089020 to CTSH 56079090 and the description was changed to “Industrial Material (Ropes)” except in three Shipping Bills wherein the description of goods remained as ‘Twist Net’ with CTSH 56089020. Incidentally, both the CTSHs i.e. 56089020 and 56079090, qualified for reward under MEIS i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II). CTSH 5608 9020 is mentioned at Sr. No. 2368 of Appendix – 3B - MEIS Schedule Table II and CTSH 5607 9090 is mentioned at Sr. No. 2364 of Appendix – 3B - MEIS Schedule Table II. As per Appendix – 3B - MEIS Schedule Table I, Iran falls under Group – B (Sr. No. – 60 of II), therefore both the CTSHs qualified for reward under MEIS i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II).

8.1.3 Further, to execute the said scheme of overvaluation of exports and subsequent intention to fraudulently claim MEIS benefits in respect to these shipments, M/s GIPL submitted Invoices with inflated price of the export goods to the Customs Authorities at the Loading Port i.e. Marmagoa. The details of such Invoices and Shipping Bills have been captured in ‘Annexure - A’ to this Notice.

8.1.4 For better understanding, the following Container-wise illustration of shipment of ‘Ropes purported to be Nylon Ropes’, are as under:

9 ‘Table – I’

Sr. No.	Container No.	Rate per metre (in Rs.)	Total Quantity (in Metre)	No. of packages	Invoice Nos. and date	Total value of exported goods (in Rs.)
1.	JFSU 0130868	320	6,25,000	1,000	GIPT - 1 to 16/16-17 all dated 22.12.2016	20,00,00,000
2.	JFSU 0132135	320	6,25,000	1,000	GIPT -17 to 32/16-17 all dated 26.12.2016	20,00,00,000
3.	JFSU 0130908	320	6,25,000	1,000	GIPT -33 to 48/16-17 all dated 28.12.2016	20,00,00,000
4.	JFSU 0129229	320	6,25,000	1,000	GIPT- 49 to 64/16-17 all dated 28.12.2016	20,00,00,000
5.	JFSU 0132156	320	6,25,000	1,000	GIPT -65 to 80/16-17 all dated 30.12.2016	20,00,00,000
TOTAL			31,25,000	5,000		100,00,00,000

- 9.0** It appears that the exporter M/s GIPL deliberately prepared these Invoices, showing exorbitantly higher price for the export goods, for the purpose of filing Shipping Bills with the Customs Authorities at the load port i.e. Marmagoa Port and claim undue & otherwise ineligible MEIS benefits. The total inflated value of the goods which was exported vide above referred five containers comes to INR 100,00,00,000 (One Hundred Crore).
- 9.1** It appears that M/s GIPL simultaneously prepared different sets of Invoices, for the same cargo of 'Ropes purported to be Nylon Ropes', to be submitted at the destination port i.e. Bandar Abbas, Iran. The said Invoices were prepared showing the price, which was significantly lower than the price that was mentioned in the Invoices submitted to the Goa Customs at the time of export. In the said the invoices to be submitted at the destination port, the rate was declared as USD 0.002 PER METRE and total value of the goods exported in each container is shown USD 1,250. As per Notification No. 147/2016 – Customs (NT) dated 15.12.2016, prevailing exchange rate on the day of filing of Shipping Bill was 1 USD = 67.00 INR. Considering the above exchange rate, total value of the cargo to be declared to the Iranian Customs was (USD 1,250 x INR 67.00 = 83,750 INR). Therefore, total value of the shipment of 'Ropes purported to be Nylon Ropes' exported from Marmagoa Port by M/s GIPL vide aforementioned five Containers, comes to INR 4,18,750 (INR 83,750 x 5) as compared to INR 100,00,00,000 (One Hundred Crore) declared to the Indian Customs.
- 9.2** Further, the purchase invoice of the exported goods i.e. 'Ropes purported to be Nylon Ropes', indicated that the said goods were purchased at the rate of INR 300 per Kg i.e. 'Rate per Package' is INR 1500 (one package weighing 5Kg). The 'Rate per metre' as per the actual price works out to INR 2.50 per metre (one package contains 625 metre of 'Ropes purported to be Nylon Ropes'). As admitted by Shri Masiar Atiar Rehman in his Statement dated 06.04.2018 taking into account the transportation cost, freight charges, the Customs Broker Charges and profit margin, the 'Ropes purported to be Nylon Ropes' would have INR 2.50 per metre as the fair Invoice Value as compared to INR 320 per metre declared in the Shipping Bills filed at Marmagoa Port. Therefore, as admitted by Shri Masiar Rehman in his Statement dated 06.04.2018, the total fair value of the consignment of 'Ropes purported to be Nylon Ropes' consisting of 5000 packages works out to INR 78,40,190/- as compared to INR 100,00,00,000 (One Hundred crores) declared in the Shipping Bills for the same 5000 packages.

9.3 Hence, from all of the above, it appears that the exporter M/s GIPL deliberately declared FOB value exorbitantly higher and grossly overvalued the export goods while filing Shipping Bills with the customs at Marmagoa Port. It appears that M/s GIPL intended to claim the MEIS Reward under MEIS Scheme by overvaluing and mis-declaration the description of export goods as Twist Net/Industrial Material Ropes. The said fact was admitted by Shri Masiar A Rahaman, Director of M/s GIPL in his statements dated 30.01.2017, 31.01.2017, 01.02.2017, 31.03.2017, 01.04.2017 and 12.09.2017 and 06.04.2018 recorded under the provisions of the Section 108 of the Customs Act, 1962. The list of all such Shipping Bills, wherein the above mentioned modus operandi was adopted by the exporter is as per the following table:

'Table – II'

Sr. No.	Shipping Bill No.	Date	Consignee	Discharge Port	Description of Goods as per S/B	CTH declared in S/B	Qty	Unit	Unit Price per metre	Declared FOB value as per S/B (In INR)
1. Container No. JFSU 0130868										
1	3104727	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	43750	MTR	320	14000000
2	3105628	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000
3	3105779	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	42500	MTR	320	13600000
4	3104728	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	41875	MTR	320	13400000
5	3106291	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000
6	3106247	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000
7	3106246	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000
8	3106249	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000
9	3106988	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000

10	3106997	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000
11	3106998	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000
12	3107000	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000
13	3106991	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000
14	3106989	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000
15	3106869	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	35000	MTR	320	11200000
16	3106875	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	34375	MTR	320	11000000
2. Container No. JFSU 0132135										
17	3111221	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000
18	3111216	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000
19	3111270	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000
20	3111277	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000
21	3111210	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000
22	3112241	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000
23	3112903	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Twist Net	56089020	40000	MTR	320	12800000
24	3112240	28/12/2016	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000

25	3112257	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000
26	3112234	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000
27	3112230	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000
28	3112245	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000
29	3112192	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000
30	3112904	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000
31	3112823	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000
32	3112902	28/12/2016	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000
3. Container No. JFSU 0130908										
33	3198172	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000
34	3198176	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000
35	3198249	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000
36	3198774	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000
37	3203356	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000
38	3336596	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000
39	3203354	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000

40	3203352	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000
41	3203355	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000
42	3203346	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000
43	3203385	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000
44	3203397	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000
45	3203386	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000
46	3203428	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000
47	3203389	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000
48	3203394	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000
4. Container No. JFSU 0129229										
49	3207640	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000
50	3207650	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000
51	3207641	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000
52	3207634	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000
53	3207643	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000
54	3207677	02-01-2017	Tose-E-Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000
55	3207684	02-01-2017	Tose-E-Tejarat	Bandar Abbas,	Industrial Material	56079090	40000	MTR	320	12800000

			Beynolmelal Zarrin Persia	Iran	(Ropes)					
56	3207633	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000
57	3207672	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000
58	3207645	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000
59	3207644	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000
60	3207621	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000
61	3207646	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000
62	3207669	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000
63	3207707	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000
64	3207682	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000
5. Container No. JFSU 0132156										
65	3210860	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000
66	3210967	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000
67	3210966	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000
68	3210952	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000
69	3211013	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000
70	3211007	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000

71	3211008	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000
72	3210856	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000
73	3210855	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000
74	3210869	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000
75	3210920	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000
76	3210884	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000
77	3210889	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000
78	3210904	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000
79	3210883	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000
80	3210924	02-01-2017	Tose-E- Tejarat Beynolmelal Zarrin Persia	Bandar Abbas, Iran	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000
						Total Quantity	31,25,000	Total Value		100,00,00,000

10.0 Details of samples drawn from live consignment of ‘Ropes purported to be Nylon Ropes’ at Marmagoa port and test result of the same.

To ascertain the nature of the cargo and its correct classification, following live consignments of ‘Twist Net/ Industrial Material Ropes’ presented for export by M/s GIPL were opened at Marmagoa Port for drawal of samples. Representative Samples were drawn for testing under panchanama dated 11.01.2017 as per the following table –

‘Table – III’

Sr. No.	Container Number	Box Number
1.	JFSU 0130868	EXM2004

		EXM1807
		EXL2192
		EXM1705
		EXM1977
2.	JFSU 0132135	EXM1761
		EXM1636
		EXM0738
		EXM0790
		EXM1715
3.	JFSU 0130908	EXM0940
		EXL2006
		EXM2298
		EXM0184
		EXM1043
4.	JFSU 0129229	EXL2510
		EXM2083
		EXM1697
		EXM0612
		EXM1027
5.	JFSU 0132156	EXM0299
		EXM0372
		EXL1353
		EXM0597
		EXL1527

Subsequently, the aforementioned 25 Nos. samples were forwarded to the Chemical Examiner, Custom House Laboratory, Custom House, Marmagoa vide letter F.No. DRI/MZU/GRU/INT/08/2017 dated 16.01.2017. The Chemical Examiner, vide letter F.No. 1/Cus.Lab/2017 dated 10.02.2017, forwarded the 'Test Report' of the 25 No. Samples as under –

“Each of the twenty-five samples is cut piece of dull green colored three ply multifilament rope. Each sample is composed of pigmented polypropylene and inorganic additives”

The percentage of inorganic additives is provided samplewise. Therefore, as per 'Test Report' for the samples drawn from the above export consignments, the goods exported by M/s GIPL in the aforementioned containers as mentioned in 'Table-III' above, were all dull green colored three ply multifilament rope which was **composed of pigmented polypropylene** and contained inorganic additives of varying percentage range from 29.1 to 40.2, indicating that the material is of inferior quality.

10.0 Status of Assessment of Shipping Bills:

A request was made by the Assistant Director, DRI, Goa Regional Unit vide letter F.No. DRI/MZU/GRU/INT/08/2017 dated 24.01.2017 [RUD 21], asking for the status of assessment of the 80 Shipping Bills filed by M/s GIPL

for export of 'Polypropylene Ropes'. Vide Letter F. No. S/99-36/2017-Appg dated 02.02.2017 received from the Assistant Commissioner of Customs (A), Custom House, Marmagoa [RUD 22], it was communicated that all the 80 Shipping Bills as detailed in 'Table-II' to this notice are **"provisionally assessed"**.

11.0 Correct Classification of the export goods on the basis of Test Report received and its consequences-

11.1 Six Shipping Bills (Refer Sr. No. 1,3,4,15,16 & 23 of 'Table-II' above) filed by the exporter i.e. M/s GIPL have description as "Twist Net" and classified under CTSN 56089020.

