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/45/2025-Adjn-O/o Pr Commr-Cus-mundra
B. Order-in-Original No.	**MUN-CUSTM-000-COM- 42 -26-27**
C. Passed by	Nitin Saini, Commissioner of Customs, Customs House, AP & SEZ, Mundra.
D. Date of order and Date of issue:	19.11.2026 19.11.2026
E. SCN No. & Date	30/2025-26/COMM/NS/ADJ/MCH Dated 21.11.2025
F. Importer	M/s KRM Plastics LLP

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 सीए3-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 -/ 1000रूपये 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

M/s. KRM Plastics LLP, having factory premises situated at 109-B, Sector-I, Industrial Area, Vikas Bhawan Road, Pithampur, Distt- Dhar (M.P.) (herein after referred to as "KRM") holding IEC no.-1116900203, are engaged in the manufacturing of FIBC, PP woven sacks and fabric under Chapter heading 39 of the first schedule to the Customs Tariff Act, 1975. They obtained 16 Advance Authorisation licences from the Director General of Foreign Trade (DGFT) for the duty-free import of PP Granules, purportedly for use in the manufacture and export of Flexible Intermediate Bulk Containers (FIBCs) (Attachment Bags, Builder Bags and Baffle Bags). The primary raw materials required for manufacturing these export products are Polypropylene (PP) Granules and U.V. Stabilizer Master Batches.

02. On the basis of information that KRM has diverted the 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. Accordingly, search operation were conducted on 12.09.2023 simultaneously at the declared factory premises of KRM situated at 109-B, Sector-I, Industrial Area, Vikas Bhawan Road, Pithampur, Distt- Dhar (M.P.) and Rau Khedi, 72, Centre Point, Dewas bye pass, Indore as well as the residential premises of the partner of said unit situated, at 48-A, Vistara Township, Bye-pass Road, Indore.

INVESTIGATION CARRIED OUT IN RESPECT OF M/S. KRM PLASTICS LLP, PITHAMPUR -

03. The details of premises of KRM were searched, are given as under –

Table No.1

Sr. No.	Address of the premises searched	Date of search	Remarks
1.	109-B, Sector-I, Industrial Area, Vikas Bhawan Road, Pithampur,Dhar (M.P.)	12.09.2023	The factory premises were found non-existing at the declared place.
2.	A-48, Vistara Township, Bye-pass Road, Indore	12.09.2023	All the incriminating documents were recovered from this place.
3.	Rau Khedi, 72, Centre Point, Dewas bye pass, Indore	12.09.2023	The premises found non existing.
4.	214, Sector-C,	06.10.202	No incriminating

	Sarvadham Colony, Kolar, Bhopal-462002	3	documents were found from premises.

During the course of search operation at the factory premises i.e. 109-B, Sector-I, Industrial Area, Vikas Bhawan Road, Pithampur, Distt- Dhar (M.P.)on 12.09.2023, it was found that no machinery was found in the premises in the said factory premises as is evident from the Panchnama dated 12.09.2023 (**RUD-I**) drawn on the spot. Further, search proceedings were also conducted on the same day at the residential premises of the partner of KRM Shri Utkarsh Bhave S/o Shri Ajay K. Bhave situated at A-48, Vistara Township, Bye-pass Road, Indore. Several legitimate and incriminating documents viz. copies of Advance Authorizations, copies of Bill of Entries, Ledgers, purchase and sales Invoices and several bank account details etc., were recovered from the residential premises of Shri Utkarsh Bhave, as detailed in the Panchnama dated 12.09.2023 drawn at A-48, Vistara Township, Bye-pass Road, Indore (RUD-II). In this regard on enquiry DGFT authorities informed vide their E-mail dated 01.11.2023 (**RUD-III**) that 16 Advance Authorization Licenses were issued to M/s KRM Plastics LLP holding IEC-**1116900203**, out of which 04 Advance Authorization Licenses has already been surrendered by the importer. The party holds only 12 live Advance Authorization Licenses as on 01.11.2023.

The details of all 16 Advance Authorization Licenses are given as under-

Table No.2

Sr. No.	**License No./ port of registration**	**Date**	**Import Validity**	**Export Validity**	**Goods to be Imported**	**Qty**
1	5611001325/ ININD6	05.12.2022	05.12.2023	05.06.2024	U.V Stablizer Master Batch	8 MTs
					PP Granules	448 MTs
2	5611001689 / ININD6	29.03.2023	29.03.2024	29.09.2024	U.V Stablizer Master Batch	8 MTs
					PP Granules	448 MTs
3	5611000799 / ININD6	17.02.2022	17.02.2023	17.08.2023	U.V Stablizer Master Batch	4 MTs
					PP Granules	224 MTs
4	5611000978 / ININD6	14.06.2022	14.06.2023	14.12.2023	U.V Stablizer Master Batch	4 MTs
					PP Granules	224 MTs

5	5611000955 / ININD6	31.05.2022	31.05.2023	30.11.2023	U.V Stablizer Master Batch	4 MTs
					PP Granules	224 MTs
6	5610005821 / INNSA1	13.02.2020	13.02.2021	13.08.2021	PP Granules	165 MTs
7	5611000036 / INNSA1	28.12.2020	-	-	U.V Stablizer Master Batch	3.92MTs
					PP Granules	215.68MTs
8	5611001528 / ININD6	03.02.2023	03.02.2024	03.08.2024	U.V Stablizer Master Batch	8 MTs
					PP Granules	448 MTs
9	5611001238 / ININD6	18.10.2022	18.10.2023	18.04.2024	U.V Stablizer Master Batch	6 MTs
					PP Granules	336 MTs
10	5611001136 / ININD6	26.08.2022	26.08.2023	26.02.2024	U.V Stablizer Master Batch	6 MTs
					PP Granules	336 MTs
11	5611001098 / ININD6	01.08.2022	01.08.2023	01.02.2024	U.V Stablizer Master Batch	4 MTs
					PP Granules	224 MTs
12	1110028626 / INNSA1	20.09.2019	20.09.2020	20.03.2021	U.V Stablizer Master Batch	2 MTs
					PP Granules	107.843 MTs
13	11100282 42	09.02.2016	Surrendered to DGFT on 25.02.2022			
14	11100282 43	09.02.2016	Surrendered to DGFT on 31.08.2018			
15	11100282 89	06.06.2017	Surrendered to DGFT on 25.02.2022			
16	11100282 90	06.06.2017	Surrendered to DGFT on 31.08.2018			

04. In the statement recorded under section 108 of the Customs Act, 1962 on 12.09.2023, Shri Utkarsh Bhave S/o Shri Ajay K. Bhave (Partner of M/s. KRM Plastics LLP, Pithampur) inter-alia stated –

- That KRM Plastics was incorporated on 07.04.2016. He and his wife Ms. Richa Bhave were partners in that firm. They started as a merchant exporter of FIBC and PP woven sacks. Then, they established their own manufacturing unit in 2017. Most of the works in respect of that firm were being looked after by him. His wife was a sleeping partner.
- That M/s KRM Plastics LLP was initially started its operations of manufacturing of FIBC & PP Woven Sacks at 2-A, SDA Compound, Lasudia Mori, Dewas Naka Indore. The premise was shifted to 72, Raukhedi, Near Centre point, A.B. Road Indore. Thereafter, since 2021 M/s KRM Plastics LLP was shifted to Plot No. 109-B, Sector-1, Near Vikas Bhawan, Pithampur, Distt. Dhar. But the said premise has also been vacated in March, 2023. After March, 2023 the operations of their business were being done from his residential premises situated at A-48, Vistara City By pass Road Indore.
- That Machines are placed at a local premises located somewhere in Palda under the possession of Mr. Vikram Tiwari, Director of M/s Rudransh Primepack Pvt. Ltd. The machines were purchased by him. There were several machines like Bailing Machine, Printing Machine, Stitching Machine, Needle Loom etc. and they have procured the machines by paying all the applicable duties. Further, he informed that he has Purchase Invoices for the same and the same will be submitted by him in due course of time.
- That the firm was engaged in manufacturing of FIBC and PP woven sacks. He generally get his goods manufactured through job workers. In some cases, he has purchased fabric by selling PP granules and even in some cases PP granules are bartered with fabric.
- That the P.P. granules being the core raw material are purchased by both ways i.e. from domestic suppliers and through import. The major suppliers in domestic market are M/s Vini Plastics, Indore, M/s Bhaskar Resins Pvt. Ltd., Indore. The import is majorly from M/s Overseas Polymers Pvt. Ltd., Mundra.
- That he has not imported any consignment directly. However, he purchased three consignments through high sea sale. He has been obtained Advance Authorization licenses from DGFT in respect of their IEC-**1116900203**.
- That he has no figure in relation to Bills of entries. However, he provided a list of Bills of Entries and copy of Bills of entry vide which raw material had been procured by his firm against the Advance Authorizations issued to him.
- That on being asked about the obligations, which are required to be complied for in case of import done through Advance Authorizations, he is aware of the obligations and consequences made towards export done under duty free import.

- That the obligations are not fulfilled, but he is trying to get the obligations fulfilled as per the license validity by exporting finished goods purchased indigenously.
- That on being asked about any deviation from the conditions of Advance Authorization License such as sale of imported raw material in local market will attract penal actions as per Customs Act, 1962, he deposed that the consequences well known to him but he was left with no option but to purchase goods from local suppliers.
- That the imported raw material, which were imported under Advance Authorizations have been sold to local buyers under proper GST invoices and E-Way bill(wherever required) for which GST was paid by the recipient. However, in some cases the payment is still not received from some buyers.
- That, some parties knew that the goods that he was selling various parties are imported by him under Advance Authorization Scheme by availing the duty benefits. Most of the conversations were held telephonically.
- That the major recipients are M/s Friscon Polyfabs Pvt. Ltd., Pithampur, M/s New Chem Plastics, Mumbai, M/s Virat Tradecorp, Indore, M/s Vinayak Polyplast, Indore, M/s Ojaswa Polypack, Indore etc.
- That he has issued GST invoices only demanding GST components i.e. IGST in cases of inter state supply and CGST & SGST in cases of Intra state supply.
- That he has procured raw material from importers under Bond Transfer i.e. X Bond under Advance authorization for which no import duty (BCD, CESS, IGST) was charged or paid. The raw material was sold to local buyers through direct sale from the importer (KRM) directly as well as by getting the consignment sold after reaching their manufacturing unit.
- That the goods i.e. raw material was sold by them from the warehouse to the buyers directly and invoices have been issued. In those cases buyers have generated E-way Bill.
- That the unit price of PP granules varies from Rs. 80 to Rs. 130 (International price in INR) per KG. The PP Granules are being sold by them at the rate of Rs. 82 (in case of purchase price of Rs. 80 per KG) with applicable GST @ 18 %.
- That the sales made to M/s Friskon Polyfab Pvt. Ltd., Pithampur Indore have been done at the rate of procurement i.e. import rate. None of the consignments of imported raw materials were ever sent to job work for processing.
- That, he agreed that goods are not in his possession as the same has already been sold out in local market. The concerned sales ledger has already been submitted during panchnama proceedings dated 12-9-2023 in respect of major recipients.

- He has purchased two consignments from M/s Friskon Polyfab Pvt. Limited, Pithampur in the month of March 2022. That he was not aware about the invoices pertaining to FY 2022-23.
- That he has been shown the initial duty calculation sheet. The value as per the sheet shown was given as under:-

Total Assessable Value	Rs. 24, 04,71,890/-
Total BCD @7.5%	Rs. 1,80,35,392/-
SWS @ 10%	Rs. 18,03,539/-
IGST @ 18 %	Rs. 4,68,55,948/-
Total	Rs. 6,66,94,879/-

- That he agreed with the figures mentioned hereinabove, as the same have been calculated as per the details provided by them.

05. In view of the above, Shri Utkarsh Bhave has been arrested on 13.09.2023 under section 104 of the Customs Act, 1962 for the offences committed under section 135 of the Customs Act, 1962 read with the provisions as laid down in Notification No.18/2015-Cus dated 01.04.2015 and produced before the Magistrate of Economic Offence Court, Indore.

06. Further, letter vide F. No. CUS/SIIB/INT/510/2023- O/o-COMMR-CUS/INDORE/2152 dated 26.09.2023 was also issued to the Assistant Commissioner, State Tax, Circle-02, Indore Division-I, Chetak Chambers, R.N.T. Marg, Indore informing the case status of KRM as the GSTIN-23AAQFK3625H1ZB was under the control of State GST and sought whether any investigation pending against them. The Assistant Commissioner, State Tax, Circle-2, Indore vide letter F. No. nil dated 04.10.2023 (RUD-V) informed this office that they have booked GST evasion case against KRM under the provisions of GST Act, 2017 covering the period 2017-18 to 2020-21. In view of the above, it is crystal clear that KRM is a habitual offender and other agencies also booked cases against them.

07. Further, on detailed verification of records seized during the search operation dated 12.09.2023 and import-export made by KRM were examined and it was found that he had imported total **3195.24** Metric Tons of PP granules under 12 (04 licenses were already surrendered by them as per DGFT) Advance Authorization Licenses. Further, during the Search operation, some incriminating invoices of diversion of the said goods were also recovered from the residential premises of partner of KRM.

08. 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, KRM had been

issued 16 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.

09. The details of the total import made by KRM during the period 25.11.2020 to 12.09.2023 is given as under –

DETAILS OF IMPORT MADE BY M/S. KRM PLASTICS LLP, PITHAMPUR

Table No.3

Sr. No.	Lic No.	Date	Bond No.	Bond Date	BoE	BOE Date	Port of import	Quantity (in MTs)	CIF-(INR)
1	5611001325	5/12/2022	2002071047	6/12/2022	3631104	7/12/2022	Pipavav	24.5	2146741
2					3632967	7/12/2022	Nhava sheva	17.5	1542433
3					3665464	9/12/2022	Pipavav	25	2190552
4					3673046	9/12/2022	Mundra	24.5	2070287
5					3732563	14-12-2022	Mundra	23.5	2021018
6					3885325	23-12-2022	Nhava sheva	48	4224000
7					3893092	24-12-2022	Nhava sheva	48	4224000
8					3959783	29-12-2022	Mundra	25	1921650
9					4002143	2/1/2023	Mundra	24.5	1883217
10					4031925	4/1/2023	Mundra	16	1176781
11					4040587	5/1/2023	Mundra	32	2353563
12					4079533	7/1/2023	Mundra	16	1176781
13					4104538	9/1/2023	Mundra	48	3530344
14					410444	9/1/202	Mundr	48	3530344

					4	3	a		
15	56110007799	17-02-2022	2001964818	18-02-2022	7629461	24-02-2022	Nhava sheva	49.5	5660434
16					7788874	9/3/2022	Mundra	16	1567461
17					7870862	15-03-2022	Mundra	16	1516182
18					7969417	22-03-2022	Hazira, Surat	16	1522182
19					8060478	29-03-2022	Hazira, Surat	16	1522182
20					8143982	5/4/2022	Hazira, Surat	16	1522182
21					8182879	7/4/2022	Mundra	25	2780710
22					8185177	8/4/2022	Mundra	25	2780710
23					8313634	18-04-2022	Hazira, Surat	16	1681464
24					8960018	3/6/2022	Mundra	24.75	2807806
25	5611000978	14-06-2022	2002007758	14-06-2022	9824582	2/8/2022	Mundra	75	7552145
26					9816059	1/8/2022	Mundra	14	1409258
27					9875445	5/8/2022	Mundra	25	2517382
28					9875541	5/8/2022	Mundra	25	2517382
29					9902713	6/8/2022	Mundra	46	4631982
30					2153002	25-08-2022	Mundra	39	3568801
31	5611000955	31-05-2022	2002001821	31-05-2022	9004474	7/6/2022	Mundra	74.25	8423418
32					9139539	16-06-2022	Mundra	16	1912799
33					9173677	18-06-2022	Sanand A'bad	24.75	2863962
34					9714742	25-07-2022	Mundra	25	2517382
35					9761618	28-07-2022	Mundra	25	2519850
36					9782760	29-07-2022	Mundra	23	2315991
37					9816059	1/8/2022	Mundra	11	1108124
38	5611001528	3/2/2023	2002093016	6/2/2023	4556906	8/2/2023	Mundra	24.5	2056677
39					4569893	9/2/2023	Mundra	29.5	2427850

