कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS: CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421.

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A. File No.	GEN/ADJ/COMM/672/2025-Adjn-O/o Pr Commr-Cus-mundra
B. Order-in-Original No.	**MUN-CUSTM-000-COM- 44 -26-27**
C. Passed by	Nitin Saini, Commissioner of Customs, Customs House, AP & SEZ, Mundra.
D. Date of order and Date of issue:	23.11.2026 23.11.2026
E. SCN No. & Date	31/2025-26/COMM/NS/ADJ/MCH Dated 24.11.2025
F. Importer	M/s Singh Exports

1. यहअपीलआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए 3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 129 A (1) (a) of Customs Act, 1962 read with Rule 6 (1) of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -3 to:

"केन्द्रीय उत्पाद एवं सीमा शुल्क और सेवाकर अपीलीय प्राधिकरण, पश्चिम जोनल पीठ, 2nd फ्लोर, बहुमाली भवन, मंजुश्री मील कंपाउंड, गिर्धनगर ब्रिज के पास, गिर्धनगर पोस्ट ऑफिस, अहमदाबाद-380 004"

"Customs Excise & Service Tax Appellate Tribunal, West Zonal Bench, 2nd floor, Bahumali Bhavan, Manjushri Mill Compound, Near Girdharnagar Bridge, Girdharnagar PO, Ahmedabad 380 004."

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के साथ -/ 1000 रूपये का शुल्क टिकट लगा होना चाहिए जहाँ शुल्क, व्याज, दंड या शास्ति रूपये पाँच लाख या कम माँगा हो5000/- रुपये का शुल्क टिकट लगा होना चाहिए जहाँ शुल्क, व्याज, शास्ति या दंड पाँच लाख रूपये से अधिक किंतु पचास लाख रूपये से कम माँगा हो 10,000/- रुपये का शुल्क टिकट लगा होना चाहिए जहाँ शुल्क, दंड व्याज या शास्ति पचास लाख रूपये से अधिक माँगा हो। शुल्क का भुगतान खण्ड पीठ बेंचआहरितट्रिब्यूनल के सहायक रजिस्ट्रार के पक्ष में खण्डपीठ स्थित जगह पर स्थित किसी भी राष्ट्रीयकृत बैंक की एक शाखा पर बैंक ड्राफ्ट के माध्यम से भुगतान किया जाएगा।

Appeal should be accompanied by a fee of Rs. 1000/- in cases where duty, interest, fine or penalty demanded is Rs. 5 lakh (Rupees Five lakh) or less, Rs. 5000/- in cases where duty, interest, fine or penalty demanded is more than Rs. 5 lakh (Rupees Five lakh) but less than Rs.50 lakh (Rupees Fifty lakhs) and Rs.10,000/- in cases where duty, interest, fine or penalty demanded is more than Rs. 50 lakhs (Rupees Fifty lakhs). This fee shall be paid through Bank Draft in favour of the Assistant Registrar of the bench of the Tribunal drawn on a branch of any nationalized bank located at the place where the Bench is situated.

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और CESTAT (प्रक्रिया) नियम, 1982 सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the CESTAT (Procedure) Rules 1982 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, न्यायाधिकरण के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Tribunal on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

1.1. M/s. Singh Exports (Proprietor: Ritesh Kumar Singh) having factory premises registered at 130, Opp New Life Hospital, Sanwer Road Main Road, Indore (M.P.) holding IEC no.- CNLPS1119J and GSTN- 23CNLPS1119J1ZW have obtained 2 Advance Authorization licenses from the Director General of Foreign Trade for importing of PP Granules without payment of duty in order to manufacture and export Flexible Intermediate Bulk Containers (Attachment Bag/ Builder Bags/ Baffle Bag). The major raw materials used for manufacturing of the said goods are Polypropylene (PP) Granules and U.V. Stabilizer Master Batches.

1.2. Based on specific intelligence that Singh Exports is a dummy firm created (by Utkarsh Bhave & others) with sole intention to divert PP granules imported under Advance Authorization Scheme without payment of customs duty in violation of the condition of Advance authorization license read with Notification No.18/2015-Cus dated 01.04.2015, search operation were conducted on 29.11.2023 at the declared premises of Singh Exports i.e. 130, Opp New Life Hospital, Sanwer Road Main Road, Indore and the firm was found to be non-existent at the said address **[Search Panchnama annexed as RUD-1]**.

2. INVESTIGATION CARRIED OUT IN RESPECT OF M/S. SINGH EXPORTS –

2.1. The details of premises related to Singh Exports were searched, details of search is as –

Table No.1

Sr. No.	Address of the premises searched	Date of search	Remarks
1.	130, Sanwer Road, Near New Life Hospital, Indore (M.P.)	29.11.2023	Neither any factory premise nor any office premise of Singh Exports found in existence.

2.2. During the course of search operation at the factory premises of Singh Exports i.e. 130, Sanwer Road, Near New Life Hospital, Indore (M.P.) on 29.11.2023, it was found that neither any factory premise nor any office premise is present at the address declared by M/s. Singh Exports, the same is

brought on record via Panchnama dated 29.11.2023 (**RUD-I**) drawn on the spot.

2.3. The details of all 2 Advance Authorization Licenses issued to Singh Exports is as under-

Table No.2

Sr. No.	**License No./ port of registration**	**Date**	**Import Validity**	**Export Validity**	**Goods to be Imported**
1	5611001463/ ININD6	10.01.2023	10.01.2024	05.06.2024	U.V Stablizer Master Batch
					PP Granules
2	5611001662 / ININD6	23.03.2023	23.03.2024	29.09.2024	U.V Stablizer Master Batch
					PP Granules

Details of duty forgone under License Number 5611001463

S.No.	Custom House Code	BE No.	BE Date	Quantity (Kg)	Duty Forgone
1	INPAV1	4358932	1/26/2023	24500	694194.68
2	INPAV1	4480019	2/3/2023	25000	705650.65
3	INMUN1	4533138	2/7/2023	25000	744537.45
4	INPAV1	4420542	1/31/2023	49500	1402556.53
5	INPAV1	4431693	1/31/2023	17500	495853.33
6	INMUN1	7803488	9/13/2023	34000	1018330.53
7	INMUN1	4373208	1/27/2023	48000	1346589.23
8	INPAV1	4471586	2/3/2023	24500	691537.63
					Total Duty Forgone is Rs. 70,99,250/-

Details of duty forgone under License Number 5611001662

S.No.	Custom House Code	BE No.	BE Date	Quantity (Kg)	Duty Forgone
1	INMUN1	7174272	8/3/2023	16000	476850.8
2	INMUN1	5272611	3/28/2023	49500	1628281.34
3	INMUN1	6301408	6/7/2023	24000	677815.56
4	INMUN1	5409817	4/7/2023	48000	1609963.34
5	INNSA1	5613199	4/21/2023	16000	505042.49
6	INNSA1	5720780	4/28/2023	96000	3044304
7	INMUN1	7669387	9/4/2023	24000	718821.68
8	INMUN1	7803488	9/13/2023	34000	1018330.53
					Total Duty Forgone is Rs. 96,79,409.74

2.4. From the analysis of the Customs Database, it was found that M/s. Singh Exports had imported total 555.5 Metric Tons of PP granules under 02 Advance Authorization Licenses. The imported Polypropylene (PP) granules falling under chapter subheading 39021000 of the Customs Tariff Act, 1985 attract aggregates Basic Customs duty @7.5%, SWS @10% and IGST @18%. Further, Singh Exports had been issued 02 Advance Authorizations for duty free imports of inputs (raw material) in terms of Notification no. 96/2009-Cus dated 11.09.2009 read with Notification No.18/2015-Cus dated 01.04.2015 issued by the Government of India, Ministry of Finance (hereinafter referred to as the 'said notification') and Chapter 4 of Foreign Trade Policy 2009-2014 and 2015-2020. The said notifications exempt materials imported into India against an Advance Authorization issued in terms of Para 4.1.3 of the Foreign Trade Policy 2009-2014 and Para 4.03 & 4.16 of the Foreign Trade Policy 2015-2020 from the whole of the duty of Customs to be levied thereon, as specified in the first schedule of the Customs Tariff Act, 1975 and from the whole of the Additional duty, safeguard duty and transitional product specific safeguard duty and anti-dumping duty to be levied thereon.

2.5. In view of the above, total duty worked out to be Rs. **1,67,78,659/- (Rupees One Crore Sixty Seven Lakh Seventy Eight Thousand Six Hundred Fifty Nine Only)** as detailed in the above table is recoverable from M/s. Singh Exports under the provisions of the Customs Act, 1962. Further, it is also noticed from above table that total 56% imports were taken place from Mundra Port.

3. INVESTIGATION CARRIED OUT IN RESPECT OF IEC HOLDER SHRI RITESH KUMAR SINGH :-

3.1. In the statement recorded under section 108 of the Customs Act, 1962 on 12.12.2023 **[RUD-2]**, Shri Ritesh Kumar Singh S/o Shri Ram Pukar Singh (IEC holder of M/s. Singh Exports) inter-alia stated –

- That he is permanent residence in Palamu, Jharkhand and resides at Sadar Bazar, Jhansi and presently employing as Store manager in Reebok Showroom, Jhansi. He refused doing any business.
- That he is having one friend named Sameer Chaturvedi based in Indore; during his tough days of unemployment his friend Sameer Chaturvedi introduce him to Mr. Utkarsh Bhave of M/s. KRM Plastics LLP.
- That Utkarsh Bhave promised him for a job in import export firm and took all his documents and opened account on his name in AU Small Finance bank. He also signed certain documents on the instruction of Utkarsh Bhave and Sameer Chaturvedi. He offered monthly salary worth 25K.
- That the bank account opened in AU Small Finance Bank is totally operated by Mr. Utkarsh Bhave.
- That, he does not have any knowledge about import/ export/ scheme of advance license etc. For the sake of monthly salary, he was following the instructions of Mr. Utkarsh Bhave.
- That he does have any knowledge about working/operation/sale/purchase of Singh Exports and all the operations of Singh Exports were handled by Mr. Utkarsh Bhave and his accomplice Mr. Vikas Jain (Prop of Yashika Enterprises).
- That he does not have any objection in encashment of Bank Guarantees for recovery of Government Revenue.

3.2. Further, Mr. Ritesh Kumar Singh, Proprietor of M/s Singh Exports, submitted a letter requesting recovery of the customs duty forgone under the Advance Authorisation Scheme through encashment of the bank guarantees amounting to Rs.13,75,000/- and Rs.19,22,500/-. Subsequently, both bank

guarantees were encashed, and a total amount of Rs. 32,97,500/- was recovered towards the customs duty liability.

3.3. Shri Ritesh Kumar Singh, IEC holder of M/s Singh Exports, stated that he is a resident of Jharkhand and employed in Jhansi, with no involvement in the firm's operations. He explained that Shri Sameer Chaturvedi introduced him to Shri Utkarsh Bhave, who offered him a salaried job, took his documents, opened and operated a bank account in his name, and managed all activities of Singh Exports along with Shri Vikas Jain. He admitted having no knowledge of imports, exports, or the Advance Authorisation Scheme and raised no objection to encashment of bank guarantees. He also submitted a letter requesting recovery of the forgone customs duty through encashment of two bank guarantees of Rs. 13,75,000/- and Rs. 19,22,500/-, totalling Rs. 32,97,500/-, which was subsequently recovered.

4. INVESTIGATION CARRIED OUT IN RESPECT OF SHRI UTKARSH BHAVE, PARTENER OF M/s. KRM PLASTICS LLP -

4.1. As IEC holder, Ritesh Kumar Singh admitted the fact that he is dummy owner of Singh Exports and Mr. Utkarsh Bhave is the king pin behind the malafide actions of Singh Exports which resulted in evasion of Customs duty. Summons were issued to Utkarsh Bhave vide CBIC DIN-20240169OK000081338A dated 04.01.2024, Shri Utkarsh Bhave, the partner of KRM Plastics LLP appeared on 12.01.2024 for recording his voluntary statement under Section 108 of the Customs Act, 1962 **[RUD-3]**, wherein he inter-alia stated as under-

- He incorporated KRM Plastics on 07.04.2016 as a partnership firm and M/s. Singh Exports was managed by him with help of Shri Sameer Chaturvedi and Shri Vikas Jain.
- That Sameer Chaturvedi resides at Vistara Township, Indore and director in firm M/s. Dhaumya Exim LLP.
- That Vikas Jain is his business friend and resides at Airport Road, Indore.
- That M/s. Singh Exports import goods duty free under advance license scheme and divert the same under invoices on the name of M/s. KRM Plastics LLP. Most of the imported goods were diverted to M/s. Friscon Polyfab Private Limited and M/s. New Chem Plastics, Mumbai. These customers used to pay commission at approx. Rs.2 per kg to him.
- That in support of his version, he submitted back up of whatsapp chat made with Anshul Agrawal mobile number 9826366111, director of M/s.

Friscon Polyfab Private Limited on office e-mail i.e. indorecustoms-siib@gov.in .

- On being asked regarding the following comment from whatsapp chat :- *[25/01/2023, 18:53:04] Utkarsh Bhave: ex-bond checklist of Singh exports job no. 0454 mundra. Pdf 3 pages <attached : 0000152 – ex-bond checklist of Singh exports job number 0000153-PHOTO-2023-01-25-18-53-22.jpg>* He submitted that this is the checklist of filing of bill of entry which was forwarded to him by CHA to verify if the details are correct as per the advance license. As Shri Anshul Agrawal financed for the said consignment, the goods were supposed to be diverted to M/s. Friscon Polyfab Private Limited. Therefore, he forwarded the checklist to him to inform him that the process of filing bill of entry was under process. Apart from that he also provided details regarding correspondence with transporters and vehicles.
- On being asked regarding the following whats app chat between Utkarsh Bhave and Anshul Agrawal with vehicle details and mobile number; he stated that Anshul Agrawal sent him vehicle details along with driver contact number regarding transportation of goods pertaining to Singh Exports.
- That no outward invoices were issued from M/s. Singh Exports, but goods were imported on the name of Singh Exports and later sold to M/s. Friscon Polyfab Private Limited and M/s. New Chem. Invoices were prepared after delivery of goods as and when asked by Friscon Polyfab and M/s. New Chem.

4.2. He incorporated M/s KRM Plastics on 07.04.2016 and managed M/s Singh Exports with the help of Shri Sameer Chaturvedi (Director, M/s Dhaumya Exim LLP) and Shri Vikas Jain. M/s Singh Exports imported goods duty-free under the Advance Authorisation Scheme and diverted them through invoices in the name of M/s KRM Plastics LLP to M/s Friscon Polyfab Pvt. Ltd. and M/s New Chem Plastics, Mumbai, earning a commission of about Rs. 2 per kg. He submitted WhatsApp chat records with Shri Anshul Agrawal, Director of Friscon, indicating coordination with regard to filing of Bills of Entry and transportation of consignments. He admitted that no outward invoices were initially issued by Singh Exports and that goods imported in its name were sold to Friscon and New Chem, with invoices prepared later as required.

5. INVESTIGATION CARRIED OUT IN RESPECT OF TRANSPORTER NEW KRISHNA TRANSPORT, INDORE

5.1. During investigation, from the Statement of Utkarsh Bhave that the goods imported by Singh Exports have been diverted to other units on basis of invoices issued on the name of KRM Plastics LLP. From the whatsapp chat conversion, it has been revealed that the transporter used to provide vehicles in the instant case is M/s. New Krishna Transport located at 16, Nemawar Marg, Indore owned by Shri Ashok Chandani. Therefore Search was conducted at the premise of the transporter on 02.02.2024 **[RUD-4]** which resulted in the recovery of certain lorry receipts, invoices and gate pass pertaining to loading/unloading/transport of goods pertains to M/s. Singh Exports.

5.2. Also, statement of Driver Sohan S/o Shri Narsingh driver employed at M/s. New Krishna Transport Co, Indore was recorded u/s 108 of the Customs Act, 1962 on 02.02.2024 **[RUD-5]** in which he admitted that he was driving vehicle number MP09HH6381 since last two years and also admitted the fact that on the basis of Bilty Number 14601 dated 01.04.2023 issued by transporter New Krishna Transport, he loaded goods i.e. Plastic Granules from Mundra Port to Pithampur in vehicle number MP09HH6381. He also stated that despite the fact that e-way bill was destined to Indore, he unloaded the goods at Friscon Polyfab, Pithampur as his boss called him and instructed him to do that.

5.3. Statement of Shri Ashok Chandani S/o Shri Lalchand Chandani owner of New Krishna Transport Co Ltd was recorded on 02.02.2024 **[RUD-6]** in which he stated that his company owns following truck/loading vehicles;-

MP09HH1179	MP09HH8172	MP09HH5229	GJ20X9927	MP09HH6381	MP09HJ6129
MP09HH7920	MP09HH7911	MP37GA2799	MP13H3220	MP09HH8118	GJ20X9972
MH15FV5427	MP09HH5409	MP09HH7218	MP09HJ5409	MP09HJ7119	

5.4. He also admitted the fact that vehicle number MP09HH6381 was used to transport plastic granules of Singh Exports from Mundra to Pithampur on request of Shri Anshul Agrawal of Friscon Polyfab. He stated that driver of the said vehicle was Sohan and E way bill was destined to Indore but on request of Anshul Agrawal, the goods were unloaded at Pithampur at factory premise of Friscon Polyfabs. He stated that Shri Anshul Agrawal contact number 9826366111 is director of M/s. Friscon Polyfabs and ordered him to transport goods i.e. plastic granules from Mundra to Pithampur.

6. INVESTIGATION CARRIED OUT IN RELATION TO FRISCON POLYFABS PRIVATE LIMITED AND SHRI ANSHUL AGRAWAL

6.1. In course of investigation, Summons were issued to Shri Anshul Kumar Agrawal vide CBIC DIN 20231269OK000000C7AB dated 07.12.2023, in response Shri Anshul Kumar Agrawal, Director of Friscon Polyfabs Private Limited appeared on 14.12.2023 and his statement has been recorded under Section 108 of Customs Act 1962 **[RUD-7]** relevant extract of which is reproduced here as under ;-

- During questioning regarding the supply of two consignments (24,000 kg each) to M/s. Radhe Polyfab Pvt. Ltd. on 04.05.2023, the individual failed to confirm the transaction and deferred submission of documents to a later date, despite being in possession of relevant details.
- When asked how the said goods were received at Nhava Sheva Port, including invoice, transport builty, and payment proof, he again avoided a direct response and assured future submission, thereby delaying verification of the supply chain.
- On being confronted with multiple E-way Bills showing dispatch of PP granules from Nhava Sheva and Mundra ports during April 2023 to various parties, he did not confirm the transactions and repeated his earlier statement, avoiding clarity on the nature and authenticity of the supplies.
- Further, when presented with evidence of similar supplies from Pipavav and Mundra ports in February 2023, he again chose not to respond directly and reiterated his intent to submit documents later, without offering any explanation for the delay.

Overall, Shri Anshul repeatedly avoided answering specific questions, deferred submission of critical documents, and attempted to divert the investigation by providing vague assurances instead of factual clarifications.

6.2. Further, another Summons was issued to Anshul Kumar Agrawal vide CBIC DIN 20240369OK000000E0BC dated 04.03.2024, in response of which Shri Anshul Kumar Agrawal, Director of Friscon Polyfabs Private Limited appeared on 18.03.2024 and his statement has been recorded under Section 108 Customs Act 1962 **[RUD-8]** relevant extract of which is reproduced here as under;-

- When questioned about his association with M/s Singh Exports, Indore (IEC: CNLPS1119J), he categorically denied any connection or business dealings with the firm or its proprietor, Shri Ritesh Kumar Singh.
- He acknowledged knowing Shri Utkarsh Bhave and confirmed business transactions with M/s KRM Plastics LLP, owned by Bhave. He also shared Bhave's contact details.
- Despite denying links to Singh Exports, WhatsApp chats recovered between him and Shri Bhave contained multiple references to Singh Exports. Although he signed the printed chat records (dated 06.12.2022 to 11.09.2023), he avoided confirming their authenticity, citing the age of the messages and claiming he hadn't read the full content.
- He was unable to produce the chat from his own device and repeatedly deflected questions, stating only his name appeared in the messages, not his mobile number.
- Specific messages showed Mr. Bhave sending him documents titled "ex-bond checklist of Singh Exports," and in one instance, Shri Anshul himself asked whether the Out of Charge (OC) should be in the name of "KRM or Singh." He claimed ignorance about Mr. Bhave's suppliers and maintained that his purchases were only from KRM Plastics LLP.
- Multiple chat entries revealed him sharing vehicle details, including truck numbers, driver names, and freight rates. When asked to explain, he either deferred comment or claimed he needed to verify his replies.
- Evidence from M/s New Krishna Transport Co., Indore confirmed that vehicles MH18AA4771 and MP09HH6381 were booked by him and used to transport goods under documents issued in the name of Singh Exports, though the goods were delivered to his factory at Pithampur. He again deflected, stating he did not know the source of KRM's goods.
- When confronted with the fact that duty-free goods were transferred to him using documents of a non-existent firm (Singh Exports), he reiterated that all purchases were made from KRM Plastics LLP and claimed they were on a full tax-paid basis.
- He denied any role in coordinating import formalities or booking vehicles for Singh Exports, though chat records suggested discussions around Bill of Entry filing, Out of Charge, and delivery logistics.
- He admitted to procuring PP parcels from Reliance SEZ under an Advance Authorisation License issued to M/s Friscon Polyfab Pvt Ltd but denied any involvement in duty-free imports through Singh Exports.
- In conclusion, he maintained that he had no association with Singh Exports and that all transactions were routed through Shri Utkarsh

Bhave of M/s KRM Plastics LLP. He denied any knowledge of duty-free imports or misuse of documentation.

In conclusion, Shri Anshul Kumar Agrawal consistently denied any association with M/s Singh Exports, Indore, despite substantial evidence indicating his involvement in the movement and receipt of goods under documents issued in the name of the said firm. Throughout the investigation, he attempted to deflect direct questions, provided vague or evasive responses, and attributed all transactions to M/s KRM Plastics LLP. However, WhatsApp communications, transport records, and third-party statements clearly suggest his active role in coordinating logistics, including vehicle bookings and delivery of goods linked to Singh Exports. His repeated denial of knowledge, despite documented interactions and operational links, appears to be an effort to mislead and divert the course of investigation.

7. INVESTIGATION CARRIED OUT IN RESPECT OF SHRI VIKAS JAIN PROPRIETOR OF M/S. YASHIKA ENTERPRISES

7.1. During investigation, search has been carried out on 30.11.2023 **[RUD-9]** in relation to Vikas Jain's Godown / Factory premise of M/s. Yashika Enterprises at 285 M Das Bagichi, Airport Road, Indore (M.P.), during the search proceedings neither any imported plastic granules nor any documents related to sale purchase has been recovered from the said premise. Simultaneously, on 30.11.2023, search of residential premise of Vikas Jain i.e. House Number 125, Ram Chandra Nagar, Airport Road, Indore **[RUD-10]** has been conducted by Officers of Customs Indore; during search proceedings, officers recovered following articles/ documents viz. Misc File containing Invoices of M/s. Yashika Enterprises and other documents, Bank Statement of M/s. Yashika Enterprises, a page having impression of 10 stamp seals, sealed packet containing 10 stamp seals.

7.2. Statement of Shri Vikas Jain has been recorded on 01.12.2023, 20.12.2023 & 02.01.2024 under Section 108 of the Customs Act 1962 **[RUD-11]** in which he stated that –

- That he is proprietor of M/s. Yashika Enterprises and his firm is located at 285, Das Bagichi, Indore which deals in trading of scrap plastic granules and its re processing.
- That the stamp/ seals recovered from his residential premise is used by him for issuing invoices on the name of various firms.