CTH 5608 specifically covers *"Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets of textile material."* However, Test Report of the representative sample drawn from the live consignment of exports (Para 9.2 above), indicates that the export goods are "three ply multifilament rope composed of pigmented polypropylene". In simpler terms exported goods were **'Polypropylene Ropes'**

11.2 The remaining 74 Shipping Bills were filed M/s GIPL under CTSN 5607 9090 with description as **"Industrial Material (Ropes)"**.

CTH 5607 pertains to *"Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics"*. However, Test Report of the representative sample drawn from the live consignment of export (Para9.2 above), indicates that the export goods are "three ply multifilament rope composed of pigmented polypropylene". In simpler terms exported goods were **'Polypropylene Ropes'**.

11.3 In view of the above and by application of General Rules for Interpretation 1, 2 & 6 and General Explanatory Notes 1 of the Customs Tariff Act, **the exported goods i.e. 'Polypropylene Ropes'** appear to be classifiable **under CTSN 56074900**. As per the Customs Tariff Act, **'CTH 5607'** pertains to *"Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics"*. **Further CTSN 5607 4900 corresponds to other goods of CTH 5607 made up of 'Polyethylene or Polypropylene'. Therefore, the exported goods i.e. 'Polypropylene Ropes' are rightly classifiable under CTSN 5607 4900.**

11.4 From the foregoing Paras, it appears that M/s GIPL filed 80 Shipping Bills by deliberately describing the goods as **Twist Net/Industrial Material Ropes under CTSN 5608 9020 and 5607 9090**, respectively.

The exported goods were infact 'Polypropylene Ropes', classifiable under CTSH 5607 4900 as per the Test Report, F.No. 1/Cus.Lab/2017 dated 10.02.2017 issued by the Chemical Examiner, Custom House Laboratory, Custom House, Marmagoa. Both CTSBs i.e. 5608 9020 and 5607 9090 deliberately preferred by M/s GIPL qualified for same reward under MEIS i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II), as discussed in Para ii of 7.1 above. **However, on the basis of Test Report (as discussed above), it appears the exported goods i.e. 'Polypropylene Ropes' are rightly classifiable under CTSH 5607 4900, for which no MEIS reward is available as per the Appendix – 3B - MEIS Schedule Table II.**

12.0 Rejection of Declared Value:

Statements of various persons as discussed in para 6.12 above; analysis of the Shipping Bills filed by M/s GIPL; unit price declared; country of destination of goods exported; etc. appear to reveal a modus-operandi essentially designed for cornering undue/illegal export benefits (MEIS) by resorting to gross overvaluation and mis-declaration.

12.1. Shipping Bill - Representative Shipping Bill is scanned and reproduced below for easy understanding -

http://10.1.5.18:7778/linkdir/INMRM132033550

LEO Date: 11/01/2017 EXPORTER COPY
 Indian Customs EDI System (ICES) LEO No : 1/15

NEW CUSTOM HOUSE MARMAGOA, GOA PIN-403503
 Shipping Bill for Export

SB No : 3203355 / 02/01/2017 BRC Realisation Date : 31/10/2017
 CHA : AAAFK3903ACH002 KAMAT & CO
 Print Date : 11/01/2017 16:42
 Port of BL : IRBND
 Country of BL : IR
 Port of Ldg-Code : INMRM1 State of Origin : GOA

EXPORTER DETAILS CONSIGNEE
 0311069789 () BIN No. : AACG8395AFT001
 GLOBAL INTERNATIONAL IMEX PVT. LTD. TOSE-E-TEJARAT BEYNOLMELAL
 Branch # 0 219, 2ND FLR, CREATIVE INDUSTRIZARRIN PERSIA, NO.23, RD ALLEY, KHAL
 PREMISES, SUNDAR NAGAR, KALINA, ED ESLAMBOLI (VOZARA) AVE, TEHRAN,
 SANTACRUZ EAST, MUMBAI. IRAN
 IRAN

Port of Loading : NEW CUSTOM HOUSE MAR Total Pkgs. : 62
 Port of Discharge: Bandar Abbas Loose pkts : 0
 Gross Wt(KGS) : 335,000 Net Wt(KGS) : 310,000
 Country of Dest : IRAN No. of Chrs. : 1
 Rotation No. : 120391 Rotation Date : 07/01/2017
 Nature of Cargo : C
 Marks and Nos.: "WE INTEND TO CLAIM REWARD UNDER MEIS SCHEME"
 FOREX BANK ACC:00810210002148

RBI Waiver No/Date: /
 FOB VALUE (INR) : E12400000.00 F DBK+STR(INR) : E0.00 F
 TOT DBK(INR) E0.00 F STR(INR) : E0.00 F State Levy0.00
 AD. Code : 0320354 Bank a/c No :
 I.F.S. Code : ST / Excise Regn. :

INVOICE DETAILS Invoice 1/1
 Inv. Val : 12400000.00 INR 12400000.00 INR
 FOB Val : 12400000.00 INR
 Inv. no. : GIPT-41/16-17 Inv Dt : 28/12/2016
 Nat. of con : EFOB FCurr (inv) : INR
 Exp Contract No:
 Exchange rate : 1.00 (INR) = 1.000 (INR)

	Rate	Currency	Amount
Insurance	0.00	INR	0.00
Freight:		INR	0.00
Discount:	0.00		0.00
Commission:	0.00		0.00
Other Deductions:	0.00		0.00
Packing Charges:		INR	0.00
Nature of payment: AP		Period of Payment:	
Buyer Name & Address			
< SAME AS CONSIGNEE >			

Bank A/c No. of M/s GIPL

Declaration by M/s GIPL

01/820546

http://10.1.5.18:7778/linkdir/INMRM132033550:

Indian Customs EDI System (ICES)
NEW CUSTOM HOUSE MARMAGOA, GOA PIN-403803
Shipping Bill for Export

SB No : 3203355 / 02/01/2017 BRC Realisation Date : 31/10/2017
CHA : AAAPK3903ACH002 KAMAT & CO
Print Date : 11/01/2017 16:42
Port of BL : IRBND
Country of BL : IR
Port Of Ldg-Code : INMRM1 State of Origin : GOA

Exporter: 0311069789() Consignee
GLOBAL INTERNATIONAL IMEX PVT. LTD. TOSE-E-TEJARAT BEYNOLMELAL

Invoice No & Date GIPT-41/16-17 28/12/2016 Exch. Rate 1.00 INR = 1.000 INR

ITEM DETAILS

No.	RITC CD	Description	Quantity	Units	Item Rate per	Units Total	Val (FC)	FOB (INR)	Scheme
1	56079090	INDUSTRIAL MATERIAL (ROPES)	38750	MTR	320.0000	12400000.00000	12400000.00		00
			Free SB Involving Remittance Of Foreign		352.00		352.00		Yes
			Add Freight		(INR) :		0.00		
			Add Insurance		(INR) :		0.00		

(Page 2 of 3)

CTH &
Description


In the above Shipping Bill, it can be seen that M/s GIPL has clearly declared "WE INTEND TO CLAIM REWARD UNDER MEIS SCHEME", the Forex Bank Account No. as 00610210002148S, Value as - Rs 1,24,00,000/-, Classification as - 56079090 and description as "Industrial Material (Ropes)". So is the case with all the Shipping Bills filed by M/s GIPL, as detailed in Table - II above.

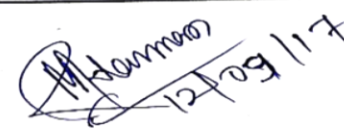
12.2. Corresponding Export Invoice

EXPORTER		INVOICE	
M/S. GLOBAL INTERNATIONAL IMEX PVT. LTD. 291, CREATIVE INDUSTRIAL ESTATE, SUNDAR NAGAR, KALINA, SANTACRUZ EAST, MUMBAI - 400098. INDIA.		INVOICE NO. & DATE GIPT - 41/16-17	DT. 28.12.2016
CONSIGNEE: TOSE-E-TEJARAT BEYNOLMELAL ZARRIN PERSIA. NO. 23, 3RD ALLEY, KHALED ESLAMBOLI (VOZARA) AVE, TEHRAN, IRAN.		ORDER REF.	OTHER REFERENCE(S) DT.
PRE-CARRIAGE BY TRUCK	PLACE OF RECEIPT PORT MORMUGAO	COUNTRY OF ORIGIN OF GOODS INDIA	FINAL DESTINATION IRAN
PORT OF DISCHARGE BANDAR ABBAS	PORT OF LOADING PORT MORMUGAO	TERMS OF DELIVERY AND PAYMENT NATURE OF PAYMENT : ADVANCE PAYMENT	
MARKS & NUMBER	PALLET NUMBER	DESCRIPTION	QTY MTR
533 - 594	62 PKGS	INDUSTRIAL MATERIAL (ROPES)	38750
			RATE PER MTR INR
			320.0000
			AMOUNT INR FOB
			12400000.00
AMOUNT IN WORDS (TOTAL INR : ONE CRORE TWENTY FOUR LACS ONLY.)		TOTAL	38750 12,
I/WE DECLARE THAT I/WE INTEND THAT TO CLAIM REWARDS UNDER MERCHANDISE EXPORTS FROM INDIA (MEIS)			
DECLARATION: WE DECLARE THAT THIS INVOICE SHOWS THE ACTUAL PRICE OF THE GOODS DESCRIBED AND THAT ALL PARTICULARS ARE TRUE AND CORRECT		SIGNATURE AND DATE: Global International Imex Pvt. Ltd. M/S. GLOBAL INTERNATIONAL IMEX PVT. LTD. Authorized Signature	
OWNERSHIP OF GOODS BELONG TO SELLERS TILL THE TIME FULL INVOICE AMT CLEARED		AUTH. SIGN.	

Rate Per
Metre
declared

Purchase Invoice

Sale Invoice					
				Date :	27/12/2016
				Ref :	Sale/01/2016
To, M/s. GLOBAL INTERNATIONAL IMEX PVT. LTD. Mumbai.					
Broker Reference, Mr. natrajan & Haroon					
SR. NO	PKGS	DESCRIPTION	KGS	RATE	AMOUNT
1	2000	ROPES	10000.00	300.00	3000000
2	3000	ROPES	15000.00	300.00	4500000
TOTAL			25000.00		7500000.00
NOTE : TRANSPORT CHARGES SHOULD PAY BY PURCHASER PAYMENT BY CASH OR CHEQUE					
 NILESH R JADYAR SALE PERSON					
THANK YOU FOR BUSINESS					




Scrutiny of one such Invoice. No GIPT-41/16-17 dated 28.12.2016 (reproduced above) reveals that the rate per unit in INR for the exported goods, as declared by M/s GIPL in the export documents is INR 320 per metre. Also the above Invoice dated 27.12.2016 shows that M/s GIPL bought the ropes for Rs 300/- per Kg (i.e. Rs. 2.40 per meter but Shri Masiar Rahaman in his statement dated 06.04.2018 recorded under Section 108 of the Customs Act,1962 admitted that the fair transaction value of the cargo i.e. Ropes purported to be Nylon Ropes' would be INR 2.50 per metre, after taking into consideration the various factors such as cost of Transportation, Freight, Customs Broker Charges and Profit margin.