40					4569892	9/2/2023	Mundra	20	1646000
41					4649739	15-02-2023	Mundra	44	4223746
42					4677065	16-02-2023	Mundra	30	2880074
43					4722542	20-02-2023	Mundra	41.5	3962577
44					4763208	23-02-2023	Mundra	25	2399856
45					4839969	28-02-2023	Pipavav	49.5	4014203
46					4841760	28-02-2023	Mundra	24	2243795
47					4878458	2/3/2023	Mundra	25.75	2143420
48					4892167	3/3/2023	Mundra	24	2208057
49					5084694	17-03-2023	Mundra	50.25	4522611
50					5140930	20-03-2023	Mundra	48	4320094
51					5573758	19-04-2023	Nhava sheva	13	1165499
52	5611001238	18-10-2022	2002055366	20-10-2022	3147303	3/11/2022	Mundra	22	2024096
53					3203422	7/11/2022	Mundra	23	2116101
54					3243436	10/11/2022	Mundra	23	1972870
55					3310849	15-11-2022	Mundra	67	6022446
56					3325417	16-11-2022	Mundra	24	2157294
57					3355390	18-11-2022	Mundra	24	2157294
58					3365782	18-11-2022	Mundra	24	2157294
59					3396593	21-11-2022	Mundra	21	1887632
60					3432890	23-11-2022	Pipavav	49.5	4337293
61					3435337	23-11-2022	Pipavav	24.5	2146741
62					3530958	30-11-2022	Pipavav	24.5	2146741
63					3576173	3/12/2022	Nhava sheva	8.5	749182
64	5611001136	26-08-2022	2002034204	23/8/2022	2352736	8/9/2022	Mundra	48	5376984
65					250532	19-09-	Mundr	48	5376984

					7	2022	a		
66					2571861	23-09-2022	Mundra	24	2328045
67					2655733	29-09-2022	Mundra	24	2328181
68					2679944	30-09-2022	Mundra	24	2328181
69					2719812	3/10/2022	Mundra	24	2328181
70					2750566	6/10/2022	Mundra	24	2328181
71					2812214	10/10/2022	Mundra	24	2328181
72					2864536	13-10-2022	Mundra	24	2328124
73					2883398	14-10-2022	Mundra	16	1552357
74					2917536	17-10-2022	Mundra	16	1552083
75					2949285	19-10-2022	Mundra	31.5	2898138
76					3576173	3/12/2022	Nhava sheva	6	528834
77	5610005821	13-02-2020			9703888	25-11-2020	Sanand A'bad	128	10465032
78					2110119	25/12/2020	Mundra	15.53	1098044
79					3903298	11/5/2021	Nhava sheva	20.34	2264202
80	5611000036	28-12-2020			3903298	11/5/2021	Nhava sheva	135.66	15101359
81					4583915	6/7/2021	Mundra	24.75	2314878
82					4748359	20-07-2021	Mundra	16	1422204
83					4786102	23-07-2021	Mundra	0.001	89
84					4878689	31-07-2021	Mundra	15.99	1422115
85	5611001689	29-03-2023	2002110668	30-03-2023	5573758	19-04-2023	Nhava sheva	35	3134565
86					6996042	22-07-2023	Mundra	24	1794672
87					6997699	22-07-2023	Mundra	24	1794672
88					7068338	27-07-2023	Mundra	24	2000082
89					7069750	27-07-2023	Mundra	24	2000082
90					7087051	28-07-2023	Mundra	24	1794672

91					7144288	1/8/2023	Mundra	24	1794672
92					7166061	2/8/2023	Mundra	24	1794672
93					7164738	2/8/2023	Mundra	24	1959243
94					7177956	3/8/2023	Mundra	24	1794672
95					7208545	5/8/2023	Mundra	48	3589343
96					7245296	8/8/2023	Mundra	28	2093784
97					7289426	10/8/2023	Mundra	1	83337
98					7334280	12/8/2023	Mundra	24	1772594
99					7448000	21-08-2023	Mundra	24	1772594
100					7504675	24-08-2023	Mundra	8.95	669413
101					6967994	20-07-2023	Mundra	24	1794670
102					6961175	20-07-2023	Mundra	0.02	1795
103					9948381	10/8/2022	Mundra	27	2718772
104					9949807	10/8/2022	Mundra	53	5336849
105	5611001098	1/8/2022	2002025482	1/8/2022	9993855	13-08-2022	Mundra	48	4916167
106					2036806	17-08-2022	Mundra	25	2560503
107					2052854	18-08-2022	Mundra	23	2355663
108					2108144	22-08-2022	Mundra	48	4916167
109	1110028626	20-09-2019			2426842	20-01-2021	Mundra	24.75	2381866
								3195.24	**29,57,96,841**

The detailed calculations of duty foregone on the imports undertaken by KRM which was diverted in domestic market in violation of conditions of Notification No.18/2015-Cus dated 01.04.2015 is given as under as per above data –

Total Assessable Value	Rs. 29,57,96,841/-
Total BCD @7.5%	Rs. 2,21,84,763/-
SWS @ 10%	Rs.22,18,476 /-

IGST @ 18 %	Rs. 5,76,36,014/-
Total	**Rs. 8,20,39,253/-**

In view of the above, total duty worked out to be Rs. **8,20,39,253**/- as detailed in the above table is recoverable from M/s. KRM Plastics LLP, Pithampur under the provisions of the Customs Act, 1962. Further, it is also noticed from above table that total 74% imports were taken place from Mundra Port, Gujarat.

INVESTIGATION CARRIED OUT IN RESPECT OF SHRI UTKARSH BHAVE, THE PARTNER OF M/S. KRM PLASTICS LLP, PITHAMPUR-

10. Further, in response to Summon issued vide CBIC DIN-20231269OK0000823098 dated 13.12.2023, Shri Utkarsh Bhave, the partner of KRM appeared on 15.12.2023 for recording his voluntary statement (RUD-VI) under Section 108 of the Customs Act, 1962, wherein he inter-alia stated as under-

- He has fully agreed with the facts of the statement recorded on 12.09.2023 under section 108 of the Customs Act, 1962.
- Further, on being asked about the details of supplier from whom KRM Plastics LLP purchased goods under high seas sales agreement, he deposed that he purchased imported goods from M/s. Overseas Polymers Pvt Ltd, Ishaan Plastic, SP Industries and few other firms. Maximum imports were done from M/s. Overseas Polymers Pvt Ltd. On being asked, Mr. Bhave deposed that all imports were done via High Sea Sales Agreements, which were imported without payment of duty under Advance Authorization Scheme. In this regard, all the payments were done to M/s. Overseas Polymers via Banking channel in Advance. Most of the payments were done via their ICICI Bank Account Number 384805000623, goods were out of charged from the port of import within three to four days from the date of payment.
- On being asked about the source of fund for payment to Overseas Polymers or other supplier, Mr. Bhave deposed that KRM received fund from various parties i.e M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises, which they deposited in the account of M/s. Overseas Polymers. Mr. Bhave submitted relevant pages of Bank statement of ICICI Bank Account Number 384805000623. As per the said Bank statement, he marked amount, which was deposed in their account as A and payment which was subsequently disbursed to the account of Overseas Polymers as A1, Similarly, he has marked B, C, D….. to all the transactions that he had received from various parties like M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises and M/s. Giriraj Enterprises (which is one of the linked companies of Mr. Vikas Jain of M/s. Yashika

Enterprises) and corresponding payment done to M/s. Overseas Polymers is marked as B1, C1, D1...etc. so on. Further, he deposed that actually the import done by him from M/s. Overseas Polymers is financed by other buyers i.e. M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises. In reality, KRM is importing PP granules for them and in lieu of it, he got some amount as commission. Payment pattern is similar in case of Ishaan Plastic and other suppliers also from where he purchased goods via High Sea Sale Agreement. Further, Mr. Bhave deposed that he has supplied the imported goods on the direction of the parties who made payment in advance to him (which they disburse for High Sea purchase of goods).

- Further, Mr. Bhave deposed that buyers like M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises were well aware of the fact that the goods PP granules were imported without payment of duty. In support of his statement, he have submitted copies of Whatsapp chat or other relevant information with buyers of goods i.e. M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises. Further, they submitted whatsapp chat held on 16.02.2023 between Mr. Utkarsh Bhave and Mr. Anshul Agarwal (Director of M/s. Friscon Polyfab Pvt Ltd), wherein they have been chatting about the transaction that were marked as II and II1 in ICICI bank statement. He has also submitted whatsapp chat held on 02.03.2023, wherein Mr. Anshul Agarwal talked about the transaction that were marked as OO and OO1 in their ICICI Bank statement. In both the statements, Director of M/s. Friscon Polyfab Pvt Ltd was chatting regarding imports that were done by KRM.
- On being asked, Mr. Bhave deposed that generally, the price of PP granules that KRM purchased from M/s. Overseas Polymers was Rs.80/- to Rs.100/- per KG, which was sold by him with meager margin of Rs.1 or R.2 as their commission/ profit.
- Further, Mr. Bhave deposed that M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises (Prop. Vikas Jain) were the beneficial owners as they exercise complete control over the duty free import of goods i.e. PP granules under Advance Authorization Scheme. The goods were also diverted either to them or on their directions to other buyers. He has submitted relevant whatsapp chat as evidence that M/s. New Chem Plastics, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises were having complete control over the transaction between KRM and Overseas Polymers, being the beneficial owners.

11. Statement under Section 108 of Customs Act 1962 of Shri Utkarsh Bhave, the partner of KRM was again recorded on 21.06.2024 (RUD-VII), wherein he inter-alia stated as under-

- On being asked, he deposed that his present residential address is 109-B, Divine Greens, Nipania, Indore and his contact no. is 78699-62259. Further, he sought some time to provide details in respect of e-way bills, relating to imports under concerned Advance authorization Licenses from the period 01.04.2021. He also stated that presently he is working as an Exports Manager in Periflex FIBC Private Limited located in Digthan, Ujjain industrial area and also informed that there is no other source of income during 2022-23 or 2023-24.
- Further, on being asked, he stated that buyers whom he mentioned, used to contact him for the current material rates. Buyers used to pay him the amounts excluding the duty amount adding some amount as a commission on the import rate. There also have been incidences where the buyer used to finance him for purchasing license as well. After receiving the amount, he used to transfer that to his supplier. His supplier used to make the High seas sale agreement and he used to send it to his CHA. CHA used to process the document from the customs and used to get the material released from the customs. Once the goods released from the customs, his buyer used to place their vehicle at the port and send the goods to their assigned destination. E- way bills were either generated from his end or buyer's end. In majority cases, he was not aware regarding the final destination of the goods.
- On being asked about the substantial credit amount in his (KRM) ICICI business account no. 384805000623 for the period 01.01.2024 to 31.05.2024, he deposed that currently, he is not aware about these transactions so need some time to revert reply on the same. Also, he did apologies as the above statement contradictory with his previous reply.
- Further, Mr. Bhave, the partner of KRM duly agreed that he has violated the provisions of Customs Act, 1962 by way of diverting goods / sold out in the domestic market without paying applicable customs duty, which was imported duty free under various Advance Authorization Licenses and sought some time to deposit the applicable duty amount along with interest and penalty.

12. Statement of Shri Utkarsh Bhave, the partner of KRM was recorded under Section 108 of Customs Act 1962 on 29.08.2024 (RUD-VIII), wherein he inter-alia stated as under-

- That he has made a payment of Rs.55,000/-. The challans for the same are produced by him. This payment is subject to Bill of Entry no. 6967994 dated 20.07.2023. Further, he requested to en-cash Bank Guarantee no. 39769104076 for Rs.5,60,000/- for the purpose of recovery of duty payment, which was executed before the Customs Department with State Bank of India, Branch- Govindpura, Bhopal.

- On being asked about the details of total export done since the inception of his firm i.e. KRM Plastics LLP and produce the last Shipping bill for export of goods, he deposed that he was informed about this query instantly, therefore he need some time to gather the information.
- On being asked to produce all Advance Authorization Licenses and relevant Bill of Entries, on the strength of which he has imported PP granules and also, produce relevant copies of Shipping bills along with EODC for each Advance Authorization license and if he has diverted/ sold the imported goods in the local/DTA units, then submit the details of same along with invoices, he deposed that he has diverted/sold all the imported PP granules to the local market/ DTA units, which were imported under 12 Advance Authorization Licenses. Approx. 70% invoices have already been provided by him and remaining invoices will be provided within a week time.
- That the imported duty free goods, consigned to Indore on inward basis, which were directly diverted to M/s. Friscon Polyfab Pvt Ltd. Invoices for these vehicles were given to Friscon Polyfab Pvt Ltd on their company owned vehicle after 2-3 days. Vehicles, other than the delivery made at M/s. Friscon Polyfab Pvt Ltd, he did not generate any documents from the subsequent port. M/s. Friscon Polyfab Pvt Ltd used to generate their own invoice to whom so ever material was to be delivered. In both the above cases, transporter was regulated by M/s Friscon Polyfab. For, M/s. New Chem Plastic, Mumbai they used to generate their invoices from where they used to send the goods wherever they wanted to send. In most of the cases, CHA was deployed by New Chem Plastic only. Transporter was deployed by M/s. New Chem Plastic, Mumbai. M/s. Yashika Enterprises and the connected transactions had the same kind of pattern like M/s. Friscon Polyfab Pvt Ltd. Further, he submitted that the invoice wise details of M/s. New Chem Plastic, M/s. Friscon Polyfab Pvt Ltd and M/s. Yashika Enterprises, wherein he has diverted the duty free imported material to their premises under effective control by their Directors/partners/proprietors.
- On being asked about the Bond/ Bank Guarantee executed by him, he deposed that one of the Bond License was executed under the Bank Guarantee and rest of them did not carry any Bank Guarantee. As per Customs Public Notice 140/2016 dated 25.10.2016, point (d), manufacturer exporters registered under Central Excise, who have been exporting goods worth Rs.1 crore or more are exempted from the Bank Guarantee.
- Further, he deposed that State GST has searched their factory premises during the year 2022 and found that goods in the factory premises were not as per the books. Accordingly, as per investigation carried out by State GST, they raised the demand of duty and he has paid/reversed ITC to the tune of Rs.45 lakh after search proceedings/ investigation conducted by

the State GST Department. In that case, he preferred Appeal before the Appellate Authority, State GST, Indore. Further, he informed that Mr. Vikas jain, the Proprietor of M/s. Yashika Enterprises arranged fake purchase invoices to get the ITC in his Electronic Credit Ledger. For this purpose, Mr. Vikas Jain has to pay certain amount for arranging these purchase invoices. Basically, these invoices arranged from the units located in Gujarat, Delhi, Maharashtra, Madhya Pradesh and Rajasthan.