- That he generally provide finance to Utkarsh Bhave for purchase/ import of plastic granules on the name of M/s. KRM Plastics, Singh Exports and Dhaumya Exim.
- That Singh Exports imported nearly 500 tonn duty free plastic granules under advance authorization and divered the imported goods. Out of 500 tonn, he received 75 tonn on the name of M/s. Dhaumya Exim Private Limited.
- That Singh Exports is a firm with the name of dummy owner Mr. Ritesh Kumar Singh and it was originally operated by Shri Utkarsh Bhave. He only received 75 tonn goods and rest 425 ton imported goods were diverted to New Chem Plastics and Friscon Polyfab etc. New Chem Plastics and Friscon Polyfab were beneficial owner behind these imports.

7.3. Vikas Jain in his statement dated 02.01.2024 submitted that he through account of M/s. Dhaumya Enterprises deposited Rs. 8 Lakh towards payment of Customs duty evaded via import of 75 ton of Plastic Granules from Singh Exports.

7.4. In his statement dated 01.12.2023 recorded under Section 108 of the Customs Act, Shri Vikas Jain, Proprietor of M/s Yashika Enterprises, admitted financing imports made by Utkarsh Bhave through various firms. Also stamps of various firms were recovered which were used to issue invoices. He stated that Singh Exports imported about 500 MT of duty-free plastic granules, out of which 75 MT was received by him through Dhaumya Exim, while the rest was diverted to New Chem Plastics and Friscon Polyfab, who were the actual beneficiaries. He confirmed that Singh Exports was a dummy firm in the name of Ritesh Kumar Singh but operated by Utkarsh Bhave. On 02.01.2024, he submitted that Rs. 8 lakh was deposited through M/s Dhaumya Enterprises towards duty on the 75 MT PP granules received.

8. INVESTIGATION CARRIED OUT FROM DHAUMYA EXIM

8.1. During investigation, the statement of Shri Nikhil Chaturvedi S/o Shri Balkishan Chaturvedi IEC holder of Dhaumya Exim Private Limited was recorded under Section 108 of Customs Act 1962 on 29-30.11.2023 **[RUD-12]** , in his statement in reference of M/s. Singh Exports, he stated that

- That Singh Exports was appeared in the name of Shri Ritesh Kumar Singh by Shri Utkarsh Bhave and Shri Vikas Jain with sole intention to

import duty free goods under advance authorization scheme and then divert it into domestic market.

- All paper work regarding opening of firm was done by Shri Utkarsh Bhave and Shri Vikas Jain.
- On being asked he stated that the goods imported under duty free scheme was diverted to firms viz. Friscon Polyfabs, Shri Raunak Bhai and New Chem etc. Friscon Polyfab is located in Pithampur and New Chem Plastics is located in Mumbai whereas Raunak Bhai full name Rathod Jaswant Bhai Jadhav Ji Bhai mobile number 8488900888 and e mail id ronak4390@gmail.com; address SPAN Trade Centre, Ahmedabad.
- All mail correspondence , OTPs regarding transaction of Singh Exports were linked with mobile number 8393986462 and this mobile number was in possession of Shri Utkarsh Bhave.
- All transport of Singh Exports was operated by Indian Road Lines operated by Shri Guddu Bhai having Axis Bank Account Number 923020001224906.

9. INVESTIGATION CARRIED OUT IN RESPECT OF CHA INVOLVED IN THE IMPORT OF M/S SINGH EXPORT (M/S LILADHAR PASOO FORWARDERS PVT. LTD., M/S KAUSHALI INTERNATIONAL AND M/S PAR LOGISTIC LLP)

9.1. Statement of Shri Kailash Sharma Totaram, Assistant Manager at Liladhar Pasoo Forwarders Pvt. Ltd recorded under Section 108 of the Customs Act, 1962 on 25.06.2025 [RUD-13].

In his statement, Shri Kailash Sharma Totaram has inter alia stated that –

- That his name is Kailash Sharma Totaram, working as an Assistant Manager at Liladhar Pasoo Forwarders Pvt. Ltd. and is a G Card holder at Kandla Customs with Customs Pass No. *G/PA/KNDL1/202519436*.
- That he is duly authorized by his company to provide this statement on its behalf and has submitted the authorization letter issued by the competent authority.
- That his company handled customs clearance of 8 shipments for M/s Singh Exports (IEC: CNLPS1119J) during the period *January 2023 to June 2023*. The nature of imports was plastic granules on transfer of ownership basis from customs bonded warehouse under Ex-Bond Bills of Entry.

- That his firm filed the following eight Ex-Bond Bills of Entry on behalf of M/s Singh Exports:

Detailed information of Ex-Bond Bills of Entry

S. No.	BoE Number	BoE Date	License no.	Warehouse BoE	Quantity (Kg)	Port of Clearance	Warehouse of Clearance	Vehicle Number	Out date and timE
1	4373208	27-01-2023	5611001463	3957564	48000	Mundra Port	Seabird Marine Services (Gujarat) Pvt. Ltd.	GJ12AZ2540 (24000 KG) GJ12AW9255 (24000 KG)	28/01/2023 22:43 28/01/2023 20:23
2	4533138	07-02-2023	5611001463	4409009	25000	Mundra Port		GJ12AU5389	08-02-2023 17:31
3	6301408	07-06-2023	5611001463	5889160	24000	Mundra Port		GJ12AU8019	08-06-2023 15:03
4	4358932	26-01-2023	5611001463	4173868	24500	Pipavav Port	CC Logix parks India Pvt. Ltd.	GJ10TV5032	28.01.2023 20:26
5	4420542	31-01-2023	5611001463	4174272	50000	Pipavav Port		GJ12BZ7276 (22500 KG) GJ12BZ7276 (4500 KG) GJ03Y9422 (1500 KG) GJ12AZ4516	31.01.2023 22:34 02.02.2023 21:01 31.01.2023 22:33 01.02.2023 14:16

								(21000 KG)	
6	4431693	31-01-2023	5611001463	4174483	17500	Pipavav Port		GJ03Y9422	02.02.2023 21:07
7	4471586	03-02-2023	5611001463	4294657	24500	Pipavav Port		GJ18AU9571 (24000 KG) GJ18AZ7309 (500 KG)	04.02.2023 14:41 02.03.2023 15:12
8	4480019	03-02-2023	5611001463	4294657	25000	Pipavav Port		MP41HA1755 (24000 KG) GJ18AZ7309 (250 KG) GJ18BT5104 (750 KG)	05.02.2023 00:50 02.03.2023 01:24 02.03.2023 01:43

- That the mode of transport was by truck arranged by the importer, and the goods imported were PP Granules. The declared and actual delivery addresses, e-Way Bills, transporter details, LR copies, and delivery confirmations were not available with him since transportation was arranged directly by the importer.
- That the delivery instructions for each of the consignments were provided by Shri Utkarsh Bhave (Mobile No. 9589028696).
- That the mode of communication for receiving documents and instructions was email from the ID: singh.pexports@gmail.com, and relevant communications/documents are being submitted BoE-wise.
- That he does not know the official role or position of Shri Utkarsh Bhave in M/s Singh Exports, nor was any authorization letter/email/document provided to support his role. However, based on prior working relations with Shri Utkarsh Bhave, he proceeded with the work on his instructions.
- That he has no knowledge of the transporter or person to whom the goods were physically handed over, since all instructions were received over phone calls from Shri Utkarsh Bhave.

- That the payments for CHA services were received from M/s Singh Exports, and the ledger and related details are being submitted.
- That he does not know or has never met Shri Ritesh Singh, the purported proprietor of M/s Singh Exports.
- That although KYC documents (Authority Letter, IEC, Aadhaar, PAN, GST registration, etc.) in the name of Shri Ritesh Singh were obtained and submitted, he never met or interacted with him personally.
- That the work was carried out solely on the instructions of Shri Utkarsh Bhave, and no independent verification of the actual ownership of M/s Singh Exports was undertaken.
- That Mr. Utkarsh Bhave also had another firm named KRM Plastics, for which Ex-Bond Bills of Entry were also filed by us. Since we frequently received instructions from him and observed that multiple consignments were being handled in his name, we assumed that Singh Export was also his firm or part of his business group. Therefore, we did not independently verify the actual ownership of Singh Export at that time.

Shri Kailash Sharma Totaram, Assistant Manager at Liladhar Pasoo Forwarders Pvt. Ltd. and a G-Card holder at Kandla Customs, confirmed that his firm filed eight Ex-Bond Bills of Entry for M/s Singh Exports between January–June 2023 for plastic granules. He stated that delivery instructions were given by Shri Utkarsh Bhave over phone, while transportation was arranged by the importer. Payments were received from Singh Exports, though he never met its proprietor, Shri Ritesh Singh, personally.

9.2. Statement of Shri Nilay Choksi, proprietor of M/s Kaushali International, Customs Broker License Number is CHA/ABD/R/01/2011 (ACQPC3956RCH001) recorded under Section 108 of the Customs Act, 1962 on 25.06.2025 [RUD-14].

In his statement, Shri Nilay Choksi has inter alia stated that –

- That his firm handled customs clearance of 6 shipments for M/s Singh Exports (IEC: CNLPS1119J) during the period *March 2023 to September 2023*.
- That the nature of imports was plastic granules on transfer of ownership basis from customs bonded warehouse under Ex-Bond Bills of Entry.
- That his firm filed the following six Ex-Bond Bills of Entry on behalf of M/s Singh Exports:

S. No.	BoE Number	BoE Date	License no.	Quantity (Kg)	Vehicle Number	Out time
1	5272611	28-03-2023	5611001662	49500	MH18AA4771 MP09HH6381	30/03/2023 15:22
2	5409817	07-04-2023	5611001662	48000	GJ12AU6633 GJ09Z8998	08/04/2023 15:30
3	7174272	03-08-2023	5611001662	16000	GJ12AU9574	04/08/2023 20:15
4	7669387	04-09-2023	5611001662	24000	GJ12AZ4503	05/09/2023 17:29
5	7789075	12-09-2023	Duty paid Rs. 141454/-	6000	GJ12X3454	15/09/2023 14:03
6	7803488	13-09-2023	5611001662	28000	GJ12X3454 (10 TON)	15/09/2023 14:01
			5611001463	6000	GJ12AY2670 (24 TON)	14/09/2023 20:10

- That the Port of Clearance was *Mundra Port*, and the Warehouse of Clearance was *Seabird Marine Services (Gujarat) Pvt. Ltd.*
- That the mode of transport was by truck arranged by the importer. The description of goods was *PP Granules*.
- That the actual delivery address, e-Way Bill numbers, transporter details, LR copies, and delivery confirmations are not available with him, since transportation was arranged directly by the importer.
- That after clearance, the importer instructed him to hand over the cargo to his appointed transporter at CFS without charge copy of BoE, and accordingly, he followed the same.
- That in all the above consignments, Shri Ritesh Singh (Mobile No. 8393986462) himself provided delivery instructions to his team over phone.

- That no written authorization or letterhead communication was collected from Shri Ritesh Singh regarding transportation, as most work was carried out over phone calls.
- That he does not have information about the transporter or person to whom the goods were physically handed over, as the matter is old.
- That payment for CHA services was supposed to be made by M/s Singh Exports, which remains unpaid. Ledger and follow-up emails are submitted.
- That he obtained KYC documents of Shri Ritesh Singh, including Authority Letter, IEC, Aadhaar, PAN, and GST registration, and is submitting the same.
- That although he never met Shri Ritesh Singh personally, all documents were received by him through email from the ID singh.pexports@gmail.com.

Shri Nilay Choksi, proprietor of Kaushali International and a licensed Customs Broker at Ahmedabad, admitted filing six Ex-Bond Bills of Entry for Singh Exports between March–September 2023. He too said that transportation was arranged by the importer, with delivery instructions provided directly by Shri Ritesh Singh via phone. He obtained KYC documents (IEC, Aadhaar, PAN, GST, authorization letter) but never met Ritesh Singh in person. Payments for his services remained pending.

9.3. Statement of Shri Paresh Keshavji Dharani, partner in M/s PAR Logistic LLP recorded under Section 108 of the Customs Act, 1962 on 07.07.2025 [RUD-15]

In his statement, Shri Paresh Keshavji Dharani has inter alia stated that –

- That he is a partner in M/s PAR Logistic LLP, having its registered office at *67, Ashok Chamber,* 4th Floor, 56, Devji Ratansi Marg, Masjid Bunder (East), Mumbai – 400009. The firm's GSTIN is 27AASFP3536E1Z0.
- That his firm handled following two shipments for M/s Singh Exports (IEC: CNLPS1119J) in April 2023. One shipment was cleared under Ex-Bond Bill of Entry (plastic granules on transfer of ownership basis) and the other under High Sea Sale-

S. No.	BoE Number	BoE Date	License no.	Quantity (Kg)	Vehicle Number	Out time
1	561319	21.04.202	561100166	16000	GJ1903858	24.04.202

	9	3	2 DATED 23.03.2023			3 05:06 PM
2	5720780	28.04.2023	5611001662 DATED 23.03.2023	96000	MH43BX8995 (320 BAG) MH43BP4278 (320 BAG) MH43BX8995 (640 BAG) MH43BP4278 (640 BAG) MH01AW7847 (960 BAG) MH509576 (960 BAG)	07.05.2023 12:05 AM 07.05.2023 12:05 AM 05.05.2023 07:12PM 05.05.2023 07:12PM 05.05.2023 07:15PM 05.05.2023 07:15PM

- That his standard procedure after Customs clearance is to inform the importer, following which the importer or their representative contacts his staff at the warehouse. Based on instructions, goods are loaded into the specified vehicle. Transportation, including e-Way Bill preparation, is arranged by the importer. His firm does not retain delivery challans, e-Way Bills, or Lorry Receipts unless explicitly shared.
- That in both consignments, delivery instructions were provided directly by Shri Ritesh Singh (Mobile No. 8393986462) over phone calls. Vehicle details and destinations were also conveyed telephonically.
- That no written communication (letter/email) was received from Shri Ritesh Singh or M/s Singh Exports confirming transportation arrangements.
- That he does not recall the name or contact details of the transporter or person to whom the goods were physically handed over, and no such documentation is maintained in his records.
- That he was supposed to receive ₹3,94,033/- from M/s Singh Exports towards CHA services for the two consignments. However, despite follow-ups with Shri Ritesh Singh, he received only ₹3,00,000/- through bank

transfer. An amount of approximately ₹94,000/- remains unpaid. Ledger and bank statement copies are being submitted.

- That he obtained KYC documents of M/s Singh Exports, including Authorization Letter, IEC, Aadhaar, PAN, GST Registration Certificate, etc., which are being submitted.
- That the said KYC documents were sent to him by courier after telephonic discussions with Shri Ritesh Singh. Shri Ritesh Singh had informed him that he would visit in person, but no such meeting took place.
- That he has never met Shri Ritesh Singh in person. His interactions were limited to telephonic conversations. Since only two Bills of Entry were processed and no further work followed, he did not get an opportunity to meet him.
- That he relied on the documents received (Aadhaar, PAN, GST, Authorization Letter) and the consistency of the mobile number used for communication. Since the consignments were limited, he did not feel the need to investigate further.
- That he has no knowledge about the departmental findings that M/s Singh Exports is a fake/fictitious firm. He reiterates that he never met Shri Ritesh Singh personally and only had telephonic conversations with someone identifying himself as Ritesh Singh. He cannot confirm whether the person was genuinely Ritesh Singh or someone impersonating him.

Shri Paresh Keshavji Dharani, partner in PAR Logistic LLP and a licensed Customs Broker at Mumbai (JNPT), stated that his firm handled two shipments for Singh Exports in April 2023 (one Ex-Bond clearance of plastic granules and one High Sea Sale). He confirmed that delivery instructions were given telephonically by Shri Ritesh Singh, with transportation arranged by the importer. He received only part payment (₹3,00,000 out of ₹3,94,033) for his services, with the balance unpaid. He too obtained KYC documents but never met Ritesh Singh personally.

10. INFERENCE DRAWN FROM THE INVESTIGATION

10.1. It is gathered by the officers that M/s Singh Export (Proprietor: Ritesh Kumar Singh) having IEC- CNLPS1119J and GSTN- 23CNLPS1119J1ZW is registered at 130, Opp New Life Hospital, Sanwer Road Main Road, Indore and they have obtained 02 Advance Authorization No. 5611001662 dated & 5611001463 from Directorate General of Foreign Trade (DGFT), Indore registering themselves at ICD Tihi.

10.2. Acting on specific intelligence, a search was conducted at the registered address of M/s Singh Exports situated on 29.11.2023 and the firm was found to be non-existing at the said address. Further, search was also carried out at the registered address of M/s Dhaumya Exim Pvt Ltd and it is found that it is the residential premises belonging to Director of the company and no business operation is being carried out by them from the said premises. Further, statement of Shri Nikhil Chaturvedi, Director of M/s Dhaumya Exim Pvt Ltd was recorded on 29-30.11.2023 wherein he has inter-alia submitted that M/s Singh Exports is dummy firm created in the name of Shri Ritesh Kumar Singh and business operation of M/s Singh Exports is being handled by Shri Utkarsh Bhave, Partner of M/s KRM Plastic LLP, Indore and Shri Vikas Jain, Proprietor of M/s Yashika Enterprises, Indore. Further, on scanning of the said electronic devices, some incriminating documents have been found which indicates involvement of Shri Utkarsh Bhave and Shri Vikas Jain in the business operation of M/s Singh Exports and M/s Dhaumya Exim Pvt Ltd. On analysis, it appears that Shri Utkarsh Bhave and Shri Vikas Jain has created M/s Singh Exports with sole intention of using it for duty free import under Advance Authorisation Scheme and later wrongfully diverting the imported goods to other buyers.

10.3. In this regard, statement of Shri Utkarsh Bhave was recorded u/s 108 of the Customs Act on 12.01.2024 wherein he inter-alia stated that he is the partner of M/s KRM Plastics LLP and also managing/operating M/s Singh Exports. On being asked about import done by M/s Singh Exports, he stated that his customer namely M/s Friscon Polyfab Pvt Ltd and others have approached him to import duty free goods under Advance Authorisation Scheme and offered to fund him for the same. He has further stated that M/s Friscon Polyfab Pvt Ltd, Pithampur has funded the duty-free imports done by M/s Singh Exports, Indore and took the delivery of the said goods at the port of import itself and also submitted the copy of WhatsApp chat held between him (Mobile No. 95890-28696) and Shri Anshul Agrawal, Director of M/s Friscon Polyfab Pvt Ltd (Mob: 98263-66111). On analysis of the above WhatsApp chat held between Shri Utkarsh Bhave and Shri Anshul Agrawal, it appears that Shri Anshul Agrawal has arranged vehicles for generation of E-way Bill by a non-existent/dummy firm i.e. M/s Singh Exports and the said imported goods were transported from port of import to Pithampur/ other destination on his directions and sent vehicle along with driver details etc. Further, Shri Anshul Agrawal has also sent the transport bills and arranged payment to the account of transporter i.e. M/s New Krishna Transport Co, Indore. Ongoing through the above WhatsApp chat held between Shri Utkarsh

Bhave and Shri Anshul Agrawal), details of Bill of Entry No 4373208 dated 27.01.2023, 4480019 dated 03.02.2023, 5272611 dated 28.03.2023, 5409817 dated 07.04.2023 and 5720780 dated 28.04.2023 filed by M/s Singh Exports which is a non-existent/ dummy firm among other details transpired between them. On analysis, it emerges that Shri Utkarsh Bhave is working under instructions of Shri Anshul Agrawal and regularly updating him on the complete process of import of goods by M/s Singh Exports to the delivery of goods and also sending him details of Bill of Entry, E-way Bill and transportation etc. and receiving directions from him in this regard.

10.4. Further, a search was conducted at the registered address of M/s New Krishna Transport Co, Indore on 02.02.2024 wherein transport bilty, booking register etc. were recovered which suggests that Shri Anshul Agrawal has booked the vehicles on behalf of M/s Singh Exports. Statement of Shri Ashok Chandani, Proprietor of M/s New Krishna Transport Co on 02.02.2024 wherein he confirmed that Shri Anshul Agrawal has booked vehicle for transportation of goods from Mundra to Pithampur and submitted copy of whatsApp chat held between him (Mob: 98263-20880) and Shri Anshul Agrawal (Mob: 98263-66111). As per the above whatsApp chat, Shri Ashok Chandani has sent the details of Vehicle No to Shri Anshul Agrawal on 31.03.2023 wherein details mentioned is as Name: Sohan Driver, MP09HH6381, 24.750, Mundra to Pithampur. During the investigation, it is gathered that the said vehicle has been for generation of E-way Bill by M/s Singh Exports for transportation of goods from Mundra port to their address at Indore. Further, statement from Shri Sohan, Driver of Vehicle No MP09HH638 and employee of M/s New Krishna Transport Co was also recorded on 02.02.2023 wherein he confirmed that he was the driver of the said vehicle and transported goods from Mundra port to the factory of Shri Anshul at Pithampur.

10.5. In view of the above, it appears that Shri Utkarsh Bhave has used credentials of Shri Ritesh Kumar Singh by luring him for some monetary consideration. Subsequently, Shri Utkarsh Bhave in convenience with Shri Vikas Jain and Shri Anshul Agrawal has hatched a conspiracy to import duty free goods in name of M/s Singh Exports which were later wrongly diverted to DTA. In this regard, Shri Utkarsh Bhave is the mastermind in creation of the firm and importing the goods while Shri Vikas Jain and Shri Anshul Agrawal have provided funds and other supports.

11. Legal Provisions –

a. Para 4.03 of the Foreign Trade Policy (2015-20):

Advance Authorization is issued to allow Duty free import of input, which is physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.

b. Para 4.05 of the Foreign Trade Policy (2015-20):

4.05: Eligible Applicant / Export / Supply:

(a) Advance Authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer.

(b) Advance Authorisation for pharmaceutical products manufactured through Non-Infringing (NI) process (as indicated in paragraph 4.78 of Handbook of Procedures) shall be issued to manufacturer exporter only.

(c) Advance Authorisation shall be issued for:

(i) Physical export (including export to SEZ);

(ii) Intermediate supply; and/ or

(iii) Supply of goods to the categories mentioned in paragraph 7.02 (b), (c), (e), (t), (g) and (h) of this FTP. (iv) Supply of 'stores' on board of foreign going vessel / aircraft, subject to condition that there is specific Standard Input Output Norms in respect of item supplied.

c. Para 4.16 of Foreign Trade Policy 2015-20: Actual User Condition for Advance Authorisation

(i) Advance Authorisation and / or material imported under Advance Authorisation shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation. However, Authorisation holder will have option to dispose of product manufactured out of duty free input once export obligation is completed.

(ii) In case where CENVAT credit facility on input has been availed for the exported goods, even after completion of export obligation, the goods imported against such Advance Authorisation shall be utilized only in the manufacture of dutiable goods whether within the same factory or outside (by a supporting manufacturer). For this, the Authorisation holder shall produce a certificate from either the jurisdictional Central Excise Authority or Chartered Accountant, at the option of the exporter, at the time of filing application for Export Obligation Discharge Certificate to Regional Authority concerned.

(iii) Waste / scrap arising out of manufacturing process, as allowed, can be disposed off on payment of applicable duty even before fulfillment of export obligation.