12.3 The Forex Bank Account No. 00610210002148 mentioned in the Shipping Bills belonged to M/s GIPL as can be seen in the declaration (reproduced below) submitted to the Customs Authorities at the time of filing of Shipping Bills. The declaration dated 21.12.2016, on the letter head of M/s GIPL mentions the IEC No. 0311069789 (belonging to M/s GIPL), Bank Account No. 00610210002148 alongwith the name of the Bank i.e. UCO Bank and its address and IFSC code. The said declaration is signed by Shri Masiar Rahaman, Director of M/s GIPL and is counter-signed by the Bank officials of UCO Bank. Bank Account No. 00610210002148 at UCO Bank belonging to M/s GIPL, was also confirmed by Shri Masiar Rahaman, Director of M/s GIPL and Shri Ashok Kumar Jain, Manager of UCO Bank in their respective

statements. The said declaration which was submitted by M/s GIPL to the Custom Authorities at Marmagoa Port at the time of filing of Shipping Bills to prove their credentials as a *bona fide* exporter is scanned and reproduced and reproduced below for easy understanding.

CIN U51909MH2010PTC2034



Global International Imex Private Limited

An ISO 9001:2008 Certified Company


ANNEXURE TO THE PUBLIC NOTICE NO. 36/2008 DTD, 7TH JULY 2008.

Bank Account Registration Form


I	I.E.C. No.:	:	0311069789
II	IFS Code	:	UCBA0000061
III	Bank Account No.	:	00610210002148
IV	Bank Name	:	UCO BANK
V	Bank Address	:	S.V Road, Santacruz (W), Mumbai-54

I declare that the above Particulars are correct.

Date: **21st December, 2016.**



Signature of Exporter



Signature of Bank Branch Manager along with the official seal

Certified that the above details are correct *as per bank records*

Regd. Office : 315, 3rd Floor, Building No. 11, Mhada Commercial Complex, BKC, Bandra (East), Mumbai - 400 051.
 Tel. : +91 22 2665 4911 • Fax : +91 22 2665 4912 • E-mail : info@globalinternationalimex.com • Web : www.globalinternational.com

Bank A/c No. of M/s GIPL

Signed by Shri Masiar Rahaman

Countersigned by Bank Official certifying its correctness

12.4. In view of the facts discussed here-in-above, value of the exported goods does not appear to be the correct value and is liable for rejection under Rule 8 of the CVR(E),2007 read with Section 14(1) of the Customs Act, 1962 for the following reasons: -

- a) 'Polypropylene Ropes' were exported by M/s GIPL at highly inflated price to claim undue reward benefits under MEIS scheme. Shri Masiar Rahaman, Director of M/s GIPL admitted that the fair invoice value of goods purchased from Shri Nilesh Jadyar is INR 2.50 per metre.
- b) Declared unit price of the goods in the Shipping Bills was INR 320 per metre against the fair invoice price of INR 2.50 per metre as admitted by Shri Masiar A Rahaman. Thus, it appears that value of

the exported goods were highly inflated to avail undue export benefits.

- c) Actual description i.e. 'Polypropylene Ropes' and the fair value of the goods exported were not declared in the export documents. This was done to claim undue export benefits by way of MEIS rewards.

12.5. Therefore, from the investigations, it appears that the declared FOB value of the goods exported by M/s GIPL as detailed in the Annexure A and as summarized in 'Table – II' to this notice, cannot be treated as the true and correct Transaction Value in terms of Rule 3(1) of the CVR(E), 2007 read with section 14 of the Customs Act,1962. Investigation conducted by DRI, as discussed in the foregoing paras, revealed that the export invoices presented before Customs in Goa did not reflect the correct Transaction Value of the exported goods, as the value was declared by resorting to mis-declaration and overvaluation. Hence, the total declared value in respect of the goods exported by M/s GIPL as detailed in Annexure A and as summarized in 'Table – II' to this notice is liable to be rejected (as the same do not reflect the correct value) in terms of Rule 8 of the CVR(E), 2007 read with section 14 of the Customs Act,1962.

13.0. Re-determination of the value of the exported goods.

13.1. Since the value of the exported goods is liable for rejection as discussed in the foregoing paras, the same needs to re-determined in terms of the CVR(E),2007 read with Section 14 of the Customs Act, 1962. The provisions of Rule 3 of the CVR(E), 2007 cannot be applied in the instant case as there is no authentic Transaction Value since the goods were over-valued at the time of export to claim undue benefit of MEIS for the reasons discussed in detail in the foregoing paras. As per Rule 3 (3) of the CVR (E), 2007, if the value cannot be determined under the provisions of sub-rule (1) and sub-rule (2) of Rule 3, the value shall be determined proceeding sequentially through Rules 4 to 6 *ibid*.

13.2 Rule 4 of the CVR (E), 2007, prescribes **Determination of export value by comparison.** -that is the value of the export goods shall be based on the transaction value of the goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule 2 of Rule 4. Further, sub-rule 2 of Rule 4 stipulates that in determining the value of export goods under sub rule (1) of Rule 4, the proper officer shall make such adjustments as appear to him reasonable, taking into consideration the relevant factors, including – (i) difference in the dates of exportation, (ii) difference in commercial levels and

quantity levels, (iii) difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared (iv) difference in domestic freight and insurance charges depending on the place of exportation. However, the provisions of Rule 4 of the CVR(E), 2007 cannot be applied in the instant case because of the following factors—

- i. There is no data for the export of 'Polypropylene Ropes' of like kind and quality in the comparable quantity exported at or about the same time from the same place of exportation or any other place in India;
- ii. There is no data for the export of 'Polypropylene Ropes' of like kind and quality exported at or about the same time from the same place of exportation or any other place in India, in pursuance to a comparable contract of sale;
- iii. Further, the transaction value of such contemporaneous exports, if any, needs to be adjusted in accordance with the adjustments as enumerated in Rule 4(2) of the CVR (E), 2007, so that the same are comparable with the transaction value of the impugned shipment of 'Polypropylene Ropes'. Rule 4 (2) prescribes the adjustment in transaction value, taking into consideration the relevant factors, including – (i) difference in the dates of exportation, (ii) difference in commercial levels and quantity levels, (iii) difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared (iv) difference in domestic freight and insurance charges depending on the place of exportation. In order to make such adjustments in the transaction value of the contemporaneous exports of 'Polypropylene Ropes' of like kind and quality, quantifiable and reliable data are required. However, no such data could be found to make the said adjustments in the transaction value of the contemporaneous exports of 'Polypropylene Ropes' of like kind and quality.

13.3 Rule 5 of the CVR (E), 2007 prescribes **Computed value method.** –that is if the value cannot be determined under Rule 4 of the CVR (E), 2007, it shall be based on a computed value, which shall include – (i) cost of production, manufacture or processing of export goods, (ii) charges, if any, for the design or brand, (iii) an amount towards profit. The investigation in the subject case has brought out the computed value of the impugned shipments and such computed values were also confirmed by the company's Managing Director, Shri Masiar Rahaman, in his statements given under the provisions of Section 108 of the Customs Act, 1962, during the course of investigation. Therefore, it appears that, it is possible to re-determine the value of the impugned goods under Rule 5, *ibid*, i.e. computed value method.

13.4 In order to calculate the actual cost of the impugned shipments, the documents pertaining to the purchased cost of the material, transportation cost up to the place of loading, storage/ warehousing charges, stevedoring charges, loading charges, overhead expenses etc. were taken into account and the actual cost of the impugned shipments was arrived at. Details of these costs/charges in respect of shipment of 'Polypropylene Ropes' is shown below –

'Table – IV'

1.	Purchase Price of the cargo as per Invoice raised by Shri Nilesh Jadyar	₹ 75,00,000.00
2.	Add: Transportation Charges	₹ 50,060.00
3.	Add: Custom Broker Charges	₹ 1,36,400.00
4.	Total Costing of the Shipment	₹ 76,86,460.00

13.5 To arrive at the Computed Value of the impugned shipments of 'Polypropylene Ropes', an amount towards profit is required to be added to the actual cost as worked out in above 'Table – IV'. In this context, Shri. Masiar Rahaman, Managing Director of M/s.GIPL, in his statement recorded on 06.04.2018 under the provisions of Section 108 of the Customs Act, 1962, has stated that profit margin of their company was in the range of 1.7%-2.5% of the cost. However, M/s GIPL is mainly into trading of agricultural products and it's the first time M/s GIPL had attempted trading in any product other than agricultural produce. Therefore, it's not possible to work out the profit percentage with regards to the 'Polypropylene Ropes' only. As such, profit margin @ 2% in the export shipment of 'Polypropylene Ropes' made by M/s GIPL, appears to be reasonable for addition to the cost shown in 'Table - IV' above, to arrive at the FOB value of impugned 'Polypropylene Ropes' shipments. In view of the above, the profit margin has been taken @ 2% of their actual FOB costing to arrive at the computed value in accordance with the provisions of Rule 5 of CVR (E), 2007. The FOB price of the cargo thus arrived is as shown in following table -

'Table – V'

1.	Purchase Price of the cargo as per Invoice raised by Shri Nilesh Jadyar	₹ 75,00,000.00
2.	Add: Transportation Charges	₹ 50,060.00
3.	Add: Custom Broker Charges	₹ 1,36,400.00
4.	Total Costing	₹ 76,86,460.00
5.	Add: Profit @ 2% on the Costing	₹ 1,53,729.20
6.	Total FOB Price of the cargo	₹ 78,40,189.20

As M/s GIPL have exported 5000 cartons of Bundles of Polypropylene Rope in 5 containers, which amounts to total of (5000 x 625) meters= 31,25,000 meters of Polypropylene Rope. Therefore, per unit FOB price of the Polypropylene Rope so exported comes to Rs. (78,40,189 / 31,25,000) = Rs. 2.50 per meter, which appears to be reasonable. (i.e. Rs. 312.50 per kg)

13.6 In view of the above facts, it is proposed to re-determine value of the exported goods on the basis of Computed value method as prescribed under Rule 5 of the CVR(E), 2007 read with Section 14 of Customs Act, 1962. The value of the exported goods i.e. 'Polypropylene Ropes' comes to INR 2.50 per metre i.e. Rs. 312.50 per kg) as admitted by Shri Shri Masiar A Rahaman in his statements. The re-determined values of goods exported by M/s GPIIL, Shipping Bill-wise, are as per the summary shown under –

'Table – VI'

Sr. No.	Shipping Bill No.	Date	Description of Goods as per S/B	CTH declared as per S/B	Quantity	Unit	Unit Price as per S/B	Declared FOB value as per S/B (In INR)	Re-determined Unit Price	Re-determined FOB value
1. Container No. JFSU 0130868										
1	3104727	28/12/2016	Twist Net	56089020	43750	MTR	320	14000000	2.50	109375
2	3105628	28/12/2016	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000	2.50	107812.5
3	3105779	28/12/2016	Twist Net	56089020	42500	MTR	320	13600000	2.50	106250
4	3104728	28/12/2016	Twist Net	56089020	41875	MTR	320	13400000	2.50	104687.5
5	3106291	28/12/2016	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000	2.50	103125
6	3106247	28/12/2016	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000	2.50	101562.5
7	3106246	28/12/2016	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000	2.50	100000
8	3106249	28/12/2016	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000	2.50	98437.5
9	3106988	28/12/2016	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000	2.50	96875
10	3106997	28/12/2016	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000	2.50	95312.5
11	3106998	28/12/2016	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000	2.50	93750
12	3107000	28/12/2016	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000	2.50	92187.5
13	3106991	28/12/2016	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000	2.50	90625
14	3106989	28/12/2016	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000	2.50	89062.5
15	3106869	28/12/2016	Twist Net	56089020	35000	MTR	320	11200000	2.50	87500
16	3106875	28/12/2016	Twist Net	56089020	34375	MTR	320	11000000	2.50	85937.5