- Further, he deposed that he had charged SGST, CGST and IGST wherever applicable on the sale invoices to sell out the imported duty free goods and added his profit margin for Rs.1 or Rs.2 per Kg. Further, he sold the goods imported under Advance Authorization scheme to mainly M/s. New Chem Plastics, Mumbai, M/s Friscon Polyfab Pvt Ltd, Pithampur, M/s. Yashika Enterprises (Prop. Mr. Vikas Jain) and related other customers as directed by these firms. As he received advance payment say Rs.20 lakh against any invoice/consignment, which he has to deliver them and raised invoice say for Rs.22.50 Lakh. But, actually, he got only Rs.20 Lakh for the said goods and Rs.30,000/- to Rs.40,000/- as his commission. In some instances, he received total amount of invoice raised, but he has to refund the amount after deducting the value of goods i.e. GST amount refunded to them. This kind of pattern utilized by all the firms stated above including the firms related with Mr. Vikas Jain.
- That, there are so many units in collaboration with Mr. Vikas Jain (Prop. of M/s. Yashika Enterprises). Some of the names are M/s. Giriraj Enterprises, M/s. Raffia Polymers, Ahmedabad, M/s. Om Enterprises, Surat, M/s. Shikha Enterprises, Indore, M/s. M. R. Enterprises, Gandhi Nagar, M/s. Ma Shakti Enterprise, Vadodara, M/s. Bulk Bag Corp, Pune, M/s. Nutan Polyfab LLP, Rajkot etc. Mr. Vikas jain directed him to transfer the money immediately to their account or the account as instructed by Vikas Jain, which was credited in Mr. Bhave's ICICI bank Account No.384805000623 of KRM. Further, other kind of abatement provide to Mr. Bhave by Mr. Vikas Jain is already discussed in previous question. Apart from Mr. Vikas Jain, Shri Avinash Rungta and Shri Anshul Agarwal, the Directors of M/s Friscon Polyfab Pvt Ltd, Pithampur and Shri Alok Bagaria, the Director of M/s. New Chem Plastics, Mumbai also involved in abating in duty evasion and violation of Advance Authorization Scheme being the actual financial beneficial owners.

On plane reading of the statements deposed by Mr. Utkarsh Bhave, it appears that he was involved in the import of duty free PP granules under various Advance Authorization licenses and diverted the same into the domestic market with the sole intention to evade payment of Customs duty and in the whole nexus Mr. Vikas Jain, Shri Avinash Rungta, Shri Anshul Agarwal and Mr. Alok Bagaria have abated KRM in violation of condition no. x of Notification no.18/2015-Cus dated 01.04.2015 read with para 4.16 of FTP-2015-20.

INVESTIGATION CARRIED OUT IN RESPECT OF SHRI AVINASH KUMAR RUNGTA AND SHRI ANSHUL KUMAR AGARWAL, THE DIRECTORS OF M/S FRISCON POLYFAB PVT LTD, PITHAMPUR –

13. Summon vide CBIC-DIN- 20230969OK0000722747 dated 15.09.2023 was issued to Shri Avinash Kumar Rungta, the Director of M/s. Friscon Polyfab Pvt Ltd, Pithampur, who was appeared to depose their statement under section 108 of the Customs Act, 1962 on 15.09.2023 (RUD-XII), wherein he inter-alia stated as under-

- That his name is Avinash Kumar Rungta S/o Shri Dinesh Prasad Rungta. He has been residing at RH-48, Ashirwad Villa, Indore, Madhya Pradesh- 452 010 in rental premises since 2021. He was earlier residing at 302, Gulmohar, C-wing, Ashirwad Villa, Indore, Madhya Pradesh- 452 010, i.e., the address mentioned in the Aadhar card. However, he shifted from the said flat to duplex in the same society having address RH-48, Ashirwad Villa, Indore, Madhya Pradesh-452010 in 2021. He has done BE (Marine) from M.E.R.I., Kolkata, West Bengal. Earlier he was sailing on ships and left from the position of the second engineer from Zodiac Maritime Limited, UK. Then, he associated with M/s Friscon Polyfab Private Limited in 2020 in full capacity as Director.
- That M/s Friscon Polyfab Private Limited, Pithampur is engaged in manufacturing of PP Bags from PP Granules as per customers' requirements such as Cement Bags, Sugar Bags, DOC Bags, Box Bags, Bulk Bags etc. At present, M/s Friscon Polyfab Private Limited, Pithampur is having two directors, second one being Mr. Anshul Agrawal. They both take care of almost all the activities of M/s Friscon Polyfab Private Limited which includes purchasing, selling, customer acquisition, production, planning, maintenance etc. through their team.
- That**,** the major raw material consists of PP Granules, Calcium (filler), Master Batch. In small quantity, they use UV, TPT (transparent filler), LDPE (for lamination purpose). They, also use liners in few orders such as Sugar Bags, fertilizers bags some soya bags and some FIBC bags. Major Supplier of their raw materials are: Reliance Industries, IOCL, HMEL, Tricon, Of business, KRM Plastics LLP, Bajaj Plast, Raj Plasti Blends, Sanwaliya polymers, NS Engineering.
- That, M/s Friscon Polyfab Private Limited, Pithampur is engaged in manufacturing of PP Bags from PP Granules as per customers' requirements such as Cement Bags, Sugar Bags, DOC Bags, Box Bags, Bulk Bags, BOPP Bags etc. Their major customers are: - Ultratech Cement Limited, JK Cements, Dhanuka Soya, Patanjali Foods, Abis Industries, Suguna feeds, Grasim Industries, Betul Oil, Adani Wilmar, Rama phosphate etc.

- That, at the Inward- Initial check at the entrance gate followed by weight verification at the weigh bridge (In-house) then unloading at designated place. At the Outward- Vehicle loading from designated area followed by weight verification at weigh bridge (In-house) as per packing list which leads to invoice and e-way bill generation which corresponds to packing list quantity. Final checks also done at the gate which finishes the outward formalities.
- That the firm has not imported any of raw materials till date. Further, during the search operation, of the factory premises, the search team found 10 empty bags and 3 filled bags of foreign origin PP Granules, he informed that he has not imported the said material. However, he purchased the foreign origin raw materials from different traders such as: Tricon, Of business etc. Also, he could not produce any documents for said bags at that time. The panchnama proceedings recorded during the search operation dated 14.09.2023 was shown to Mr. Avinash Kumar Rungta. He is completely satisfied by the said proceedings.

14. Further, statement of Mr. Avinash Kumar Rungta was recorded on 21.09.2023 under CBIC DIN 20230969OK0000555F7C dated 15.09.2023, which inter-alia he stated –

- That, he has produced 1 file containing pages from page No. 1 to 167 wherein he has produced the following documents: -

(i) Ledger of sales made to M/s KRM Plastics LLP for the period form 01.04.2021 to 14.09.2023.

(ii) Form No. 16A in respect of M/s KRM Plastics LLP for FY 2021-22 & 2022-23

(iii) Ledger of purchases made from M/s KRM Plastics LLP for the period form 01.04.2021 to 14.09.2023.

(iv) Bank statements of Union Bank of India showing all transactions made with M/s KRM Plastics LLP for the period form 01.04.2021 to 14.09.2023.

(v) Ledger in respect of payment made to M/s KRM Plastics LLP for the period form 01.04.2021 to 14.09.2023.

(vi) Ledger in respect of payment received from M/s KRM Plastics LLP for the period form 01.04.2021 to 14.09.2023.

(vii) Copy of Import Export Code Certificate.

(viii) Copy of 2 advance authorization issued by DGFT (License No. 5611000405 dated 29.07.2021 and License No. 5611000811 dated 02.03.2022)

(ix) Ledger of raw material (Exempt) procured against above referred advance licenses along with copy of bills issued by Reliance Industries Limited.

(x) Ledger of export sales for the period from 01.04.2021 to 14.09.2023 along with copy of 3 invoices, 3 shipping bills, 3 intimation to CGST regarding stuffing of container in respect of M/s Dev Ventures and 4

invoices, 1 shipping bill and 4 intimations to CGST regarding stuffing of container in respect of M/s KRM Plastics LLP.

(xi) Trail Balance in respect of import and export for FY 2021-22 and 22-23

(xii) MoU done with different Granules producers such as: IOCL, HMEL, Reliance and sales contract with Ultratech Cement Ltd. along with sample invoices of M/s Ultratech Cement Ltd, M/s Grasim Industries Ltd and M/s JK Cement Works.

- That he submitted copy/print out of statement for the period 01.09.2023 to 20.09.2023 of account no. 10085166532 of IDFC First Bank from Net Banking for the purpose of address proof. As per the said statement his current address is "House No. 48, Ashirwad Villa, Near D Mart, Nipaniya, Indore–452010. Further, regarding procurements of foreign origin PP Granules found during the search, they have submitted copy of invoice no. TI/MH23-24/04914 dated 31.08.2023 issued by OFB Tech Pvt. Ltd., 511, 5th Floor, Corporate Annexe, Sonawala Road, Goregaon East, Mumbai having GSTIN: 27AACCO1867C1ZL. Copy of the E-way bill is also submitted with the said invoice. Empty Bags found during the search also pertains to the goods procured through above said invoice only.
- Further, he stated that in their GST registration, address of the plant i.e., Plot No. 108, Smart Industrial Park, Near NATRIP, Pithampur, Dhar is registered as principal place of business and the other address i.e., 401-B, Apollo Enclave , 14/1 Old Palasia, Indore is registered as the additional place of business. He has submitted the GST registration certificate in this regard. Till last month, he was operating his office and maintaining accounts at 401-B, Apollo Enclave, 14/1 Old Palasia, Indore which is residential premises of one of the Directors of the Company i.e. Mr. Anshul Agarwal. He has shifted his office at above address on 01.09.2023. He was aware of the provisions. In this connection, he was doing all the required paper work for change of address from 401-B, Apollo Enclave, 14/1 Old Palasia, Indore to 104, Shri Krishna Classic Building, Phadvnis Colony, AB Road above Axis Bank, Near CHL Hospital, Indore as additional place of business.
- That, the inward register contains the details of all type of materials which includes inputs or any other material coming to the factory. The said register is maintained at the factory main gate by the security guard. The security guard makes the entry of material of the basis of invoice/supporting purchase documents. The Security guard on duty put his signature against each entry. The security guard then informs the concerned person regarding receipt of the material. The register contains following entries: -

  Sr. No., Receipt Date, Challan / Invoice No., Challan / Invoice Date, Name of party, Name of goods, Quantity of goods, weight of goods,

Vehicle No., Transporter Name and bilty No., In time, Out time and signature of security/gate keeper.

Usually, all material enters in the factory premises after checking at the main gate and entry in the said register. The chances of missing any entry are very rare**.** However, in case if any entry has been missed in the said register maintained at the gate, the same will reflect in subsequent reporting and no material can go unaccounted. All the entries are made in their tally account and the tally maintained by them is final.

- That, the outward register contains the details of all type of materials which includes finished goods, inputs removed as such, samples or any other material going outside the factory. The said register is maintained at the factory main gate by the security guard. The security guard makes the outward entries of material on the basis of invoice/supporting sale documents/outward challans. The Security guard on duty put his signature against each entry. The register contains following entries: -

  Sr. No., Date, Out time, Vehicle No., Name of party, Material, Quantity, Challan No., Signature of security/gate keeper.

  Usually, all material go outwards from the factory premises after checking at the main gate and entry in the said register. The chances of missing any entry are very rare**.** However, in case if any entry has been missed in the said register maintained at the gate, the same will reflect in subsequent reporting and no material can go unaccounted. All the entries are made in their tally account and the tally maintained by them is final.
- Further, on being asked about Company truck reading register seized during the search at M/s. Friscon Polyfab Pvt ltd, Mr. Avinash Rungta stated that they don't have much information about that register. However, Vehicle No. MP09GJ0195 is a loading vehicle and belongs to M/s Friscon Polyfab Private Limited, Pithampur. Further, from the register it appeared that the said register pertains to movement of vehicle no. MP09GJ0195.
- That, on being asked about the business relation with KRM, they stated that **t**he partner of M/s KRM Plastics LLP Mr. Utkarsh Bhave approached their firm for export purposes and have made order of 2 containers in February 2022 for which they have supplied two containers in March, 2022. In this regard, he has paid some amount as advance. He applied for advance authorization licenses for bags for the same for procuring 150 MT of PP granules from Reliance Industries Limited (SEZ). They procured 92 MT of PP granules from M/s Reliance Industries Limited (SEZ) against that Advance Authorization bearing No.56110008111 dated 02.03.2022**.** Against this advance authorization No.56110008111 dated 02.03.2022**,**he has exported 04 containers of PP Woven sacks valued at Rs.1,26,96,975/- through M/s. KRM Plastics LLP. Out of 4 shipping bills, he has submitted copy of shipping bill dated

29.08.2022. He assured to provide copy of rest 3 shipping bills in the next hearing. His company is involved in both sale to as well as purchase from M/s KRM Plastics LLP.

- That, Mr. Utkarsh Bhave, the partner of M/s KRM Plastics LLP also told them that their firm also deals in trading of PP Granules. He offered to supply PP granules at a slightly lower rate as he informed that they have imported material of old rates. Further, their firm has not made complete payments related to export consignments for which Mr. Bhave suggested to complete the payment in part form through supply of PP granules imported/ procured by their firm. As per ledger, M/s KRM Plastics LLP is required to pay an amount of Rs. 53,65,055/- as on 14.09.2023.
- That, M/s KRM Plastics LLP used to give purchase order/ Invoice. He has loaded the goods procured by M/s KRM Plastics LLP from M/s Friscon Polyfab Pvt. Ltd. at their premises situated at Plot No. 108, Smart Industrial Park, Near NATRIP, Pithampur, Dhar only. The sealed containers have been handed over to M/s KRM Plastics LLP after loading as per the purchase order (with 0.1% rate of GST) received. He has also intimated the concerned CGST authorities after dispatch of material. However, M/s KRM Plastics LLP failed to pay full amount of exported items procured by him from their unit.
- That, he had all the documents in his office. Their firm i.e**.** M/s KRM Plastics LLP used to give purchase order/ Invoice. He has loaded the goods procured by M/s KRM Plastics LLP from M/s Friscon Polyfab Pvt. Ltd. at their premises situated at Plot No. 108, Smart Industrial Park, Near NATRIP, Pithampur, Dhar only. The sealed containers have been handed over to M/s KRM Plastics LLP after loading as per the purchase order (with 0.1% rate of GST) received. He has also intimated the concerned CGST authorities after dispatch of material. However, M/s KRM Plastics LLP failed to pay full amount of exported items procured by them from their unit.
- That, presently the rates of granules are varying from Rs. 92 to Rs. 93.50 per Kg. and the rates of Reliance are Rs.99.85, which also attracts discounts after fulfilling conditions laid down by M/s Reliance Industries Limited.
- On being asked regarding any incidents in respect of purchases, when containers have directly been unloaded in M/s. Friscon Polyfab Pvt Ltd, Pithampur, Mr. Rungta stated that he has never unloaded containers directly in their company.
- Further, on being asked, they stated that he has seen the documents in the file seized during the search operation and put their signature on some of the documents. Further, he didn't have any transaction with M/s Overseas Polymers Pvt. Ltd. and he has not procured any foreign origin granules from them. However, he remained silent in respect of Ex-bond Cargo gate out slip seized during the search operation according to

which M/s Overseas Polymers Pvt. Ltd. has dispatched STC Marlex Polypropylene Resin HGX-030 by truck No. MH09HH9238, which was unloaded in their factory premises.