Notification No.96/2009-Cus dated 11.09.2009-

This notification exempts materials imported into India against an Advance Authorisation issued in terms of paragraph 4.1.3 of the Foreign Trade Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty, safeguard duty and anti-dumping duty leviable thereon, respectively, under sections 3, 8B and 9A of the said Customs Tariff Act,1975.

d. Notification No.33/2015-2020 New Delhi, Dated: 13 October, 2017

Subject: Amendments in Foreign Trade Policy 2015-20 -reg :

Para 4.14 was amended to read as under:

"4.14: Details of Duties exempted Imports under Advance Authorisation are exempted from payment of Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping Duty, Countervailing Duty, Safeguard Duty, Transition Product Specific Safeguard Duty, wherever applicable. Import against supplies covered under paragraph 7.02 (c), (d) and (g) of FTP will not be exempted from payment of applicable Anti-dumping Duty, Countervailing Duty, Safeguard Duty and Transition Product Specific Safeguard Duty, if any. However, imports under Advance Authorization for physical exports are also exempt from whole of the integrated tax and Compensation Cess leviable under sub-section (7) and sub-section (9) respectively, of section 3 of the Customs Tariff Act, 1975 (51 of 1975), as may be provided in the notification issued by Department of Revenue, and such imports shall be subject to pre-import condition.

e. Notification No. – 18/2015 - Customs, Dated: 01-04-2015 -

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials imported into India against a valid Advance Authorisation issued by the Regional Authority in terms of paragraph 4.03 of the Foreign Trade Policy (hereinafter referred to as the said authorization) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of I975) and from the whole of the additional duty, safeguard duty, transitional product specific safeguard duty and anti-dumping duty

leviable thereon, respectively, under sections 3, 88, 8C and 94' of the said Customs Tariff Act, subject to the following conditions, namely –

(i) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;

(ii) that the said authorisation bears, (a) the name and address of the importer and the supporting manufacturer in cases where the authorisation has been issued to a merchant exporter; and (b) the shipping bill number(s) and date(s) and description, quantity and value of exports of the resultant product in cases where import takes place after fulfillment of export obligation; or (c) the description and other specifications where applicable of the imported materials and the description, quantity and value of exports of the resultant product in cases where import takes place before fulfillment of export obligation;

(iii) that the materials imported correspond to the description and other specifications where applicable mentioned in the authorisation and are in terms of para 4.12 of the Foreign Trade Policy and the value and quantity thereof are within the limits specified in the said authorisation;

(iv) that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;

(v) that in respect of imports made after the discharge of export obligation in full, if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (21 of rule 19 of the Central Excise Rules, 2002 or of CENVAT Credit under CENVAT Credit Rules, 2004 has been availed, then the importer shall, at the time of clearance of the imported materials furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods and to submit a certificate, from the jurisdictional Central Excise officer or from a specified chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used: Provided that if the importer pays additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs

so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2004;

(vi) that in respect of imports made after the discharge of export obligation in full, and if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 or of CENVAT credit under CENVAT Credit Rules, 2004 has not been availed and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (v);

(vii) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No.16/ 2015-Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005): Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other sea-port, airport, inland container depot or through a land customs station within his jurisdiction;

(viii) that the export obligation as specified in the said authorization (both in value and quantity terms) is discharged within the period specified in the said authorization or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorization: Provided that an Advance Intermediate authorization holder shall discharge export obligation by supplying the resultant products to exporter in terms of paragraph 4.05 (c) (ii) of the Foreign Trade Policy;

(ix) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;

(x) that the said authorization shall not be transferred and the said materials shall not be transferred or sold;

Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant Central Excise notifications permitting transfer of materials for job work; Provided further that, no such transfer for purposes of job work shall be effected

to the units located in areas eligible for area based exemptions from the levy of excise duty in terms of notification issued from time to time.
(xi) that in relation to the said authorisation issued to a merchant exporter, any bond required to be executed by the importer in terms of this notification shall be executed jointly by the merchant exporter and the supporting manufacturer binding themselves jointly and severally' to comply with the conditions specified in this Notification.

f. Notification No. 79/2017-Cus. Dated 13.10.2017:

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, in the manner as specified in the corresponding entry in column (3) of the said Table, namely :
Relevant Provisions only: -

Sr. No.	*Notification No. and date*	*Amendments*
2.	*18/ 2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 254 (E) dated the 1st April, 2015*	*In the said notification, in the opening paragraph,* *(a) for the words, brackets, figures and letters "from the whole of the additional duty leviable thereon under sub-sections (1), (3) and (5) of section 3, safeguard duty leviable thereon under section BB and anti-dumping duty leviable thereon under section 9A',the words, brackets, figures and letters from the whole of the additional duty leviable thereon under sub-sections (1), (3) and (5) of section 3,integrated tax leviable thereon under sub section (7)of section 3, goods and services tax compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section BB, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A"shall be substituted.*

		(b) in condition (viii), after the proviso, the following proviso shall be inserted, namely: "Provided further that notwithstanding anything contained hereinabove for the said authorizations where the exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7)and sub-section (9) of section 3 of the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by physical exports only; *(c) after condition (xi), the following conditions shall be inserted, namely :-"(xii) that the exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7)and sub section (9) of section 3 of the said Customs Tariff Act shall be subject to pre-import condition; (xiii) that the exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7)and sub-section (9) of section 3 of the said Customs Tariff Act shall be available up to the 31st March, 2018.*

g. *The most relevant conditions laid down under the said Advance Authorization Licenses as per condition sheet issued by the office of the Joint Director of Foreign Trade (DGFT), Indore to Singh Export are mentioned as under-*

- *Authorization Holder shall export to or import from any country other than that specified on the Authorization or Paragraph 2.02 of the Handbook of Procedures 2015-2020.*
- *Authorization Holder shall export/ supply the product (s) as per the quantity (ies) and value (s) specified in the Table at Serial No.1 above within a period prescribed under Paragraph 4.22 of the Foreign Trade Policy 2015-2020.*
- *The Export Obligation shall be fulfilled by the Authorization Holder as per the terms and conditions specified in the Foreign Trade Policy 2015-2020 and the Handbook of Procedures 2015-2020 and other guidelines issued by the Director General of Foreign Trade from time to time.*

- *Authorization Holder shall deliver or cause to deliver to the Authorization issuing officer, within 2 months from the date of expiry of the Export obligation period stated above, documents as prescribed under Paragraph 4.44 and 4.46 of the Handbook of Procedures 2015-2020, as amended, from time to time, as evidence of fulfillment of Export obligation imposed on this Authorization. In case of bonafide default, provisions of Paragraph 4.49 of the Handbook of Procedures 2015-2020 as amended, from time to time, shall apply. Failure to fulfill the Export Obligation in the manner as prescribed in the Handbook of Procedures, 2015-2020 shall attract penal proceedings under the provisions of the Foreign Trade (Development Regulation) Act, 1992.*
- *Authorization Holder shall abide by the instructions contained in Paragraph 4.21 of the Handbook of Procedures 2015-2020, as the case may be, for maintenance of a true and proper account of consumption and utilization of inputs and furnish returns to the concerned Regional Authority as per the provisions of the Foreign Trade Policy 2015-2020 and the procedure laid thereunder.*
- *The Advance Authorization Holder shall execute BG/LUT with Customs Authority, as per the Procedure prescribed by them before effecting imports. However, for domestic procurement of inputs, BG/LUT shall be executed with the concerned Regional Authority in the manner specified in Paragraph 2.35 of the Foreign Trade Policy 2015-2020.*
- *No drawback shall be available for any duty paid material whether imported or indigenous unless such item(s) is/are endorsed on the Authorization by Regional Authority in terms of Para 4.15 of the Foreign Trade Policy 2015-2020.*

h. Section 2: (3A) of the Customs Act, 1962-

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

***Section 2 (26)** of the Customs Act, 1962: 'importer' in relation to any goods at any time between their importation and the time when they are cleared for home consumption includes any owner, beneficial owner or any person holding himself out to be the importer;*

***Section 11** of the Customs Act 1962: (1) If the Central Government is satisfied that it is necessary so to do for any of the purposes specified in sub-section (2), it may, by notification in the official gazette, prohibit either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification, the import or export of goods of any specified description.*

i. Section 111 of the Customs Act:

Section 111.Confiscation of improperly imported goods, etc.

Section 111(d):- *Any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force.*

Section 111 (o) *:-any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non observance of the condition was sanctioned by the proper officer;*

j. SECTION 112. Penalty for improper importation of goods, etc.

Any person,

(a) 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 1 1 1, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 1 1 1, 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 the value of the goods or five thousand rupees], whichever is the greater;

(ii in the case of dutiable goods, other than prohibited goods, subject to the provisions of section Ll4A, to a penalty not exceeding ten per cent of the duty sought to be evaded or live thousand rupees, whichever is higher :

Section 114A *of the Customs Act, 1962: Where the duty has not been levied or has been short-*

levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any willfulmis-statement or suppression off acts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined.

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

k. Section 28(4) of the Customs Act, 1962:

Section 28 [Recovery of duties not levied or not paid or short-levied or short paid or erroneously refunded]. (4) Where any duty has not been levied or not paid or has been short-levied or short paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, (a) collusion; or (b) any wilfulmis-statement; or (c) suppression of facts, by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been [so levied or not paid] or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

***Section 28(AA)** of the Customs Act 1962: (1) Notwithstanding anything contained in any*

judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with the provisions of section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section. (2) Interest, at such rate not below ten per cent and not exceeding thirty-six per cent per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty. (3) Notwithstanding anything contained in sub-section (1), no interest shall be payable where,- (a) the duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and (b) such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.

***l. Section 11(1) of the Foreign Trade (Development and Regulation) Act 1992:** No export or import shall be made by any person except in accordance with the provisions of this Act, the Rules and Orders made there under and the foreign trade policy for the time being in force.*

Para no. 2.05 (II) (i) of the Foreign Trade Policy 2015-2020*: No export or import shall be made by any person without obtaining an IEC number unless specifically exempted.*

Rule 2(c) of the Foreign Trade (Regulation) Rules, 1993*: "importer" or "exporter" means a person who imports or exports goods or services or technology and holds a valid Importer-exporter Code Number granted under section 7.*

m. Customs Brokers Licensing Regulations, 2018. Notification No. 41/2018-Customs (N.T.)dated 14th May, 2018,

10. Obligations of Customs Broker. — A Customs Broker shall —

(a)……
(e) exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;
……
(k) maintain up to date records such as bill of entry, shipping bill, transhipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;
……
(n) verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;
……

15. Prohibition.— *Notwithstanding anything contained in these regulations, the Principal Commissioner or Commissioner of Customs other than those referred to in regulation 7 may prohibit any Customs Broker from working in one or more sections of the Customs Station, if he is satisfied that such Customs Broker has not fulfilled his obligations as laid down under regulation 10 in relation to work in that section or sections:*

Provided that the period for which any Customs Broker may be prohibited from transacting business in one or more of the Customs Stations shall not exceed one month from the date of such prohibition:

Provided further that where the license of the Customs broker is suspended as a consequence to prohibition, the time period specified in regulation 16, shall be reckoned from the date of such suspension.

16. Suspension of license.— *(1) Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the license of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated: Provided that where the Principal Commissioner or Commissioner of Customs may deem fit for reasons to be recorded in writing, he may suspend the license for a specified number of Customs Stations.*

(2) Where a license is suspended under sub-regulation (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, within fifteen days from the date of such suspension, give an opportunity of hearing to the Customs Broker whose license is suspended and may pass such order as he deems fit either revoking the suspension or continuing it, as the case may be, within fifteen days from the date of hearing granted to the Customs Broker:
Provided that in case the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, passes an order for continuing the suspension, further procedure thereafter shall be as provided in regulation 17.

17. Procedure for revoking license or imposing penalty*.— (1) The Principal Commissioner or Commissioner of Customs shall issue a notice in writing to the Customs Broker within a period of ninety days from the date of receipt of an offence report, stating the grounds on which it is proposed to revoke the license or impose penalty requiring the said Customs Broker to submit within thirty days to the Deputy Commissioner of Customs or Assistant Commissioner of Customs nominated by him, a written*

statement of defense and also to specify in the said statement whether the Customs Broker desires to be heard in person by the said Deputy Commissioner of Customs or Assistant Commissioner of Customs.

(2) The Commissioner of Customs may, on receipt of the written statement from the Customs Broker, or where no such statement has been received within the time-limit specified in the notice referred to in sub-regulation (1), direct the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, to inquire into the grounds which are not admitted by the Customs Broker.

(3) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall, in the course of inquiry, consider such documentary evidence and take such oral evidence as may be relevant or material to the inquiry in regard to the grounds forming the basis of the proceedings, and he may also put any question to any person tendering evidence for or against the Customs Broker, for the purpose of ascertaining the correct position.

(4) The Customs Broker shall be entitled to cross-examine the persons examined in support of the grounds forming the basis of the proceedings, and where the Deputy Commissioner of Customs or Assistant Commissioner of Customs declines permission to examine any person on the grounds that his evidence is not relevant or material, he shall record his reasons in writing for so doing.

(5) At the conclusion of the inquiry, the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall prepare a report of the inquiry and after recording his findings thereon submit the report within a period of ninety days from the date of issue of a notice under sub-regulation (1).

(6) The Principal Commissioner or Commissioner of Customs shall furnish to the Customs

Broker a copy of the report of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, and shall require the Customs Broker to submit, within the specified period not being less than thirty days, any representation that he may wish to make against the said report.

(7) The Principal Commissioner or Commissioner of Customs shall, after considering the report of the inquiry and the representation thereon, if any, made by the Customs Broker, pass such orders as he deems fit either revoking the suspension of the license or revoking the license of the Customs Broker within ninety days from the date of submission of the report by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, under sub-regulation (5) : Provided that no order for revoking the license shall be passed unless an opportunity is given to the Customs Broker to be heard in person by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(8) Where in the proceedings under these regulations, the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, comes to a conclusion that the F card holder is guilty of grounds specified in regulation 14 or incapacitated in the meaning of the said regulation, then the Principal Commissioner of Customs or Commissioner of Customs may pass an order imposing penalty as provided in regulation 18:

Provided that where an order is passed against an F card holder, he shall surrender the photo identity card issued in Form F forthwith to the Deputy Commissioner of Customs or Assistant Commissioner of Customs

.

(9) Where in an offence report, charges have been framed against an F card holder in addition to the Customs Broker who has been issued a license under regulation 7, then procedure prescribed in regulations 16 and 17 shall be followed mutatis mutandis in so far as the prescribed procedure is relevant to the F card holder:

Provided that where any action is contemplated against a G card holder alone under these regulations, then instead of authority referred to in sub-regulation (8), a Deputy Commissioner or Assistant Commissioner rank officer shall pass such order as mentioned in the said sub-regulation along with debarring such G card holder from transacting the business under these regulations for a period of six months from such order.

Provided further that where an order is passed against a G card holder, then he shall surrender the photo identity card issued in Form G forthwith to the Deputy Commissioner of Customs or Assistant Commissioner of Customs.

18. Penalty.— *(1) The Principal Commissioner or Commissioner of Customs may impose penalty not exceeding fifty thousand rupees on a Customs Broker or F card holder who contravenes any provisions of these regulations or who fails to comply with any provision of these regulations.*
(2) The Deputy Commissioner or an Assistant Commissioner of Customs may impose penalty not exceeding ten thousand rupees on a G card holder who contravenes any provisions of these regulations in connection with the proceedings against the Customs Broker.
(3) The imposition of penalty or any action taken under these regulations shall be without prejudice to the action that may be taken against the Customs Broker or F card holder or G card holder under the provisions of the Customs Act, 1962 (52 of 1962) or any other law for the time being in force.

12. ROLE PLAYED

12.1. Role played as key operator and mastermind by Mr. Utkarsh Bhave, the Partner of KRM

Based on the investigation conducted under the provisions of the Customs Act, 1962, it appears that Shri Utkarsh Bhave, Partner of M/s KRM Plastics LLP, was the key operator and mastermind behind the fraudulent activities carried out in the name of M/s Singh Exports. His voluntary

statement recorded under Section 108, corroborated by WhatsApp communications and transporter documents, confirms that Shri Ritesh Kumar Singh, the declared proprietor of M/s Singh Exports, was merely a dummy name lender. Shri Utkarsh Bhave misused the Advance Authorisation Scheme to import large quantities of duty-free polypropylene (PP) granules, which were never used for the intended export obligations but were instead diverted into the domestic market in violation of licence conditions.

The investigation further revealed that Shri Utkarsh Bhave coordinated extensively with financiers such as Shri Vikas Jain and buyers including Shri Anshul Agrawal of M/s Friscon Polyfab Pvt. Ltd. and M/s New Chem Plastics, Mumbai. He managed the entire diversion process, including logistics and documentation, and shared CHA checklists, vehicle details, and transport instructions via WhatsApp and phone calls. He admitted that no outward invoices were initially issued by M/s Singh Exports and that the diverted consignments were later regularised through sales shown under M/s KRM Plastics LLP. For facilitating these transactions, he earned a commission of approximately ₹2 per kilogram of diverted PP granules.

It is also pertinent to note that Shri Utkarsh Bhave was **previously arrested** on 13.09.2023 under Section 104 of the Customs Act, 1962, for offences committed under Section 135 of the same Act, read with Notification No. 18/2015-Cus dated 01.04.2015. He was produced before the Magistrate of the Economic Offences Court, Indore.

12.2. Role Played as financier and beneficiary– Shri Vikas Jain (Proprietor, Yashika Enterprises)

From his statement recorded under Section 108 of the Customs Act, 1962, and corroborated by the recovery of stamps and seals from his premises, it appears that Shri Vikas Jain acted as a financier and facilitator in the fraudulent operations of M/s Singh Exports. He admitted that he is the proprietor of M/s Yashika Enterprises, engaged in trading and re-processing of scrap plastic granules, and that the stamps and seals seized from his residence were used by him to issue invoices in the names of multiple firms. He further admitted that he regularly provided finance to Shri Utkarsh Bhave for the purchase and import of plastic granules in the names of M/s KRM Plastics, Singh Exports, and Dhaumya Exim. His own statement confirms that Singh Exports imported approximately 500 MT of duty-free PP granules under

Advance Authorisation, out of which he directly received 75 MT in the name of M/s Dhaumya Exim Pvt. Ltd.

He also admitted that Singh Exports was a dummy firm in the name of Shri Ritesh Kumar Singh but was actually operated and controlled by Shri Utkarsh Bhave. He confirmed that the balance quantity of diverted goods was supplied to M/s New Chem Plastics and M/s Friscon Polyfab Pvt. Ltd., who were the ultimate beneficiaries of the scheme. By financing the imports, receiving part of the diverted consignments, and knowingly participating in the arrangement despite being aware that Singh Exports was a dummy entity, Shri Vikas Jain's role appears as that of a financial backer and beneficiary in the diversion of duty-free imports. His actions directly supported the fraudulent misuse of the Advance Authorisation Scheme and contributed to the evasion of customs duty.

12.3. <u>Role Played as dummy proprietor – Shri Ritesh Kumar Singh (IEC Holder, Proprietor of M/s Singh Exports)</u>

From his statement recorded under Section 108 of the Customs Act, 1962, it appears that Shri Ritesh Kumar Singh was only a dummy proprietor of M/s Singh Exports, with no actual involvement in its operations. He admitted that he is a resident of Jharkhand, employed as a store manager in Jhansi, and had no knowledge of imports, exports, or the Advance Authorisation Scheme. He explained that his friend, Shri Sameer Chaturvedi, introduced him to Shri Utkarsh Bhave, who promised him a salaried job and, in that process, took his personal documents and opened a bank account in his name. Shri Singh further admitted that the said bank account was fully operated by Shri Bhave, and that he himself had no role in the financial or operational activities of Singh Exports. He also confirmed that he signed documents on the instructions of Bhave and Chaturvedi and accepted a monthly salary of ₹25,000 for lending his name and credentials.

He categorically stated that he had no knowledge of the import of PP granules, the diversion of duty-free goods, or the functioning of Singh Exports. He also raised no objection to the encashment of bank guarantees submitted in his name and even requested that the government recover the forgone duty through such encashment. His role appears of a name-lender or front, who knowingly allowed his identity and documents to be misused by Shri Utkarsh Bhave and his associates. While he did not directly participate in the fraudulent diversion of goods, his passive cooperation by providing documents

and signing papers enabled the creation and operation of a fictitious firm, which was central to the evasion of customs duty.

12.4. Role Played – Shri Anshul Agrawal (Director, Friscon Polyfab Pvt. Ltd.)

From the investigation, including WhatsApp chats, transporter records, and driver statements, it appears that Shri Anshul Agrawal, Director of M/s Friscon Polyfab Pvt. Ltd., was a key beneficiary and active participant in the diversion of duty-free PP granules imported in the name of M/s Singh Exports. Evidence shows that he was in regular communication with Shri Utkarsh Bhave, exchanging messages regarding consignment details, vehicle numbers, and delivery instructions. In one instance, he specifically asked Bhave whether consignments should be billed in the name of "KRM or Singh," demonstrating his knowledge of the use of multiple entities to disguise the true nature of the transactions. Transporter records and WhatsApp chats further confirm that he arranged vehicles for the movement of goods and directly coordinated with drivers and transport companies.

Statements of transporter Shri Ashok Chandani (New Krishna Transport) and driver Sohan corroborate those consignments cleared under Singh Exports' name, with e-Way Bills showing Indore as the destination, were in fact diverted and unloaded at Friscon's factory premises in Pithampur on the instructions of Shri Agrawal. Despite being confronted with these records, he attempted to distance himself from Singh Exports, claiming that his dealings were only with KRM Plastics LLP. However, from the documentary and oral evidence, it appears that he knowingly received diverted consignments of duty-free PP granules, arranged transportation, and actively participated in the diversion scheme. His role appears as beneficiary and co-conspirator, who not only purchased the diverted goods but also facilitated their illegal movement and delivery in collusion with Shri Utkarsh Bhave.

12.5. Role Played – Shri Sameer Chaturvedi (Director, Dhaumya Exim LLP)

From the statements of Shri Ritesh Kumar Singh and Shri Utkarsh Bhave, it appears that Shri Sameer Chaturvedi played a critical enabling role in the fraudulent operations of M/s Singh Exports. Shri Singh admitted that it was Shri Chaturvedi, his friend, who introduced him to Shri Bhave during his period of unemployment. On Bhave's instructions, Shri Chaturvedi facilitated

the collection of Shri Singh's personal documents and assisted in opening a bank account in his name, which was later operated entirely by Bhave. This arrangement allowed Bhave to project Singh Exports as a legitimate firm with a valid IEC and GST registration, while in reality it was a dummy entity controlled by Bhave.

Further, Shri Bhave himself admitted that Singh Exports was managed by him with the help of Shri Sameer Chaturvedi and Shri Vikas Jain. Importantly, Shri Chaturvedi is also a Director in M/s Dhaumya Exim LLP, a firm that was directly involved in receiving part of the diverted PP granules. Shri Vikas Jain confirmed that approximately 75 MT of duty-free PP granules imported in the name of Singh Exports were routed to Dhaumya Exim. It appears that Shri Chaturvedi was not merely an introducer but an active associate, who not only enabled the creation of the dummy firm but also provided a connected entity (Dhaumya Exim LLP) to absorb diverted consignments. His role appears as that of an enabler and beneficiary, who directly assisted Shri Bhave in orchestrating the fraudulent diversion of duty-free imports.

12.6. <u>Role Played – Shri Ashok Chandani (Owner, New Krishna Transport, Indore)</u>

From the investigation, including his own statement under Section 108 of the Customs Act, 1962, and corroborated by WhatsApp chats and transporter records, it appears that Shri Ashok Chandani, owner of M/s New Krishna Transport, Indore, played a crucial role in facilitating the diversion of duty-free PP granules imported in the name of M/s Singh Exports. He admitted that his company provided multiple trucks for the transportation of consignments cleared under Singh Exports' name. He further confirmed that vehicle number MP09HH6381, among others, was used to transport plastic granules from Mundra Port to Pithampur, even though the e-Way Bill showed Indore as the declared destination. He acknowledged that these diversions were carried out on the instructions of Shri Anshul Agrawal, Director of M/s Friscon Polyfab Pvt. Ltd., who was one of the principal buyers of the diverted goods.

The evidence gathered, including lorry receipts, WhatsApp chats between him and Shri Anshul Agrawal, and the statement of his driver Sohan, it appears that Shri Chandani knowingly facilitated the diversion of goods by arranging vehicles and allowing consignments to be delivered to unauthorized

destinations. His admission that he acted on the request of Shri Agrawal, despite being aware that the documents and e-Way Bills were in the name of Singh Exports, demonstrates his complicity in the fraudulent scheme. His role appears as that of a transport facilitator, who provided the logistical support necessary for the illegal movement and delivery of duty-free imports, thereby enabling the fraudulent diversion orchestrated by Shri Utkarsh Bhave and his associates.