2. Container No. JFSU 0132135										
17	3111221	28/12/2016	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000	2.50	109375
18	3111216	28/12/2016	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000	2.50	107812.5
19	3111270	28/12/2016	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000	2.50	106250
20	3111277	28/12/2016	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000	2.50	104687.5
21	3111210	28/12/2016	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000	2.50	103125
22	3112241	28/12/2016	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000	2.50	101562.5
23	3112903	28/12/2016	Twist Net	56089020	40000	MTR	320	12800000	2.50	100000
24	3112240	28/12/2016	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000	2.50	98437.5
25	3112257	28/12/2016	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000	2.50	96875
26	3112234	28/12/2016	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000	2.50	95312.5
27	3112230	28/12/2016	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000	2.50	93750
28	3112245	28/12/2016	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000	2.50	92187.5
29	3112192	28/12/2016	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000	2.50	90625
30	3112904	28/12/2016	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000	2.50	89062.5
31	3112823	28/12/2016	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000	2.50	87500
32	3112902	28/12/2016	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000	2.50	85937.5
3. Container No. JFSU 0130908										
33	3198172	02-01-2017	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000	2.50	109375
34	3198176	02-01-2017	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000	2.50	107812.5
35	3198249	02-01-2017	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000	2.50	106250
36	3198774	02-01-2017	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000	2.50	104687.5
37	3203356	02-01-2017	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000	2.50	103125
38	3336596	02-01-2017	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000	2.50	101562.5
39	3203354	02-01-2017	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000	2.50	100000

40	3203352	02-01-2017	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000	2.50	98437.5
41	3203355	02-01-2017	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000	2.50	96875
42	3203346	02-01-2017	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000	2.50	95312.5
43	3203385	02-01-2017	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000	2.50	93750
44	3203397	02-01-2017	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000	2.50	92187.5
45	3203386	02-01-2017	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000	2.50	90625
46	3203428	02-01-2017	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000	2.50	89062.5
47	3203389	02-01-2017	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000	2.50	87500
48	3203394	02-01-2017	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000	2.50	85937.5
4. Container No. JFSU 0129229										
49	3207640	02-01-2017	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000	2.50	109375
50	3207650	02-01-2017	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000	2.50	107812.5
51	3207641	02-01-2017	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000	2.50	106250
52	3207634	02-01-2017	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000	2.50	104687.5
53	3207643	02-01-2017	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000	2.50	103125
54	3207677	02-01-2017	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000	2.50	101562.5
55	3207684	02-01-2017	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000	2.50	100000
56	3207633	02-01-2017	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000	2.50	98437.5
57	3207672	02-01-2017	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000	2.50	96875
58	3207645	02-01-2017	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000	2.50	95312.5
59	3207644	02-01-2017	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000	2.50	93750
60	3207621	02-01-2017	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000	2.50	92187.5
61	3207646	02-01-2017	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000	2.50	90625
62	3207669	02-01-2017	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000	2.50	89062.5
63	3207707	02-01-2017	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000	2.50	87500

64	3207682	02-01-2017	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000	2.50	85937.5
5. Container No. JFSU 0132156										
65	3210860	02-01-2017	Industrial Material (Ropes)	56079090	43750	MTR	320	14000000	2.50	109375
66	3210967	02-01-2017	Industrial Material (Ropes)	56079090	43125	MTR	320	13800000	2.50	107812.5
67	3210966	02-01-2017	Industrial Material (Ropes)	56079090	42500	MTR	320	13600000	2.50	106250
68	3210952	02-01-2017	Industrial Material (Ropes)	56079090	41875	MTR	320	13400000	2.50	104687.5
69	3211013	02-01-2017	Industrial Material (Ropes)	56079090	41250	MTR	320	13200000	2.50	103125
70	3211007	02-01-2017	Industrial Material (Ropes)	56079090	40625	MTR	320	13000000	2.50	101562.5
71	3211008	02-01-2017	Industrial Material (Ropes)	56079090	40000	MTR	320	12800000	2.50	100000
72	3210856	02-01-2017	Industrial Material (Ropes)	56079090	39375	MTR	320	12600000	2.50	98437.5
73	3210855	02-01-2017	Industrial Material (Ropes)	56079090	38750	MTR	320	12400000	2.50	96875
74	3210869	02-01-2017	Industrial Material (Ropes)	56079090	38125	MTR	320	12200000	2.50	95312.5
75	3210920	02-01-2017	Industrial Material (Ropes)	56079090	37500	MTR	320	12000000	2.50	93750
76	3210884	02-01-2017	Industrial Material (Ropes)	56079090	36875	MTR	320	11800000	2.50	92187.5
77	3210889	02-01-2017	Industrial Material (Ropes)	56079090	36250	MTR	320	11600000	2.50	90625
78	3210904	02-01-2017	Industrial Material (Ropes)	56079090	35625	MTR	320	11400000	2.50	89062.5
79	3210883	02-01-2017	Industrial Material (Ropes)	56079090	35000	MTR	320	11200000	2.50	87500
80	3210924	02-01-2017	Industrial Material (Ropes)	56079090	34375	MTR	320	11000000	2.50	85937.5
				Total Quantity	31,25,000	Total Declared Value		100,00,00,000	Re-determined Value	78,12,500

13.7 In the light of the facts as discussed in the foregoing paras and material evidences available on records, it appears that the total Re-determined value of the export goods as per Rule 5 of the CVR(E), 2007 read with Section 14 of the Customs Act, 1962 would be Rs 78,12,500/- (Rupees Seventy Eight Lakh Twelve Thousand Five Hundred only) as admitted by Shri Massair Rahaman vide his statement 06.04.2018.

14.0. Role played by various persons involved:

14.1 **Shri Natraj Mohan Kanchan alias Raj**, a Freelancer and Facilitator who worked on Commission basis, was the face of M/s GIPL during exports of 'Polypropylene Ropes' at Marmagosa Port. He dealt and coordinated with the CHA and Customs Authorities for these export consignments. He interacted with the Customs House Broker and signed the export documents for overvaluation of exports of 'Polypropylene Ropes' on behalf of M/s GIPL. He alongwith Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., Navi Mumbai, and Shri Masiar A Rahaman, Director of M/s GIPL, devised the whole scheme of overvaluation of exports of 'Polypropylene Ropes', in order to claim otherwise inadmissible export benefits of around 5 crores as envisaged under MEIS. He accepted his wrongdoings in his statement recorded on 19.01.2017.

14.2 Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., prepared the required documents for overvaluation of exports of 'Polypropylene Ropes' in his office for both, the Marmagosa Port as well as for the destination port i.e. Bandar Abbas, Iran. He was the crucial link between Shri Natraj Mohan Kanchan alias Raj and Shri Masiar A Rahaman, Director of M/s GIPL. He arranged for the goods to be exported, its transportation to Marmagosa Port and payments to CHA and Shipping Agents. He alongwith Shri Natraj Mohan Kanchan alias Raj and Shri Masiar A Rahaman, devised the whole scheme of overvaluation of exports of 'Polypropylene Ropes', in order to claim otherwise inadmissible export benefits of around 5 crores as envisaged under MEIS. He accepted his wrongdoings in his statement recorded on 18.01.2017 & 27.01.2017.

14.3 Shri Masiar A Rahaman, Director of M/s GIPL, whose statements were recorded under Section 108 of the Customs Act, 1962 on 31.01.2017, 01.02.2017, 31.03.2017, 01.04.2017 and 12.09.2017 and 06.04.2018 has *inter alia* admitted that: -

- (i) He designed the whole scheme of overvaluation of exports with an intention to defraud the government by claiming undue and inadmissible export incentives against the export of highly inflated value of ropes in the name of his company. Initially he tried to mislead the investigations by claiming that he was not aware of any exports by GIPL from Marmagosa Port and someone might have used the IEC of M/s GIPL for exports. But when he was countered with evidence that all the export related documents were found in his office premises during the search of the same on 21.01.2017, he accepted that the goods were indeed exported by M/s GIPL with his knowledge and intent;

- (ii) He along with Shri Natraj Mohan Kanchan alias Raj, a Freelancer and Facilitator who worked for commission in Customs related work and Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., Navi Mumbai managed to file 80 Shipping Bills at Customs, Marmagoa, Goa. In the 80 Shipping Bills, the export goods were deliberately mis-declared as Twist Net/Industrial Material Ropes under CTSH 5608 9020 and 5607 9090, respectively which were eligible for MEIS benefit whereas in actual, the Ropes exported were 'Polypropylene Ropes' and are rightly classifiable under CTSH 5607 4900, for which no MEIS reward is available as per the Appendix - 3B - MEIS Schedule Table. M/s GIPL deliberately prepared Invoices, showing exorbitantly higher price for the exported goods to claim undue and ineligible MEIS benefits. The total inflated value of the goods which were exported vide the above referred five containers comes to INR 100,00,00,000 (One Hundred Crore) and the MEIS benefit as per the declaration in the Shipping Bills at the rate of 5% of its value works out to Rs 5 crores;
- iii. At his behest, their employees prepared a contract in their own office at Navi Mumbai just after the shipments of export from Marmagoa Port i.e. around 15th January 2017 to give legitimacy for the said export. The dummy contract dated 29th September, 2013 was signed by Shri Kamlesh Ajmera on behalf of M/s GIPL and Miss Niloffer Shaikh, Accounts Manager of M/s GIPL signed it on behalf of Shri Mohammad Gorbani Ali of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia which was submitted to DRI during the course of the investigation; and
- iv. Shri Masiar A Rahaman, Director of M/s GIPL played a vital part by mis-declaring the export of 'Polypropylene Ropes' as 'Twist Met / Industrial Material Ropes' at a highly inflated value and thereby intended to avail inadmissible and undue MEIS benefits of around 5 crores.

15.1 Legal Provisions:

Various Sections of the Custom Act, 1962 applicable and violated in this case are as under:

- i. **In terms of 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;
- ii. **In terms of Section 2(19) of the Customs Act, 1962:** "export goods" means any goods which are to be taken out of India to a place outside India;
- iii. **In terms of Section 2(27) of the Customs Act, 1962:** "India" includes the territorial waters of India;
- iv. **In terms of Section 2(28) of the Customs Act, 1962:** "Indian Customs Waters" means the waters extending into the sea up to the limit of contiguous zone of India under Section 5 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976) and includes any bay, gulf, harbour, creek or tidal river;

- v. **In terms of Section 2(39) of the Customs Act, 1962:** “Smuggling” in relation to any goods, means any act of omission which will render such goods liable to confiscation under Section 111 or Section 113 of the Customs Act, 1962;
- vi. **In terms of Section 14 of the Customs Act, 1962:** For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, the value of the imported goods and exported goods shall be the ‘Transaction Value’ of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale, subject to such other conditions as may be specified in the rules made in this behalf’.
- vii. **In terms of Section 113(i):** Any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77, shall be liable for confiscation;
- viii. **In terms of Section 114:** Penalty for attempt to export goods improperly, etc.- Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 113, or abets the doing or omission of such an act, shall be liable: -
 - (i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding three times the value of the goods as declared by the exporter or the value as determined under this Act, whichever is greater;
 - (ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded or five thousand rupees, whichever is greater;
 - (iii) in the case of any other goods, to a penalty not exceeding the value of the goods, as declared by the exporter or the value as determined under this Act, whichever is greater;
- ix. **In terms of Section 114AA of the Customs Act, 1962:** Penalty for use of false and incorrect material. – If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of the goods.
- x. **In terms of Section 132 of the Customs Act, 1962:** False declaration, false documentation, etc. - Whoever makes, signs or uses or causes to be made, signed or used, any declaration, statement or document in the transaction of any business relating to the Customs, knowing or having reason to believe that such declaration, statement or document is false in any material particular, shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

15.2. In view of the investigation and discussions as above,

- i. It appears that the goods exported by M/s GIPL being ‘Polypropylene Ropes’ are rightly classifiable under CTSN 5607 4900 instead of CTSN

5608 9020 or CTSH 5607 9090 declared by the exporter, as discussed in Para 9 above.