15. Further, statement of Mr. Avinash Rungta was recorded on 26.09.2023 under CBIC DIN 20230969OK0000313763 dated 21.09.2023, wherein he inter-alia stated as under-

- That, he has produced 1 file containing pages from page No. 1 to 131 wherein he has produced following documents: -

(i) Certificate of Incorporation issued from Ministry of Corporate Affairs along with printout of company master data from the website of Ministry of Corporate Affairs
(ii) Rent agreement dated 15.09.2023
(iii) Copies of 3 Shipping Bills bearing shipping bill numbers 8932337 dated 14.03.2022, 4282044 dated 19.09.2022 and 9398913 dated 31.03.2022
(iv) Purchase register from tally for the FY 2020-21, 2021-22, 2022-23 and 2023-24 (till 31.08.2023)
(v) Sales register from tally for the FY 2020-21, 2021-22, 2022-23 and 2023-24 (till 31.08.2023)
(iv) Reconciliation of liability between GSTR-1 vis-à-vis GSTR-3B and also reconciliation of ITC between GSTR3B vis-à-vis GSTR-2A for the FY 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23.

- On being asked to submit the proof regarding additional place of business i.e., 401-B, Apollo Enclave, 14/1 Old Palasia, Indore, he stated that in last statement dated 21.09.2023, he has mistakenly submitted that the above address i.e., 401-B, Appolo Enclave, 14/1 Old Palasia, Indore is registered as additional place of business in his GST registration. But, the said address is registered in their Certificate of incorporation required under Companies Act. In this regard, he has submitted Certificate of Incorporation issued from Ministry of Corporate Affairs along with printout of company master data from the website of Ministry of Corporate Affairs showing aforesaid address as registered company head office address. Further, he has submitted rent agreement as address proof regarding shifting of office from 401-B, Apollo Enclave, 14/1 Old Palasia, Indore to 104, Shri Krishna Classic Building, Phadvnis Colony, AB Road above Axis Bank, Near CHL Hospital, Indore. Further, it is stated that Shri Anshul Kumar Agarwal, Director of his company have made agreement w.e.f. 01.09.2023 with the owner of the property i.e. Shri Anil Kumar Agarwal (father of Shri Anshul Kumar Agarwal) on 15.9.2023 after the search proceedings by handing over Union Bank of India Cheque No. 298709 dated 30.08.2023 amounting to Rs.50,000/- only. He has submitted the bank statement evidencing payment of advance of Rs.50,000/-.

- On being asked about 3 shipping bills in respect of exports made through M/s KRM Plastics LLP**,** he has submitted the copies of 03 Shipping Bills bearing shipping bill Nos. 8932337 dated 14.03.2022, SB Nos.4282044 dated 19.09.2022 and SB Nos.9398913 dated 31.03.2022.
- That, he is engaged in trading business of P. P. granules. He has involved in trading of PP granules with M/s. Radhe Polyfab, Tankara Morbi ,M/s. Qualipack Packaging, Pithampur& M/s. Nandishwer Polymers P. Ltd. Khudel Indore.
- That, he has supplied PP Granules to M/s. Radhe Polyfab, Tankara Morbi, Gujarat directly from Mundra as well as from Indore and also from NhavaSheva (Bhiwandi). In case of other local buyers, he has supplied PP granules directly from depots of RIL, IOCL & HMEL Indore and in few cases from their factory situated at Pithampur.
- That, he has not sold any PP Granules to any buyer directly from the port. However, he has sold the PP Granules from Mundra & NhavaSeva (Bhivandi) to M/s Radhe Polyfab, Tankara Morbi, Gujarat and some other buyers.
- On being asked about any declared address at Mundra & NhavaSeva or at any place near the port, Mr. Avinash Rungta stated thatneither their company nor the directors have any property/godown /declared place of business (owned/ on rental basis) at Nhava Sheva, Mundra, Bhiwandi or near to any other port.
- That, generally the margin is very low. The margin/loss varies from 25 paise to 5-6 Rupees which depends on market as well as Crude prices.
- That, on being asked that during the search proceedings at factory premises of M/s Friscon Polyfab Private Limited, it is observed that an E-way Bill of import of PP Granules from Gujarat Pin- 370421 to the address of M/s KRM Plastics LLP dated 15.02.2023 has been seized from factory premises, they replied that he has no information about it.
- Further, on being asked that during the search proceedings at factory premises of M/s Friscon Polyfab Private Limited, it is observed that a transporter slip bearing LR No. 14412 of M/s New Krishna Transport Co. Indore enclosing therein Bill of Entry No. 4569893 dated 09.02.2023 has been seized from factory premise, Mr. Rungta replied that they have no information about it.
- On being asked that since the documents mentioned in earlier observations supra are not related to his company and he stated that he has not imported goods, then how is it possible of having the documents of other companies related to import of goods in the factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur. In this regard, he stated that he will enquire and inform the details obtained in this regarding.

- On being asked he stated that he has paid the liability declared in GSTR-1 by filing the GSTR-3B return for the concerned period and discharged their GST liability.

16. Further, vide Summon issued vide CBIC DIN 20231069OK0000999B28 dated 26.09.2023, Mr. Avinash Rungta appeared on 26.10.2023 (RUD-XVI) for recording their statement under Section 108 of the Customs Act, 1962, wherein he inter-alia stated as under-

- He has submitted intimation of ARN generated for amendments of core fields in GST registration e-mail dated 17.09.2023 along with bank statement of Union bank of India showing debit of amount of Rs.50,000/- on 26.09.2023 against cheque no.33298709 dated 30.08.2023.
- On being asked, Mr. Rungta told that vehicle number used by the partner of KRM in the respective invoices and E-way bills is of their company. As they figured out about the use of vehicle number of their company in some invoices being wrongly used, he contacted KRM to rectify the same. For which, Mr. Bhave replied that the same is due to some technical glitch and KRM will rectify all those invoices by replacing vehicle number. Further, he informed that the vehicle of the company bears registration no. MP09 GJ 0195 (TATA vehicle of Model 1512 LPT having payload capacity is 12 Metric Ton). On being asked he told that this vehicle can not load 30 MT in a single trip.
- Further, it was deposed that the tentative cost of Advance Authorization is around Rs.50,000/- to Rs.1,00,000/- depending upon the volume of import. On being asked about payment of Rs.1.50 lakh to KRM on 28.03.2023 to get the Advance Authorization License dated 30.03.2023, he informed that the same is not paid for Advance Authorization but paid less than 3 lakh were advance payment as demanded by Mr. Bhave.
- Further, on being asked he informed that he has bought PP granules from RIL @Rs.94.5/- per KG, whereas the purchase price for PP granules from KRM on same date was Rs.81.70/- per KG. The effective price from RIL paid by his was around Rs.87-88 per KG, however, RIL provides various discounts which includes some fix discounts also.
- Further, on being asked that KRM has vacated the factory situated in Pithampur as per Mr. Bhave statement deposed on 12.09.2023, but the goods received from a non-existing unit is still reflected on record, Mr. Rungta could not answer to that.

17. Further, statement of Mr. Anshul Kumar Agarwal was recorded on 26.10.2023 under Summon issued vide CBIC DIN 20231069OK0000018054 dated 26.09.2023, wherein he inter-alia stated as under-

- That M/s. Friscon Polyfab Pvt Ltd, Pithampur is engaged in manufacturing of PP bags from PP granules as per customers' requirements such as Cement bags, sugar bags, DOC bags, box bags, Bulk bags etc. At present, M/s. Friscon Polyfab Pvt Ltd, Pithampur is having two Directors, second one being Mr. Avinash Kumar Rungta. We both take care of almost all the activities of M/s Friscon Polyfab Pvt Ltd, Pithampur, which includes purchase, sales, customer acquisition, production, planning, maintenance etc.
- That major raw material consists of PP granules, calcium (filler), Master batch. In small quantity, they use UV, TPT (Transparent filler), LDPE (for lamination purpose). They also used liners in few orders such as Sugar bags, fertilizers bags some soya bags and some FIBC bags. Major supplier of their raw materials are- Reliance Industries, IOCL, HMEL, SPCX Pvt Ltd, Pune, Tricon, Of business, KRM Plastics LLP, Masterplast, Bajaj Plast, Raj Plast Blends, Vyenkatesh Udyog, Global Polytrade, Kohinoor Multifilament, Sanwaliya Polymers, NS Engineering. Further, the company is engaged in manufacturing of PP Fabrics and PP bags from PP granules as per customers requirement. Major customers are Ultratech Cement Limited, JK Cements, Dhanuka Soya, Patanjali Foods, Abis Industries, Grasim Industries, Adani Wilmar, Baliraja Sakkar karkhana Limited, Santmuktei Sugar Limited, Shradha Sugar, Saguna Food limited, Dev ventures and Manish Flexipack etc.
- On being asked about the procurement of raw material by import, he replied in negative, however, he was procured raw material from SEZ under Advance Authorization. Further on being asked about 10 empty bags and 03 filled bags of foreign origin PP granules, he informed that they have not imported said material. The said material was purchased from Of business, Gujarat unit. However, he has also purchased foreign origin raw material from different traders such as Tricon, KRM Plastics LLP, Of business etc.
- Further, on being asked Mr. Agarwal told that in the Material inward and Material Outward register maintained at the main gate of the factory are properly maintained and regularly signed by the guard posted at there. The chances of missing any entry are very rare. In case of any entry has been missed in the said registers, the same will reflect in subsequent reporting of store and account section and no material will go unaccounted. On the basis of entries made in these registers, tally data prepared and the tally data is final.
- On being asked, the partner of KRM approached the company for export purpose and has made order of 4 containers in Feb-2022, for which he has taken order and supplied 4 containers to them. For which, KRM also paid Rs.2 lakh as advance for confirmation of the order. Further, KRM also provides PP granules to him as consideration against supply of the goods. M/s. Friscon Polyfab Pvt Ltd, Pithampur has applied for advance

authorization licenses for bags for the same for procuring 175 MT of PP granules from Reliance Industries Limited (SEZ). The company procured 92 MT of PP granules from M/s. Reliance Industries Limited (SEZ) against the advance authorization bearing no. 56110008111 dated 02.03.2022. Against this advance authorization, they have exported 04 containers of PP woven sacks valued at Rs.1,26,96,975/- through KRM. He also informed that he was involved in purchase of PP granules from KRM.

- That Mr. Bhave, the partner of KRM also told them that their firm also deals in trading of PP granules. KRM offered to supply PP granules at a slightly lower rate as compare to market rate. Further, KRM has not made complete payments related to export consignments for which Mr. Bhave suggested to complete the payment in part form through supply of PP granules imported/ procured by KRM. Further, they informed that KRM is required to pay Rs.53,65,055/- to M/s. Friscon Polyfab Pvt Ltd, Pithampur as on 14.09.2023.
- On being asked about the procedure adopted to sale goods to KRM, they replied that KRM used to give purchase order for purchase of goods. He has loaded the goods procured by KRM from M/s. Friscon Polyfab at their premises at Plot No.108, Smart Industrial Park, Near Natrip, Pithampur. The sealed containers have been handed over to KRM after loading as per purchase order (with 0.1% rate of GST) received. He has not confirmed that he had given NOC to KRM for self sealing of containers at their factory premises. However, KRM failed to pay full amount of exported items procured by him from his unit.
- On being asked he replied that rates of PP granules are varying from Rs.85 to Rs.95.50 per KG depend on Quality and properties and the rates of Reliance are Rs.95 per KG, which also attract discounts after fulfilling conditions as laid down by M/s. Reliance Industries Limited. In respect of import from M/s. Reliance Industries Limited (SEZ), containers have been unloaded directly in the factory premises.
- Further, on being asked that during the search proceedings at your factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur on 14.09.2023, it is observed that the raw material procured through Bill of entries of some other firms have reached his factory premises as evident from the inward register and as agreed by his manager, Mr. Anshul Agarwal deposed that he didn't have any transaction with M/s. Overseas Polymers Pvt Ltd and he has not procured any foreign origin granules from them. Further, he agreed that truck no. MH09 HH 9238 has been unloaded in their factory premises, which contains STC Marlex Polypropelene Resin HGX-030, which was dispatched by M/s. Overseas Polymers Pvt Ltd. However, he submitted that he has procured said PP granules from KRM for which he has submitted invoices raised by KRM. The documents related to M/s. Overseas Polymers Pvt Ltd found in his

factory premises are not pertains to him and the same kept in their factory premises due to oversight.

- Further, on being asked he informed that he has also engaged in trading of PP granules. He has supplied PP granules to M/s. Radhe Polyfab, Morbi, Gujarat directly from Mundra as well as from Indore and also from Nhava Sheva (Bhiwandi). In case of other local buyers, they have supplied PP granules from his factory situated at Pithampur. Neither his company nor the Directors have any property/godown/ declared place of business (owned/ on rental basis) at Nhava Sheva, Mundra, Bhiwandi or near to any other port. Generally, the margin is very low. The margin/ loss varies from 2% to 3% which depends on market as well as crude prices.
- Further, on being asked that during the search proceedings at factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur, it is observed that a transporter slip bearing no. 14412 of M/s. New Krishna Transport Co, Indore enclosing therein bill of entry no. 456893 dated 09.02.2023 has been seized and the same was entered in the inward register as Import, Mr. Anshul Agarwal deposed that the document shown to him does not belong to his unit and he accept that these documents should not be kept in the factory premise.
- Since, the documents issued in relation to KRM i.e. invoice and E-way bills details are issued in name of Friscon Polyfab and vehicle number as per the E-way bill is of M/s Friscon Polyfab Pvt Ltd. Is he aware about the same and have consented to use the vehicle number, he informed that he was aware of the fact that the vehicle number used by the partner of KRM in the respective invoices and E-way bills is of his company.
- On being asked about the payload capacity of the vehicle number MP09 GJ 0195 (Tata vehicle of Model 1512 LPT), and in some instances, as per E-way bill, the said vehicle lifted more than 30 MT load (i.e. 46.5MT, 49.5MT, 72MT), Mr. Anshul Agarwal deposed that the said vehicle can not load more than 30 MT in a single trip.
- Further, on being asked that as per bank statement, he has paid Rs.1.5 Lakh to KRM on 28.03.2023 to the Advance Authorization License dated 30.03.2023, he deposed that the said amount paid for the goods to be purchased. Further, it has been asked that the goods was purchased by KRM for less than Rs.3 lakh, they could not answer it.
- Further, on being asked about the variation of purchase price of PP granules from M/s. Reliance Industries Ltd and KRM (as per purchase dated 08.08.2023), he deposed that he bought PP granules from RIL @94.5/- per KG as on date whereas the purchase price for PP granules from KRM on the same date was Rs.81.70/- per KG, which was as per deal. The effective price from RIL paid by him is around Rs.86-88/- per

KG. RIL provided various discounts which includes some fix discount also.

On perusal of the above statements, it appears that Mr. Avinash Rungta and Mr. Anshul Agrawal were well aware of the facts that the goods were imported duty free under Advance Authorization scheme. Even after knowing the facts of duty free imports, they deliberately indulged KRM in diverting the said goods to DTA units, which transpires the intentions of these persons to get the undue benefit. He played the role of beneficial owners in the instant case.