12.7. Role Played – M/s New Chem Plastics, Mumbai

During investigation, Shri Utkarsh Bhave, Partner of M/s KRM Plastics LLP, admitted that part of the duty-free PP granules imported in the name of M/s Singh Exports were diverted and sold to M/s New Chem Plastics, Mumbai. He explained that consignments cleared under Singh Exports were routed through KRM Plastics LLP and subsequently delivered to New Chem Plastics. From this admission, it appears that New Chem Plastics was one of the domestic buyers of the diverted duty-free imports.

The diversion pattern revealed in the case shows that, along with M/s Friscon Polyfab Pvt. Ltd., M/s New Chem Plastics was also a recipient of the goods imported under Advance Authorisation but not used for export production. Thus, their role appears of a domestic purchaser and beneficiary of diverted PP granules, forming part of the chain of diversion managed by Shri Utkarsh Bhave and his associates.

12.8. Role played by CHA involved in the import of M/s Singh Export (M/s Liladhar Pasoo Forwarders Pvt. Ltd., M/s Kaushali International and M/s PAR Logistic LLP)

12.8.1. From the investigation, it appears that, M/s Liladhar Pasoo Forwarders Pvt. Ltd., a licensed Customs Broker, facilitated clearance of eight consignments imported by M/s Singh Exports (IEC: CNLPS1119J) between January and June 2023. The firm filed eight Ex-Bond Bills of Entry solely on telephonic instructions from Shri Utkarsh Bhave. All documentation and communication were routed through the email ID *singh.pexports@gmail.com*. Although KYC documents in the name of Shri Ritesh Singh were obtained, the firm neither met him personally nor verified the physical existence of the importer at the declared premises. Transportation and delivery were arranged directly by the importer, and the Customs Broker did not retain e-Way Bills,

Lorry Receipts, or delivery confirmations. Payments for CHA services were received from M/s Singh Exports, but the operational control remained entirely with Shri Utkarsh Bhave, whose authority was never independently verified.

Furthermore, the clearance of duty-free goods without ensuring end-use compliance and their subsequent diversion amounts to a contravention of the conditions of exemption, rendering the goods liable for confiscation under Section 111(o) of the Customs Act, 1962. The Customs Broker's omissions and facilitation of such clearance attract penal provisions under Section 112(b) of the Customs Act, 1962 for abetment in the improper importation and diversion of exempted goods.

12.8.2. From the investigation, it appears that M/s Kaushali International, a licensed Customs Broker (License No. CHA/ABD/R/01/2011), facilitated clearance of six consignments for M/s Singh Exports (IEC: CNLPS1119J) between March and September 2023 at Mundra Port. The firm filed six Ex-Bond Bills of Entry based solely on telephonic instructions from Shri Ritesh Singh, with all communications routed through *singh.pexports@gmail.com*. Although KYC documents were submitted, the firm never met the importer nor verified the declared premises. Transportation was arranged directly by the importer, and cargo was handed over at the CFS without obtaining charge copies or written delivery instructions. No formal authorization was collected, and payment for CHA services remained pending.

Furthermore, the clearance of duty-free goods without ensuring end-use compliance and their subsequent diversion amounts to a contravention of the conditions of exemption, rendering the goods liable for confiscation under Section 111(o) of the Customs Act, 1962. The Customs Broker's omissions and facilitation of such clearance attract penal provisions under Section 112(b) of the Customs Act, 1962 for abetment in the improper importation and diversion of exempted goods.

12.8.3. From the investigation, it appears that M/s PAR Logistic LLP, a licensed Customs Broker operating at Mumbai (JNPT), facilitated clearance of two consignments for M/s Singh Exports (IEC: CNLPS1119J) in April 2023, one under Ex-Bond and one via High Sea Sale. Delivery instructions and vehicle details were provided telephonically by Shri Ritesh Singh, with no written communication or transporter details retained. KYC documents were received via courier, but the firm never met the importer personally nor verified the declared premises. Transportation and documentation such as e-

Way Bills and Lorry Receipts were arranged directly by the importer. Out of ₹3,94,033/- billed for services, only ₹3,00,000/- was received.

Furthermore, the clearance of duty-free goods without ensuring end-use compliance and their subsequent diversion amounts to a contravention of the conditions of exemption, rendering the goods liable for confiscation under Section 111(o) of the Customs Act, 1962. The Customs Broker's omissions and facilitation of such clearance attract penal provisions under Section 112(b) of the Customs Act, 1962 for abetment in the improper importation and diversion of exempted goods.

12.9. Role Played – Driver Sohan (Employee of New Krishna Transport, Indore)

From his statement recorded under Section 108 of the Customs Act, 1962, it appears that Driver Sohan was employed by M/s New Krishna Transport and acted only under the instructions of his employer and the consignee. He admitted that he drove vehicle number MP09HH6381 and transported consignments of plastic granules from Mundra Port. He further stated that although the e-Way Bill showed Indore as the destination, he unloaded the goods at the premises of M/s Friscon Polyfab Pvt. Ltd., Pithampur, as per the instructions of his employer and the consignee. His testimony corroborates the diversion of duty-free PP granules imported in the name of M/s Singh Exports, but there is no evidence to suggest that he had any independent role, financial interest, or knowledge of the fraudulent scheme. His role is therefore limited to that of an executor of instructions, and his statement serves as corroborative evidence against the principal parties involved in the diversion.

13. In view of the facts as narrated above, it appears that: -

i. **Allegation against M/s Singh Exports (IEC: CNLPS1119J), Proprietor – Shri Ritesh Kumar Singh :** M/s Singh Exports, Indore, through its proprietor Shri Ritesh Kumar Singh, appears to have misused the facility of the Advance Authorisation Scheme by importing duty-free Polypropylene (PP) Granules under Advance Authorisations No. 5611001463 dated 10.01.2023 and 5611001662 dated 23.03.2023, availing exemption under Notification No. 18/2015-Cus dated 01.04.2015. The imported goods were subsequently diverted and sold in the Domestic Tariff Area (DTA), in prima facie contravention of the conditions of the said Notification and the provisions of Para 4.03 and 4.16 of the Foreign Trade

Policy, 2015–20. The firm failed to fulfill the export obligation and violated the terms of the Bond executed under Section 143 of the Customs Act, 1962, by suppressing material facts and willfully misrepresenting its intent to fulfill the export commitment. In view of the above, it appears that M/s Singh Exports has diverted duty-free imported goods, obtained under the Advance Authorisation scheme, in violation of the licence conditions and Customs notification provisions. The said actions have rendered the imported goods liable to confiscation under Section 111(o) of the Customs Act, 1962. Customs duty amounting to **₹1,67,78,659/- (Rupees One Crore Sixty Seven Lakh Seventy Eight Thousand Six Hundred Fifty-Nine Only),** being the duty foregone at the time of import, appears to be recoverable under Section 28(4) of the Customs Act, 1962 alongwith interest under Section 28AA of the Customs Act, 1962. For their act of improper importation, they appear to have rendered themselves liable for penal action under Section 112(a) and 112(b), 114A and 114AA of the Customs Act, 1962.

ii. **Allegation against Shri Utkarsh Bhave, Partner of M/s. KRM Plastics LLP:** Shri Utkarsh Bhave has emerged as the mastermind and operational controller behind the fraudulent scheme executed in the name of M/s Singh Exports. He orchestrated the misuse of the Advance Authorisation Scheme by facilitating the import of duty-free Polypropylene (PP) Granules under Authorisation Nos. 5611001463 dated 10.01.2023 and 5611001662 dated 23.03.2023, availing exemption under Notification No. 18/2015-Cus dated 01.04.2015. Acting behind the facade of M/s Singh Exports, he issued telephonic instructions to multiple Customs Brokers for clearance and delivery of consignments, without any formal authorization or traceable documentation. His role in coordinating the diversion and sale of duty-free goods in the Domestic Tariff Area (DTA) constitutes a prima facie violation of the conditions of the said Notification and relevant provisions of the Foreign Trade Policy. In view of the above, Shri Utkarsh Bhave appears to have actively participated in and abetted the improper importation and diversion of duty-free goods imported under the Advance Authorisation scheme. He therefore appears to be **jointly and severally** liable for the recovery of **Customs duty amounting to ₹1,67,78,659/- (Rupees One Crore Sixty-Seven Lakh Seventy-Eight Thousand Six Hundred Fifty-Nine Only)** under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the said Act. Further, for his role penalties under Sections 112(a), 112(b), 114A, 114AA and 117 of the Customs Act, 1962 appear to be imposable.

iii. **Allegation against Shri Vikas Jain (Proprietor, Yashika Enterprises):** Shri Vikas Jain has been found to have actively assisted in the financing, handling, and movement of duty-free imported PP granules that were fraudulently diverted in the Domestic Tariff Area (DTA) in violation of the Advance Authorisation Scheme. His involvement in managing diverted consignments and coordinating with other parties in the supply chain indicates knowledge of the improper nature of the imports and their unauthorized disposal. By participating in the handling and facilitation of goods that were imported duty-free under Notification No. 18/2015-Cus dated 01.04.2015 and subsequently diverted, Shri Vikas Jain appears to have abetted the improper importation and use of exempted goods. In view of the above, Shri Vikas Jain appears to have aided and abetted the improper importation and diversion of duty-free goods imported under the Advance Authorisation scheme. Therefore, he appears to have rendered himself liable for penal action under Sections 112(b), 114AA and 117 of the Customs Act, 1962.

13.1. Allegation against M/s Friscon Polyfab Pvt. Ltd., Indore: It has been found that M/s Friscon Polyfab Pvt. Ltd., under the directorship of Shri Anshul Agrawal, knowingly acquired and dealt with duty-free imported Polypropylene (PP) granules that were fraudulently diverted in violation of the Advance Authorisation Scheme. The company played an active role in arranging transportation and facilitating the movement of such diverted consignments, despite being aware of their exempted status and the conditions attached to their import under Notification No. 18/2015-Cus dated 01.04.2015. The involvement of M/s Friscon Polyfab Pvt. Ltd. in handling and distributing the diverted goods within the Domestic Tariff Area (DTA) indicates conscious participation in the misuse of duty exemption benefits granted under the Advance Authorisation Scheme. In view of the above, M/s Friscon Polyfab Pvt. Ltd. appear to be liable for penal action under the provisions of Section 112(b), 114AA and 117 of the Customs Act, 1962.

13.2. Allegation against Dhaumya Exim LLP, Indore:

It appears that M/s Dhaumya Exim LLP, under the directorship of Shri Sameer Chaturvedi, has been involved in the handling and facilitation of duty-free imported Polypropylene (PP) granules that were fraudulently diverted in contravention of the Advance Authorisation Scheme. The company's logistical coordination and support for the movement of these

diverted consignments within the Domestic Tariff Area (DTA) reflect institutional knowledge of the exempted nature of the goods and their unauthorized disposal. By engaging in the downstream handling of goods imported under Notification No. 18/2015-Cus dated 01.04.2015, and knowingly assisting in their diversion, Dhaumya Exim LLP appears to have actively participated in the misuse of duty exemption benefits granted under the Advance Authorisation scheme. In view of the above, they appear to have rendered themselves liable for penal action under Section 112(b), 114AA and 117 of the Customs Act, 1962.

13.3. Allegation against M/s New CHM Plastic, Mumbai: M/s New CHM Plastic has been identified as a domestic purchaser and beneficiary of duty-free imported PP granules that were fraudulently diverted in violation of the Advance Authorisation Scheme. The firm did not undertake any export activity and was not an authorized holder of Advance Authorisation. Despite this, it knowingly acquired and utilized goods that were imported under Notification No. 18/2015-Cus dated 01.04.2015, which were exempted from customs duty and subject to strict end-use conditions. By accepting and using such diverted goods within the Domestic Tariff Area (DTA), M/s New CHM Plastic appears to have consciously participated in the unauthorized disposal of duty-free imports, thereby benefiting from the evasion of customs duty. M/s New CHM Plastic appears to have participated in and abetted the improper importation and diversion of duty-free goods imported under the Advance Authorisation scheme. In view of the above they appear to have rendered themselves liable for penal action under Section 112(b), 114AA and 117 of the Customs Act, 1962.

13.4. Allegation against M/s New Krishna Transport, Indore (Proprietor -Shri Ashok Chandani,): Shri Ashok Chandani, Proprietor of M/s New Krishna Transport, Indore, has been found to have knowingly facilitated the illegal diversion of duty-free imported PP granules that were cleared under the Advance Authorisation Scheme. Despite e-Way Bills indicating Indore as the declared destination, the transporter enabled unauthorized movement of the goods and issued false lorry receipts and abilty to conceal the actual route and delivery details. His role in transporting and misrepresenting the movement of duty-free goods imported under Notification No. 18/2015-Cus dated 01.04.2015 indicates conscious participation in the fraudulent disposal of exempted goods within the Domestic Tariff Area (DTA). Shri Ashok Chandani appears to have aided and abetted the improper importation and diversion of duty-free goods imported

under the Advance Authorisation scheme. He is also found to have knowingly issued and used false transport documents in furtherance of the said diversion. In view of the above, he appears to have rendered himself liable for penal action under Section 112(b), 114AA and 117 of the Customs Act, 1962.

13.5. Allegation against M/s Liladhar Pasoo Forwarders Pvt. Ltd. (Customs Broker):

M/s Liladhar Pasoo Forwarders Pvt. Ltd., acting as the Customs Broker for M/s Singh Exports, facilitated the clearance of eight duty-free consignments imported under the Advance Authorisation Scheme. The firm acted solely on telephonic instructions from Shri Utkarsh Bhave, without obtaining any written authorization or conducting verification of the importer's identity, credentials, or business premises. No physical meeting was held with the importer, and essential supporting documents such as e-Way Bills, delivery instructions, and transport details were not maintained. By facilitating the clearance of duty-free goods that were subsequently diverted into the Domestic Tariff Area (DTA), the broker appears to have abetted improper importation. In view of the above, they appear to have rendered themselves liable for penal action under Section 112(b)of the Customs Act, 1962.

13.6. Allegation against M/s Kaushali International (Customs Broker): M/s Kaushali International facilitated clearance of duty-free consignments for M/s Singh Exports under the Advance Authorisation Scheme, acting solely on telephonic instructions from Shri Utkarsh Bhave without verifying his authority or the importer's credentials. The firm did not obtain written authorization, failed to verify the importer's premises, and did not maintain essential records. By facilitating the clearance of duty-free goods that were subsequently diverted into the Domestic Tariff Area (DTA), the broker appears to have abetted improper importation. In view of the above, they appear to have rendered themselves liable for penal action under Section 112(b)of the Customs Act, 1962.

13.7. Allegation against M/s PAR Logistics LLP (Customs Broker):

M/s PAR Logistics LLP facilitated the clearance of duty-free consignments for M/s Singh Exports under the Advance Authorisation Scheme, acting solely on telephonic instructions from Shri Utkarsh Bhave without verifying his authority or the importer's credentials. The firm did not obtain written authorization, failed to verify the importer's premises, and did not maintain essential records, indicating gross negligence and

non-compliance with prescribed procedures. By facilitating the clearance of duty-free goods that were subsequently diverted into the Domestic Tariff Area (DTA), the broker appears to have abetted improper importation. In view of the above, they appear to have rendered themselves liable for penal action under Section 112(b) of the Customs Act, 1962.

CHARGING SECTION-

14. Now, therefore, M/s Singh Exports (IEC: CNLPS1119J), through its proprietor Shri Ritesh Kumar Singh, and Shri Utkarsh Bhave, jointly and severally, are hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, within 30 (thirty) days of the receipt of this notice, as to why:

(i) Customs duty amounting to ₹1,67,78,659/- (Rupees One Crore Sixty Seven Lakh Seventy Eight Thousand Six Hundred Fifty-Nine Only), being the duty foregone at the time of import, should not be demanded and recovered from them jointly and severally under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the said Act;

(ii) The said imported goods, having an assessable value of Rs. 4,65,49,271/-(Rupees Four Crores Sixty Five Lakhs Forty Nine Thousand Two Hundred and Seventy One), which were already cleared and not available for seizure, should not be held liable to confiscation under Section 111(o) of the Customs Act, 1962;

(iii) Penalty under Sections 112(a), 112(b), 114A and 114AA of the Customs Act, 1962 should not be imposed upon M/s Singh Exports;

(iv) The Bond executed by M/s Singh Exports under Notification No. 96/2009-Cus dated 11.09.2009, read with Notification No. 18/2015-Cus dated 01.04.2015, should not be enforced by the competent authority for recovery of the dues;

(v) Penalty under Sections 112(a), 112(b), 114A, 114AA and 117 of the Customs Act, 1962 should not be imposed upon Shri Utkarsh Bhave.

15. Now, therefore, Shri Vikas Jain (Proprietor, M/s Yashika Enterprises) is hereby called upon to show cause to the Principal

Commissioner/Commissioner of Customs, Mundra, as to why penalty under Sections 112(b), 114AA and 117 of the Customs Act, 1962 should not be imposed upon him.

16. Now, therefore, M/s Friscon Polyfab Pvt. Ltd., through its Director Shri Anshul Agrawal, is hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, as to why penalty under Sections 112(b), 114AA and 117 of the Customs Act, 1962 should not be imposed upon them.

17. Now, therefore, M/s Dhaumya Exim LLP, through its Director Shri Sameer Chaturvedi, is hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, as to why penalty under Sections 112(b), 114AA and 117 of the Customs Act, 1962 should not be imposed upon them.

18. Now, therefore, M/s New CHM Plastic, Mumbai, is hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, as to why penalty under Sections 112(b), 114AA and 117 of the Customs Act, 1962 should not be imposed upon them.

19. Now, therefore, Shri Ashok Chandani, Proprietor of M/s New Krishna Transport, Indore, is hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, as to why penalty under Sections 112(b), 114AA and 117 of the Customs Act, 1962 should not be imposed upon him.

20. Now, therefore, M/s Liladhar Pasoo Forwarders Pvt. Ltd. (Customs Broker), M/s Kaushali International (Customs Broker), and M/s PAR Logistics LLP (Customs Broker) are hereby called upon to show cause to the Principal Commissioner/Commissioner of Customs, Mundra, as to why penalty under Section 112(b) of the Customs Act, 1962 should not be imposed upon them.

WRITTEN SUBMISSION AND PERSONAL HEARING

21. Following the principles of natural justice, opportunities of personal hearing were granted to all the noticees. The written submissions of the noticees and the details of the personal hearings are set out noticee-wise below.

21.1 Noticee No. (i) (M/s Singh Exports (Proprietor: Shri Ritesh Kumar Singh)**):** No written reply to the SCN has been received from the noticee. Personal hearings were fixed on 17.07.2026, 07.08.2026, 23.09.2026 and 14.10.2026. The noticee did not appear on any of the dates fixed.

21.2 Noticee No. (ii) (Shri Utkarsh Bhave, Partner of M/s KRM Plastics LLP**):** No written reply to the SCN has been received from the noticee. Personal hearings were fixed on 17.07.2026, 07.08.2026, 23.09.2026 and 14.10.2026. The noticee did not appear on any of the dates fixed.

21.3 Noticee No. (iii) (Shri Vikas Jain, Proprietor, M/s Yashika Enterprises**):** No written reply to the SCN has been received from the noticee. Personal hearings were fixed on 17.07.2026, 07.08.2026, 23.09.2026 and 14.10.2026. The noticee did not appear on any of the dates fixed.

21.4 Noticee No. (iv) (M/s Friscon Polyfab Pvt Ltd, through its Director Shri Anshul Agrawal): Shri Ashutosh Upadhyay, Advocate, appeared for the personal hearing held on 17.11.2026 on behalf of the noticee. He submitted the letter dated 17.12.2025 and the replies dated 14.10.2026 and 04.11.2026, and re-iterated the same during the personal hearing. The submissions are summarised as below:

i. SCN issued without jurisdiction: Relying on Rule 8 of the Customs (Import of Goods at Concessional Rate of Duty) Rules and the decisions in *Samtel Colour Ltd.*, 2000 (126) E.L.T. 1256 (Tribunal) and *Cosmo Ferrites Ltd.*, 2014 (308) E.L.T. 633 (Tri.-Del.), the noticee submitted that recovery of duty on goods not used for the intended purpose lies with the officer having jurisdiction over the premises of the importer, and that only the customs authority having jurisdiction over the premises of Noticee No. (i), M/s Singh Exports, can demand duty and impose penalty.

ii. Cross-examination: The noticee sought production and cross-examination of Shri Utkarsh Bhave and the other persons whose statements are relied upon, under Section 138B, relying on *Swiber Offshore Construction Pvt. Ltd. v. Commissioner of Customs, Kandla*, 2014 (301) E.L.T. 119 (Tri.-Ahmd.).

iii. No connection with M/s Singh Exports: The noticee submitted that it has not purchased any goods from M/s Singh Exports and does not know Shri Ritesh Kumar Singh. Its transactions were only with M/s KRM Plastics LLP, in the ordinary course of business, on GST invoices and through banking channels. A buyer does not become the beneficial

owner of the supplier's imports, and each transaction has to be proved separately.

iv. Statement of Shri Bhave and WhatsApp chats: The noticee submitted that the statement of Shri Bhave cannot by itself establish the case against it, and that the WhatsApp communications must be proved for authenticity, completeness and context.

21.5 Noticee No. (v) (M/s Dhaumya Exim LLP, through its Director Shri Sameer Chaturvedi): Two separate submissions have been received under this noticee.

(a) Shri Sameer Chaturvedi, by e-mail dated 06.08.2026, submitted that he was only an employee under Shri Utkarsh Bhave and held no position in M/s Singh Exports or in any other firm named in the SCN. He had no role in, knowledge of, or financial benefit from the transactions, and prayed that the proceedings against him be dropped. He attended the personal hearing on 07.08.2026.

(b) M/s Dhaumya Exim Pvt. Ltd., through its Director Shri Nikhil Chaturvedi, submitted the reply dated 24.12.2025. The submissions are summarised as below:

i. Identity of the noticee: The company is Dhaumya Exim Pvt Ltd as per the records of the Ministry of Corporate Affairs, and not Dhaumya Exim LLP. Its only directors are Shri Nikhil Chaturvedi and his mother, and Shri Sameer Chaturvedi has never been its director. An allegation built on an incorrect identity is untenable.

ii. Misuse of identity: Shri Nikhil Chaturvedi was in Tanzania from 05.12.2022 to 09.03.2023. On 10.12.2022, Shri Bhave shared the company's GST login credentials on WhatsApp without authority. The company's identity was misused by Shri Bhave and Shri Vikas Jain, and no mens rea can be attributed to it.

iii. No evidence of handling: There is no invoice, transport document, stock entry, remittance or possession record showing that the company or its director received or dealt with the PP granules. The WhatsApp chats relied upon are between third parties.

21.6 Noticee No. (vi) (M/s New Chem Plastics, Mumbai, named in the SCN as M/s New CHM Plastic): Smt. Sampat Ghanshyam Bagaria, Proprietor of M/s New Chem Plastics, submitted the reply dated 14.04.2026, which was re-iterated during the personal hearing held on 07.08.2026, at which Adv. Vishal Poddar appeared on behalf of the noticee. The submissions are summarised as below:

i. No transaction with M/s Singh Exports: The noticee submitted that it has had no contact or transaction, direct or indirect, with M/s Singh Exports, and that no document links it to that firm. It was never examined about M/s Singh Exports during the investigation and came to know of the allegations only on receipt of the SCN. The allegation at para 12.7 of the SCN is arbitrary. At para 3.6.1 of the same reply, however, the noticee states that it purchased goods from M/s Singh Exports on valid tax invoices and paid through banking channels.

ii. No knowledge: The noticee had no knowledge that the goods were imported under an exemption scheme or that their domestic sale was restricted, and a domestic purchaser is under no obligation to verify the importer's compliance.

21.7 Noticee No. (vii) (Shri Ashok Chandani, Proprietor, M/s New Krishna Transport, Indore**):** No written reply to the SCN has been received from the noticee. Personal hearings were fixed on 17.07.2026, 07.08.2026, 23.09.2026 and 14.10.2026. The noticee did not appear on any of the dates fixed.