- ii. The declared FOB value of 'Polypropylene Ropes', exported by M/s GIPL from Marmagoa Port (details as per the Annexure A and as summarized in 'Table – II' to this notice) merits rejection as discussed in Para 12 above.
- iii. The FOB value of these goods therefore merits re-determination under the provisions of Rule 5 of the CVR (E) 2007 read with section 14 of the Customs Act, 1962 on the basis of the value as discussed in Para 13 above.
- iv. As such, the goods exported by M/s GIPL therefore appear to be liable for confiscation under section 113(i) of the Customs Act, 1962. Consequently, also appear liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.
- v. And, the act of omission and commission on the part of Shri Masiar A Rahaman, Director of M/s Global International Imex Pvt. Ltd., Navi Mumbai, as discussed in Para 14.3 above, appear to have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.
- vi. The act of omission and commission on the part of Shri Natraj Mohan Kanchan alias Raj as discussed in Para 14.1 above, appear to have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.
- vii. The act of omission and commission on the part of Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., Navi Mumbai, as discussed in Para 14.2 above, appear to have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.

16.1 Now, therefore, M/s Global International Imex Pvt. Ltd., having address at Plot No. 97, Sector-19A, Near APMC Market, Behind Commodity Exchange Building, Vashi, Navi Mumbai – 400 705 and holding IEC 0311069789, are hereby called upon to show cause, in writing, within thirty (30) days of receipt of this Notice, to the Adjudicating Authority i.e. the Commissioner of Customs, Custom House, Marmagoa Harbor, Vasco da Gama, Goa – 403 803, as to why –

- i. The unit price of INR 320 per metre (i.e. Rs. 40,000 per kg) and the total declared FOB value of INR 100,00,00,000 (One Hundred Crore) in respect of Shipping Bills, as detailed in **Annexure A and as summarized in 'Table-II'** of this notice, exported through Marmagoa Port by M/s GIPL with an intention to claim MEIS benefits, which does not represent

the correct 'Transaction Value', should not be rejected in terms of Section 14(1) of the Customs Act, 1962, read with Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007;

- ii. The unit price of INR 2.50 per metre (i.e. Rs. 312.50 per kg) and the total re-determined FOB value of INR 78,12,500/- (Rs. Seventy Eight Lakhs Twelve Thousand Five Hundred only), which represents the actual value of the 'Polypropylene Ropes' exported vide Shipping Bills as detailed in **Annexure-A and as summarized in 'Table-VI'** of this notice, should not be taken as the correct 'Transaction Value' in terms of Section 14(1) of the Customs Act, 1962, read with Rule 5 ibid of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007;
- iii. The goods i.e. 'Polypropylene Ropes', exported vide Shipping Bills as detailed in **Annexure-A and as summarized in 'Table-II'** of this notice, should not be classified under CTSH 5607 4900 instead of CTSH 5608 9020 or CTSH 5607 9090 as discussed in Para 9 above and accordingly why the MEIS claim should not be rejected on finalization of the Shipping Bills under to this Notice, wherein assessment is still provisional, in terms of Section 18(2) of Customs Act, 1962, read with Section 17, ibid;
- iv. The impugned goods, exported vide Shipping Bills as detailed in Annexure A and as summarized in **'Table-II'** of this notice with a total declared FOB value of INR 100,00,00,000/- (One Hundred Crore) and re-determined FOB value of INR 78,12,500/- (Rs. Seventy Eight Lakhs Twelve Thousand Five Hundred only) as summarized in **'Table - VI'** of this notice, should not be held liable for confiscation under section 113(i) of the Customs Act, 1962; and
- v. Penalty in respect of Shipping Bills as detailed in **Annexure A and as summarized in 'Table-II'** of this notice, should not be imposed on them under the provisions of Section 114(iii) and Section 114AA of the Customs Act, 1962.

16.2. Now, therefore **Shri Natraj Mohan Kanchan alias Raj** residing at 309, Kanchan Janga Building, Sector 11, Koperkhairna, Navi Mumbai, is hereby called upon to show cause in writing, within thirty (30) days of receipt of this Notice to the Adjudicating Authority, i.e. the Commissioner of Customs, Custom House, Marmagoa Harbor, Vasco da Gama, Goa – 403 803, as to why penalty for the act of omission and commission on his part, in respect of the Shipping Bills mentioned in Annexure – A to this notice, should not be imposed

on him under the provisions of Section 114(iii) and 114AA of the Customs Act, 1962.

16.3. Now, therefore **Shri Haroon Shaikh**, Director in M/s S K Freightlines Pvt. Ltd., having office at 211, Sai Siddhi Building, Sector-19C, Plot No. 165/174, Vashi, Navi Mumbai – 400 705, is hereby called upon to show cause in writing, within thirty (30) days of receipt of this Notice to the Adjudicating Authority, i.e. the Commissioner of Customs, Custom House, Marmagoa Harbor, Vasco da Gama, Goa – 403 803, as to why penalty for the act of omission and commission on his part, in respect of the Shipping Bills mentioned in Annexure – A to this notice, should not be imposed on him under the provisions of Section 114(iii) and 114AA of the Customs Act, 1962.

16.4. Now, therefore **Shri Masiar A Rahaman**, Director of M/s GIPL residing at Flat No. B/904, Raj Galaxy CHS Ltd., Kailna, St. Cruz (East), Mumbai – 400 098, is hereby called upon to show cause in writing, within thirty (30) days of receipt of this Notice to the Adjudicating Authority, i.e. the Commissioner of Customs, Custom House, Marmagoa Harbor, Vasco da Gama, Goa – 403 803, as to why penalty for the act of omission and commission on his part, in respect of the Shipping Bills mentioned in Annexure – A to this notice, should not be imposed on him under the provisions of Section 114(iii) and 114AA of the Customs Act, 1962.

17. The above noticees are required to state specifically in their written reply whether they wish to be heard in person by the Adjudicating Authority, before the case is adjudicated.

18. List of documents referred to and relied upon in this Show Cause Notice along with the compact disk (CD) containing scanned images thereof is enclosed as per details mentioned in 'Annexure-R' to this notice. However, in case, any of the relied upon documents are found not contained in the CD or in case any of the noticees wishes to inspect any of the documents mentioned and relied upon by the Department in this Show Cause Notice, or take further copies thereof, they may do so by prior appointment on any working day with the Assistant / Deputy Commissioner of Customs (Adjudication), Marmagoa Harbor, Vasco da Gama, Goa – 403 803.

Personal Hearing:

19. Further, several dates (15.04.2019, 30.04.2019, 28.05.2019,) for personal hearing were granted to all 04 noticees but no one appeared for the same. Shri Masiar Atiar Rehaman vide his letter dated 24.04.2019 requested to postpone the hearing till 31st July 2019. Therefore, as requested personal hearing was

fixed on 10.07.2019. No one out of the 04 noticees appeared for the personal hearing. Shri K. S. Subrahmanyam, Chartered Accountant on behalf of the Shri Masiar Atiar Rehman, Managing Director of the GIPL requested for extension vide his letter dated 10.07.2019 and same was accepted. Personal hearing in the subject matter was fixed on 12.08.2019 which was cancelled due to public holiday. Next date for personal hearing was fixed on 20.08.2019 and no one attended the personal hearing.

20. Another date of personal hearing was fixed on 10.10.2019. Shri R. K. Tomar, Advocate on behalf Shri Haroon Saikh, M/s S. K. Freightlines Pvt. Ltd. appeared for the Personal hearing before the **Commissioner and made a written submission as under in their reply dated 10.10.2019:**

(i) *The noticee is in receipt of the SCN dated 03.07.2018 issued from F. No. DRI/MZU/GRU/INT/02/2017 (hereinafter referred to as said SCN). The said SCN has been issued under Section 124 read with Section 18 of the Customs Act, 1962. Section 18 of the Customs Act pertains to the Provisional Assessment of the Goods meant for export or import. The goods involved in the present case are "Twist Net"/ Nylon Rope/ Polypropylene Ropes etc. (hereinafter referred to as said goods). As a freight forwarder the Noticee is not concerned with the assessment/valuation of the said goods as envisaged under section 18 of the Act. This section applies to the exporter or importer, whereas the Noticee is a freight forwarder. Therefore, provisions of the section 18 will not apply vis-à-vis the Noticee.*

(ii) *Inasmuch as Section 124 of the Act is concerned, the same relates to issue of the SCN for liability to confiscation and / or imposition of penalty. The Noticee has nothing to do with the said goods hence penalty is not imposable on Noticee No. 3 of the said Notice.*

(iii) *As regards to para 14.2, 15.2 and 16.3 of the said Notice, on behalf of the Noticee it is submitted that the allegations made in the said SCN and the averments and the inferences made therein are completely false and as such, the same are denied as devoid of any merit. The said allegations have been made on the basis of statements of certain persons who have stated things which are far from truth. In fact some of the said persons have been retracted their statements and amended their versions during the course of investigations. Such statements cannot be cannot be used against the Noticee for imposition of penalty or for taking any other adverse action.*

(vii) *As regards to the section 114(iii) and 113(i) of the Act, the Noticee states that noticee dealt with the said goods for the purpose of transportation of the same, there was neither any entry made of the said goods for exportation nor*

there was any valuation issue for the purpose of the Act. It is admitted position that the notice had not even seen the said goods as he had only done his job of freight forwarding. None of the functions of the Noticee are covered under any of the provisions of law invoked in the said SCN. The above provisions of law read with the Provisions of Section 113(i) of the Act state that in the present case the penalty can only be imposed on the Noticee no. 3 under Section 114(iii) of the Act when there is any violation issue or any material particular in relation of the declaration of value of export goods. It is a fact clearly brought out in the said SCN itself that the Noticee has nothing to do with declaration of the said goods for exportation. He is not responsible for the declaration of any value of the goods for the purpose of exportation.

(viii) The value has been negotiated between the said Shri Nilesh Jadyar and Shri Natraj Mohan Kanchan & Shri Hemant Parekh on behalf of the exporters and the Noticee was not part of the negotiations. The Noticee relies on the order of the **Hon'ble CESAT, Mumbai in the matter of Mukesh Sharma Vs. Commissioner of Customs, Nhava Sheva reported vide 2017 (358) E.L.T. 815 (Tri.-Mumbai)**, a copy of which is enclosed as EXHIBIT-A herewith. As per the cited order the assessee being one of exporters for purchase of sub-standard goods not to be reason for imposition of penalty.