INVESTIGATION CARRIED OUT IN RESPECT OF SHRI ALOK GHANSHYAM BAGARIA, MARKETING MANAGER OF M/S. NEW CHEM PLASTICS, MUMBAI-

18. During the course of investigation, Summon was issued vide CBIC-DIN-20230969OK000000AA16 dated 26.09.2023 to M/s. New Chem Plastics, Mumbai, Shri Alok Ghanshyam Bagaria, Marketing Manager of the said unit, whohas been appeared for statement under section 108 of the Customs Act, 1962 on 10.10.2023 (RUD-XVIII), wherein he inter-alia stated –

- That his name is Alok Bangaria. He is residing at 803/804, Zinnia Nahar Amrit Shakti, Chandivali farm Road, Sakinaka, S. O. Mumbai-400072, (Maharastra) since 2007. He has done M.B.A. (in Family Business) in 2007 from Welingkar University, Mumbai.
- That M/s. New Chem Plastics, Mumbai was incorporated on 17.06.2016. He is engaged in trading of plastics raw materials and chemicals. This unit is a proprietor firm in the name of Mrs. Sampat Ghanshyam Bagaria. Further, he has been authorized by the proprietor who is his mother for day-to-day affairs of the firm and he solely deal with the business of this firm.
- That M/s New Chem Plastics (GSTIN-27ACVPB8658C1Z9) is situated at 803/804, Zinnia Nahar Amrit Shakti, Chandivali farm Road, Sakinaka, S. O. Mumbai-400072, (Maharastra). Further, he has declared warehouse situated at A-7, Gala No.8, Ground Floor, Pritesh Complex, Anjurdapoda Road, Bal Village, Bhiwandi, Thane -421302, Maharastra as additional place of Business, wherein purchase materials is stored and cleared. There is a corporate office of the above firm situated at F-312, Kailash Industrial Complex, Veer Savarkar Marg, Hiranandini Powai Link Road, Vikhroli West, Mumbai-400079, which is also declared as his additional place of business. All types of official paper work such as sale/purchase/documentation are being carried out from Corporate office. He is engaged in trading activity of plastics raw material and chemicals such as PP Granuals, HDPE Granuals, LLDPE Granuals, LDPE Granuals, PVC, masterbatch, Titenium dioxide, Optical brightner etc.
- That generally, he procured orders from the customers verbally and supply the requisite material as per orders received directly from the place of supplier to their customers. He provided the vehicle to load the traded material

from their supplier at the place of supplier and sale it to the buyer by generating invoice and e-way bill from the place of supplier directly to his customers.

- That PP granules imported varies from Rs. 85 to Rs. 110 (International price in INR) per KG excluding taxes. However, the local i.e. Indian PP Granules are being sold in the market with a margin of 2-5 Rupees per KG. The profit margin generally varies from Rs. 1 to Rs. 5 depending of demand from the customers.

19. Further, in response to Summon issued vide CBIC-DIN-20231069OK000012121B dated 26.10.2023, Shri Alok Ghanshyam Bagaria appeared on 31.10.2023 (RUD-XIX) for giving their detailed statement, wherein he inter-alia stated that-

- That he procured LDPE and PP Granules from M/s. KRM Plastics LLP along with other suppliers also. First time, he purchased LDPE granules from them in Feb'21 and thereafter, from Jul'22 to May'23, he has made regular purchase of PP granules from them.
- That he used to make advance payment to KRM for the purpose made from them. In Sept'22, he made advance payment of approx. 65 lakhs for purchasing the PP granules from them. However, KRM did not supply PP granules against the said advance payment. On persuasion, Mr. Utkarsh Bhave said that KRM did not have PP granules to supply and assured M/s. New Chem Plastic to adjust the above said advance payment in future purchasing. Further, said advance payment of Rs.65 lakh (approx.) was adjusted against various purchases and completely adjusted in the month of May'23. They stopped purchasing from KRM after May'23.
- That he has majorly purchased PP granules from KRM, but also purchased Indian origin PP granules in small quantities i.e. 2 or 3 trucks maximum.
- That he used to give purchase orders verbally on phone or whatsapp to Mr. Utkarsh Bhave, concerned person of KRM on mobile no. 9589028696/ 7000929045 and accordingly, used to make advance payments to him for purchasing PP granules. Subsequently, KRM used to supply PP granules after 2-3 days of making advance payments. However, KRM delayed several times in delivery of material. In respect of PP granules bought from KRM, they procured PP granules from Mundra, Nhava Sheva and Indore. From Indore, he procured Indian origin PP granules only.
- That Mr. Utkarsh Bhave, concerned person of KRM used to provide the address such as from seabird Bonded warehouse, Mundra, LCL Logistics Pvt Ltd etc. from where he used to load the PP granules in the trucks that were provided by them only. In this regard, E-way bills were generated either by him or KRM. He used to sell the PP granules directly from Mundra and for this purpose, purchase E-way bills were generated in which both the addresses i.e. dispatch from and ship to, were of Mundra and further for sales the E-way bill

were generated from Mundra to the address of the buyer. He also received PP granules from Pipavav, Gujarat and for this also purchase E-way bills were generated in which both the addresses i.e. dispatch from and ship to, were of Pipavav and further for sales the E-way bills were generated from Pipavav to the address of the buyer. In respect of PP granules purchased as Nhava sheva, he used to keep the PP granules in his warehouse situated at Gala no. 8, Building no. A7, Ground floor, Pritesh Complex, Anjurdapoda Road, Val-village, Bhiwandi, Thane, Maharastra for which E-way bills were generated from Nhava Sheva to above said warehouse and thereafter sold to the buyers and E-way bills for the same were generated from above said warehouse to the address of the buyers.

- That he purchased the material in strength of the invoices issued to him on either their registered business address or on their buyers without receiving the same at 804, Zinnia Building, Near Amrit Shakti Chandivali Farm Road, Andheri (E), Mumbai and he has submitted E-way bill in this support of the same.
- That he has made payment to KRM in only one bank account of ICICI bank A/c. No.384805000623 (IFSC-ICIC0003848).
- That he asked their suppliers for supply of materials only after they receive the demand from their buyers. Once they received the demand, he contacted suppliers and purchase the material from the supplier, who provided the material at lowest rate. Further, he stated that there were no such drastic difference in rates noticed between the rates of KRM and his other suppliers, which would have created any doubt to him.
- Further, on being asked, Mr. Alok stated that in Sept'22, they made advance payment of approx. 65 lakh for purchasing PP granules from KRM. However, he did not supply PP granules against the said advance payment. On persuasion, Mr. Bhave said that KRM did not have PP granules to supply and assured them to adjust the above said advance payment in future purchasing. In between, Mr. Bhave told him to give more advance for onwards supplies of raw material so that the earlier advance payment of 65 lakh to be gradually adjusted. However, since they did not receive the material against the earlier advance payment of 65 lakh, they refused to give any amount as advance payment. Thereafter, Mr. Bhave requested him to make payment to M/s. Overseas Polymers LLP, Mumbai on behalf of KRM and since their office also in Mumbai, they can meet him and make payment directly to them. Therefore, a short meeting has been conducted between New Chem Plastic and M/s Overseas Polymers LLP in presence of Mr. Bhave at the office of M/s. Overseas Polymers LLP, Mumbai. Accordingly, instead of directly making payment to Mr. Bhave, he has made payments to M/s. Overseas Polymers LLP, Mumbai on behalf of KRM. On account of payment of Rs. 21,86,000/- and Rs.20,58,000/- made on behalf of KRM to M/s. Overseas Polymers LLP, Mumbai, an amount of Rs.6,92,320/- was adjusted out of the advance payment of Rs.65 lakh. Since against the payment of total Rs.41,74,000/- he received PP granules of

Rs.48,66,320/-. However, after payment of Rs.21,86,000/- and Rs.20,58,000/- to M/s. Overseas Polymers LLP, Mumbai, Mr.Bhave told them that M/s. Overseas Polymers LLP, Mumbai is now not agree to receive payment from him on behalf of KRM. Therefore, he again started to make payment to KRM with sole intention to recover the amount that had been paid in advance by New Chem Plastic to KRM.

- That he has not made any payment to any person/firm other than M/s. Overseas Polymers LLP, Mumbai, on behalf of KRM. Further, after adjustment of all their advance payments, he stopped doing business with KRM. Hence, there is no such amount pending which is liable to pay by him to KRM.
- That he is engaged in trading of PP granules for which they procure the same, either imported or of Indian origin, from other Indian suppliers/importers. He has not directly imported any PP granules neither from any foreign country nor from any SEZ.
- That he only made purchases of LDPE and PP granules from KRM and nothing has been sold to KRM by him. Further, he stated that two debit notes were issued to KRM. One bearing no.23-24/SDN/000017 dated 06.05.2023 and other one bearing no. 23-24/000001 dated 12.05.2023. Debit note no.23-24/SDN/000017 dated 06.05.2023 was issued for Rs.2,50,000/- (excluding IGST) as there was moisture in the PP granules delivered to them by KRM. Debit note no. 23-24/000001 dated 12.05.2023 was issued for Rs.3,72,917/- (excluding IGST) as at various times material was late supplied to them by KRM, therefore, he charged interest for the same.
- That he dealt in trading activity only and for the same he procured material from Indian suppliers only. He also purchased materials from various suppliers other than KRM.
- For purchasing raw material, he only discussed about the requirement, rates etc. and therefore, being a customer, he didn't know how any supplier is purchasing the material and on what condition.

20. On the contrary, Mr. Bhave dated 15.12.2023, deposed that all the imports were done under High Sea Sale Agreement with M/s. Overseas Polymers Pvt Ltd, M/s. Ishaan Plastics, M/s. S. P. Industries etc. He was imported PP granules on the direction of M/s. New Chem Plastic and other buyers. Actually he funded KRM for the said task. The amount so received from M/s. New Chem Plastics in the ICICI Bank Account No. 384805000623, immediately transferred to M/s. Overseas Polymers Pvt Ltd. In this regard, KRM submitted the Bank statement, wherein the chain of the transaction made among New Chem- KRM- Overseas justifies that purchases were made on the behest of M/s. New Chem Plastic. Actually, the imports done by KRM was financed by other buyers i.e. M/s. New Chem Plastic, M/s. Friscon Polyfab etc., who were the actual beneficial owners of the said import and in-lieu of it, Mr. Bhave received the commission. Further the purchase price of granules were very low also indicates that these buyers were well aware that the import duty

element is not included in it. In this regard, Shri Utkarsh Bhave also stated that M/s. New Chem Plastic and M/s. Friscon Polyfab was well aware that the PP Granules supplied to him was procured duty free under Advance Authorization. Further to legitimize the domestic diversion of PP granules KRM issued GST paid invoices which was exclusively paid through ITC and the ITC was arranged on the basis of fake invoices arranged by Shri Vikas Jain (Proprietor of M/s Yashika Enterprises) another kingpin in the case as deposed by Shri Utkarsh Bhave in his statement dated 29.08.2024.

INVESTIGATION CARRIED OUT IN RESPECT OF SHRI VIKAS JAIN (PROP. OF M/S YASHIKA ENTERPRISES) -

21. Shri Vikas Jain, the proprietor of M/s. Yashika Enterprises, 285, M Das Bagichi, Aerodrome Road, Near Ramchandra Nagar, Indore, who played important role in this case. Mr. Utkarsh Bhave also deposed in their statement recorded on 21.06.2024 that Shri Vikas Jain is also one of the financial beneficial owner as he has provided customers to KRM for imported goods under Advance Authorization scheme. This office has issued several Summons under Departmental DIN dated 30.10.2023, 13.06.2024, 28.06.2024, 05.08.2024 & 13.08.2024 (RUD -XX) through by speed post as well as on e-mail address i.e. 15vikas4jain@gmail.com , but he neither appeared before the proper officer of Customs to give their statement nor has submitted any documents. Further, during the course of search operation at the premises of KRM, some purchase invoices and related ledgers of M/s. Yashika Enterprises were recovered. On perusal of the same, it appears that Shri Vikas Jain had purchased PP granules to the tune of Rs.3,60,94,940/- on the strength of 26 purchase invoices, which were issued by KRM. The details of the same is given as under-

Table No. 4

Invoices, wherein the imported goods have been diverted to M/s. Yashika Enterprises, Indore						
S No	GSTIN	Invoice #	Date	Material/ Goods	Quantity (Kg)	Value
1	23APAPJ6457M1ZP	KRM/GN/051/21-22	22.07.2021	PP Granules	16000	1584000
2	23APAPJ6457M1ZP	KRM/GN/049/21-22	10.07.2021	PP Granules	24750	2450250
3	23APAPJ6457M1ZP	KRM/GN/046/21-22	28.06.2021	PP Granules	2500	245000
4	23APAPJ6457M1ZP	KRM/019/21-22	11.05.2021	PP Granules	3000	300000
5	23APAPJ6457M1ZP	KRM/014/21-22	26.04.2021	PP Granules	1500	183000
6	23APAPJ6457M1ZP	KRM/022/21-22	17.05.2021	PP Granules	2000	194000

7	23APAPJ6457M1ZP	KRM/168/21-22	27.12.2021	PP Granules	10000	1110000
8	23APAPJ6457M1ZP	KRM/166/21-22	25.12.2021	PP Granules	10000	1050000
9	23APAPJ6457M1ZP	KRM/016/21-22	05.05.2021	PP Granules	1100	121000
10	23APAPJ6457M1ZP	KRM/218/21-22	23.03.2022	PP Granules	16000	1920000
11	23APAPJ6457M1ZP	KRM/222/21-22	27.03.2022	PP Granules	16000	1920000
12	23APAPJ6457M1ZP	KRM/227/21-22	31.03.2022	PP Granules	16000	2032000
13	23APAPJ6457M1ZP	KRM/236/22-23	31.03.2023	PP Granules	20000	2040000
14	23APAPJ6457M1ZP	KRM/234/22-23	29.03.2023	PP Granules	20000	2040000
15	23APAPJ6457M1ZP	KRM/212/22-23	28.02.2023	PP Granules	20000	1970000
16	23APAPJ6457M1ZP	KRM/213/22-23	28.02.2023	PP Granules	20000	1970000
17	23APAPJ6457M1ZP	KRM/233/22-23	28.03.2023	PP Granules	20000	2040000
18	23APAPJ6457M1ZP	KRM/210/22-23	25.02.2023	PP Granules	20000	1970000
19	23APAPJ6457M1ZP	KRM/230/22-23	27.03.2023	PP Granules	20000	2040000
20	23APAPJ6457M1ZP	KRM/229/22-23	23.03.2023	PP Granules	20000	2040000
21	23APAPJ6457M1ZP	KRM/094/22-23	07.07.2022	PP Granules	5535	498150
22	23APAPJ6457M1ZP	KRM/226/22-23	22.03.2023	PP Granules	20000	2040000
23	23APAPJ6457M1ZP	KRM/183/22-23	23.01.2023	PP Granules	9060	534540
24	23APAPJ6457M1ZP	KRM/211/22-23	25.02.2023	PP Granules	20000	1970000
25	23APAPJ6457M1ZP	KRM/082/22-23	18.06.2022	PP Granules	16000	1776000
26	23APAPJ6457M1ZP	KRM/216/22-23	03.03.2023	PP Granules	950	57000
Total					**350395**	**36094940**

In this regard Shri Utkarsh Bhave confessed that Shri Vikas Jain has instigated him to obtain Advance Authorization for duty free import of PP Granules and also funded for such imports. As per statement of Shri Vikas

Jain recorded on 01.12.2023 in case of M/s. Singh Exports, it appears that he was arranged fake purchase invoices at 5% commission, whereas no goods were delivered. For the said purpose, they send the bank account, wherein the money of the fake invoices routed and got the commission. Further, Mr. Vikas jain deposed that they had purchased fake invoices from KRM Plastics LLP also and purchase bills were bought without delivery of the goods. In this regard, the money deposited in the Bank account of KRM and Mr. Utkarsh Bhave had returned the cash to him. To get the transaction appears genuine, the bill were raised by KRM without sending the material. Further, KRM have been used this money to import the duty free PP granules. In view of the above, it appears that on the directions of Shri Vikas Jain, KRM imported above goods and sold it to M/s. Yashika Enterprises and its associates with the sole intention to evade payment of customs duty.