21.8 Noticee No. (viii) (M/s Liladhar Pasoo Forwarders Pvt Ltd - Customs Broker): Shri Hans Raj Garg, consultant, appeared for the personal hearing held on 17.07.2026 on behalf of the noticee. He submitted the reply dated 08.12.2025, and re-iterated the same during the personal hearing. The submissions are summarised as below:

i. KYC and credentials: The noticee obtained the authorisation letter, IEC, Aadhaar, PAN and GST registration of the importer. The Advance Authorisations were issued by DGFT and registered at ICD Pithampur, where the importer furnished bonds and two bank guarantees of Rs. 13,75,000/- and Rs. 19,22,500/-. It denied that it filed the Bills of Entry solely on the telephonic instructions of Shri Bhave, that it did not obtain written authorisation, and that it was required to retain e-way bills or lorry receipts or to meet the importer.

ii. Regulation 10(n): Verification of the IEC and GSTIN issued by Government officers satisfies Regulation 10(n), and physical verification of premises is not required. The search at the importer's premises took place more than six months after clearance. It relied on *ATR Logistics India Pvt. Ltd.* (CESTAT New Delhi, order dated 18.11.2025) and *Kunal Travels (Cargo)*, 2017 (354) E.L.T. 447 (Del.).

iii. Section 111(o): The pre-import conditions of the notification were met at clearance. The post-import conditions were the responsibility of the authorisation holder, and the Customs Broker's role ends with

clearance. It relied on *Meticulous Forwarders* (CESTAT Chennai, order dated 14.07.2025).

iv. Section 112(b): Penalty under Section 112(b) requires knowledge or reason to believe. It prayed that the proceedings against it be dropped.

21.9 Noticee No. (ix) (M/s Kaushali International - Customs Broker): Adv. Nirav Shah appeared for the personal hearing held on 07.08.2026 on behalf of the noticee. Shri Nilay Choksi, Proprietor, submitted the reply dated 09.01.2026, which was re-iterated during the personal hearing. The submissions are summarised as below:

i. Instructions: The noticee never interacted with Shri Bhave. All clearances were made on the instructions of Shri Ritesh Singh on mobile No. 8393986462, as recorded in reply to Question 7 of the statement dated 25.06.2025 and at para 9.2 of the SCN. The documents were received by e-mail from M/s Singh Exports, and the Bills of Entry were filed after the importer approved the checklists.

ii. KYC and verification: It obtained the authority letter, IEC, Aadhaar, PAN and GST registration. It verified the IEC on the DGFT website, where its status was active, and the GSTIN on the GST portal. M/s Singh Exports filed GSTR-1 and GSTR-3B returns for 2023-24, and its GST registration was cancelled suo motu with effect from 05.04.2024.

iii. Authorisation and records: It obtained written authorisation from M/s Singh Exports, a copy of which was also filed with the Customs, and it maintained the records required by Regulation 10(k).

iv. Post-clearance diversion: Diversion is a post-clearance activity, and the Customs Broker's responsibility ends at the out of charge under Section 47. It relied on *M D Shipping Agency*, 2014 (299) E.L.T. 257 (Bom.), *Sanjay Chemicals (I) Pvt. Ltd.*, (2024) 23 Centax 449 (T), *Amin Chandrakant Bhailalbhai*, 2010 (258) E.L.T. 36 (Guj.), *Global Star Logistics*, 2019 (370) E.L.T. 675 (T), *Flora Impex*, 2018 (362) E.L.T. 178 (T) and *Anand Desai*, 2015 (326) E.L.T. 613 (T). It prayed that the proposal for penalty be vacated.

21.10 Noticee No. (x) (M/s PAR Logistics LLP - Customs Broker): Shri Sanjay Singhal, Advocate, appeared for the personal hearing held on 20.07.2026 on behalf of the noticee. He submitted the replies dated 16.12.2025 and 17.07.2026, and re-iterated the same during the personal hearing. The submissions are summarised as below:

i. Role: The noticee filed two Bills of Entry, one ex-bond and one on high sea sale basis. After clearance, the goods were handed over to

the transporter appointed by the importer. No law requires a Customs Broker to hand over goods only on written instructions or to retain transporter details.

ii. KYC: The KYC documents were valid Government documents, and the originals are with the DRI office at Indore. No law requires the Customs Broker to meet the importer or visit its premises.

iii. Instructions: The goods were handed over on the instructions of the importer, Shri Ritesh Singh, and not of Shri Bhave, so the allegation at para 13.7 of the SCN is incorrect.

iv. Section 112(b): No part of the SCN shows that the noticee knew or had reason to believe that the goods would be diverted. It prayed that the proceedings against it be dropped.

21.11 Noticee Nos. (i), (ii), (iii) and (vii) have neither filed any reply nor appeared on any of the dates of personal hearing fixed for them. Para 23 of the SCN informed them that the case would be decided ex parte on the basis of the material on record if they neither replied nor appeared. I find that adequate opportunity has been afforded to them, and I proceed to decide the case in respect of Noticee Nos. (i), (ii), (iii) and (vii) on the basis of the evidence on record.

DISCUSSION AND FINDINGS

22. I have carefully gone through the Show Cause Notice, the relied upon documents and the submissions of the noticees made in writing and during the course of personal hearing. The principles of natural justice, particularly *audi alteram partem*, have been duly complied with by granting adequate opportunity to the noticees to present their defence. Accordingly, I proceed to examine the issues involved in the present case in the light of the available records, statutory provisions and judicial precedents. On a careful perusal of the subject Show Cause Notice and case records, I find that the following main issues are involved in this case, which are required to be decided.

(i) Whether the PP granules imported duty free in the name of M/s Singh Exports under Advance Authorisation Nos. 5611001463 dated 10.01.2023 and 5611001662 dated 23.03.2023, having an assessable value of Rs. 4,65,49,271/-, as detailed at para 2.3 of the SCN, are liable to confiscation under Section 111(o) of the Customs Act, 1962;

(ii) Whether the customs duty of Rs. 1,67,78,659/- foregone on the said goods under Notification No. 18/2015-Cus dated 01.04.2015 is liable to be demanded and recovered from M/s Singh Exports and Shri Utkarsh Bhave, jointly and severally, under Section 28(4) of the

Customs Act, 1962, along with interest under Section 28AA and whether the bond executed by M/s Singh Exports is liable to be enforced;

(iii) Whether penalties under Sections 112(a), 112(b), 114A and 114AA of the Customs Act, 1962 are imposable on M/s Singh Exports, and under Sections 112(a), 112(b), 114A, 114AA and 117 on Shri Utkarsh Bhave;

(iv) Whether penalties under Sections 112(b), 114AA and 117 of the Customs Act, 1962 are imposable on Shri Vikas Jain, M/s Friscon Polyfab Pvt Ltd, M/s Dhaumya Exim LLP, M/s New CHM Plastic and Shri Ashok Chandani;

(v) Whether penalty under Section 112(b) of the Customs Act, 1962 is imposable on M/s Liladhar Pasoo Forwarders Pvt Ltd, M/s Kaushali International and M/s PAR Logistics LLP.

BRIEF FACTS

23.1 M/s Singh Exports is a proprietary concern in the name of Shri Ritesh Kumar Singh, holding IEC CNLPS1119J, with premises at 130, Sanwer Road, Near New Life Hospital, Indore. It obtained two Advance Authorisations from the DGFT, having AA No. 5611001463 dated 10.01.2023 and No. 5611001662 dated 23.03.2023, with port of registration ININD6, for duty-free import of PP granules for the manufacture and export of Flexible Intermediate Bulk Containers. Under these authorisations, PP granules were cleared at Mundra, Pipavav and Nhava Sheva between January and September 2023 without payment of duty under Notification No. 18/2015-Cus dated 01.04.2015, as detailed at para 2.3 of the SCN. The duty foregone is shown as Rs. 70,99,250/- under authorisation No. 5611001463 and Rs. 96,79,409.74 under authorisation No. 5611001662, totalling Rs. 1,67,78,659/-.

23.2 On specific intelligence, a search was conducted on 29.11.2023 at the declared premises of M/s Singh Exports. Neither any factory nor any office of the firm was found at that address. Shri Ritesh Kumar Singh, in his statement dated 12.12.2023 under Section 108, stated that his friend Shri Sameer Chaturvedi introduced him to Shri Bhave who took his documents, had a firm registered and a bank account opened in AU Small Finance Bank in his name. The account was operated entirely by Shri Bhave and another mobile number was used so that the OTPs went to him and he has no knowledge of the imports.

23.3 Shri Utkarsh Bhave, in his statement dated 12.01.2024, stated that M/s Singh Exports "is not completely managed by me but it was handled with the help of Shri Sameer Chaturvedi and Shri Vikas Jain". He stated that M/s Friscon Polyfab Pvt Ltd, Pithampur and M/s New Chem Plastics, Mumbai approached him to import duty-free goods under the Advance Authorisation Scheme and offered to fund the imports. These firms paid him a commission of about Rs. 2 per kg.

23.4 Further investigation included searches at the premises of the transporter, M/s New Krishna Transport, Indore, and at the godown and residence of Shri Vikas Jain. Statements were recorded of the owner and the driver of M/s New Krishna Transport, of Shri Anshul Kumar Agrawal of M/s Friscon Polyfab Pvt Ltd, of Shri Vikas Jain, of Shri Nikhil Chaturvedi of M/s Dhaumya Exim, and of the three Customs Brokers who cleared the goods.

24. Having set out the facts of the case, I now proceed to examine the questions framed above. The foundation of the entire case is whether the goods imported under the authorisations were used for the purpose for which the exemption was granted, or were diverted. I therefore first examine how the imports and their diversion were carried out and the part played by each noticee.

DIVERSION OF THE DUTY-FREE IMPORTED GOODS AND ROLE OF THE NOTICEES:

25. Whether the goods were diverted has to be tested against the conditions on which the exemption was granted. I therefore first set out those conditions. The exemption under Notification No. 18/2015-Cus is available to materials imported against an Advance Authorisation, subject to the conditions specified in the notification. Condition (x) reads *"that the said authorization shall not be transferred and the said materials shall not be transferred or sold"*. Para 4.16(i) of the FTP 2015-20 provides that *"Advance Authorisation and / or material imported under Advance Authorisation shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation."* Against this framework, I examine how the imports were made and disposed of, and the part played by each person.

26. M/s Singh Exports, a firm in name only. I find that the authorisations were obtained and the Bills of Entry filed in the name of M/s Singh Exports, for duty-free import of inputs to be used in the manufacture of FIBCs for export. During the search conducted on 29.11.2023 at the declared premises

of the firm, 130, Sanwer Road, Near New Life Hospital, Indore, neither any factory premises nor any office premises of the firm was found. The question, then, is who in fact set up and ran the firm. I examine this on the statements of the persons connected with it, as discussed below.

(a) I find that Shri Ritesh Kumar Singh, its proprietor, only lent his name and documents to the firm. He stated that Shri Bhave offered him a job as manager at Rs. 20-25 thousand per month, took his documents, and had the firm registered and a bank account opened in his name, which Shri Bhave operated. He returned to his village on 23.12.2022 and has no knowledge of the imports made in the firm's name.

(b) This is confirmed by Shri Vikas Jain, who, in his statement dated 01.12.2023, stated that M/s Singh Exports is a dummy firm, set up by Shri Bhave using the documents of his employee Shri Ritesh Kumar Singh.

(c) Shri Nikhil Chaturvedi, in his statement dated 29-30.11.2023, has also stated that M/s Singh Exports was set up by Shri Bhave with the help of Shri Vikas Jain in October 2022, in the name of Shri Ritesh Kumar Singh, a friend of his younger brother Shri Sameer Chaturvedi, as a dummy firm through which goods would be imported duty free and sold in the market.

(d) Shri Bhave himself has not denied his role. He stated that the firm was not completely managed by him but was handled with the help of Shri Sameer Chaturvedi and Shri Vikas Jain. The relevant part of his statement dated 12.01.2024 is reproduced below.

> **5. During the investigation, it is gathered that you have operated/managed a firm namely M/s Singh Exports, Indore (IEC: CNLPS1119J). Please clarify.**
>
> **Ans:** In this regard, I wish to state that M/s Singh Exports, Indore is not completely managed by me but it was handled with the help of Shri Sameer Chaturvedi and Shri Vikas Jain.

I therefore find that M/s Singh Exports had no factory or office at its declared address, and that its proprietor on record, after handing over his documents, took no part in its business. The firm was set up and operated by Shri Bhave, with the help of Shri Vikas Jain and Shri Sameer Chaturvedi, to import PP granules duty free under the authorisations.

27. Imports directed by Shri Bhave and financed by the buyers.

(a) I find, on the admission of Shri Bhave himself, that M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics approached him to import duty-free goods under the Advance Authorisation Scheme and funded the imports, and that he imported the goods through M/s Singh Exports and gave custody of them to these buyers at the port. The relevant part of his statement dated 12.01.2024 is reproduced below.

> **9. During the investigation, it is gathered that M/s Singh Exports, Indore has imported PP Granules availing the benefits of Advance Authorisation Scheme and imported the duty-free goods which were to be used for manufacturing of goods for exports. Please submit the details of the place where the said duty-free imported goods are lying/ being utilized for manufacturing of goods for exports.**
>
> **Ans:** In this regard, I wish to submit that two of our customers namely M/s Friscon Polyfab Pvt Ltd, Pithampur and M/s New Chem Plastics, Mumbai has approached me to import duty-free goods under Advance Authorisation Scheme and offer to fund us for the same. As the funding has been done by them, I have imported the duty-free goods through M/s Singh Exports and given the custody of these goods to the said buyers at the port of import itself. However, as required by them, I have issued invoices from my firm i.e. M/s KRM Plastics LLP showing supply of the said goods.

(b) This is corroborated by Shri Vikas Jain, who stated that the money transferred by him into the account of M/s KRM Plastics LLP was used for imports through M/s KRM Plastics LLP, M/s Dhaumya Exim Pvt Ltd and M/s Singh Exports, and that for M/s Singh Exports he funded the import of only 75 MT, the rest being funded by M/s Friscon Polyfab, M/s New Chem Plastics and others. The relevant part of his statement dated 01.12.2023 is reproduced below.

> **प्रश्न 37 :- क्या आपको कुछ और कहना है ?**
>
> उत्तर: सर, मैं आपके समक्ष यह बयान दर्ज करना चाहता हूँ कि M/s Singh Exports की स्थापना श्री उत्कर्ष भावे द्वारा कराइ गयी थी तथा इसके निर्माण में मेरी कोई भूमिका नही है तथा M/s Singh Exports के लिए मेरे द्वारा केवल 75 टन ड्यूटी फ्री माल इम्पोर्ट करने के लिए ही फंडिंग की गयी है और बाकी माल के लिए M/s Friscon Polyfab एवं M/s New Chem Plastics आदि के द्वारा ही फंडिंग कि गयी है और माल बेचा गया है| इसके अलावा, M/s Dhaumya Exim Pvt Ltd की स्थापना श्री निखिल चतुर्वेदी द्वारा कि गयी है और इसका संचालन उनके और उनके भाई श्री समीर चतुर्वेदी द्वारा किया जाता है| मेरे द्वारा M/s Dhaumya Exim Pvt Ltd को केवल उनके द्वारा 110 टन प्लास्टिक दाना इम्पोर्ट करने के लिए फंडिंग की गयी थी|

(c) Shri Nikhil Chaturvedi has also stated that, since M/s Singh Exports was a dummy firm with no capital of its own, money was transferred from the account of M/s KRM Plastics LLP to the account of M/s Dhaumya Exim Pvt Ltd and then to the account of M/s Singh Exports, and was used by Shri Bhave and Shri Vikas Jain to import goods through M/s Singh Exports. The relevant part of his statement dated 29-30.11.2023 is reproduced below.

प्रश्न 42 :- आपने बताया कि आपके द्वारा M/s Singh Exports के साथ कभी कोई व्यापार नही किया गया है, जबकि आपके अकाउंट से M/s Singh Exports के बैंक अकाउंट में पैसा ट्रान्सफर किया गया है। कृपया इसका कारण बताइए ?

उत्तर : जैसा कि मेरे द्वारा ऊपर बताया गया है कि श्री उत्कर्ष भावे और श्री विकास जैन ने एक योजना के तहत M/s Singh Exports की स्थापना की थी जिसके माध्यम से ड्यूटी फ्री इम्पोर्ट किया जाना था और उस ड्यूटी फ्री इम्पोर्ट माल को मार्केट में बेच कर मुनाफा कमाया जाना था। चूँकि M/s Singh Exports एक डमी फर्म थी और उसकी खुद की कोई पूंजी नही थी तो इसके लिए श्री उत्कर्ष भावे की फर्म M/s KRM Plastic LLP बैंक खाते से पैसा पहले M/s Dhaumya Exim Pvt Ltd के बैंक खाते में और फिर M/s Dhaumya Exim Pvt Ltd द्वारा आगे M/s Singh Exports के बैंक खाते में ट्रान्सफर कर दिया जाता था । इसके बाद श्री उत्कर्ष भावे और श्री विकास जैन द्वारा इस पैसे का उपयोग M/s Singh Exports के माध्यम से माल इम्पोर्ट करने में किया जाता था ।

(d) I further find that Shri Bhave directed the clearance of the goods. Shri Kailash Sharma Totaram of M/s Liladhar Pasoo Forwarders Pvt Ltd, the Customs Broker who cleared eight of the consignments, stated that the delivery instructions for each of the consignments cleared by his firm were provided by Shri Bhave, that documents came from the e-mail ID singh.pexports@gmail.com, and that he never met Shri Ritesh Singh. The relevant part of his statement dated 25.06.2025 is reproduced below.

7. Please specify who provided the delivery instructions for each of the Ex-Bond consignments.

Ans: The delivery instructions for each of the Ex-Bond consignments were provided by Shri Utkarsh Bhave. His mobile number is 9589028696.

Shri Bhave has himself admitted that he imported the goods through M/s Singh Exports and gave custody of them to the buyers at the port. The Customs Broker who cleared eight of the consignments received the delivery instructions from Shri Bhave on his own mobile number, and the documents from the e-mail ID singh.pexports@gmail.com created by him. I therefore find that the imports in the name of M/s Singh Exports were arranged and directed by Shri Bhave, and were financed by the buyers of the goods and by Shri Vikas Jain.

28. Diversion of the imported goods to the buyers. The manner in which the goods imported in the name of M/s Singh Exports were disposed of is brought out by the statements of Shri Bhave and Shri Nikhil Chaturvedi, discussed below.

(a) Shri Bhave, in his statement dated 12.01.2024, admitted that no outward invoices were issued by M/s Singh Exports. For all the goods imported by M/s Singh Exports and later sold to M/s Friscon Polyfab Pvt Ltd and M/s New Chem, invoices were issued from M/s KRM Plastics LLP, generally after delivery, as and when asked for by them. On some occasions the goods moved

on the strength of the Bill of Entry and e-way bill of M/s Singh Exports; on others, M/s Friscon Polyfab Pvt Ltd and M/s New Chem issued their own invoices and e-way bills from the port to their buyers. The relevant part of his statement dated 12.01.2024 is reproduced below.

18. It is gathered that no outward invoice was issued from M/s Singh Exports. Please clarify how the goods were sold?

Ans: Sir, I wish to submit that for all the goods imported by M/s Singh Exports and later on sold to M/s Friscon Polyfab pvt. Ltd. And M/s New Chem, invoices were issued from M/s KRM Plastics LLP. I also want to submit that generally the invoices were prepared after delivery of the goods as and when asked by M/s Friscon Polyfab pvt. Ltd. And M/s New Chem.

19. As you have stated that invoices were prepared by you from M/s KRM Plastics LLP after delivery of goods as and when asked by M/s Friscon Polyfab pvt. Ltd. And M/s New Chem. Please explain how transportation of the said goods from port to final destination used to happen?

Ans: Sir, in this regard, I wish to submit that on few occasions, the transportation of goods to final destination has happened on the strength of Bill of Entry of M/s Singh Export along with E-way Bill generated by M/s Singh Export and Transport Builty etc. And on other occasion, M/s Friscon Polyfab pvt. Ltd. And M/s New Chem used to issue invoice and e-way bill from Port to destination of their buyer for transportation of goods.

(b) This is corroborated by Shri Nikhil Chaturvedi, who, in his statement dated 29-30.11.2023, stated that, as told to him by Shri Vikas Jain, the trucks loaded at Mundra went directly to the buyers, and bills and e-way bills were made from the port in the names of other parties. The relevant part of his statement dated 29-30.11.2023 is reproduced below.

प्रश्न 48 :- आपको यह कैसे जानकारी हुई कि M/s Singh Exports द्वारा जो भी माल ड्यूटी फ्री इम्पोर्ट किया गया है उसे श्री विकास जैन और श्री उत्कर्ष भावे द्वारा उसी समय ही आगे M/s Friscon Polyfabs Pvt Ltd, M/s New Chem , Shri Vinayak , Shri Raunak Bhai को बेच दिया गया था ?

उत्तर : मुझे श्री विकास जैन द्वारा बताया गया था कि मुंद्रा पोर्ट से गाडी लोड होने के बाद डायरेक्ट इन्ही पार्टी के पास ही जाती थी । इस बारे में मेरा यह भी कहना है कि यह माल M/s Singh Exports द्वारा बेचा होना नही दिखाया गया है, इसके लिए पोर्ट से किसी और पार्टी के नाम से बिल और E-way बिल बनाये गये है, जिसके बारे में विकास जैन, उत्कर्ष भावे और प्रदीप कुमार को पूरी जानकारी है।

I find from the above that the goods imported in the name of M/s Singh Exports were not used by it, but were handed over to the buyers from the port itself. The evidence relating to each of the buyers is discussed below.

28.1 M/s Friscon Polyfab Pvt Ltd. M/s Friscon Polyfab Pvt Ltd denies any connection with M/s Singh Exports. Its director, Shri Anshul Kumar Agrawal, maintained in his statement dated 18.03.2024 that its purchases were only from M/s KRM Plastics LLP, and the same stand is taken in its reply to the SCN. As the receipt of the goods of M/s Singh Exports is thus disputed, the

movement of those goods to M/s Friscon Polyfab Pvt Ltd is traced below, Bill of Entry by Bill of Entry, from the records of the Customs Brokers, the WhatsApp chat produced by Shri Bhave, and the statements of the transporter, the driver and Shri Anshul Kumar Agrawal.

(a) I find that the goods of Bill of Entry No. 5272611 dated 28.03.2023, for 49,500 kg under authorisation No. 5611001662, left the port in two vehicles. The Bill of Entry was cleared at Mundra through M/s Kaushali International, the Customs Broker who filed six ex-bond Bills of Entry for M/s Singh Exports. The table furnished by its proprietor, Shri Nilay Choksi, shows that the goods of this Bill of Entry were taken out of the warehouse on 30.03.2023 in vehicle Nos. MH18AA4771 and MP09HH6381 for transportation. The relevant entry of the table, furnished in reply to Question 5 of his statement dated 25.06.2025, is reproduced below.

S. No.	BoE Number	BoE Date	License no.	Quantity (Kg)	Vehicle Number	Out time
1	5272611	28-03-2023	5611001662	49500	MH18AA4771 MP09HH6381	30/03/2023 15:22

(b) I find that these two vehicles were arranged by Shri Anshul Agrawal himself. The WhatsApp chat produced by Shri Bhave shows that, when Shri Bhave asked him on 29.03.2023 to arrange a vehicle, Shri Anshul Agrawal sent the number MH18AA4771 for "Mundra to Pritampur", and on 31.03.2023 he sent the number MP09HH6381 with the name of the driver, Sohan. Shri Bhave has confirmed that these vehicles were arranged for the goods of M/s Singh Exports, and that Shri Anshul Agrawal later sent him the transport bill so that the freight could be shown as paid from the bank account of M/s Singh Exports. The relevant part of his statement dated 12.01.2024 is reproduced below.