(ix) Further, in his statement dated 25-07-2017, Shri Nilesh Jadyar has stated that he offered them the said goods for Rs.150/per Kg. whereas the buyers Shri Natraj Mohan Kanchan & Shri Hemant Parekh agreed to buy the same goods at the rate of Rs.300/per Kg. It was a clear conspiracy of the said Shri Natraj Mohan Kanchan & Shri Hemant Parekh to overvalue the said goods on behalf of the exporters. The Noticee has no role to play in the valuation of the said goods for the purpose of exportation.

(x) The allegation in para 14.2 of the said SCN that the Noticee prepared the export documents such as Invoices etc. in his office is factually incorrect. It is a fact that the computers in his office were used by the fraudsters Shri Nilesh Jadyar and Shri Natraj for making certain documents. However, the Noticee was not aware of the making of false documents by the said Shri Nilesh Nadyar. It was only after the investigations began that the Noticee came to know about making of the false documents on the computers in his office. Making of false documents without the knowledge of the Noticee is not a ground for imposition of penalty under Section 114AA of the Act. Provisions of Section 114AA of the Act are as under:

Section 114AA: Penalty for use of false and incorrect material-If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any

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

(xi) The above provision of law states that the false documents must be prepared with intention for using them for the purpose of the Customs Act, 1962. However, neither the Noticee has prepared the said documents nor the same were prepared for the purpose of the Customs Act, 1962. The Noticee was concerned with freight forwarding and he is not responsible in case some false documents were made by fraudsters on the computers in his office behind his back. The documents purportedly signed by the Noticee have not been used for exportation from India. Under the circumstances, no penalty under Section 114AA of the Act can be imposed on the Noticee.

(xii) For non-imposition of penalty under Section 114 (iii) and 114AA of the Act, the Noticee relies on the order of the **Hon'ble CESTAT, Mumbai in the matter of Atul Dalpatram Pandya Vs. Commissioner of Customs (EP), Mumbai reported vide 2019 (366) E.L.T. 876 (Tri.-Mumbai)**, a copy of which is attached herewith as EXHIBIT-B. As per the cited order, the Appellant having not filed any Shipping Bill and not promotor or administrator of export concern, penalty is not imposable on him.

(xiii) Notwithstanding the fact that the Noticee is not involved in any of the alleged fraudulent activity of making of false documents. without admitting the same and without prejudice to the stand of the Noticee, it is submitted that the documents alleged to have been made by the Noticee were all in respect of use at the port of destination. In his statement dated 27-01-2017, the Noticee has specifically stated that the said documents were to be submitted to the Iranian Customs. It is further submitted that the Noticee has not gained anything from the fraudulent activities of the fraudsters. He has not even been paid for the freight forwarding services. Under the circumstances, the Noticee is a victim of the fraudulent activities of the fraudsters and not a perpetrator of the fraud.

(xiv) Any imposition of penalty will lead to mis-carriage of justice in respect of the Noticee. The false documents appear to have been made by the fraudsters on the back of the Noticee and without his knowledge. None of the said alleged documents pertain to their use for the purpose of the Customs Act, 1962 which has jurisdiction limited only to India. The documents purportedly made for use in Iran cannot be a ground for imposition of penalty under the provisions of the Customs Act, 1962. The other documents purportedly made for use in India are for the purpose of transportation of the said goods and not for the purpose of exportation of the said goods. Therefore, the provisions of Section 113(i), 114(iii) and 114AA of the Customs Act, 1962 apply to the Noticee.

(xv) *The Noticee craves for leave of the Adjudicating Authority to add, amend or make further submissions in the adjudication process in respect of his case.*

In view of the above.itwas prayed on behalf of the Noticee:

(a). That the Noticee may be exonerated from the present proceedings:

(b). That in case the said export goods are held liable to confiscation, the same may not be held so for the acts of the Noticee as he is not concerned with export of the said goods;

(c). That no penatty under Section 114(iii)of the Act may be imposed on the Noticee as the said goods are not liable to contiscation due to his alleged acts.

(d). That no penalty under Section 114AA of the Act may be imposed on the Noticee as the alleged false documents were for purported use of Iranian Customs and not for use for the purpose of the Customs Act, 1962'.

(e). No coercive action may be taken against the Noticee.

21. Since, only 01 noticee out of 04 noticees appeared for Personal Hearing held on 10.10.2019, therefore P.H. Notice were sent again to all Noticees for personal hearing to be held on 17.10.2019. No one appeared for the personal hearing. Once again personal hearing letters were sent for P.H. to be held on 29.01.2020 and in response the Advocate Shri R. K. Tomar, Advocate on behalf Shri Haroon Saikh, M/s S. K. Freightlines Pvt. Ltd. appeared for the Personal hearing before the Commissioner and reiterated the same as mentioned above.

DISCUSSION AND FINDINGS

22. I have gone through the case records, relied upon documents & written submissions furnished by Shri Haroon Shaikh in his reply dated 10.10.2019 including the submissions made during the course of personal hearing held on 10.10.2019 & 29.01.2020. Remaining 3 noticees have neither submitted written submission nor attended any of the personal hearing opportunities given to them. I find that, the issues to be decided before me **are;**

- I. Whether the unit price of INR 320 per metre (i.e. Rs. 40,000 per kg) and the total declared FOB value of INR 100,00,00,000 (One Hundred Crore) in respect of Shipping Bills, as detailed in Annexure A and as summarized in 'Table-II' of this notice, exported through Marmagoa Port by M/s GIPL with an intention to claim MEIS benefits, is the correct 'Transaction Value' or not in terms of Section 14(1) of the Customs Act, 1962;
- II. The re-determined unit price of INR 2.50 per metre (i.e. Rs. 312.50 per kg) and the total re-determined FOB value of INR 78,12,500/- (Rs. Seventy Eight Lakhs Twelve Thousand Five Hundred only), which represents the actual value of the 'Polypropylene Ropes' exported vide Shipping Bills as detailed in Annexure-A and as summarized in 'Table-VI'

of this notice, should not be taken as the correct 'Transaction Value' in terms of Section 14(1) of the Customs Act, 1962, read with Rule 3-8 ibid of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007;

- III. Whether the goods i.e. 'Polypropylene Ropes', exported vide Shipping Bills as detailed in Annexure-A and as summarized in 'Table-II' of the said notice, have been rightly classified under CTSN 5608 9020 or CTSN 5607 9090 and accordingly whether the MEIS claim is applicable or not to these Shippings Bills;
- IV. Whether the impugned goods, exported vide Shipping Bills as detailed in Annexure A and as summarized in 'Table-II' of this notice ,are liable for confiscation or not under section 113(i) of the Customs Act, 1962;
- V. Whether the Penalty under the provisions of Section 114(iii) and Section 114AA of the Customs Act, 1962 is imposable on the noticees as contemplated in the show cause notice.

23. I now take up the issue one by one;

(i) Rejection of Declared Value:

Statements of various persons discussed as above; analysis of the Shipping Bills filed by M/s GIPL; unit price declared; country of destination of goods exported; etc. definitely reveal a modus-operandi essentially designed for cornering undue/illegal export benefits (MEIS) by resorting to gross overvaluation and mis-declaration.

It can be seen from the scanned copy of the Shipping Bill that M/s GIPL, as mentioned in para 12.1 of the Said SCN that exporter has manifested its intention by declaring that "*WE INTEND TO CLAIM REWARD UNDER MEIS SCHEME*", the Forex Bank Account No. as 00610210002148S, Value as - Rs 1,24,00,000/-, Classification as - 56079090 and description as "Industrial Material (Ropes)". So is the case with all the Shipping Bills filed by M/s GIPL, as detailed in Table - II above.

In para 12.2 of the said SCN, scrutiny of Corresponding Export Invoice No.GIPT-41/16-17 dated 28.12.2016 reveals that the rate per unit in INR for the exported goods, as declared by M/s GIPL in the export documents is INR 320 per metre. Also the sale Invoice dated 27.12.2016 shows that M/s GIPL bought the ropes for Rs 300/- per Kg (i.e. Rs. 2.40 per meter but Shri Masiar Rahaman in his statement dated 06.04.2018 recorded under Section 108 of the Customs Act,1962 admitted that the fair transaction value of the cargo i.e. Ropes purported to be Nylon Ropes' is INR 2.50 per metre, after taking into consideration the various factors such as cost of Transportation, Freight,

Customs Broker Charges and Profit margin. It is, therefore, admitted by the exporter that declared unit price INR **320 per metre** is not the true transaction value but intentionally overvalued by them to claim undue export benefit under MEIS. Thus **the value of export goods was highly inflated in respective invoices whereas the fair value was very less. Moreover it is clear from the Test Report vide letter F.No. 1/Cus.Lab/2017 dated 10.02.2017, that the goods were dull green colored three ply multifilament rope that is other than the 'Twist Net/ Industrial Ropes/ Nylon Ropes' (declared in the shipping bills).it is crystal clear that the Respective Invoices neither content the description or value correctly, hence it is liable to be rejected for considering the value as per Section 14(1) of the Customs Act, 1962. The test report also indicated that the goods were of inferior quality, therefore, rate of INR 320 per meter is unacceptable in the normal course of trade. Therefore, value of the exported goods is not the correct transaction value and is liable for rejection under Section 14(1) of the Customs Act, 1962 read with the provisions of the CVR(E),2007.**

(ii) Re-determination of the value of the exported goods.

Since the value of the exported goods is liable for rejection as discussed above, the same needs to re-determined in terms of the CVR(E),2007 read with Section 14 of the Customs Act, 1962. The provisions of Rule 3 of the CVR(E), 2007 cannot be applied in the instant case as there is no authentic Transaction Value since the goods were over-valued at the time of export to claim undue benefit of MEIS for the reasons discussed in detail in the precedings paras. As per Rule 3 (3) of the CVR (E), 2007, if the value cannot be determined under the provisions of sub-rule (1) and sub-rule (2) of Rule 3, the value shall be determined proceeding sequentially through Rules 4 to 6 *ibid*.

Rule 4 of the CVR (E), 2007, prescribes **Determination of export value by comparison.** -that is the value of the export goods shall be based on the transaction value of the goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule 2 of Rule 4. Further, sub-rule 2 of Rule 4 stipulates that in determining the value of export goods under sub rule (1) of Rule 4, the proper officer shall make such adjustments as appear to him reasonable, taking into consideration the relevant factors, including – (i) difference in the dates of exportation, (ii) difference in commercial levels and quantity levels, (iii) difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared (iv) difference in domestic freight and insurance charges depending on the place of

exportation. However, the provisions of Rule 4 of the CVR(E), 2007 cannot be applied in the instant case because of the following factors—

(i) There is no data for the export of 'Polypropylene Ropes' of like kind and quality in the comparable quantity exported at or about the same time from the same place of exportation or any other place in India;

(ii) There is no data for the export of 'Polypropylene Ropes' of like kind and quality exported at or about the same time from the same place of exportation or any other place in India, in pursuance to a comparable contract of sale;

(iii) Further, the transaction value of such contemporaneous exports, if any, needs to be adjusted in accordance with the adjustments as enumerated in Rule 4(2) of the CVR (E), 2007, so that the same are comparable with the transaction value of the impugned shipment of 'Polypropylene Ropes'. Rule 4 (2) prescribes the adjustment in transaction value, taking into consideration the relevant factors, including – (i) difference in the dates of exportation, (ii) difference in commercial levels and quantity levels, (iii) difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared (iv) difference in domestic freight and insurance charges depending on the place of exportation. In order to make such adjustments in the transaction value of the contemporaneous exports of 'Polypropylene Ropes' of like kind and quality, quantifiable and reliable data are required. However, no such data could be found to make the said adjustments in the transaction value of the contemporaneous exports of 'Polypropylene Ropes' of like kind and quality.