INVESTIGATION CARRIED OUT IN RESPECT OF M/S. FRISCON POLYFAB PVT LTD, PITHAMPUR-

22. During the course of investigation, a follow-up search operation was also conducted at the factory premises of M/s. Friscon Polyfab Pvt Ltd, Plot No.108, Smart Industrial Park, Natrip, Pithampur on 14.09.2023. Several incriminating documents viz. material Inward/outward register, vehicle reading register, printed documents book used for counting inward and outward material and empty bags of PP granules having print as Marlex Polypropylene, Saudi Polymers LLC, Net 25 Kg each Marlex manufactured under license from Chevron Philips Chemical Company LP by Saudi Polymers Company, Al Jubail Kingdom of Saudi Arabia in yellow bag were seized from the factory premises. Further, DVR of CCTV cameras sealed in Blue colour bag of Delhivery was also seized under Panchnama dated 14/15-09.2023 from the factory premises. Further, Customs officers also seized **03 numbers of packages** containing **PP granules of Marlex Polypropylene**, Saudi Polymers LLC, Net 25Kgs each of Marlex Polypropylene products manufactured under license from Chevron Philips Chemical Company LP by Saudi Polymers Company, Al Jubail, Kingdom of Saudi Arabia from the factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur under Panchnama dated 14.09.2023. (RUD- IX)

23. Further, statement of was recorded on the spot under Summon issued vide CBIC-DIN- 2023096OK000000CCE5 dated 14.09.2023, wherein he inter-alia stated as under-

- That his name is Vikas Tiwari S/o Sh. Umashankar and residing at House No. 100, Bhagirath Colony, Dharnaka, Mhow-453441 in parental premises since 2001. Earlier, they have worked in M/s. Commercial Syn Bag, Pithampur as Production Manager then joined M/s. Friscon Polyfab Pvt Ltd on 16.01.2021 as General Manager (Production).
- That he take care of production of M/s. Friscon Polyfab Pvt Ltd and also looked after the technical part of the company. He is also the authorized

signatory in the factory premises. Inward and outward supplies of the goods are also maintained by him. He only worked there with the permission of the Director of M/s. Friscon Polyfab Pvt Ltd. There are 02 Directors in M/s. Friscon Polyfab Pvt Ltd i.e. Sh. Anshul Agarwal and Sh. Avinash Rungta. They both are cousins.

- On being asked, Mr. Vikas Tiwari stated that vehicles are entered in the factory premises with proper checking at the gate and proper entry in the Inward Register. All the vehicles which are entering the factory premises have proper invoices, E-way bills and the concerned entries are made in the inward register. No vehicles can be entered in the factory premises of M/s. Friscon Polyfab Private Limited without proper entry at the gate. Further, he informed that vehicles leave the factory premises with proper checking at the gate and proper exit in the outward register. All the vehicles which exit the factory premises have proper invoices (in triplicate copies). E-way bills and the concerned entries are made in the outward register. No vehicles can leave in the factory premises of M/s. Friscon Polyfab Private Limited without proper entry at the gate. All the related documents i.e. invoices, E-way bills are received in the e-mail id- report@frisconpolyfab.com and as well as on whatsapp group of phone no. 9926994832 having name –FRISCON ACCOUNT. Inward, Outward, In-Out Entry register of worker, Visitor's Register, Company's Vehicle register, Gate Pass Register, Sample Register and Parcel Register are maintained at Guard Room.
- Further, he informed that in the inward register, there are item description, vehicle no., quantity, time of in-out and signature. No vehicle can enter the factory premises of M/s. Friscon Polyfab Private Limited without proper entry in the inward register. All the vehicles carry invoices, packing list and E-way bill with them and the same are checked at gate and then forwarded to Indore office and similar process takes place in import consignments. Further, there are item description, vehicle no., quantity, time of in-out and signature mentioned in the outward register. No vehicle can exit the factory premises of M/s. Friscon Polyfab Private Limited without proper entry in the outward register. All the vehicles carry invoices, packing list and E-way bill with them and the same are checked at gate and the similar process takes place in Export consignments. All the invoices and E-way bill generated from Indore office as factory premises of M/s. Friscon Polyfab Private Limited has no such facility for the same. A 22 feet TATA vehicle is registered in the name of M/s. Friscon Polyfab Private Limited having registration no. MP09-GJ-0195. The vehicle is used for transportation of Raw material and finished goods only. All the entries are made in the register regarding the movement of the truck.
- That no material can be entered or taken out from the factory premises without entering the details in the concerned register. In the factory

premises of M/s. Friscon Polyfab Private Limited, only packing list, production and raw material stock maintained. Invoices and E-way bills are generated in the office premises of M/s. Friscon Polyfab Private Limited. Also, a log book in respect of vehicle no.MP09-GJ-0195 is maintained in the factory premises, which include date wise entry. Driver of the said vehicle also maintain a diary in this regard.

- Further, on being asked about an ex-bond cargo gate out bearing EX BoE No.4892167 dated 03.03.2023 having weight 24160 Kgs containing 960 pkgs issued by Seabird Marine Services (Gujarat) Pvt Ltd for importer M/s Overseas Polymers Pvt Ltd (vehicle no. MH-18-BG-1666) was found during search operation at M/s. Friscon Polyfab Private Limited, whether these goods are received in the factory or not, he replied in positive that the goods are received in the factory after proper counting of packages as evident from the documents. Also, during search operation at M/s. Friscon Polyfab Private Limited, one bill of entry no. 4040587 dated 05.01.2023 (only 01 page out total 07 pages) having importer name M/s. KRM Plastics LLP was found stapled with counting sheet of description of inward material in factory during search operation, whether received in factory premises or not, he replied in positive that the goods received in factory after proper counting of packages as evident from the documents.
- Further, on being asked regarding ex-bond cargo gate out bearing EX BoE No.5272611 dated 28.03.2023 having weight 24900 Kgs containing 990 pkg issued by Seabird Marine Services (Gujarat) Pvt Ltd for importer M/s. Overseas Polymer Pvt Ltd (vehicle no. MH-18-AA-4771) was found during search operation at M/s. Friscon Polyfab Private Limited, whether received in factory premises or not, he replied in positive that the goods are received in their factory. Also, a bilty (transport document) with LR No.14412 dated 01.03.2023 from M/s. Krishna Transport company Indore stapled with BoE No. 456893 dated 09.02.2023 was found during the course of search operation at M/s. Friscon Polyfab Private Limited, whether the same is received in the factory premises, Mr. Tiwari replied in positive that the goods are received in the factory.
- On being asked, Mr. Vikas Tiwari provided his mobile details as One plus company Model: Nord CE: 5G 128GB, phone no.9926994832 having whatsapp facility with it. Further, they shown the messages contain a pdf file received from Sh. Vijay Goyal on 14.09.2023 at 6:34 pm. The said pdf file contains 02 pages. First page is a tax invoice no. KRM/253/2023-24 dated 23.08.2023 with E-way bill no. 641604763975 from M/s. KRM Plastics LLP to M/s. Friscon Polyfab Private Limited having invoice value of Rs.23,39,232.00, with quantity 24MTs at Rs.82.60 / Kg. The 2nd page of the pdf file having E-way bill having no. 641604763975 dated 23.08.2023 in which vehicle no. MP09-GJ-0195 was used. The goods has been received at this factory at their company's vehicle.

- On being asked about the said pdf file, he replied in negative that he has very less information about sales and purchase as it is dealt by Indore office by the Directors. Further, it is observed that invoice of M/s KRM Plastics LLP shows the place of factory at Plot N.109-B, Vikas Bhawan Road, Sector-I, Pithampur and the corresponding E-way bills provided by them shows the vehicle in E-way bill belongs to M/s. Friscon Polyfab Private Limited. In this regard, Mr. Tiwari replied that it can be seen from E-way bill, the vehicle used is of M/s. Friscon Polyfab Private Limited and same goods are received at this factory at that time. Further, on being asked, Mr. Tiwari stated that all the work related to invoice and E-way bill is dealt by Sh. Vijay Goyal, Accountant, phone no. 9009091143 from office premises at Indore.

24. Further, a follow-up search operation was also conducted at the registered office of M/s. Friscon Polyfab Pvt Ltd, 104, Shri Krishna Classic Building, Fadanvis Colony, A. B. Road, above Axis Bank, Near CHL Apollo Hospital, Indore on 14.09.2023 and several incriminating documents were also recovered from that premises. From the said premises, one pen drive having caption “CP7 CAPTAIN 8 GB” and one mobile having IMEI 1-861762045529651 and IMEI 2- 861762045529669 was also recovered and seized under the Panchnama proceedings dated 14.09.2023. (RUD-XI)

25. Further, on 05.10.2023, the data was retrieved from the seized pen drive having caption “CP7 CAPTAIN 8 GB” and one mobile having IMEI 1-861762045529651 and IMEI 2- 861762045529669, which was seized during the course of search operation conducted at the registered office of M/s. Friscon Polyfab Pvt Ltd, 104, Shri Krishna Classic Building, Fadanvis Colony, A. B. Road, above Axis Bank, Near CHL Apollo Hospital, Indore on 14.09.2023. The whole proceedings of retraction of data from these electronic apparatus was recorded under Panchnama dated 05.10.2023 drawn at the office premises situated at Office of the Commissioner of Customs, B-Zone, IIIrd Floor, 12/2/7 and 12/2/8, Gram-Pipliya Kumar, Nipania, Indore. During the course of retraction of data, Shri Vijay Goyal, Accountant in charge/Accounts Manager of M/s. Friscon Polyfab Pvt Ltd, Pithampur was also present along with two independent panchas. The data so retrieved from these electronic devices has been taken on record and the printout of the same are listed from Sr. No.1 to Sr. No.45, which was recorded under Panchnama proceedings dated 05.10.2023. (RUD-XV)

26. Further, the Commissioner of Customs, Indore vide order for extension in terms of the first proviso to section 110(2) read with section 124 of the Customs Act, 1962 (CBIC-DIN-20240369OK0000121371 dated 07.03.2024) (RUD- XXII) extended the further six months for issuance of show cause notice in respect of seizure of foreign origin goods i.e. 03 bags (25 Kgs each) of PP

granules of Marlex Polypropylene, Saudi Polymers LLC, as M/s. Friscon Polyfab Pvt Ltd could not be able to produce documentary evidence for the legitimate purchase. Further, ever after passing substantial time period, they could not submit any evidence to prove that said goods were legitimately procured. Further, due to time construed, Show Cause Notice was issued under CBIC-DIN 20240969OK000000180E dated 09.09.2024 to M/s. Friscon Polyfab Pvt Ltd, Pithampur proposing confiscation of seized goods under section 111 of the Customs Act, 1962. (RUD- XXIV)

27. 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 KRM 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.*

28. <u>Role played by Mr. Utkarsh Bhave, the Partner of KRM -</u>

Mr. Utkarsh Bhave, one of the main partners of KRM is the mastermind in the whole episode. He played an important and vital role in the matter with intend to evade payment of Customs duty. He is highly qualified in the respective field. He had completed his B. Tech in Electrical and Electronics in 2007 from Technocrats Institute of Technology, Bhopal and had also done MBA in International Business Wales Cardiff, United Kingdom in 2010. M/s. KRM Plastics was incorporated by him on 07.04.2016. Initially, KRM started as a merchant exporter of FIBC and PP woven sacks. Then, KRM established their own manufacturing unit in 2017. MR. Utkarsh Bhave started mal-practice with the sole intention to evade payment of duty under the provisions of GST. They started evasion of GST along with Customs Duty in large scale with the help of other beneficial owners. They had imported/cleared a total quantity of PP granules having declared assessable value of Rs.29,57,96,841/- during the period 25.11.2020 to 12.09.2023, involving duty amounting to Rs.8,20,39,253/-. The Bill of entry wise details of these imports are mentioned in Table-3 above. The said goods were imported duty free by them on the strength of (109 Bill of Entries) under 12 advance authorization licenses (details mentioned in the Table no.3), issued by the DGFT and by availing duty exemption Notification No.18/2015-Cus dated 01.04.2015 issued by the Government of India, Ministry of Finance. As per the conditions para 4.16 of the Foreign Trade Policy 2015-20 - *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* and similarly condition no. x of the said notification bars sale and transfer of goods so imported. However, facts of the case indicate that these goods were diverted to Domestic Tariff Area (DTA) units in contravention to the prescribed condition for such import.

Modus Operandi adopted by Mr. Utkarsh Bhave-

28.1 Firstly, as a part of modus operandi, Mr. Bhave used the IEC opened in the name of, M/s KRM Plastics LLP for importing duty free goods. Further, the choice of using the said entity M/s. KRM Plastics LLP itself appears to be a part of a pre-planned fraud to obtain the benefit granted by the Government under the Advance Authorization scheme. In order to evade certain safe guards provided by the government with the obvious object of preventing mis-use of the AA scheme by unscrupulous importers/ exporters and enable recovery of duty in case of such mis-use. These safeguards are in the form of various amount of BG/ cash deposit to be taken from different categories of importers while allowing duty exemption benefit of Notification No.18/2015-Cus dated

01.04.2015. The quantum of such security in the form of BG/ Cash deposit are prescribed in Circular No. 58/2004-Cus dated 21.10.2004 issued by the Central Board of Excise and Customs read with Customs Public Notice no.140/2016 dated 25.10.2016 and are tabulated as below-

Table No. 5

Sr. No.	Category of Importer	Quantum of Bank Guarantee/ case security
(a)	All exporters who have an export turnover (physical exports) of Rs.5 crores in current or preceding financial year and having a good track record of three years of exports	NIL
(b)	Public Sector Undertaking	NIL
(c)	Star Export House	NIL
(d)	Manufacturer exporters registered with Central Excise, who have been exporting during the previous two financial years and have minimum export of Rs.1 crore or more during the preceding financial year	NIL
(e)	Manufacturer exporters registered with Central Excise, who have paid Central Excise duty of Rs.1 crore or more during the preceding financial year	NIL
(f)	Manufacturer exporters who are not covered under (a), (b), (c), (d) & (e) above	25%
(g)	Others	100%

28.2 It is seen from the above provisions that in case of a Manufacturer exporters registered with Central Excise, who have been exporting during the previous two financial years and have minimum export of Rs.1 crore or more during the preceding financial year was allowed the benefit of duty exemption under Notification No.18/2015 on the liberal conditions of submission of a Bond without any security in the form of a Bank Guarantee or cash deposit. Thus, Mr. Utkarsh Bhave availed the benefit of the existing legal provisions to by-pass the condition of submitting Bank guarantee.

28.3 In view of the foregoing facts, it appears that the diversion of goods and their sale was neither an emergency nor any exigency but a pre-planned, deliberate fraud committed in order to avoid payment of duty totally amounting to Rs. **8,20,39,253**/-. The sole object of importing the goods under the Advance Authorization Scheme appears to be selling the goods in the domestic market at a competitive advantage gained by virtue of evading duty for extra profit and it was never the intention of the importer to manufacture the finished goods from the imported material for export as no manufacturing unit was in existence.

Actually, the manufacturing unit was found non-existing during the course of search operation on 12.09.2023 and Mr. Utkarsh Bhave operating the nexus from his residential premises with the help of other beneficial owners. Accordingly, he was arrested on 13.09.2023 under section 104 of the Customs Act, 1962 and produced before the Magistrate of Economic Offence Court, Indore. He was well aware of the facts and consequences thereof, but done the same intentionally and deliberately to evade payment of Customs Duty. Furthermore, Mr. Bhave deposed in his statement that they have made some exports against these licenses but he could not produce any foreign remittances.