16. On going through the content of WhatsApp Chat made between you (95890-28696) and Shri Anshul Agrawal (Mob: 98263-66111), it is noticed that Shri Anshul Agrawal has sent you few messages on various dates wherein information related to Vehicle Number is mentioned. Content of some of these messages is as under:-

[29/03/2023, 12:47:41] Utkarsh Bhave: Kindly arrange the vehicle
[29/03/2023, 13:45:29] Anshul Agrawal: MH18AA4771. 8349848465..24..ton Mundra to Pritampur. 2470/ per ton

Ans: Sir, I have perused the chat and I wish to state that in first message I have asked to Shri Anshul Agrawal to arrange the vehicle for stuffing the goods at Mundra Port on 29.03.2023 for the goods imported by M/s Singh Exports. In response to my message, Shri Anshul Agrawal has provided the Vehicle Number i.e. MH18AA4771 for generation of e-way Bill by M/s Singh Exports. He also provided the mobile number of the driver i.e. 8349848465 for loading of the goods in the vehicle. Further, Shri Anshul Agrawal has sent the bills for transportation of goods for on 04.04.2023 at 16:26:09 as NKT Bill No. 01 Singh Exports.pdf. He has sent these bills to me as payment to transporter has to be shown from the bank account of M/s Singh Exports.

When the message of 31.03.2023 was put to Shri Anshul Agrawal in his statement dated 18.03.2024, he did not deny it, and stated only that he could not comment on it then.

(c) I find that the goods carried in both these vehicles were unloaded at the factory of M/s Friscon Polyfab Pvt Ltd at Pithampur, although the Bill of Entry and e-way bill showed them as going to M/s Singh Exports, Indore. Shri Ashok Chandani, owner of the transporter M/s New Krishna Transport, Indore, in his statement dated 02.02.2024, stated that both vehicles were engaged at the request of Shri Anshul Agrawal and unloaded at his factory at Pithampur on his instructions, and that Shri Anshul Agrawal told him that M/s Singh Exports was his own firm.

The same is borne out by the WhatsApp chat between Shri Ashok Chandani and Shri Anshul Agrawal, produced by Shri Ashok Chandani with his statement dated 02.02.2024, the printout of which also bears the signature of Shri Anshul Agrawal dated 18.03.2024. On 30.03.2023, and again on 01.04.2023, Shri Anshul Agrawal sent Shri Ashok Chandani the e-way bill and the copy of Bill of Entry No. 5272611. On 31.03.2023, Shri Ashok Chandani sent him the details of vehicle No. MP09HH6381 and its driver, Sohan, for "mundra to Pritampur". On 04.04.2023, Shri Anshul Agrawal asked for the bill to be made to Singh Exports, and Shri Ashok Chandani then sent him the freight bills of M/s New Krishna Transport in the name of M/s Singh Exports. The relevant part of the chat is reproduced below.

3/30/23, 16:04 - Anshul Agarwal: E-Way Bill System 30.03.23.pdf (file attached)
E-Way Bill System 30.03.23.pdf
3/30/23, 16:04 - Anshul Agarwal: 527261128032023INMUN1BE1290320231203.pdf (file attached)
527261128032023INMUN1BE1290320231203
3/31/23, 18:50 - Ashok Krishna: Name : Sohan Driver, MP09HH6381. 24.750 mundra to Pritampur
Phone : 8511080433 :
3/31/23, 18:50 - Ashok Krishna: 2480/
4/1/23, 15:55 - Anshul Agarwal: E-Way Bill System 01.04.23.pdf (file attached)
E-Way Bill System 01.04.23.pdf
4/1/23, 15:55 - Anshul Agarwal: 527261128032023INMUN1BE1290320231203.pdf (file attached)
527261128032023INMUN1BE1290320231203
4/1/23, 16:06 - Ashok Krishna: 990/begs
4/1/23, 16:06 - Anshul Agarwal: Yes
4/1/23, 16:06 - Ashok Krishna: Ok
4/4/23, 12:17 - Ashok Krishna: Jai Mata Di
4/4/23, 12:17 - Ashok Krishna: Mundra to Indore Loding
4/4/23, 13:56 - Ashok Krishna: Hajira to Indore
4/4/23, 16:22 - Anshul Agarwal: Bill to Singh exports
4/4/23, 16:25 - Ashok Krishna: NKT Bill No. 01 Singh Exports.pdf (file attached)
NKT Bill No. 01 Singh Exports.pdf
4/4/23, 16:25 - Ashok Krishna: NKT Bill No. 963 Singh Exports.pdf (file attached)
NKT Bill No. 963 Singh Exports.pdf

(d) This is confirmed by Shri Sohan, driver of vehicle No. MP09HH6381, who, in his statement dated 02.02.2024, stated that he loaded plastic granules at Mundra port with papers for delivery to M/s Singh Exports at Indore, but on reaching Dhar was called to Pithampur and unloaded the goods at the Friscon factory, whose owner is Shri Anshul Agrawal.

(e) Apart from Bill of Entry No. 5272611 discussed above, I find that the goods of Bill of Entry No. 5720780 were also taken by M/s Friscon Polyfab Pvt Ltd. This Bill of Entry, for 96,000 kg under authorisation No. 5611001662, was cleared at Nhava Sheva through M/s PAR Logistics LLP in vehicles including MH43BX8995 and MH43BP4278. In the WhatsApp chat of 02.05.2023, Shri Bhave sent Shri Anshul Agrawal the out of charge copy of this Bill of Entry, and Shri Anshul Agrawal replied with the numbers of these two vehicles. Shri Bhave, in his statement dated 12.01.2024, stated that these vehicles were used by M/s Friscon Polyfab Pvt Ltd to deliver the goods to its buyers from the port itself. The relevant part of his statement dated 12.01.2024 is reproduced below.

17. On going through the content of WhatsApp Chat made between you (95890-28696) and Shri Anshul Agrawal (Mob: 98263-66111), it is noticed that there are also conversations about OC for example: -

[02/05/2023, 13:22:50] Utkarsh Bhave: Sir OC not done yet
[02/05/2023, 13:22:53] Utkarsh Bhave: In process
[02/05/2023, 17:54:20] Utkarsh Bhave: 5720780280420231NNSA1BE1020520231658.pdf . 6 pages < attached: 00000786-5720780280420231NNSA1BE1020520231658.pdf>
[02/05/2023, 17:54:20] Utkarsh Bhave : OC done
Waiting for shipping line DO
Will update
[02/05/2023, 18:41:24] Anshul Agrawal : MH 43 bp 4278 7046521667
8652172439
MH 43 bp 4578
[02/05/2023, 18:42:46] Anshul Agrawal : Gadi vale ko raat me hi batana padega vaha poch ne ke liye
[02/05/2023, 18:42:46] Anshul Agrawal :Vo early morning 4 5 baje nilklenge tab hi pochenge time pe
[02/05/2023, 18:42:47] Anshul Agrawal : Samne vale ko bolo driver ko call kar k bula le
[02/05/2023, 18:43:15] Utkarsh Bhave :OK
[02/05/2023, 18:44:45] Utkarsh Bhave :Gateway district park
[02/05/2023, 19:34:25] Anshul Agrawal : MH 43 bx 8995 8127540993
[02/05/2023, 19:34:25] Anshul Agrawal: 4578 cancel

Please peruse the same and explain the same.

Ans: Sir, I have perused the chat and I wish to state that OC stands for 'Out of charge'. Here Shri Anshul Agrawal was asking about the out of charge status for bill of entry no. 5720780 dated 20.04.2023. Therefore, I sent him the out of charge copy of the bill of entry to him on 02.05.2023 and informed him that OC done and waiting for shipping line DO (Delivery order). Thereafter, Shri Anshul Agrawal sent me the details of 3 vehicles MH 43 bp 4278 , MH 43 bp 4578 & MH 43 bx 8995 along with drivers' phone nos. for loading them. However, he further instructed to cancel the MH 43 bp 4578.

In this regard, I wish to further state that both of these vehicles number MH43BX8995 and MH43BP4278 were used by M/s Friscon Polyfab Pvt Ltd for delivery of goods to their buyers from port itself.

The same movement is borne out by the e-way bills of M/s Friscon Polyfab Pvt Ltd. In his statement dated 14.12.2023, Shri Anshul Kumar Agrawal was shown e-way bill Nos. 611560052710 and 651560052585 dated 04.05.2023 of M/s Friscon Polyfab Pvt Ltd, showing supply of 24,000 kg each from Nhava Sheva to M/s Radhe Polyfab in these same two vehicles. He did not deny them, and undertook to submit the invoices, transport bilties and payment proof for these goods on 20.12.2023. There is nothing on record to show that he produced these documents thereafter, nor has M/s Friscon Polyfab Pvt Ltd produced them, or explained these consignments, in its reply to the SCN. The relevant part of his statement dated 14.12.2023 is reproduced below.

3. During the investigation, it is gathered that you have shown supply of the following goods to M/s Radhe Polyfab Pvt Ltd (GSTN- 24ABDFR7599H1ZO) on 04.05.2023.: -

SN	EWB No	Date	Vehicle No	Delivery Shown from	Quantity of Goods
1	611560052710	04/05/2023	MH43-BX8995	Nhava Sheva	24000Kg
2	651560052585	04/05/2023	MH43-BP4278	Nhava Sheva	24000Kg

Please confirm the supply of the said goods.

Ans: - Sir, I am unable to tell this right now. I shall appear myself before you on Wednesday i.e. 20.12.2023 to submit Invoice, E-way Bill and Transport Builty of the said transactions.

(f) Similarly, I find that the goods of Bill of Entry No. 5409817 dated 07.04.2023 (Mundra) and Bill of Entry No. 4471586 dated 03.02.2023 (Pipavav) were moved from the ports under e-way bills of M/s Friscon Polyfab Pvt Ltd, in the very vehicles recorded by the Customs Brokers against these Bills of Entry. When these e-way bills were put to Shri Anshul Agrawal in his statement dated 14.12.2023, he did not deny them, and undertook to submit the invoices, e-way bills and transport bilties for these goods on 20.12.2023. There is nothing on record to show that he produced these documents thereafter.

(g) The finding at (e) and (f) above, that M/s Friscon Polyfab Pvt Ltd took the goods at the port and moved them under its own e-way bills, is borne out by the statement of Shri Vikas Jain. He stated that M/s Friscon Polyfab Pvt Ltd funded Shri Bhave to import goods through M/s Singh Exports under its Advance Authorisation, and sold the goods directly from the port in the local market. The relevant part of the statement of Shri Vikas Jain dated 01.12.2023 is reproduced below.

प्रश्न 36 :- M/s Friscon Polyfab Pvt Ltd के बारे में आपको क्या जानकारी है ?

उत्तर: M/s Friscon Polyfab Pvt Ltd कंपनी पीथमपुर में स्थित है और इसका काम श्री अंशुल अग्रवाल देखते है| उनके द्वारा प्लास्टिक दाना से बैग बनाये जाते है तथा प्लास्टिक दाना की ट्रेडिंग भी की जाती है| M/s Friscon Polyfab Pvt Ltd द्वारा स्वयं कोई दाना इम्पोर्ट नही किया जाता है| हालाँकि, उन्होंने श्री उत्कर्ष भावे को फंडिंग कर सिंह एक्सपोर्ट के Advance Authorisation आदि योजनायों का लाभ लेते हुए उक्त फर्म के माध्यम से माल इम्पोर्ट किया और इसके लिए M/s Friscon Polyfab द्वारा फंडिंग भी की गयी | इसके बाद M/s Friscon Polyfab ने उक्त इयूटी फ्री आयातित माल को सीधे पोर्ट से ही अपने हिसाब से लोकल मार्केट में बेच दिया गया |

I therefore find, on the evidence discussed at (a) to (g) above, that the goods cleared duty free in the name of M/s Singh Exports against Advance Authorisation, availing the exemption under Notification No. 18/2015-Cus for use in the manufacture of export products, were instead taken by M/s Friscon Polyfab Pvt Ltd, at its factory or at the port, at the direction of its director, contrary to the conditions on which they were cleared.

28.2 M/s New Chem Plastics. I find that M/s New Chem Plastics was the other buyer which funded and received the goods imported in the name of M/s Singh Exports. Shri Bhave stated that M/s New Chem Plastics, together with M/s Friscon Polyfab Pvt Ltd, approached him to import duty-free goods under the Advance Authorisation Scheme, funded the imports and took custody of the goods at the port, and that M/s New Chem on some occasions issued its own invoice and e-way bill from the port to its buyer (paras 27(a) and 28(a) above). Shri Vikas Jain (para 27(b) above) and Shri Nikhil Chaturvedi also named M/s New Chem Plastics among the buyers. Unlike M/s Friscon Polyfab Pvt Ltd, which denies any connection with M/s Singh Exports, M/s New Chem Plastics, at para 3.6.1 of its reply dated 14.04.2026, states that it purchased goods from M/s Singh Exports on valid tax invoices and paid for them through banking channels. The receipt of the goods by M/s New Chem Plastics is thus confirmed by its own reply, and does not call for the tracing undertaken at para 28.1 for M/s Friscon Polyfab Pvt Ltd.

28.3 Shri Vikas Jain. I find that Shri Vikas Jain himself sold onward a part of the goods imported in the name of M/s Singh Exports. In his statement dated 01.12.2023, he stated that, of about 500 MT imported by M/s Singh Exports, he funded the import of 75 MT and sold those 75 MT onward. These diverted goods were billed in the name of M/s Dhaumya Exim Pvt Ltd and sold to M/s Radhe Enterprises, with e-way bills generated by M/s Dhaumya Exim Pvt Ltd. As per the SCN, in his statement dated 02.01.2024, he deposited Rs. 8 lakh through the account of M/s Dhaumya Enterprises towards the duty on these

75 MT. The relevant part of his statement dated 01.12.2023, regarding the sale of the 75 MT and its billing in the name of M/s Dhaumya Exim Pvt Ltd, is reproduced below.

प्रश्न 31 :- जाँच में यह ज्ञात हुआ है कि M/s Singh Exports द्वारा जो इयूटी फ्री माल इम्पोर्ट किया गया है उसको पोर्ट से ही आगे किसी और पार्टी को बेच दिया गया है तथा इसके लिए बिल/ इ.-वे M/s Dhaumya Exim Pvt Ltd सहित कई अन्य फर्म के नाम से बनाये गये है| इस बारे में आपको क्या कहना है ?

उत्तर: इस बारे में मेरा यह कथन है कि M/s Singh Exports द्वारा जो इयूटी फ्री माल इम्पोर्ट किया गया है उसको पोर्ट से ही आगे किसी और पार्टी को बेच दिया गया है| पूंछे जाने पर मैं ये बताता हूँ कि M/s Singh Exports द्वारा लगभग 500 टन प्लास्टिक दाना इम्पोर्ट किया है, जिसमे से मेरे द्वारा मात्र 75 टन दाना आगे बेचा गया है तथा तथा इस बेचे गए माल (Diverted goods) की बिलिंग M/s Dhaumya Exim Pvt Ltd के नाम से की गयी है|

प्रश्न 32 :- कृपया बताइए कि आपके द्वारा M/s Singh Exports का diverted माल जिसकी बिलिंग M/s Dhaumya Exim Pvt Ltd के नाम से की गयी है, किसको बेचा गया है ?

उत्तर: मेरा द्वारा उक्त माल श्री रौनक भाई की फर्म M/s Radhe Enterprises (GSTN-24AUPK2827K1ZQ) को बेचा गया है| पूंछे जाने पर मैं यह भी बताता हूँ कि इसका E-way आदि भी M/s Dhaumya Exim Pvt Ltd द्वारा बनाये गये है|

29. I have discussed above how the authorisations were obtained in the name of M/s Singh Exports, a firm with no factory or office at its declared address and run by Shri Bhave, how the imports were financed by the buyers, and how the PP granules so imported were taken by M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics, or sold onward by Shri Vikas Jain, instead of being used in the manufacture of export products. No noticee has claimed that any of the goods was used in such manufacture. Having found so, I now proceed to examine the role played by each of the persons involved.

30. Role of M/s Singh Exports (Proprietor: Shri Ritesh Kumar Singh). I find that M/s Singh Exports is the importer on record. The IEC, the two authorisations, the Bills of Entry, the bonds and the bank guarantees are all in its name. In each Bill of Entry, the exemption under Notification No. 18/2015-Cus was claimed for materials to be used in the manufacture of export products, whereas the goods were transferred and sold, as found at paras 26 to 28. Shri Ritesh Kumar Singh, on his own statement, handed over his documents to Shri Bhave, signed papers on the instructions of Shri Bhave, and let a bank account in his name be opened and operated by Shri Bhave, on the promise of a job as manager at Rs. 20-25 thousand per month. During the investigation, he also requested, by letter, that the customs duty forgone under the Advance Authorisation Scheme be recovered by encashment of the two bank guarantees of Rs. 13,75,000/- and Rs. 19,22,500/-, and both bank guarantees were accordingly encashed before the issue of the SCN, realising

Rs. 32,97,500/- towards the duty. This recovery is noted at para 40.5. The firm has not filed any reply to the SCN and has not appeared for the personal hearings, and has not disputed the facts and evidence discussed above. M/s Singh Exports is, therefore, responsible for the breach of the conditions on which the goods were cleared duty free.

31. Role of Shri Utkarsh Bhave. I find that Shri Bhave set up and operated M/s Singh Exports in the name of Shri Ritesh Kumar Singh, as found at para 26. He had the firm registered and its bank account opened in the name of Shri Ritesh Kumar Singh. As stated by Shri Nikhil Chaturvedi in his statement dated 29-30.11.2023, Shri Bhave operated the bank account of M/s Singh Exports through mobile app and internet banking and created the firm's e-mail ID, singh.pexports@gmail.com; to his knowledge, the mobile number on which the firm's OTPs were received was also with Shri Bhave. He gave the delivery instructions to the Customs Broker for the consignments cleared by it, and shared the ex-bond checklists, out of charge copies and Bill of Entry details with the buyer who financed the imports. He admitted that, as the imports were funded by M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics, he imported the goods through M/s Singh Exports, gave custody of them to these buyers at the port, issued invoices of M/s KRM Plastics LLP as required by them, and received a commission of about Rs. 2 per kg (his statement dated 12.01.2024). Shri Bhave has not filed any reply to the SCN, has not appeared for the personal hearings, and has not disputed the facts and evidence discussed above. I therefore find that Shri Bhave was, in substance, the owner and controller of M/s Singh Exports, and that the imports made in its name and the diversion of the goods were arranged and directed by him.

32. Role of Shri Vikas Jain, Proprietor of M/s Yashika Enterprises. I find, on the statements of Shri Vikas Jain himself, that:

- the money transferred by him into the account of M/s KRM Plastics LLP was used for imports through M/s KRM Plastics LLP, M/s Dhaumya Exim Pvt Ltd and M/s Singh Exports;
- M/s Singh Exports is a dummy firm, set up by Shri Bhave using the documents of his employee Shri Ritesh Kumar Singh;
- he funded the import of 75 MT of the PP granules imported in the name of M/s Singh Exports, and sold those 75 MT onward, billed in the name of M/s Dhaumya Exim Pvt Ltd, to M/s Radhe Enterprises.

32.1 His role is corroborated by the statements of three other persons. Shri Bhave, in his statement dated 12.01.2024, stated that M/s Singh Exports was

handled with the help of Shri Vikas Jain. Shri Ritesh Kumar Singh, in his statement dated 12.12.2023, stated that whatever was done in the name of the firm was done by Shri Bhave and his friend Shri Vikas Jain. Shri Nikhil Chaturvedi, in his statement dated 29-30.11.2023, stated that the firm was set up by Shri Bhave with the help of Shri Vikas Jain, who arranged the funds. Shri Vikas Jain has not filed any reply to the SCN and has not appeared for the personal hearings. His own statement dated 01.12.2023 shows that he knew that the goods were imported duty free under the Advance Authorisation Scheme: he described them as duty-free goods imported by M/s Singh Exports, stated that he funded the import of 75 MT of such duty-free goods, and stated that M/s Friscon Polyfab Pvt Ltd funded Shri Bhave to import goods through M/s Singh Exports taking the benefit of that scheme. I find that he financed the duty-free imports made in the name of M/s Singh Exports under Advance Authorisation, knowing it to be a dummy firm, and funded and sold onward 75 MT of the goods so imported. He is, therefore, responsible for these acts.

33. Role of M/s Friscon Polyfab Pvt Ltd, through its Director Shri Anshul Agrawal. I find, on the evidence discussed at paras 27 and 28.1, that M/s Friscon Polyfab Pvt Ltd, acting through its director Shri Anshul Agrawal:

- funded the imports made in the name of M/s Singh Exports, which were made for it;
- approached Shri Bhave to have the goods imported duty free under the Advance Authorisation Scheme, as stated by Shri Bhave in his statement dated 12.01.2024, and, as stated by Shri Vikas Jain in his statement dated 01.12.2023, took the benefit of that scheme through M/s Singh Exports and sold the duty-free goods directly from the port;
- received from Shri Bhave the ex-bond checklist of M/s Singh Exports, the out of charge copies and the details of the Bills of Entry filed in its name, and itself asked whether the Out of Charge should be in the name of "KRM or Singh";
- arranged the vehicles that carried the goods of Bill of Entry No. 5272611 and had them unloaded at its factory at Pithampur under documents in the name of M/s Singh Exports, its director telling the transporter that M/s Singh Exports was his own firm;
- moved the goods of Bill of Entry Nos. 5720780, 5409817 and 4471586 from the ports under its own e-way bills.

33.1 M/s Friscon Polyfab Pvt Ltd thus knew that the goods were being imported in the name of M/s Singh Exports duty free under Advance Authorisation, financed those imports, and acquired and dealt with the goods

so imported. Its director was, moreover, familiar with the scheme: in his statement dated 18.03.2024 he stated that M/s Friscon Polyfab Pvt Ltd itself procures PP granules under an Advance Authorisation issued to it. It is, therefore, responsible for these acts.

33.2 The noticee has contended that it has no connection with M/s Singh Exports, does not know Shri Ritesh Kumar Singh, and purchased PP granules only from M/s KRM Plastics LLP on GST invoices through banking channels. I do not find merit in this contention, for the following reasons.

- The question whether the Out of Charge should be in the name of "KRM or Singh" was asked by Shri Anshul Agrawal himself, and the ex-bond checklist sent to him was of M/s Singh Exports. He was thus aware, at the stage of clearance, of the imports being made in the name of M/s Singh Exports.
- Shri Bhave stated that the invoices of M/s KRM Plastics LLP for the goods imported in the name of M/s Singh Exports were prepared after delivery, as and when asked for by the buyers.
- The vehicles that carried goods of Bill of Entry No. 5272611 of M/s Singh Exports were arranged by Shri Anshul Agrawal and unloaded at the noticee's factory, and he told the transporter that M/s Singh Exports was his own firm (para 28.1).

33.3 The noticee has submitted that the WhatsApp chats relied upon require proof of their authenticity, completeness and context, and that the statement of Shri Bhave cannot by itself be proof against it. I find that Shri Anshul Agrawal signed the printed chat records dated 06.12.2022 to 11.09.2023, and stated that the chat seems to have happened between him and Shri Bhave. I further find that my findings at para 33 do not rest on these chats alone. The trips of vehicle Nos. MH18AA4771 and MP09HH6381 to the noticee's factory are established by the statements of Shri Ashok Chandani and of the driver Shri Sohan, and by the chat between Shri Ashok Chandani and Shri Anshul Agrawal produced by Shri Ashok Chandani. The movement of goods from the ports under the noticee's own e-way bills is established by those e-way bills, put to Shri Anshul Agrawal in his statement dated 14.12.2023, read with the Customs Brokers' records of the vehicles. All of this evidence was recorded independently of Shri Bhave.