Rule 5 of the CVR (E), 2007 prescribes **Computed value method.** –that is if the value cannot be determined under Rule 4 of the CVR (E), 2007, it shall be based on a computed value, which shall include – (i) cost of production, manufacture or processing of export goods, (ii) charges, if any, for the design or brand, (iii) an amount towards profit. The investigation in the subject case has brought out the computed value of the impugned shipments and such computed values were also confirmed by the company's Managing Director, Shri Masiar Rahaman, in his statements given under the provisions of Section 108 of the Customs Act, 1962, during the course of investigation. Therefore, it appears that, it is possible to re-determine the value of the impugned goods under Rule 5, *ibid*, i.e. computed value method.

In order to calculate the actual cost of the impugned shipments, the documents pertaining to the purchased cost of the material, transportation cost up to the place of loading, storage/ warehousing charges, stevedoring charges, loading charges, overhead expenses etc. were taken into account and

the actual cost of the impugned shipments was arrived at. Details of these costs/charges in respect of shipment of 'Polypropylene Ropes' is shown below –

'Table – IV'

1.	Purchase Price of the cargo as per Invoice raised by Shri Nilesh Jadyar	₹ 75,00,000.00
2.	Add: Transportation Charges	₹ 50,060.00
3.	Add: Custom Broker Charges	₹ 1,36,400.00
4.	Total Costing of the Shipment	₹ 76,86,460.00

To arrive at the Computed Value of the impugned shipments of 'Polypropylene Ropes', an amount towards profit is required to be added to the actual cost as worked out in above 'Table – IV'. In this context, Shri. Masiar Rahaman, Managing Director of M/s.GIPL, in his statement recorded on 06.04.2018 under the provisions of Section 108 of the Customs Act, 1962, has stated that profit margin of their company was in the range of 1.7%-2.5% of the cost. However, M/s GIPL is mainly into trading of agricultural products and it's the first time M/s GIPL had attempted trading in any product other than agricultural produce. Therefore, it's not possible to work out the profit percentage with regards to the 'Polypropylene Ropes' only. As such, profit margin @ 2% in the export shipment of 'Polypropylene Ropes' made by M/s GIPL, appears to be just and reasonable for addition to the cost shown in 'Table - IV' above, to arrive at the FOB value of impugned 'Polypropylene Ropes' shipments. In view of the above, the profit margin has been taken @ 2% of their actual FOB costing to arrive at the computed value in accordance with the provisions of Rule 5 of CVR (E), 2007. The FOB price of the cargo thus arrived is as shown in following table -

'Table – V'

1.	Purchase Price of the cargo as per Invoice raised by Shri Nilesh Jadyar	₹ 75,00,000.00
2.	Add: Transportation Charges	₹ 50,060.00
3.	Add: Custom Broker Charges	₹ 1,36,400.00
4.	Total Costing	₹ 76,86,460.00
5.	Add: Profit @ 2% on the Costing	₹ 1,53,729.20
6.	Total FOB Price of the cargo	₹ 78,40,189.20

As M/s GIPL have exported 5000 cartons of Bundles of Polypropylene Rope in 5 containers, which amounts to total of (5000 x 625) meters = 31,25,000 meters of Polypropylene Rope. Therefore, per unit FOB price of the

Polypropylene Rope so exported comes to Rs. (78,40,189 / 31,25,000) = Rs. 2.50 per meter, which appears to be reasonable. (i.e. Rs. 312.50 per kg)

In view of the above facts, the value of the exported goods i.e. 'Polypropylene Ropes' comes to INR 2.50 per metre i.e. Rs. 312.50 per kg) as admitted by Shri Shri Masiar A Rahaman in his statements. The re-determined values of goods exported by M/s GPIIL, Shipping Bill-wise, are as per **Table VI** mentioned above.

In the light of the facts as discussed in the foregoing paras and material evidences available on records, the total Re-determined value of the export goods as per Rule 5 of the CVR(E), 2007 read with Section 14 of the Customs Act, 1962 would be Rs 78,12,500/- (Rupees Seventy Eight Lakh Twelve Thousand Five Hundred only) which is also admitted by Shri Massair Rahaman vide his statement 06.04.2018.

(iii). Classification:

It is noticed that live consignments of export goods declared as "Twist Net/ Industrial Material Ropes" presented for export by M/s GIPL were opened at Marmagoa Port for drawal of samples. Representative 25 Samples were drawn for testing under panchanama dated 11.01.2017 as per the "**Table - III**" mentioned as above.

Subsequently, the aforementioned 25 samples were forwarded to the Chemical Examiner, Custom House Laboratory, Custom House, Marmagoa vide letter F.No. DRI/MZU/GRU/INT/08/2017 dated 16.01.2017. The Chemical Examiner, vide letter F.No. 1/Cus.Lab/2017 dated 10.02.2017, forwarded the 'Test Report' of the 25 Samples as under –

"Each of the twenty-five samples is cut piece of dull green colored three ply multifilament rope. Each sample is composed of pigmented polypropylene and inorganic additives"

The percentage of inorganic additives is provided samplewise. Therefore, as per 'Test Report' for the samples drawn from the above export consignments, the goods exported by M/s GIPL in the aforementioned containers as mentioned in 'Table-III' above, were all dull green colored three ply multifilament rope which was **composed of pigmented polypropylene** and contained inorganic additives of varying percentage range from 29.1 to 40.2, indicating that the material is of inferior quality.

Six Shipping Bills (Refer Sr. No. 1,3,4,15,16 & 23 of 'Table-II' above) filed by the exporter i.e. M/s GIPL have description as "Twist Net" and classified

under CTSH 56089020 which has not been found correct as per the Test Report.

CTH 5608 specifically covers “*Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets of textile material.*” whereas Test Report of the representative sample drawn, indicates that the export goods are “three ply multifilament rope composed of pigmented polypropylene”. In simpler terms exported goods were **‘Polypropylene Ropes’**

The remaining 74 Shipping Bills were filed M/s GIPL under CTSH 5607 9090 with description as **‘Industrial Material (Ropes)’**.

CTH 5607 pertains to “*Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics*”. Whereas Test Report of the representative sample drawn indicates that the export goods are “three ply multifilament rope composed of pigmented polypropylene”. In simpler terms exported goods were **‘Polypropylene Ropes’**.

In view of the above and by application of General Rules for Interpretation 1, 2 & 6 and General Explanatory Notes 1 of the Customs Tariff Act, **the exported goods i.e. ‘Polypropylene Ropes’** is appropriately classifiable **under CTSH 56074900**. As per the Customs Tariff Act, **‘CTH 5607’** pertains to “*Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics*”. **Further CTSH 5607 4900 corresponds to other goods of CTH 5607 made up of ‘Polyethylene or Polypropylene’.** **Therefore, the exported goods i.e. ‘Polypropylene Ropes’ are rightly classifiable under CTSH 5607 4900.**

From the foregoing Paras, it appears that M/s GIPL filed 80 Shipping Bills by deliberately describing the goods as **Twist Net/Industrial Material Ropes under CTSH 5608 9020 and 5607 9090**, respectively. The exported goods were infact ‘Polypropylene Ropes’, classifiable under CTSH 5607 4900 as per the Test Report, F.No. 1/Cus.Lab/2017 dated 10.02.2017 issued by the Chemical Examiner, Custom House Laboratory, Custom House, Marmagoa. Both CTSHs i.e. 5608 9020 and 5607 9090 deliberately preferred by M/s GIPL qualified for same reward under MEIS i.e. 5% of the value being the incentive under MEIS Scheme. (Appendix – 3B - MEIS Schedule Table II). **However, on the basis of Test Report (as discussed above), it appears the exported goods i.e. ‘Polypropylene Ropes’ are rightly classifiable under CTSH 5607 4900, for which no MEIS reward is available as per the Appendix –**

3B - MEIS Schedule Table II, wherein the benefits against the ITC code alongwith the description is mentioned.

24. Confiscation:

In terms of Section 113(i) Any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77, shall be liable for confiscation. Since the goods were allowed to export provisionally, therefore Redemption Fine is also imposable under Section 125 of the Customs Act, 1962. Consequently, Penal Action under Section 114 (iii) and 114AA of the Customs Act, 1962 is imposable on the Noticees. Therefore, the role of each Noticee is as below:

25. Role played by various persons involved:

(i) **Shri Natraj Mohan Kanchan alias Raj**, a Freelancer and Facilitator who worked on Commission basis, was the face of M/s GIPL during exports of 'Polypropylene Ropes' at Marmagoa Port. He dealt and coordinated with the CHA and Customs Authorities for these export consignments. He interacted with the Customs House Broker and signed the export documents for overvaluation of exports of 'Polypropylene Ropes' on behalf of M/s GIPL. He alongwith Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., Navi Mumbai, and Shri Masiar A Rahaman, Director of M/s GIPL, devised the whole scheme of overvaluation of exports of 'Polypropylene Ropes', in order to claim otherwise inadmissible export benefits of around 5 crores as envisaged under MEIS. He accepted his wrongdoings in his statement recorded on 19.01.2017.

(ii) **Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd.,**

In case of Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., I find the followings:

- As per the Point No. (ix) of Para 6.2 that he transferred an amount of Rs. 3,33,879/- from his account to M/s Marineair & Logistics, Goa by way of RTGS and Rs. 1,36,400/- to M/s Kamat & Co., Goa by way of NEFT on 12.01.2017
- As per the Point Nos. (xiii) & (xv) of Para 6.2, Original Invoices, Packing Lists and Certificate of Origin were arranged by him for the purpose of filing the same with the Iranian Customs at the Port of Iran as per the directions of Shri Nilesh.

- As per the Point No. (vii) of Para 6.6 he permitted Nilesh to use his office computers to prepare these documents.
- As per the Point No. (viii) of Para 6.6, he prepared the fake invoices and packing lists in soft format as per the directions of Shri Nilesh Jadyar or Shri Natraj Kanchan and forwarded the same to Shri Natraj from E-mail Id dumlogistics@gmail.com (which was specially created for the such transactions) to sushinternational5@gmail.com & vkexims@gmail.com (two e-mail Ids of Shri Natraj).
- As per the Point No. (xii) of Para 6.6, Some of such invoices prepared in his office at Vashi were signed by him on instructions of Shri. Nilesh Jadyar whereas there was no written authorization from the exporter i.e. M/s Global International Imex Pvt. Ltd. and he has merely done the same on the instructions of Shri Nilesh Jadyar.
- As per the Point No. (xx) of Para 6.6, he gave permission for making such Invoices and Packing Lists in his office and he was aware of the price i.e. rate per meter being declared as USD 0.002 /MTR. He signed these invoices on behalf of the exporter as per the instructions of Shri Nilesh Jadyar. Shri. Nilesh Jadyar promised him to arrange payment for his services directly from the exporter i.e. M/s Global International Imex Pvt. Ltd., Mumbai, once he gets the work of clearance of the goods at Iran done and he confirmed the goods for export were 'nylon/plastic rope' as seen by him when he visited the godown/warehouse of M/s Purnima Transport at Pagote village (near JNPT) with his employee during the process of loading of goods onto the trucks.