29. Roles played by Mr. Avinash Kumar Rungta and Mr. Anshul Kumar Agarwal, the Directors of M/s. Friscon Polyfab Pvt Ltd, Pithampur-

M/s. Friscon Polyfab Pvt Ltd, Pithampur having its manufacturing unit situated at Plot No.108, Smart Industrial Park, Natrip, Pithampur, wherein Mr. Avinash Kumar Rungta and Mr. Anshul Kumar Agarwal are working as Directors of the said firm. A follow-up Search operation was conducted on 14.09.2023 at the factory premises of the said firm. During the course of search at factory premises of M/s. Friscon Polyfab Pvt. Ltd., Bill of Entry no.4040587 of KRM was recovered apart from the procurement invoice issued by KRM, which indicates the connection of M/s. Friscon Polyfab over the imports of KRM. As per statement of Mr. Utkarsh Bhave recorded on 15.12.2023 that Mr. Avinash Rungta and Mr. Anshul Agarwal are the beneficial owners as they arranged funds for obtaining Advance Authorization Licenses and prepared draft for Bond / Agreements etc, which was further sent to Mr. Utkarsh Bhave for signature and other formalities as is evident from Whatsapp chat, which is relied upon evidence in this notice. Further, the rates of PP granules were varying from Rs. 92 to Rs. 93.50 per Kg in the domestic market and the rates of M/s. Reliance Industries are Rs.99.85, but on the other hand, KRM sold PP granules at Rs.82 per KG i.e. on the imported rates to M/s. Friscon Polyfab Pvt Ltd, which transpires that they were aware of duty free imports. On being asked regarding any incidents in respect of purchases, when containers have directly been unloaded in M/s. Friscon Polyfab Pvt Ltd, Pithampur, Mr. Rungta in his statement dated 21.09.2023 stated that they had never unloaded any containers directly in their company. However, as per statement of Shri Vikas Tiwari, the General Manager (Production) of M/s. Friscon Polyfab Pvt Ltd recorded on 14.09.2023 that BoE no. 4892167 dated 03.03.2023 of the importer M/s. Overseas Polymers Pvt Ltd was recovered from the factory premise, which was unloaded in the factory from truck No. MH-18 BG 1666. Further, BoE 4040587 dated 05.01.2023 and BoE 5272611 dated 28.03.2023 was also recovered from there, which was also unloaded at the said factory premises. While, Mr. Avinash Rungta deposed in his statement recorded on 21.10.2023 that he didn't have any transaction with M/s Overseas Polymers Pvt. Ltd. and he has not procured any foreign origin granules from them. However, in respect of Ex-bond Cargo gate out slip seized during the search operation on 14.09.2023, according to

which M/s. Overseas Polymers Pvt. Ltd. has dispatched STC Marlex Polypropylene Resin HGX-030 by truck No. MH09HH9238, which was unloaded in their factory premises, Mr. Avinash Rungta could not answer it. Further, one invoice no. KRM/253/23.08.2023 along with E-way bill no. 641604763975 dated 23.08.2023, in which vehicle no. MP09-GJ-0195 used, was also recovered from the factory premises, which pertain to KRM having invoice value of Rs.23,39,232.00, with quantity 24 MTs at Rs.82.60 / Kg. On being asked with Mr. Vikas Tiwari regarding above material, he informed that the goods were received in the factory premise. In this context, when the same question was asked with Mr. Avinash Kumar Rungta that how can you bring the goods from a non-existent unit i.e. KRM, he could not answer it. In view of the above, they jointly and severely involved in evasion of duty and availing benefit of exemption with KRM under Notification No.18/2015-cus dated 01.04.2015.

29.1 As per statements of Shri Utkarsh Bhave recorded on 01.12.2023 u/s 108 of the Customs Act,1962, he stated that his customer namely M/s Friscon Polyfab Pvt Ltd and others have approached him to import duty free goods under Advance Authorization Scheme and offer 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 KRM 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, it appears that Shri Anshul Agrawal has arranged vehicles for generation of E-way Bill from a non-existent firm and the said imported goods were transported from port of import to Pithampur/ other destination on their directions and sent vehicle along with driver details etc. Further, Shri Anshul Agarwal has also sent the transport bills and arranged payment to the account of transporter i.e. M/s New Krishna Transport Co, Indore. On analysis, it emerges that Shri Utkarsh Bhave was working under the instructions of Shri Anshul Agrawal and regularly updating him on the complete process of import of goods by KRM 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.

29.2 On perusal of the statement dated 26.10.2023, it appears that Mr. Anshul Agarwal suppressed the facts and in some instances they replied in a diplomatic way. Further, on perusal of the whatsapp chat it transpires that he possesses total control over the import of KRM and doing business as a beneficial owner. Some instances of whatsapp chat are given as under-

(i) [01/02/2023, 15:23:45] Anshul Agrawal: Send OC
[01/02/2023, 15:23:54] Anshul Agrawal: in which name
[01/02/2023, 15:24:01] Anshul Agrawal: Krm or Singh
[01/02/2023, 15:24:35] Utkarsh Bhave: Singh

(ii) ***[03/03/2023, 11:12:15] Utkarsh Bhave: Sir don't have adequate fund for now***

Kindly transfer

[03/03/2023, 11:12:29] Anshul Agrawal: Ok
[03/03/2023, 16:29:32] Anshul Agrawal: NKT bill no.871 KRM Plastics LLP.pdf.1page attached: 00000418- NKT Bill No.871 KRM Plastics LLP. Pdf>
[03/03/2023, 16:30:10] Anshul Agrawal: 500000. Sp industries
62500 New Krishna transport
Total 562500 transferred

(iii) ***[06/03/2023, 16:38:31] Anshul Agrawal: NKT bill no.880 KRM Plastics LLP.pdf.1page attached: 00000438- NKT Bill No.880 KRM Plastics LLP. Pdf>***
[06/03/2023, 16:38:31] Anshul Agrawal: 7 lkSp industries
10 lk overseas

57600 New Krishna Tranport Co
48109 shipping bill payment

[06/03/2023, 16:38:31] Anshul Agrawal: 1805709 transferred

(iv) ***[17/07/2023, 16:07:26] Utkarsh Bhave: KRM Plstics LLP.docx.3pages <attached:00001030 KRM Plastics LLP.docx>***
[17/07/2023, 16:15:38] Utkarsh Bhave: KRM Plstics LLP.pdf. 3 pages <attached:00001032 KRM Plastics LLP.pdf>
[17/07/2023, 16:21:04]Utkarsh Bhave: This agreement is being entered into on this 17 day of July 2023, (Agreement). Pdf . 7 pages<attached:00001033- This Agreement is being entered into on this 174 day of July, 2023 (Agreement).pdf>
[17/07/2023, 16:21:57] Utkarsh Bhave: CCF8-13.pdf . 6 pages<attached:00001034-CCF 8-13.pdf>
[17/07/2023, 16:50:00] Utkarsh Bhave: NOTED AND REGISTERED.pdf. 3 pages <attached:00001035-NOTED AND REGISTERED.pdf>
[17/07/2023, 18:19:59] Anshul Agrawal: Utkarsh ji send your adhar card for kyc
[17/07/2023, 18:20:33] Utkarsh Bhave:<attached:00001037-PHOTO-2023-07-17-18-20-33-jpg>

29.3 For the authenticity of the above whatsapp chat, Mr. Utkarsh Bhave also submitted certificate dated 29.08.2024 under section 138(c) of the Customs Act, 1962. Further, he produced all the sale invoices, wherein PP granules have been diverted to M/s. Friscon Polyfab Pvt Ltd. The details of the same is given as under-

Table No.6

S No	GSTIN	Invoice #	Date	Material Goods	Quantity (Kg)	Value
1	23AADCF4619C1Z5	KRM/135/22-23	17/11/22	PP Granules	24000	2018400
2	23AADCF4619C1Z5	KRM/008/22-23	14/04/22	PP Granules	15000	1860000
3	23AADCF4619C1Z5	KRM/140/22-23	30/11/22	PP Granules	25000	2075000
4	23AADCF4619C1Z5	KRM/007/22-23	13/04/22	PP Granules	10000	1240000
5	23AADCF4619C1Z5	KRM/146/22-23	12/8/2022	PP Granules	24500	2034725
6	23AADCF4619C1Z5	KRM/136/22-23	21/11/22	PP Granules	24000	1994400
7	23AADCF4619C1Z5	KRM/141/22-23	30/11/22	PP Granules	25000	2075000
8	23AADCF4619C1Z5	KRM/149/22-23	19/12/22	PP Granules	24500	2059225
9	23AADCF4619C1Z5	KRM/157/22-23	31/12/22	PP Granules	23000	2024000
10	23AADCF4619C1Z5	KRM/150/22-23	19/12/22	PP Granules	24500	2059225
11	23AADCF4619C1Z5	KRM/173/22-23	14/01/23	PP Granules	24000	2196000
12	23AADCF4619C1Z5	KRM/174/22-23	14/01/23	PP Granules	24000	2196000
13	23AADCF4619C1Z5	KRM/156/22-23	31/12/22	PP Granules	24000	2112000
14	23AADCF4619C1Z5	KRM/145/22-23	12/8/2022	PP Granules	24500	2034725
15	23AADCF4619C1Z5	KRM/220/22-23	17/03/23	PP Granules	24000	2292000
16	23AADCF4619C1Z5	KRM/235/22-23	31/03/23	PP Granules	49500	4504500
17	23AADCF4619C1Z5	KRM/232/22-23	28/03/23	PP Granules	24750	2308433
18	23AADCF4619C1Z5	KRM/221/22-23	17/03/23	PP Granules	24000	2292000
19	23AADCF4619C1Z5	KRM/194/22-23	2/8/2023	PP Granules	24000	2106000
20	23AADCF4619C1Z5	KRM/238/22-23	25/04/23	PP Granules	24750	2109938
21	23AADCF4619C1Z5	KRM/241/22-23	5/6/2023	PP Granules	46500	3964125
22	23AADCF4619C1Z	KRM/243/22	30/07/23	PP	72000	5796000

	5	-23		Granules		
23	23AADCF4619C1Z5	KRM/237/22-23	25/04/23	PP Granules	24750	2109938
24	23AADCF4619C1Z5	KRM/247/22-23	8/11/2023	PP Granules	24000	1960800
25	23AADCF4619C1Z5	KRM/244/22-23	8/8/2023	PP Granules	24000	1934400
26	23AADCF4619C1Z5	KRM/245/22-23	8/8/2023	PP Granules	48000	3921600
27	23AADCF4619C1Z5	KRM/252/22-23	23/08/23	PP Granules	24000	1960800
28	23AADCF4619C1Z5	KRM/246/22-23	8/11/2023	PP Granules	48000	3921600
29	23AADCF4619C1Z5	KRM/248/22-23	8/12/2023	PP Granules	28000	2287600
30	23AADCF4619C1Z5	KRM/253/22-23	23/08/23	PP Granules	24000	1982400
31	23AADCF4619C1Z5	KRM/249/22-23	8/12/2023	PP Granules	25000	2042500
Total					**875250**	**75473334**

29.4 On the basis of data retrieval and forensic investigations of electronic apparatus and facts discussed above, it appears that both the Directors of M/s. Friscon Polyfab Pvt Ltd, Pithampur have taken control over the import made by KRM and involved in the diversion of goods from KRM to DTA unit. It is also observed that aforesaid invoices of KRM has not been entered in the inward register of factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur, though the same were accounted for, in their books of account, indicates that the goods have not been brought into the factory premises and the same were diverted directly from the port of import to the specific customers as instructed by the Directors of M/s. Friscon Polyfab Pvt Ltd to KRM (Mr. Bhave). Further, E-way Bill (EWB) analysis also revealed that EWBs generated by KRM from the port of import i.e. Mundra Port to their factory premises, but the vehicle containing the duty free imported material i.e. PP granules, was never reached to KRM and the same were diverted to the factory premises of M/s. Friscon Polyfab Pvt Ltd, Pithampur. Some instances are depicted herein below reflecting the diversion of the imported material to M/s. Friscon Polyfab Pvt Ltd, Pithampur -

Sr. No.	EWB No./ date	EWB generated by	EWB from	EWB to	Actual delivery of the goods at -	Remarks
1	601534518906/	KRM	Mundra	Dhar	M/s.	Details along

	07.03.2023 (BoE 4878458 - 07/03/2023)				Friscon Polyfab Pvt Ltd	with Vehicle no. entered at page no.365 of inward register of Friscon (2022-23)
2	631508695416 / 06/01/2023 (BoE- 4040587 - 06/01/2023)	KRM	Mundra	Dhar	M/s. Friscon Polyfab Pvt Ltd	Details along with Vehicle no. entered at page no.313 of inward register of Friscon 2022-23)
3	631491313919 - 24/11/2022 (BoE- 3432890 - 23/11/2022)	KRM	Mundra	Dhar	M/s. Friscon Polyfab Pvt Ltd	Details along with Vehicle no. entered at page no.241 of inward register of Friscon 2022-23)
4	641596974966 - 04/08/2023 (BoE-7177956 - 04/08/2023)	KRM	Mundra	Dhar	M/s. Friscon Polyfab Pvt Ltd	Details along with Vehicle no. entered at page no.223 of inward register of Friscon (2023-24)
5	601598452161 - 08/08/2023 (BoE 7244296 - 08/08/2023)	KRM	Mundra	Dhar	M/s. Friscon Polyfab Pvt Ltd	Details along with Vehicle no. entered at page no.225 of inward register of Friscon (2023-24)
6	631602260280 - 17/08/2023 (BoE dated 17.08.2023)	KRM	Mundra	Dhar	M/s. Friscon Polyfab Pvt Ltd	Details along with Vehicle no. entered at page no.233 of inward register of Friscon (2023-24)
7	611604199142 - 21/08/2023	KRM	Mundra	Dhar	M/s. Friscon	Details along with Vehicle no.

	(BoE 7448000 - 21/08/2023)				Polyfab Pvt Ltd	entered at page no.243 of inward register of Friscon (2023-24)

29.5 In this regard, the relevant pages of inward register of M/s. Friscon Polyfab Pvt Ltd, Pithampur and ledgers are attached herewith as (RUD- XXI).