34. Role of M/s Dhaumya Exim LLP (M/s Dhaumya Exim Pvt Ltd), Indore. The SCN names the noticee as "M/s Dhaumya Exim LLP, through its Director Shri Sameer Chaturvedi". However, the record shows that the company is not an LLP and that Shri Sameer Chaturvedi is not its director. As the noticee is

thus misdescribed in the SCN, its identity is examined first. The SCN itself, in its account of the investigation, records the search at the registered address of "M/s Dhaumya Exim Pvt Ltd" and the statement of "Shri Nikhil Chaturvedi, Director of M/s Dhaumya Exim Pvt Ltd. Shri Nikhil Chaturvedi, in his statement dated 29-30.11.2023, stated that he registered M/s Dhaumya Exim Private Limited in September 2022 and that he and his mother are its directors, and the company's reply dated 24.12.2025 says the same. Shri Sameer Chaturvedi has also stated, in his submission dated 06.08.2026, that he is not a director of any firm mentioned in the SCN. The SCN was sent for this noticee to 406, Vistara Emerald, Indore and to dhaumya.exim@gmail.com, which are the address and e-mail ID of M/s Dhaumya Exim Pvt Ltd, and the company has replied on merits. I find that the noticee is M/s Dhaumya Exim Pvt Ltd, and that the variation in its name and in the description of its director has caused it no prejudice. I further find that the name, bank account and GST registration of the company were used in the scheme, as under:

- as M/s Singh Exports had no capital of its own, money was transferred from the account of M/s KRM Plastics LLP to the account of M/s Dhaumya Exim Pvt Ltd, and then to the account of M/s Singh Exports, for use in the imports, as stated by Shri Nikhil Chaturvedi in his statement dated 29-30.11.2023;
- on examination of the company's e-mail ID, dhaumya.exim@gmail.com, correspondence dated 18.09.2023 from AU Small Finance Bank relating to the bank guarantee of M/s Singh Exports, sent for approval, was found, and Shri Nikhil Chaturvedi stated that the bank had sent him the format of the bank guarantee;
- the 75 MT of the goods of M/s Singh Exports sold by Shri Vikas Jain was billed in the name of M/s Dhaumya Exim Pvt Ltd, with e-way bills generated in its name, as stated by Shri Vikas Jain in his statement dated 01.12.2023;
- the company's e-way bills and returns were filed by Shri Vikas Jain's accountant, to whom Shri Nikhil Chaturvedi had himself given the login credentials at Shri Vikas Jain's request.

34.1 The company has submitted that its director Shri Nikhil Chaturvedi was in Tanzania from 05.12.2022 to 09.03.2023, that Shri Bhave shared its GST login credentials on WhatsApp on 10.12.2022 without authority, and that its identity was misused by Shri Bhave and Shri Vikas Jain. I find that this submission does not help the company. Its director has himself stated that he gave the login credentials of the company to the accountant of Shri Vikas Jain at Shri Vikas Jain's request, and that the money for the imports of M/s Singh Exports was routed through the company's bank account. The imports in the

name of M/s Singh Exports also continued after his return, till September 2023. The company has further submitted that there is no invoice, transport document or possession record showing that it received the goods. The company is not held to have received the goods. Its liability arises from the use of its bank account to fund the imports and of its name and GST registration to bill and move the diverted goods, as found above.

34.2 I, therefore, find that M/s Dhaumya Exim Pvt Ltd, acting through its director Shri Nikhil Chaturvedi, allowed its bank account to be used to route the funds for the duty-free imports under Advance Authorisation made in the name of M/s Singh Exports, and its name and GST registration to be used to bill and move 75 MT of the goods so imported. The liability for these acts is that of the company, M/s Dhaumya Exim Pvt Ltd, which is the noticee. Shri Nikhil Chaturvedi has not been made a noticee in the SCN, and no finding is recorded against him in his individual capacity. Shri Sameer Chaturvedi has been named in the SCN as the director of the company, but, as found above, he is not its director. He has not been called upon in his individual capacity, and no finding is, therefore, recorded against him either.

35. Role of M/s New CHM Plastic (M/s New Chem Plastics), Mumbai. The SCN names the noticee as "M/s New CHM Plastic, Mumbai" at 804, Zinnia Building, Nahar Amrit Shakti, Chandivali Farm Road, Mumbai. The noticee is, however, correctly described as M/s New Chem Plastics, Mumbai in the body of the SCN, including in the para setting out its role. The reply has been filed by Smt. Sampat Ghanshyam Bagaria as Proprietor of M/s New Chem Plastics at the same address, and answers the allegations on merits. I find that the noticee is M/s New Chem Plastics, a proprietary concern of Smt. Sampat Ghanshyam Bagaria, and that the variation in the name has caused it no prejudice. On the evidence discussed at para 28.2, I find that:

- Shri Bhave stated that M/s New Chem Plastics, with M/s Friscon Polyfab Pvt Ltd, approached him to import duty-free goods under the Advance Authorisation Scheme and offered to fund the imports, and that, as the funding was done by them, he imported the goods through M/s Singh Exports and gave custody of them at the port, issuing invoices of M/s KRM Plastics LLP as required by them;
- he further stated that the KRM invoices were generally prepared after delivery, as and when asked for by M/s Friscon Polyfab and M/s New Chem, that M/s New Chem on some occasions issued its own invoices and e-way bills from the port to its buyers, and that these customers paid him a commission of about Rs. 2 per kg;

- Shri Vikas Jain stated that, apart from the 75 MT funded by him, the goods were funded and sold by M/s Friscon Polyfab, M/s New Chem Plastics and others, and Shri Nikhil Chaturvedi named M/s New Chem among the parties to whom the goods were sold from the port;
- the noticee itself, at para 3.6.1 of its reply, has stated that it purchased goods from M/s Singh Exports on tax invoices.

I find that M/s New Chem Plastics, as stated by Shri Bhave, approached him to have the goods imported duty free under Advance Authorisation and funded those imports, and that it has itself, in its reply, stated that it purchased the goods from M/s Singh Exports. It thus knew that the goods it acquired had been imported duty free under Advance Authorisation, on the condition that they would be used by the importer in the manufacture of export products, and that their sale to it was in breach of that condition. M/s New Chem Plastics is, therefore, responsible for funding the imports made in the name of M/s Singh Exports and for acquiring and dealing with the goods so imported.

35.1 The noticee has contended that it never transacted with M/s Singh Exports, was never examined during the investigation, and had no knowledge of the exemption. I do not find merit in these contentions.

- The denial of any transaction with M/s Singh Exports is contradicted by para 3.6.1 of its own reply, and by the statements of Shri Bhave, Shri Vikas Jain and Shri Nikhil Chaturvedi.
- That its statement was not recorded during the investigation does not detract from this evidence. The SCN set out the evidence against it, and it has had the opportunity to rebut that evidence by its reply and at the personal hearing.
- The plea of bona fide purchase is answered at para 35 above.

36. Role of Shri Ashok Chandani, Proprietor of M/s New Krishna Transport, Indore. I find that Shri Ashok Chandani, in his statement dated 02.02.2024, admitted that vehicle No. MP09HH6381 of his firm carried plastic granules of M/s Singh Exports from Mundra to Pithampur at the request of Shri Anshul Agrawal, and that, although the e-way bill showed Indore as the destination, the goods were unloaded at the factory of M/s Friscon Polyfab Pvt Ltd on the instructions of Shri Anshul Agrawal. His driver, Shri Sohan, in his statement dated 02.02.2024, stated that Bilty No. 14601 dated 01.04.2023 issued by M/s New Krishna Transport and the other papers given to him at Mundra required the goods to be delivered to M/s Singh Exports at Indore, but that on the way he received a call from the party asking him to go to Pithampur, where he unloaded the goods at the factory of M/s Friscon Polyfab

Pvt Ltd, and that he informed Shri Ashok Chandani of this. Shri Ashok Chandani also stated that Shri Anshul Agrawal told him that M/s Singh Exports was his own firm, and that the bilty and freight bill for the consignment were sent to Shri Anshul Agrawal. He thus knew that imported goods carried by his firm under its own bilty, and under the e-way bill, for delivery to M/s Singh Exports at Indore, were delivered instead to the factory of another person at Pithampur, at that person's request. Unlike his driver, who acted on the directions given to him, Shri Ashok Chandani was the transporter who accepted the booking from Shri Anshul Agrawal, issued the bilty, and had the goods delivered at Pithampur at his request. Shri Ashok Chandani has not filed any reply to the SCN, has not appeared for the personal hearings, and has not disputed these facts. I find that he was concerned in carrying and removing goods which he had reason to believe were liable to confiscation, and that he is, therefore, responsible for these acts.

37. ROLE OF THE THREE CUSTOMS BROKERS.

37.1 M/s Liladhar Pasoo Forwarders Pvt Ltd filed eight ex-bond Bills of Entry for M/s Singh Exports between January and June 2023. Its Assistant Manager stated that the delivery instructions were given by Shri Bhave, that the documents were received from the e-mail ID singh.pexports@gmail.com, and that the firm never met Shri Ritesh Singh. He stated that, since the firm also filed ex-bond Bills of Entry for M/s KRM Plastics on Shri Bhave's instructions, it assumed that M/s Singh Exports was part of Shri Bhave's business group. The relevant part of his statement dated 25.06.2025 is reproduced below.

> 17. **Please explain in detail how you know Shri Utkarsh Bhave. Also specify the nature of work or business dealings you have carried out with him in the past.**
> **Ans:** Mr. Utkarsh Bhave also had another firm named KRM Plastics, for which Ex-Bond Bills of Entry were also filed by us. Since we frequently received instructions from him and observed that multiple consignments were being handled in his name, we assumed that Singh Export was also his firm or part of his business group. Therefore, we did not independently verify the actual ownership of Singh Export at that time.

37.2 M/s Kaushali International filed six ex-bond Bills of Entry for M/s Singh Exports between March and September 2023. Its proprietor stated that the instructions were given on telephone by a person identifying himself as Shri Ritesh Singh on mobile No. 8393986462, and that, after clearance, the cargo was handed over to the importer's transporter at the CFS on the importer's instructions. The relevant part of his statement dated 25.06.2025 is reproduced below.

> **6. Please specify who provided the delivery instructions for each of the Ex-Bond consignments.**
> **Ans:** After clearance, the importer informed us to hand over the cargo to his appointed transporter at CFS without of charge copy of Bill of entry. In this case we follow the same.
>
> **7. For each of the above-mentioned Ex-Bond Bills of Entry, who specifically provided you the delivery instructions?**
> **Ans:** In the above all BoE's, importer Shri Ritesh Singh himself instructed our team for transportation arrangement at their end. This all details given to our team by phone. His mobile No. is 8393986462.

37.3 M/s PAR Logistics LLP handled two consignments for M/s Singh Exports in April 2023, one ex-bond and one on high sea sale basis. Its partner stated that the instructions were given on telephone by a person identifying himself as Shri Ritesh Singh on mobile No. 8393986462. The relevant part of his statement dated 07.07.2025 is reproduced below.

> **9. For both Bills of Entry, who specifically provided you the delivery instructions?**
> **Ans:** In both the Bills of Entry, the delivery instructions were provided directly by the importer, Shri Ritesh Singh. He communicated with our team telephonically and instructed them regarding the transportation arrangements to be made at their end. These instructions, including vehicle details and destination, were conveyed over phone calls. His contact number is 8393986462.

37.4 Having set out above what each of the three Customs Brokers did, I now examine whether, on these facts, they are liable to penalty under Section 112(b). Penalty under Section 112(b) is imposable on a person who deals with goods "which he knows or has reason to believe are liable to confiscation under section 111". The goods are held liable to confiscation under Section 111(o) because condition (x) of Notification No. 18/2015-Cus was not observed, that is, because the goods were transferred and sold after their clearance. When the Customs Brokers dealt with the goods for clearance, that condition had not yet been breached. The SCN does not allege that any of them was told, or knew, that the goods would be diverted. It does not allege that any of them had any role after the goods were handed over, or received anything beyond its charges.

37.5 I have also examined the lapses alleged against the Customs Brokers. Paras 12.8 and 13.5 to 13.7 of the SCN allege that they acted on telephonic instructions, did not obtain written authorisation from the importer, did not verify the premises of the importer, and did not maintain records of the delivery of the goods. These are obligations of a Customs Broker under the Customs Brokers Licensing Regulations, 2018 and failure to discharge these obligations may be a ground for action under these Regulations. It does not,

by itself, show that the Customs Broker knew, or had reason to believe, that the goods would be diverted after their clearance, which is what Section 112(b) requires. The SCN also states that the goods were cleared "without ensuring end-use compliance". The condition that the imported materials be used in the manufacture of export products, and the bond that secures it, are obligations of the importer, who holds the authorisation and executes the bond under Notification No. 18/2015-Cus. Their discharge is watched, after the goods are cleared, through the export obligation and the bond. The role of a Customs Broker ends with the clearance of the goods, and no provision of the Act, of the Notification or of the Regulations places on it the obligation to ensure that the importer uses the duty-free goods for the purpose for which they were imported.

37.6 Paras 13.5 to 13.7 of the SCN further allege that each of the three Customs Brokers acted on the instructions of Shri Bhave, who was neither the proprietor of M/s Singh Exports nor authorised by it, and thus took instructions for the clearance and delivery of the goods from a third party instead of from the importer. As regards M/s Kaushali International and M/s PAR Logistics LLP, their statements, and paras 12.8.2 and 12.8.3 of the SCN itself, record that the instructions came from a person identifying himself as Shri Ritesh Singh, the proprietor of the importer. The allegation that these two Customs Brokers acted on the instructions of a third party is, therefore, not borne out.

In the case of M/s Liladhar Pasoo Forwarders Pvt Ltd, its Assistant Manager admitted that the delivery instructions were given by Shri Bhave, whose role in M/s Singh Exports it never verified, as it assumed M/s Singh Exports to be part of Shri Bhave's business group. This is a lapse in the discharge of its obligations under the Regulations. I have, however, considered that the firm had obtained the authority letter, IEC, Aadhaar, PAN, GST registration and KYC documents of M/s Singh Exports, that it received its charges from M/s Singh Exports itself, and that the transport of the goods was not arranged by M/s Liladhar Pasoo Forwarders Pvt Ltd, so that its role as Customs Broker ended with the clearance of the goods. Shri Bhave was known to it as the person handling the imports of M/s KRM Plastics LLP, and acting on his instructions for a firm it believed to be of the same group does not, by itself, point to any intention to divert the goods after their clearance. Nothing on record shows that the firm was told of, or had any part in, the diversion, or received anything beyond its charges. I, therefore, find that this lapse does not show that M/s Liladhar Pasoo Forwarders Pvt Ltd knew, or had

reason to believe, that the goods were liable to confiscation, and it does not bring the firm within Section 112(b).

37.7 In view of the findings at paras 37.4 to 37.6, I find that it is not established that any of the three Customs Brokers dealt with the goods knowing, or having reason to believe, that they were liable to confiscation under Section 111. Their role ended with the clearance of the goods, and nothing on record shows that they had any part in the diversion. I, therefore, find that no penal action against M/s Liladhar Pasoo Forwarders Pvt Ltd, M/s Kaushali International or M/s PAR Logistics LLP is warranted under the Customs Act, 1962 in these proceedings. This finding is without prejudice to any action that may be taken against them under the Customs Brokers Licensing Regulations, 2018.

38. Breach of the conditions of exemption. On the evidence discussed above, I find as follows.

- M/s Singh Exports, set up and operated by Shri Bhave in the name of Shri Ritesh Kumar Singh, obtained the authorisations and imported the PP granules duty free under Advance Authorisation, availing the exemption under Notification No. 18/2015-Cus.
- The imports were financed by the buyers of the goods, and the goods were taken by M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics, or sold onward by Shri Vikas Jain.
- The goods were not used in the manufacture of export products but were transferred and sold in the domestic market.

The goods were thus neither used by M/s Singh Exports, in whose name they were imported, nor used in the manufacture of export products, but were transferred and sold after their clearance. I find that this transfer and sale is in breach of condition (x) of Notification No. 18/2015-Cus and of the actual user condition under Para 4.16 of the FTP 2015-20. The exemption availed on these goods was, therefore, not available.

OTHER CONTENTIONS OF THE NOTICEES:

39. The main submissions of the noticees on the merits of the case have been discussed above. The remaining contentions are taken up below.

39.1 Jurisdiction. Noticee No. (iv), M/s Friscon Polyfab Pvt Ltd, contended, relying on Rule 8 of the Customs (Import of Goods at Concessional Rate of Duty) Rules and the decisions cited by it, that only the officer having jurisdiction over the premises of the importer can demand duty. I find that

Rule 8 and those decisions relate to imports under the said Rules. The present goods were imported under Notification No. 18/2015-Cus against Advance Authorisations, which is a different scheme, and the duty is recoverable under Section 28 on breach of its conditions. The contention, therefore, has no application to the present case.

39.2 Cross-examination. Noticee No. (iv), M/s Friscon Polyfab Pvt Ltd, sought cross-examination of Shri Utkarsh Bhave and the other persons whose statements are relied upon. Noticee No. (vi), M/s New Chem Plastics, sought cross-examination of the persons whose statements are relied upon. Noticee No. (v), M/s Dhaumya Exim Pvt Ltd, sought cross-examination of Shri Bhave, Shri Vikas Jain and Shri Anshul Agrawal. I find that the requests do not merit acceptance, for the reasons below.

- My findings against Noticee No. (iv), M/s Friscon Polyfab Pvt Ltd, at para 33 rest primarily on evidence other than the statement of Shri Bhave: the Customs Broker's record of the vehicles that carried the goods of Bill of Entry No. 5272611, the chat between Shri Ashok Chandani and Shri Anshul Agrawal, the statements of Shri Ashok Chandani and of the driver Shri Sohan, the e-way bills of the noticee put to Shri Anshul Agrawal in his statement dated 14.12.2023, and the statements and signed chat records of Shri Anshul Agrawal himself. The statement of Shri Bhave is relied upon as corroborated by this evidence, not in isolation.
- My findings against Noticee No. (vi), M/s New Chem Plastics, at para 35 rest on its own admission at para 3.6.1 of its reply, read with the statements of three persons, Shri Bhave, Shri Vikas Jain and Shri Nikhil Chaturvedi, each of whom named it as a recipient of the goods.
- My findings against Noticee No. (v), M/s Dhaumya Exim Pvt Ltd, at para 34 rest on the statement of its own director, Shri Nikhil Chaturvedi, that the funds for the imports were routed through the company's bank account and that he gave the company's login credentials to the accountant of Shri Vikas Jain, read with the correspondence from AU Small Finance Bank found on the company's e-mail ID. The statement of Shri Vikas Jain, that the 75 MT were billed in the name of the company, is corroborated by the director's own statement that the company's e-way bills were filed by Shri Vikas Jain's accountant. No finding against the company rests on the statement of Shri Anshul Agrawal.

- Shri Bhave and Shri Vikas Jain are themselves noticees in these proceedings. They have not filed any reply to the SCN and have not appeared on any of the dates of personal hearing.
- M/s Friscon Polyfab Pvt Ltd has not named any other person, or shown how cross-examination of any such person would bear on its case, and has not claimed that any of the statements was retracted.
- I have gone through the decision relied upon by M/s Friscon Polyfab Pvt Ltd in *Swiber Offshore Construction Pvt. Ltd. v. Commissioner of Customs, Kandla*, 2014 (301) E.L.T. 119 (Tri.-Ahmd.). In that case, the Tribunal set aside the order because the adjudicating authority had relied on the statements of persons without allowing their cross-examination. In the present case, as set out above, the findings against the noticee rest primarily on documentary evidence and on the statements and signed chat records of its own director, and the statements of the other persons are relied upon only as corroborated by that evidence. The decision is, therefore, distinguishable on facts.

In view of the above, the requests of M/s Friscon Polyfab Pvt Ltd, M/s Dhaumya Exim Pvt Ltd and M/s New Chem Plastics for cross-examination are rejected.

DEMAND OF DUTY - EXTENDED PERIOD UNDER SECTION 28(4):

40. As the goods imported under the two authorisations were transferred and sold in the domestic market in breach of condition (x) of Notification No. 18/2015-Cus, the exemption availed on them was not available, and the duty foregone is liable to be demanded under Section 28. The SCN proposes the demand jointly and severally from M/s Singh Exports and Shri Utkarsh Bhave. I examine the liability of each below.

40.1 Liability of M/s Singh Exports. M/s Singh Exports is the importer on record. The Bills of Entry were filed in its name and IEC, against authorisations issued to it, and the exemption was claimed by it. Under condition (iv) of the notification, it executed the bond binding itself to pay the duty, with interest, on the materials in respect of which the conditions were not complied with. A proprietary concern has no legal existence apart from its proprietor. M/s Singh Exports, through its proprietor Shri Ritesh Kumar Singh, is therefore the person chargeable with the duty under Section 28(4).

40.2 Liability of Shri Utkarsh Bhave. Section 2(26) of the Customs Act, 1962 provides that "importer", in relation to any goods at any time between their

importation and the time when they are cleared for home consumption, includes any owner, beneficial owner or any person holding himself out to be the importer. The SCN alleges that Shri Bhave was the mastermind and operational controller of the scheme, acting behind the facade of M/s Singh Exports, and that Shri Ritesh Kumar Singh was only a dummy name lender. I have found at paras 26, 27 and 31 that this allegation is established, inasmuch as M/s Singh Exports was set up and operated by Shri Bhave in the name of Shri Ritesh Kumar Singh, who only lent his name and documents, and Shri Bhave arranged and directed the imports made in its name, operated its bank account, and disposed of the goods to the buyers. Where the proprietor on record of a proprietary concern is only a name lender, the person who in fact owns and operates the concern is, in substance, the owner of the goods imported in its name. I therefore find that Shri Bhave is an importer of the goods within the meaning of Section 2(26). M/s Singh Exports, in whose name the goods were imported, and Shri Bhave are thus both importers of the same goods, and the duty is recoverable from either or both of them, in whole or in part, so long as the total amount recovered does not exceed the duty demanded. The duty is, therefore, recoverable from M/s Singh Exports and Shri Utkarsh Bhave jointly and severally.

40.3 Extended period. The SCN invokes the extended period under Section 28(4), which can be invoked where duty has not been paid by reason of collusion, wilful mis-statement or suppression of facts. I examine whether these ingredients are present in the present case, as follows.

- In each of the Bills of Entry, the exemption under Notification No. 18/2015-Cus was claimed in the name of M/s Singh Exports for materials to be used in the manufacture of export products.
- The firm had no factory or office at its declared address, and its proprietor on record had no part in its business (para 26).
- The imports were financed by the buyers, M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics, and the goods were handed over to them directly after clearance, instead of being taken by M/s Singh Exports for use in manufacture (paras 27 and 28).
- No outward invoices were issued by M/s Singh Exports, and invoices in the name of M/s KRM Plastics LLP were prepared after delivery, as asked for by the buyers (para 28).
- No intimation of the transfer or sale of the goods was given to the Customs authorities, and the diversion came to light only on investigation, after the search of 29.11.2023.

I, therefore, find that each of the ingredients of Section 28(4) is present. The claim, in every Bill of Entry, that the goods were for use in the manufacture of export products was a wilful mis-statement, as M/s Singh Exports had no factory and the goods had, before their import, been arranged to be handed over to the buyers who financed them. The transfer and sale of the goods were suppressed from the Customs authorities: no intimation was given of them, and invoices of M/s KRM Plastics LLP were prepared after delivery, so that the goods would not appear to have come from M/s Singh Exports. These acts were done by M/s Singh Exports, acting through Shri Bhave, in collusion with M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics, who financed the imports and took the goods, and with Shri Vikas Jain, who financed and sold 75 MT of them. The duty was not paid by reason of this collusion, wilful mis-statement and suppression of facts, and the extended period under Section 28(4) has, therefore, been rightly invoked.

40.4 Duty involved. The duty foregone is worked out Bill of Entry-wise at para 2.3 of the SCN as Rs. 70,99,250/- under authorisation No. 5611001463 and Rs. 96,79,409.74 under authorisation No. 5611001662, totalling Rs. 1,67,78,659/- on 555.5 MT of PP granules.

40.5 In view of the above, I confirm the demand of customs duty of Rs. 1,67,78,659/- under Section 28(8) of the Customs Act, 1962, and order the same to be recovered from M/s Singh Exports and Shri Utkarsh Bhave, jointly and severally, under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA of the Customs Act, 1962. The amount of Rs. 32,97,500/- recovered by encashment of the two bank guarantees furnished by M/s Singh Exports shall be taken into account at the time of recovery of the duty confirmed above.