Therefore, in view of the foregoing, I find that Shri Haroon Shaikh was well aware of the mis-declaration in respect of the goods submitted for export and admitted this fact in his statement and he prepared export documents for overvaluation of exports of 'Polypropylene Ropes' in his office for both, the Marmagoa Port as well as for the destination port i.e. Bandar Abbas, and signed them without any authorization. He was the crucial link between Shri Natraj Mohan Kanchan alias Raj and Shri Masiar A Rahaman, Director of M/s GIPL. He arranged for the goods to be exported, its transportation to Marmagoa Port and payments to CHA and Shipping Agents. He along with Shri Natraj Mohan Kanchan alias Raj and Shri Masiar A Rahaman, devised the whole scheme of overvaluation of exports of 'Polypropylene Ropes', in order to claim otherwise inadmissible export benefits of around 5 crores as envisaged under MEIS. He accepted his wrongdoings in his statement recorded on 18.01.2017 & 27.01.2017.

In these circumstances I rely upon the Final Order No. 714/2007-SM(BR) (PB), dated 26-3-2007 in Appeal No. C/55/2007-SM of CESTAT Principal Bench, New Delhi in case of Shri Anil Kumar Chand Versus Commissioner of Customs, New Delhi, for abetting exporter in over-valuing goods to avail higher amount of drawback. The higher value was declared to avail higher amount of MEIS Claim. Appellants well aware of the intention of the exporter in committing fraud as they signed shipping bills for which they were not authorised - Appellant aware of mis-declaration of exported goods as admitted - Penalty imposable - Section 114 of Customs Act, 1962.

(iii) **Shri Masiar A Rahaman, Director of M/s GIPL**, whose statements were recorded under Section 108 of the Customs Act, 1962 on 31.01.2017, 01.02.2017, 31.03.2017, 01.04.2017 and 12.09.2017 and 06.04.2018 has *inter alia* admitted that: -

He designed the whole scheme of overvaluation of exports with an intention to defraud the government by claiming undue and inadmissible export incentives against the export of highly inflated value of ropes in the name of his company. Initially he tried to mislead the investigations by claiming that he was not aware of any exports by GIPL from Marmagoa Port and someone might have used the IEC of M/s GIPL for exports. But when he was countered with evidence that all the export related documents were found in his office premises during the search of the same on 21.01.2017, he accepted that the goods were indeed exported by M/s GIPL with his knowledge and intent.

He along with Shri Natraj Mohan Kanchan alias Raj, a Freelancer and Facilitator who worked for commission in Customs related work and Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., Navi Mumbai managed to file 80 Shipping Bills at Customs, Marmagoa, Goa. In the 80 Shipping Bills, the export goods were deliberately mis-declared as Twist Net/Industrial Material Ropes under CTSH 5608 9020 and 5607 9090, respectively which were eligible for MEIS benefit whereas in actual, the Ropes exported were 'Polypropylene Ropes' and are rightly classifiable under CTSH 5607 4900, for which no MEIS reward is available **as per the Appendix - 3B - MEIS Schedule Table**. M/s GIPL deliberately prepared Invoices, showing exorbitantly higher price for the exported goods to claim undue and ineligible MEIS benefits. The total inflated value of the goods which were exported vide the above referred five containers comes to INR 100,00,00,000 (One Hundred Crore) and the MEIS benefit as per the declaration in the Shipping Bills at the rate of 5% of its value works out to Rs 5 crores.

At his behest, their employees prepared a contract in their own office at Navi Mumbai just after the shipments of export from Marmagoa Port i.e. around 15th January 2017 to give legitimacy for the said export. The dummy contract dated 29th September, 2013 was signed by Shri Kamlesh Ajmera on behalf of M/s GIPL and Miss Niloffer Shaikh, Accounts Manager of M/s GIPL signed it on behalf of Shri Mohammad Gorbani Ali of M/s Tose-E-Tejarat, Beynolmelal Zarrin Persia which was submitted to DRI during the course of the investigation.

Shri Masiar A Rahaman, Director of M/s GIPL played a vital part by mis-declaring the export of 'Polypropylene Ropes' as 'Twist Met / Industrial Material Ropes' at a highly inflated value and thereby intended to avail inadmissible and undue MEIS benefits of around 5 crores.

The whole scheme of overvaluation of exports of 'Polypropylene Ropes', in order to claim otherwise inadmissible export benefits of around 5 crores as envisaged under MEIS was devised by Shri Natraj Mohan Kanchan alias Raj, Shri Haroon Shaikh and Shri Masiar A Rahaman, and same was admitted in their statements recorded on various dates. In view of the above discussion and findings, Sections 114 and 114AA of the Custom Act, 1962 were contravened which are as under:

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

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

(ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded or five thousand rupees, whichever is greater;

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

In terms of Section 114AA of the Customs Act, 1962: Penalty for use of false and incorrect material. – If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of the goods.

26. In view of the investigation and discussions as above,

I am of the view that the goods exported by M/s GIPL being 'Polypropylene Ropes' are rightly classifiable under CTSH 5607 4900 instead of CTSH 5608 9020 or CTSH 5607 9090 declared by the exporter, as discussed in Para **24** above for which No MEIS reward is available as per the Appendix-3B-MEIS Schedule Table II.

The declared FOB value of 'Polypropylene Ropes', exported by M/s GIPL from Marmagoa Port (details as per the Table - II and as summarized in 'Table - I' to the said notice) merits rejection as discussed in **Point No. (i) of Para 23** above.

The FOB value of these goods therefore merits re-determination under the provisions of Rule 5 of the CVR (E) 2007 read with section 14 of the Customs Act, 1962 on the basis of the value as discussed in **Point No. (ii) of Para 23** above.

As such, the goods exported by M/s GIPL, therefore are liable for confiscation under section 113(i) of the Customs Act, 1962. As the goods are not available, having been allowed to export provisionally, therefore Redemption Fine is also imposable under Section 125 of the Customs Act, 1962. Consequently, also M/s GIPL is liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.

And, the act of omission and commission on the part of Shri Masiar A Rahaman, Director of M/s Global International Imex Pvt. Ltd., Navi Mumbai, as discussed in **Para 25(iii)** above, have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.

The act of omission and commission on the part of Shri Natraj Mohan Kanchan alias Raj as discussed in **Para 25(i)** above, have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.

The act of omission and commission on the part of Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd. as discussed in **Para 25(ii)** above, have made himself liable to penal action under Section 114 (iii) and 114AA of the Customs Act, 1962.

27. In view of the foregoing, I pass the following order:

ORDER

- 28.** I reject the Transaction Value', in terms of Section 14(1) of the Customs Act, 1962, read with Rule of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 i.e INR100,00,00,000 (One Hundred Crore in respect of 80 Shipping Bills as summarized in '**Table - II**', while making final assessment under Section 18(2) of the Customs Act, 1962.
- 29.** I order to redetermine the unit price of INR 2.50 per metre (i.e. Rs. 312.50 per kg) and the total re-determined FOB value of INR 78,12,500/- (Rs. Seventy Eight Lakhs Twelve Thousand Five Hundred only), which represents the actual value of the 'Polypropylene Ropes' exported vide 80 Shipping Bills 'Transaction Value' in terms of Section 14(1) of the Customs Act, 1962, read with Rule of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, while making final assessment under Section 18(2) of the Customs Act, 1962.
- 30.** I classify the goods i.e. 'Polypropylene Ropes', exported vide Shipping Bills under CESH 5607 4900 instead of CESH 5608 9020 or CESH 5607 9090 as discussed in Para 24 above, while making final assessment under Section 18(2) of the Customs Act, 1962. Therefore, MEIS claim is not applicable to the reclassified export goods.
- 31.** I confiscate the impugned provisionally goods, exported vide Shipping Bills with a re-determined FOB value of INR 78,12,500/- (Rs. Seventy Eight Lakhs Twelve Thousand Five Hundred only) under section 113(i) of the Customs Act, 1962. As the goods are not available, having been allowed to export provisionally, therefore, I impose a redemption fine Rs. 5,00,000/- (Rupees Five Lakhs Only) on M/s GIPL under Section 125 of the Customs Act, 1962.
- 32.** I impose a penalty of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) on M/s GIPL under the provisions of Section 114(iii) of the Customs Act, 1962 for the act of omission and commission on his part. However, I do not impose any penalty under Section 114AA of Custom Act, 1962 because Directors of the Company are being penalized in the foregoing paras.
- 33.** I impose a penalty of Rs. 35,00,000/- (Rupees Fifty Lakhs Only) on Shri Natraj Mohan Kanchan alias Raj under the provisions of Section 114(iii) and penalty of Rs. 5,00,000/- (Rupees Five Lakhs Only) under Section 114AA of the Customs Act, 1962 for the act of omission and commission on his part.
- 34.** I impose a penalty of Rs. 35,00,000/- (Rupees Fifty Lakhs Only) On Shri Masiar A Rahaman, Director of M/s GIPL under the provisions of Section 114(iii) and penalty of Rs. 5,00,000/- (Rupees Five Lakhs Only)

under Section 114AA of the Customs Act, 1962 for the act of omission and commission on his part.

35. I impose a penalty of Rs. 5,00,000/- (Rupees Five Lakhs Only) On Shri Haroon Shaikh, Director in M/s S K Freightlines Pvt. Ltd., under the provisions of Section 114(iii) and penalty of Rs. 50,000/- (Rupees Fifty Thousands Only) under Section 114AA of the Customs Act, 1962 for the act of omission and commission on his part.

36. This order has been passed without prejudice to any action, which is being taken or contemplated under this Act or any other law for time being in force in India against M/s Global International Imex Private Limited, Plot No. 97, Sector-19A, Near APMC Market, Behind Commodity Exchange Building, Vashi, Navi Mumbai – 400705, Shri Natraj Mohan Kanchan, 309, Kanchan Janga Building, Sector 11, Koperkhairna, Navi Mumbai, Shri Haroon Shaikh, M/s S K Freightlines Pvt. Ltd., 211, Sai Siddhi Building, Sector-19C, Plot No. 165/174, Vashi, Navi Mumbai – 400705, Shri Masiar A Rahman, Flat No. B/904, Raj Galaxy CHS Ltd., Kalina, St. Cruz (East), Mumbai – 400098.

-Sd-/ 31.01.2020
(MIHIR RANJAN)
COMMISSIONER OF CUSTOMS GOA

F.No. S/99-218/2018-Appg. (Adj.)
Dated: 31.01.2020

To

1. M/s Global International Imex Private Limited,
Plot No. 97, Sector-19A, Near APMC Market,
Behind Commodity Exchange Building,
Vashi, Navi Mumbai – 400705.
2. Shri Natraj Mohan Kanchan,
309, Kanchan Janga Building,
Sector 11, Koperkhairna, Navi Mumbai,
3. Shri Haroon Shaikh,
M/s S K Freightlines Pvt. Ltd.,
211, Sai Siddhi Building, Sector-19C,
Plot No. 165/174, Vashi, Navi Mumbai – 400705
4. Shri Masiar A Rahman,
Flat No. B/904, Raj Galaxy CHS Ltd.,
Kalina, St. Cruz(East), Mumbai – 400098

Copy to:

1. The Chief Commissioner of Customs and Central Excise, Pune Zone,
Pune
2. The Assistant Commissioner of Customs, Recovery Cell, Marmagaoa
3. The Asst. Director of DRI Unit, Goa
4. Master File