40.6 Enforcement of the bond. Para 14(iv) of the SCN proposes enforcement of the bond executed by M/s Singh Exports "under Notification No. 96/2009-Cus dated 11.09.2009, read with Notification No. 18/2015-Cus dated 01.04.2015". The exemption in the present case was claimed under Notification No. 18/2015-Cus, and the bond was executed in terms of that notification. As the conditions of the exemption have not been complied with, I hold that the bond executed by M/s Singh Exports is liable to be enforced for recovery of the duty and interest confirmed above.

DISCUSSION ON CONFISCATION:

41. The SCN proposes that the imported goods be held liable to confiscation under Section 111(o), which reads as under.

"(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;"

41.1 Condition of exemption not observed. The goods were exempted from duty under Notification No. 18/2015-Cus, subject to the conditions specified in it. As held above, the goods were transferred and sold in the domestic market in breach of condition (x). No sanction of the proper officer was sought or obtained for this non-observance. I therefore find that the PP granules having an assessable value of Rs. 4,65,49,271/-, imported in the name of M/s Singh Exports under Advance Authorisation Nos. 5611001463 dated 10.01.2023 and 5611001662 dated 23.03.2023, as detailed at para 2.3 of the SCN, are liable to confiscation under Section 111(o) of the Customs Act, 1962.

41.2 As the impugned goods are found to be liable for confiscation under Section 111(o) of the Customs Act, 1962, I find that it is necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation. I find that, in the present case, the subject goods are not physically available for confiscation at this stage. The goods have already been cleared and are no longer under the control of the Customs. Therefore, physical confiscation of the goods is not feasible. However, I note that the Hon'ble CESTAT, Ahmedabad, in the case of M/s. Van Oord India Pvt. Ltd. vs. Commissioner of Customs, Ahmedabad [Customs Appeal No. 10679 of 2024-DB], has held that redemption fine can be imposed even when the goods are not physically available for confiscation. Further, this point was already settled in case of Judgment dated 11.08.2017 of Hon'ble High Court of Madras in C.M.A. No. 2857 of 2011 in the case of Visteon Automotive Systems India Ltd. Vs. CESTAT, Chennai [2018 (9) G.S.T.L. 142 (Mad.)]. Para 23 of the said Judgment is as follows:

> *"The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularised, whereas, by subjecting the goods to*

payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, "Whenever confiscation of any goods is authorised by this Act ....", brings out the point clearly. The power to impose redemption fine springs from the authorisation of confiscation of goods provided for under Section 111 of the Act. When once power of authorisation for confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant. The redemption fine is in fact to avoid such consequences flowing from Section 111 only. Hence, the payment of redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act."

41.3 I further find that the above view of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad), has been cited by Hon'ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.) and the same has not been challenged by any of the parties concerned. Hence, from the above discussion and relying on the above judgements, I find that goods are liable for confiscation and redemption fine can be imposed.

DISCUSSION ON PENALTIES:

42. Penalty under Section 114A. Section 114A provides that where duty has not been levied or paid by reason of collusion, wilful mis-statement or suppression of facts, the person who is liable to pay the duty as determined under Section 28(8) shall also be liable to pay a penalty equal to the duty so determined. I have found at para 40.3 that the duty of Rs. 1,67,78,659/- was not paid by reason of collusion, wilful mis-statement and suppression of facts. I have also found at para 40.2 that M/s Singh Exports, in whose name the goods were imported, and Shri Utkarsh Bhave, who controlled the imports and was the owner of the goods in substance, are both importers of the goods and are liable to pay that duty jointly and severally. The penalty under Section 114A is, therefore, attracted in respect of both of them.

42.1 The duty evaded is a single amount of Rs. 1,67,78,659/-, and Section 114A provides for a penalty equal to that duty. The penalty equal to the duty is, therefore, a single amount, though two persons are liable for the duty. A penalty is, however, personal to the person on whom it is imposed and cannot

be imposed jointly and severally in the manner of the duty. It has, therefore, to be apportioned between the two persons liable. I, therefore, apportion the penalty equally between them. I impose a penalty of Rs. 83,89,329.50/- each on M/s Singh Exports and Shri Utkarsh Bhave under Section 114A of the Customs Act, 1962, the two together being equal to the duty of Rs. 1,67,78,659/-.

42.2 The fifth proviso to Section 114A bars a penalty under Section 112 where a penalty has been levied under Section 114A. As penalty under Section 114A has been imposed on M/s Singh Exports and Shri Utkarsh Bhave, I find that penalty under Section 112(a) or 112(b) of the Customs Act, 1962 is not imposable on them.

43. Penalty on M/s Singh Exports under Section 114AA. In each of the Bills of Entry and in the bonds under condition (iv), the exemption was claimed in the name of M/s Singh Exports for materials to be used in the manufacture of export products. The firm had no factory or office at its declared address, and the goods were imported to be delivered to the buyers who financed them. These declarations and documents were false in material particulars. They were made by those who operated the firm in its name, while its proprietor, on his own statement, had handed over his documents and signed papers on the instructions of Shri Bhave. They were used in the transaction of business for the purposes of the Customs Act, namely the import and clearance of the goods under exemption. I, therefore, hold M/s Singh Exports liable to a penalty under Section 114AA of the Customs Act, 1962.

43.1 Penalty on Shri Utkarsh Bhave under Section 114AA. As found at paras 26, 27 and 31, Shri Bhave caused the Bills of Entry and bonds to be filed in the name of M/s Singh Exports, claiming the exemption for materials to be used in the manufacture of export products. He did so knowing that the firm had no factory, that its proprietor was a name-lender, and that the goods were to be delivered to the buyers who financed them. He thus knowingly caused declarations and documents false in material particulars to be made and used in the transaction of business for the purposes of the Customs Act. I, therefore, hold Shri Utkarsh Bhave liable to a penalty under Section 114AA of the Customs Act, 1962.

43.2 Penalty on Shri Utkarsh Bhave under Section 117. Section 117 applies only where no express penalty is provided elsewhere for the

contravention. As the acts of Shri Bhave are covered by Sections 114A and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on him.

44. PENALTY ON SHRI VIKAS JAIN

(i) Section 112. As found at para 32, Shri Vikas Jain financed the duty-free imports made in the name of M/s Singh Exports, knowing it to be a dummy firm operated by Shri Bhave, and funded and sold onward 75 MT of the goods so imported. He was thus concerned in selling and otherwise dealing with goods which he knew to be liable to confiscation under Section 111(o). I, therefore, hold him liable to a penalty under Section 112(b)(ii) of the Customs Act, 1962. In determining the amount of penalty, I take into account the 75 MT of the goods funded and sold onward by him. As the penalty under Section 112(b)(ii) is quantified with reference to the duty sought to be evaded, the duty foregone on the goods dealt with by him is relevant. The duty foregone on these 75 MT, at the average duty foregone per MT worked out at para 2.3 of the SCN (Rs. 1,67,78,659/- on 555.5 MT), works out to about Rs. 22,65,345/-.

(ii) Section 114AA. By financing imports in the name of a firm he knew to be a dummy, Shri Vikas Jain caused the Bills of Entry claiming the exemption for manufacture by that firm to be made and used, knowing them to be false in material particulars. I, therefore, hold him liable to a penalty under Section 114AA of the Customs Act, 1962.

(iii) Section 117. Section 117 applies only where no express penalty is provided elsewhere for the contravention. As the acts of Shri Vikas Jain are covered by Sections 112(b) and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on him.

45. PENALTY ON M/S FRISCON POLYFAB PVT LTD

(i) Section 112. As found at para 33, M/s Friscon Polyfab Pvt Ltd, through its director, funded the imports made in the name of M/s Singh Exports, arranged the vehicles that carried the goods from the port, and took the goods at its factory under documents in the name of M/s Singh Exports or moved them from the port under its own e-way bills. It thus acquired possession of, and was concerned in carrying, removing, purchasing and otherwise dealing with, goods which it knew to be liable to confiscation under Section 111(o). I, therefore, hold M/s Friscon Polyfab Pvt Ltd liable to a penalty under Section 112(b)(ii) of the Customs Act, 1962. In determining the amount of penalty, I take into account the goods of Bills of Entry Nos. 5272611, 5720780, 5409817 and 4471586, found at para

28.1 to have been taken by it, and of Bills of Entry Nos. 4373208 and 4480019, the details of which Shri Bhave shared with Shri Anshul Agrawal in their WhatsApp chat along with those of the other Bills of Entry, totalling 291 MT. As the penalty under Section 112(b)(ii) is quantified with reference to the duty sought to be evaded, the duty foregone on the goods dealt with by it is relevant. The duty foregone on the goods of these six Bills of Entry, as worked out at para 2.3 of the SCN, is Rs. 90,26,326/-.

(ii) Section 114AA. The director of M/s Friscon Polyfab Pvt Ltd asked whether the Out of Charge of the imports should be in the name of "KRM or Singh", and the goods it financed were cleared in the name of M/s Singh Exports on a claim of exemption for manufacture by that firm. It thus knowingly caused declarations false in material particulars to be made and used in the transaction of business for the purposes of the Customs Act. I, therefore, hold M/s Friscon Polyfab Pvt Ltd liable to a penalty under Section 114AA of the Customs Act, 1962.

(iii) Section 117. Section 117 applies only where no express penalty is provided elsewhere for the contravention. As the acts of M/s Friscon Polyfab Pvt Ltd are covered by Sections 112(b) and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on it.

46. PENALTY ON M/S NEW CHEM PLASTICS

(i) Section 112. As found at para 35, M/s New Chem Plastics, a proprietary concern of Smt. Sampat Ghanshyam Bagaria, acquired and dealt with goods imported duty free in the name of M/s Singh Exports, having itself funded those imports and knowing that they had been imported duty free for it, and which it therefore knew to be liable to confiscation under Section 111(o). I, therefore, hold M/s New Chem Plastics liable to a penalty under Section 112(b)(ii) of the Customs Act, 1962.

In determining the amount of penalty, I note that the quantity taken by M/s New Chem Plastics has not been separately quantified in the SCN. Its reply, while admitting at para 3.6.1 that it purchased goods from M/s Singh Exports, does not disclose the quantity so purchased. The quantity can, however, be worked out from the record, as under:

- the total quantity imported in the name of M/s Singh Exports is 555.5 MT, as worked out at para 2.3 of the SCN;
- Shri Bhave, in his statement dated 12.01.2024, stated that M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics funded the imports made through M/s Singh Exports, and that the goods were

handed over to them at the port, with invoices issued from M/s KRM Plastics LLP;

- of these goods, 291 MT have been found at para 45(i) to have been dealt with by M/s Friscon Polyfab Pvt Ltd;
- apart from these two buyers, Shri Vikas Jain, in his statement dated 01.12.2023, stated that he himself funded and sold onward 75 MT of the goods (para 28.3), and that the rest were funded and sold by M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics.

The balance of 189.5 MT, after excluding the quantities dealt with by M/s Friscon Polyfab Pvt Ltd and Shri Vikas Jain, is, therefore, attributable to M/s New Chem Plastics. As the penalty under Section 112(b)(ii) is quantified with reference to the duty sought to be evaded, the duty foregone on the goods dealt with by it is relevant. The duty foregone on these 189.5 MT works out to Rs. 54,86,988/-.

(ii) Section 114AA. The SCN alleges that M/s New Chem Plastics abetted the improper importation and diversion of the duty-free goods. As found at para 35, M/s New Chem Plastics approached Shri Bhave to import duty-free goods under the Advance Authorisation Scheme and funded the imports made in the name of M/s Singh Exports, knowing that the goods were being imported duty free for it. By funding these imports, M/s New Chem Plastics knowingly caused declarations false in material particulars to be made and used in the transaction of business for the purposes of the Customs Act. I, therefore, hold M/s New Chem Plastics liable to a penalty under Section 114AA of the Customs Act, 1962.

(iii) Section 117. Section 117 applies only where no express penalty is provided elsewhere for the contravention. As the acts of M/s New Chem Plastics are covered by Sections 112(b) and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on it.

47. PENALTY ON M/S DHAUMYA EXIM PVT LTD

(i) Section 112. As found at para 34, M/s Dhaumya Exim Pvt Ltd, acting through its director Shri Nikhil Chaturvedi, allowed its bank account to be used to route the funds for the duty-free imports under Advance Authorisation made in the name of M/s Singh Exports, and its name and GST registration to be used to bill and move 75 MT of the goods so imported. Its director himself stated that the funds were so routed because M/s Singh Exports was a dummy firm with no capital of its own. It thus had reason to believe that the goods billed and moved in its name were imported duty free under Advance Authorisation in the name of a dummy firm, and were being sold in the domestic market. It was

thus concerned in carrying, removing, selling and otherwise dealing with goods which it had reason to believe were liable to confiscation under Section 111(o). I, therefore, hold M/s Dhaumya Exim Pvt Ltd liable to a penalty under Section 112(b)(ii) of the Customs Act, 1962. In determining the amount of penalty, I take into account the 75 MT of the goods billed and moved in its name. As the penalty under Section 112(b)(ii) is quantified with reference to the duty sought to be evaded, the duty foregone on the goods dealt with by it is relevant. The duty foregone on these 75 MT, at the average duty foregone per MT worked out at para 2.3 of the SCN (Rs. 1,67,78,659/- on 555.5 MT), works out to about Rs. 22,65,345/-.

(ii) **Section 114AA.** The 75 MT of the goods imported duty free in the name of M/s Singh Exports were billed and moved under invoices and e-way bills in the name of M/s Dhaumya Exim Pvt Ltd, which showed the goods as sold by it, and thereby concealed that they were goods imported in the name of M/s Singh Exports under exemption for use in the manufacture of export products. M/s Dhaumya Exim Pvt Ltd thus knowingly caused documents false in material particulars to be made and used in respect of goods cleared under the Customs Act. I, therefore, hold M/s Dhaumya Exim Pvt Ltd liable to a penalty under Section 114AA of the Customs Act, 1962.

(iii) **Section 117.** Section 117 applies only where no express penalty is provided elsewhere for the contravention. As the acts of M/s Dhaumya Exim Pvt Ltd are covered by Sections 112(b) and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on it.

48. PENALTY ON SHRI ASHOK CHANDANI

(i) **Section 112.** As found at para 36, Shri Ashok Chandani, proprietor of M/s New Krishna Transport, Indore, accepted the booking from Shri Anshul Agrawal, issued the bilty for delivery of the goods to M/s Singh Exports at Indore, and had the goods delivered instead at the factory of M/s Friscon Polyfab Pvt Ltd at Pithampur at the request of Shri Anshul Agrawal, to whom he also sent the bilty and freight bill. He was thus concerned in carrying and removing goods which he had reason to believe were liable to confiscation under Section 111(o). I, therefore, hold Shri Ashok Chandani liable to a penalty under Section 112(b)(ii) of the Customs Act, 1962. In determining the amount of penalty, I note that, although M/s New Krishna Transport carried goods for Shri Anshul Agrawal on other occasions also, as seen from their WhatsApp chat, as

per the record, it carried the goods of only one Bill of Entry of M/s Singh Exports, i.e. No. 5272611 for 49.5 MT. These goods were carried in vehicle Nos. MH18AA4771 and MP09HH6381 under Bilty Nos. 14594 and 14601, which are the only consignments of M/s Singh Exports named by Shri Ashok Chandani in his statement dated 02.02.2024. I, therefore, take into account the goods of this Bill of Entry. As the penalty under Section 112(b)(ii) is quantified with reference to the duty sought to be evaded, the duty foregone on the goods dealt with by him is relevant. The duty foregone on the goods of Bill of Entry No. 5272611, as worked out at para 2.3 of the SCN, is Rs. 16,28,281/-.

(ii) Section 114AA. The bilty issued by M/s New Krishna Transport showed the goods as consigned for delivery to M/s Singh Exports at Indore, whereas, as Shri Ashok Chandani knew, the goods were delivered to M/s Friscon Polyfab Pvt Ltd at Pithampur, and the bilty and freight bill were sent to Shri Anshul Agrawal. Shri Ashok Chandani thus knowingly used documents false in material particulars in respect of the movement of goods cleared under the Customs Act in the name of M/s Singh Exports. I, therefore, hold Shri Ashok Chandani liable to a penalty under Section 114AA of the Customs Act, 1962.

(iii) Section 117. Section 117 applies only where no express penalty is provided elsewhere for the contravention. As the acts of Shri Ashok Chandani are covered by Sections 112(b) and 114AA, I find that penalty under Section 117 of the Customs Act, 1962 is not imposable on him.

49. The SCN proposes penalty under Section 112(b) of the Customs Act, 1962 on M/s Liladhar Pasoo Forwarders Pvt Ltd, M/s Kaushali International and M/s PAR Logistics LLP. Penalty under Section 112(b) requires that the person dealt with the goods knowing, or having reason to believe, that they were liable to confiscation under Section 111. I have found at para 37.7 that this is not established against any of the three Customs Brokers, as their role ended with the clearance of the goods and nothing on record shows that they had any part in the diversion. I, therefore, refrain from imposing any penalty under Section 112(b) of the Customs Act, 1962 on M/s Liladhar Pasoo Forwarders Pvt Ltd, M/s Kaushali International or M/s PAR Logistics LLP.

50. In view of the aforesaid discussions and findings, I pass the following order:

ORDER

(i) The PP granules having an assessable value of **Rs. 4,65,49,271/-** (Rupees Four Crore Sixty Five Lakh Forty Nine Thousand Two Hundred Seventy One only), imported duty free in the name of M/s Singh Exports under Advance Authorisation Nos. 5611001463 dated 10.01.2023 and 5611001662 dated 23.03.2023, as detailed at para 2.3 of the SCN, are held liable to confiscation under Section 111(o) of the Customs Act, 1962. I impose redemption fine of **Rs. 2,00,00,000/-** (Rupees Two Crore only) under Section 125(1) of the Customs Act, 1962, in lieu of confiscation.

(ii) I determine and confirm the demand of customs duty of **Rs. 1,67,78,659/-** (Rupees One Crore Sixty Seven Lakh Seventy Eight Thousand Six Hundred Fifty Nine only) on the said goods under Section 28(8) of the Customs Act, 1962, and order to recover the same from M/s Singh Exports and Shri Utkarsh Bhave, jointly and severally, under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA of the Customs Act, 1962.

(iii) I order that the bond executed by M/s Singh Exports in terms of Notification No. 18/2015-Cus dated 01.04.2015 be enforced for recovery of the duty and interest confirmed at (ii) above.

(iv) I impose a penalty of **Rs. 83,89,329.50/-** (Rupees Eighty Three Lakh Eighty Nine Thousand Three Hundred Twenty Nine and Paise Fifty only) on M/s Singh Exports under Section 114A of the Customs Act, 1962. No penalty is imposed on M/s Singh Exports under Section 112(a) or 112(b) of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 83,89,329.50/-** (Rupees Eighty Three Lakh Eighty Nine Thousand Three Hundred Twenty Nine and Paise Fifty only) on Shri Utkarsh Bhave under Section 114A of the Customs Act, 1962. No penalty is imposed on him under Section 112(a), 112(b) or 117 of the Customs Act, 1962.

(vi) I impose the following penalties under Section 112(b)(ii) and Section 114AA of the Customs Act, 1962 on the persons named below:

Sr. No.	Name of the person	Section 112(b)(ii)	Section 114AA
1	M/s Singh Exports (Proprietor: Shri	—	Rs. 10,00,000/-

	Ritesh Kumar Singh), Indore		
2	Shri Utkarsh Bhave, Partner, M/s KRM Plastics LLP	—	Rs. 10,00,000/-
3	Shri Vikas Jain, Proprietor, M/s Yashika Enterprises, Indore	Rs. 2,20,000/-	Rs. 25,000/-
4	M/s Friscon Polyfab Pvt Ltd, Pithampur, through its Director Shri Anshul Agrawal	Rs. 9,00,000/-	Rs. 1,00,000/-
5	M/s New Chem Plastics (named in the SCN as M/s New CHM Plastic), Mumbai	Rs. 5,40,000/-	Rs. 1,00,000/-
6	M/s Dhaumya Exim Pvt Ltd (named in the SCN as M/s Dhaumya Exim LLP), Indore	Rs. 2,20,000/-	Rs. 25,000/-
7	Shri Ashok Chandani, Proprietor, M/s New Krishna Transport, Indore	Rs. 1,50,000/-	Rs. 20,000/-

(vii) No penalty is imposed under Section 117 of the Customs Act, 1962 on Shri Vikas Jain, M/s Friscon Polyfab Pvt Ltd, M/s New Chem Plastics, M/s Dhaumya Exim Pvt Ltd or Shri Ashok Chandani.

(viii) I drop the proceedings against M/s Liladhar Pasoo Forwarders Pvt Ltd, M/s Kaushali International and M/s PAR Logistics LLP, and impose no penalty on them under Section 112(b) of the Customs Act, 1962.

51. This order is issued without prejudice to any other action that may be taken against the noticees or any other person under the Customs Act, 1962, the Customs Brokers Licensing Regulations, 2018 or any other law for the time being in force.

Digitally signed by
Nitin Saini
Date: 23-11-2026
15:31:08

(Nitin Saini)
Commissioner of Customs,
Mundra

F.No. GEN/ADJ/COMM/672/2025-Adjn-O/o Pr Commr-Cus-Mundra
SCN No.- 31/2025-26/COMM/NS/Adjn/MCH

To:-

(i) M/s. Singh Exports,

130, Opp New Life Hospital, Sanwer Road Main Road,
Indore (M.P.)
Email:- singh.pexports@gmail.com

(ii) Shri Utkarsh Bhave,
(a) A-48. Vistara Cit., Bypass Road, Indore
(b) C-214, Sarvadham Colony, Kolar Road, Near Bhima Kunj Bhopal-462042
Email:- utkarshbhave40@gmail.com

(iii) Shri Vikas Jain (Proprietor, M/s Yashika Enterprises),
285, M Das Baghichi, Aerodrome Road,
Near Ramchandra Nagar, Indore-452001
Email:- vikasjainvtc@gmail.com

(iv) M/s Friscon Polyfab Pvt. Ltd., through its Director Shri Anshul Agrawal
Plot No. 108, Smart Industrial Park, Near Natrip, Pithampur, Dhar, M.P
Email-contact@frisconpolyfab.com

(v) M/s Dhaumya Exim Pvt. Ltd.,
through its Director Shri Nikhil Chaturvedi,
(named in the SCN as M/s Dhaumya Exim LLP, through its Director Shri Sameer Chaturvedi)
406, VISTARA EMERALD, Unnamed Road, Arandia, Indore,
Indore, Madhya Pradesh, 452016
Email:- dhaumya.exim@gmail.com

(vi) M/s New Chem Plastics (named in the SCN as M/s New CHM Plastic),
804, Zinnia Building, Nahar Amrit Shakti,
Chandivali Farm Road, Andheri (E),
Mumbai (Maharastra)
Email:- newchemplastics@gmail.com

(vii) Shri Ashok Chandani, Proprietor of M/s New Krishna Transport,
225-B, Scheme No. 103, Kesar bagh Road, Indore
Email:-ashokchandani610@gmail.com

(viii) M/s Liladhar Pasoo Forwarders Pvt. Ltd. (Customs Broker),
Plot No.4, Sector No. 1, Marshalling Yard, K.S.E.Z, Gandhidham, Kutch-370230, India

Email:- info@liladharpasoo.com

(ix) M/s Kaushali International (Customs Broker),
102, Honeycomb CFS Building, 1st Floor, AT I.O.C.L. Link Road, Bharat CFS Zone, MUNDRA – KUTCH-370421
Email- nilay@kaushali.com

(x) M/s PAR Logistics LLP (Customs Broker)
67, Ashok Chamber, 4th Floor, 56, Devji Ratansi Marg,
Masjid Bunder (East), Mumbai-400009
Email:- raunak777@gmail.com, paresh@parlogistic.com

Copy to:

(i) The Additional Commissioner of Customs, CCCO, Ahmedabad.
(ii) The Commissioner of Customs, Indore.
(iii) The Additional Commissioner of Customs, SIIB Section, Indore.
(iv) The Superintendent (EDI), Customs Mundra for uploading on the website.
(v) Guard file/Office Copy.