30. <u>Role played by Shri Alok Ghanshyam Bagaria, Marketing Manager of M/s. New Chem Plastics, Mumbai-</u>

The details of goods diverted to M/s. New Chem Plastic during the period under investigation is given as under-

Table No.7

Sr. No	Invoice No.	Invoice date	Buyer's Name	Description of goods	Quantity (in Kgs)	Value (in Rs.)
1	KRM/234/20-21	04.02.2021	New Chem Plastics, Mumbai	PP Granules	10000	1035000
2	KRM/166/22-23	11.01.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
3	KRM/162/22-23	03.01.2023	New Chem Plastics, Mumbai	PP Granules	16000	1424000
4	KRM/163/22-23	03.01.2023	New Chem Plastics, Mumbai	PP Granules	16000	1424000
5	KRM/164/22-23	03.01.2023	New Chem Plastics, Mumbai	PP Granules	16000	1424000
6	KRM/148/22-23	12.12.2022	New Chem Plastics, Mumbai	PP Granules	25000	2100000
7	KRM/134/22-23	16.11.2022	New Chem Plastics, Mumbai	PP Granules	23000	2024000
8	KRM/131/22-23	22.09.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000
9	KRM/130/22-23	09.09.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000
10	KRM/129/22-23	30.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2212500
11	KRM/127/22-23	25.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2212500
12	KRM/126/22-23	25.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2212500
13	KRM/124/22-23	24.08.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000
14	KRM/125/22-23	24.08.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000

15	KRM/122/22-23	20.08.2022	New Chem Plastics, Mumbai	PP Granules	20000	1770000
16	KRM/121/22-23	20.08.2022	New Chem Plastics, Mumbai	PP Granules	20000	1770000
17	KRM/120/22-23	18.08.2022	New Chem Plastics, Mumbai	PP Granules	23000	2035500
18	KRM/119/22-23	16.08.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000
19	KRM/118/22-23	16.08.2022	New Chem Plastics, Mumbai	PP Granules	24000	2124000
20	KRM/115/22-23	12.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2222500
21	KRM/114/22-23	11.08.2022	New Chem Plastics, Mumbai	PP Granules	30000	2685000
22	KRM/112/22-23	11.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2237500
23	KRM/110/22-23	08.08.2022	New Chem Plastics, Mumbai	PP Granules	21000	1890000
24	KRM/109/22-23	08.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2250000
25	KRM/107/22-23	06.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2250000
26	KRM/106/22-23	06.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2250000
27	KRM/103/22-23	03.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2175000
28	KRM/102/22-23	03.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2175000
29	KRM/101/22-23	02.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2175000
30	KRM/100/22-23	02.08.2022	New Chem Plastics, Mumbai	PP Granules	25000	2175000
31	KRM/99/22-23	30.07.2022	New Chem Plastics, Mumbai	PP Granules	23000	2156250
32	KRM/98/22-23	29.07.2022	New Chem Plastics, Mumbai	PP Granules	25000	2375000
33	KRM/97/22-23	26.07.2022	New Chem Plastics, Mumbai	PP Granules	25000	2400000
34	KRM/167/22-23	11.01.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
35	KRM/181/22-23	17.01.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
36	KRM/182/22-23	18.01.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
37	KRM/187/22-23	31.01.2023	New Chem Plastics, Mumbai	PP Granules	27000	2457000
38	KRM/188/22-	01.02.202	New Chem Plastics,	PP	21000	1890000

	23	3	Mumbai	Granules		
39	KRM/200/22-23	10.02.2023	New Chem Plastics, Mumbai	PP Granules	24500	2278500
40	KRM/201/22-23	17.02.2023	New Chem Plastics, Mumbai	PP Granules	25000	2325000
41	KRM/208/22-23	23.02.2023	New Chem Plastics, Mumbai	PP Granules	25000	2300000
42	KRM/222/22-23	21.03.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
43	KRM/223/22-23	21.03.2023	New Chem Plastics, Mumbai	PP Granules	24000	2196000
44	KRM/239/23-24	05.05.2023	New Chem Plastics, Mumbai	PP Granules	24000	2232000
45	KRM/240/23-24	05.05.2023	New Chem Plastics, Mumbai	PP Granules	24000	2232000
	Total				**1051500**	**94694750**

Further, it is observed that all the imports were done by KRM under High Sea Sale Agreement with M/s. Overseas Polymers Pvt Ltd, M/s. Ishaan Plastics, M/s. S. P. Industries etc. They imported PP granules on the direction of M/s. New Chem Plastic and other buyers. Actually, they funded KRM for the said task. The amount so received from M/s. New Chem Plastics in the ICICI Bank Account No. 384805000623, immediately transferred to M/s. Overseas Polymers Pvt Ltd. As per the Bank statement of KRM, wherein the chain of the transaction made among New Chem- KRM - Overseas can be seen easily. Actually, the import done by KRM was financed by other buyers i.e. M/s. New Chem Plastic through Shri Bagaria Manager and M/s. Friscon Polyfab through Shri Anshul Agarwal and Avinash Rungta Directors were the beneficial owners of the said import and in-lieu of it, Mr. Bhave got the commission. Further, during the course of investigation, it appears that M/s. Neo Chem Plastic, Mumbai signed a tripartite agreement having KRM Plastics LLP and M/s. Overseas Polymers Pvt Ltd as parties in it. In that tripartite agreement, it is mentioned that M/s. Neo Chem Plastic would pay directly to M/s. Overseas Polymers in lieu of Imports done by KRM Plastics LLP on the High Sea Sales basis. Thus, it appears that M/s. Neo Chem Plastic, Mumbai is fully aware of the fact that the goods i.e. PP granules imported by KRM Plastics LLP were under the Advance Authorization Scheme and the same were diverted to domestic routes with the sole intentions to evade Customs duty. Further, outward E-way bills generated by KRM also revealed that imported duty free PP granules were diverted to M/s. New Chem Plastic, Mumbai. Some instances of diversion are given as under –

 # Bill of Entry no.5140930 dated 20.03.2023 -
Quantity of PP granules imported- 48 MT
Port of Import- Mundra Port

KRM	*Date*	*Qty (in*	*Issued to*	*EWB no.*	*Date*	*(From - To)*

invoice no.		*MTs)*				
222/2022-23	*21.03.2023*	*24*	*M/s. New Chem Plastics, Mumbai*	*691540458536*	*21.03.2023*	*KRM-New Chem*
223/2022-23	*21.03.2023*	*24*	*M/s. New Chem Plastics, Mumbai*	*691540458536*	*21.03.2023*	*KRM-New Chem*
Total		*48*				

Bill of Entry no-9875541 dated 05.08.2022-
Quantity of PP granules imported- 25 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
107/2022-23	*06.08.2022*	*25*	*M/s. New Chem Plastics, Mumbai*	*281464914850*	*06.08.2022*	*Mundra - Mundra*

 # Bill of Entry no-9902713 dated 06.08.2022-
Quantity of PP granules imported- 46 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
109/2022-23	*08.08.2022*	*25*	*M/s. New Chem Plastics, Mumbai*	*241465636935*	*08.08.2022*	*Mundra - Mundra*
110/2022-23	*08.08.2022*	*21*	*M/s. New Chem Plastics, Mumbai*	*291465646096*	*08.08.2022*	*Mundra - Mundra*
Total		*46*				

 # Bill of Entry no- 9714742 dated 25.07.2022-
Quantity of PP granules imported- 25 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
97/2022-23	*26.07.2022*	*25*	*M/s. New Chem Plastics, Mumbai*	*251459970420*	*26.07.2022*	*Mundra - Mundra*

 # Bill of Entry no-9782760 dated 29.07.2022-
Quantity of PP granules imported- 23 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
99/2022-23	*30.07.2022*	*23*	*M/s. New Chem Plastics, Mumbai*	*281461812333*	*30.07.2022*	*Mundra - Mundra*

 # Bill of Entry no- 9761618 dated 28.07.2022-
Quantity of PP granules imported- 25 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
98/2022-23	*28.07.2022*	*25*	*M/s. New Chem Plastics, Mumbai*	*221461321914*	*29.07.2022*	*Mundra - Mundra*

 # Bill of Entry no-9993855dated 13.08.2022-
Quantity of PP granules imported- 48 MT
Port of Import- Mundra Port

KRM invoice no.	*Date*	*Qty (in MTs)*	*Issued to*	*EWB no.*	*Date*	*(From - To)*
118/2022-23	*16.08.2022*	*24*	*M/s. New Chem Plastics, Mumbai*	*241468608494*	*16.08.2022*	*Mundra - Mundra*
119/2022-23	*16.08.2022*	*24*	*M/s. New Chem Plastics, Mumbai*	*291468614285*	*16.08.2022*	*Mundra - Mundra*
Total		*48*				

In view of the above, M/s. New Chem Plastic is liable for penalty under Section 114AA of the Customs Act, 1962 for omission and commission held by them being the beneficial owners of the imported goods and diversion/ sold the same in domestic market and violated with provisions of Advance Authorization Scheme read with Notification no.18/2015-Cus dated 01.04.2015.

31. <u>Role played by Shri Vikas Jain (Prop. of M/s. Yashika Enterprises)-</u>

Mr. Vikas Jain is the key person, who had controlled the imports made by KRM. This office has issued several Summons to his residential address i.e. 285, M. Das Bagichi, Aerodrome Road, Near Ramchandra Nagar, Indore-452001 through post/ person and through e-mail address i.e. 15vikas4jain@gmail.com registered with the Department under GST, but he neither come forward in

person to give his statement nor submitted any documents in respect of KRM. 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. 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. Further, it appears that Shri Vikas Jain, Proprietor of M/s Yashika Enterprises is knowingly controlling the business operations of M/s Singh Exports by way of routing money through various firm to the account of KRM and M/s Singh Exports and other units linked with Mr. Vikas Jain for the purpose of importing duty free goods under Advance Authorisation Scheme and later wrongly diverting the said imported goods to other buyers. On the basis of investigation conducted so far, he appears to be financial beneficiary from the sales proceeds of KRM and M/s Singh Exports. Statements of Shri Vikas Jain was recorded on 01.12.2023 (RUD-XXIII) under section 108 of the Customs Act, 1962 in case of M/s. Singh Exports, wherein he deposed that he has financed for the said imports and later the same has been diverted to local market from the port of import itself in contravention of conditions of Advance Authorization License Scheme and various provisions of the Customs Act, 1962 which resulted in evasion of duty. Shri Utkarsh Bhave in collusion with Shri Vikas Jain and Shri Anshul Agrawal has hatched a conspiracy to import duty free goods in name of KRM and 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 support being financial beneficiaries.

Further, outward E-way bills generated by KRM also revealed that imported duty free PP granules were diverted to M/s. Yashika Enterprises, Indore. Some instances of diversion are given as under –

Bill of Entry no- 4722542 dated 20.02.2023-
Quantity of PP granules imported- 41.5 MT
Port of Import- Mundra Port

KRM invoice no.	Date	Qty (in MTs)	Issued to	EWB no.	Date	(From - To)
210/2022-23	25.02.2023	20	M/s. Yashika Enterprises, Indore	601530167955	25.02.2023	Indore - Indore
211/2022-23	25.02.2023	20	M/s. Yashika Enterprises, Indore	691530223535	25.02.2023	Indore - Indore
Total		40				

# Bill of Entry	Date	Port of Import	Qty (in MTs)
4677065	16-02-2023	Mundra	30
4722542	20-02-2023	Mundra	41.5
4763208	23-02-2023	Mundra	25
Total			**96.5**

KRM invoice no.	Date	Qty (in MTs)	Issued to	EWB no.	Date	(From - To)
222/2022-23	27.03.2023	16	M/s. Yashika Enterprises, Indore	-	-	Indore - Indore
226/2022-23	22.03.2023	20	M/s. Yashika Enterprises, Indore	621541019823	22.03.2023	Indore - Indore
229/2022-23	23.03.2023	20	M/s. Yashika Enterprises, Indore	681541324598	23.03.2023	Indore - Indore
230/2022-23	27.03.2023	20	M/s. Yashika Enterprises, Indore	601543374018	27.03.2023	Indore - Indore
233/2022-23	28.03.2023	20	M/s. Yashika Enterprises, Indore	621543534564	28.03.2023	Indore - Indore
Total		**96**				

Bill of Entry no- 4841760 dated 28.02.2023-
Quantity of PP granules imported- 24 MT
Port of Import- Mundra Port

KRM invoice no.	Date	Qty (in MTs)	Issued to	EWB no.	Date	(From - To)
212/2022-23	28.02.2023	20	M/s. Yashika Enterprises, Indore	661531548681	28.02.2023	Indore - Indore

In view of the above, it may be observed that KRM indulged in diversion of imported duty free PP granules to M/s. Yashika Enterprises, Indore.

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

(i) KRM imported 3195.24 Metric Tons of duty free PP granules, which were imported under 12 'Advance Authorization Licenses' issued by the Director General of Foreign Trade (DGFT), Bhopal and diverted/ sold in the domestic market to different buyers as discussed in foregoing paras.

(ii) The said diversion is not allowed as per the provisions of para 4.16 of the Foreign Trade Policy 2015-20 and condition sheet of Advance Authorization license read with condition no. x of the Notification No. 18/2015-Cus dated 01.04.2015.

(iii) Para 4.03 and 4.05 of the Foreign Trade Policy 2015-20, in force at the time of issuance of the authorization indicate that benefit of exemption from payment of customs duty is extended to the imported input materials subject to strict condition, that such material would be exclusively used in the manufacture of export goods which would be ultimately exported.

(iv) Para 4.16 of the FTP 2015-20 restricts use of such duty free imported goods and stipulates that such import will be with actual user condition. It will not be transferable even after completion of export obligation.

(v) KRM also failed to comply with the condition of the para 4.49 of the Hand Book of Procedures (2015-2020), Volume-I, and did not pay duty of customs with interest till the matter was taken up for investigation by the Customs, Indore. Such failure led the importer to outright violation of the actual user conditions of the license read with notification and policy in vogue rendering the goods so imported duty free, liable to confiscation under section 111(o) of the Customs Act, 1962.

(vi) Further, customs duty has not been paid by KRM in respect of 3195.24 Metric Tons of duty free PP granules to the tune of **Rs.8,20,39,253/- (Rupees Eight Crores Twenty Lakh Thirty Nine Thousand Two Hundred Fifty Three Only),** which appears to be recoverable from them **(**as mentioned in para 9 & Table no.3 to this notice) under Section 28(4) of the Customs Act, 1962 along with interest at applicable rate under section 28AA of the Customs Act, 1962. Further, during the course of investigation, they have deposited duty amounting to Rs.55,000/- (Rupees Fifty Five Thousand Only) vide challan dated 31.07.2024 against Bill of Entry no.6967994 dated 20.07.2023, the same may be appropriated against the demand so raised.

(vii) KRM has declared manufacturing unit, having principal place of business at 109-B, Sector-I, Vikas Bhavan Road, Industrial Area, Pithampur. However, during the course of search operation, the said unit found non-existing. They had obtained IEC -1116900203 and imported PP granules under Advance Authorization schemes and availed benefit of exemption under Notification No.18/2015-Cus dated

01.04.2015. The subject goods were imported duty free on the strength of 109 Bill of Entries under 12 Advance Authorization licenses issued by the DGFT and sold it into DTA units directly from the port of import. Further, facts of the case indicate that these licences were obtained fraudulently by mis-representation of facts before the DGFT; even after non-existing firm, they have imported duty free goods and diverted the same in DTA. Hence, their licenses appear liable for cancellation.

(viii) KRM failed to abide by the various conditions of import prescribed under Notification No. 18/2015 Cus dated 01.04.2015 read with provisions of para 4.16 of the Foreign Trade Police 2015-20 and the conditions of Advance Authorization licences. It appears from the foregoing facts of the case that KRM by their aforesaid deliberate acts of omission and commission had resulted into non-levy/short levy of duty and interest. Thus, appeared to have rendered themselves liable to penalty under Section 112, 114A and 114AA of the Customs Act, 1962.

(ix) In addition, Mr. Utkarsh Bhave, the partner of KRM deliberately indulged in diversion of goods imported under Advance Authorization Scheme in violation of Para 4.16 of the Foreign Trade Policy 2015-20 and condition no. x of the Notification no.18/2015-Cus dated 01.04.2015, therefore appears to have rendered himself liable for penalty under section 112 & 114AA of the Customs Act, 1962, as he knowingly, intentionally and deliberately fabricated/caused to be fabricated as operating a non-existing unit and it was never the intention of the importer to comply with the conditions of Advance Authorization Scheme.

(x) Analysis of inward and outward E-way Bills of the importer also revealed that KRM was indulged in the diversion of duty free imported raw material into the DTA units to get the undue benefit of Advance Authorization Scheme.

(xi) Shri Avinash Kumar Rungta and Shri Anshul Kumar Agrawal, the Directors of M/s. Friscon Polyfab Pvt Ltd, Pithampur appears to be the beneficiary owners as discussed in the para 29, as they have abated KRM for fraudulently diverting of imported goods to domestic market in violation of Para 4.16 of the Foreign Trade Policy 2015-20 and condition no. x of the Notification no.18/2015-Cus dated 01.04.2015. Further, they have purchased goods from KRM to the tune of Rs.7,54,73,334/- on the strength of 31 invoices as mentioned in Table no.6 (most of the invoices, the purchase rate is same as import rate), but the same are not reflecting in the inward register of M/s. Friscon Polyfab Pvt Ltd, which was seized during the course of search operation dated 14.09.2023. In view of the above, it transpires that they have duly indulged in diversion of the said goods to their customers directly from the port and the said material never reached at their factory. These ample proofs shows that they are beneficial owners jointly and severely,

who involved in abating KRM in violation of conditions of Advance Authorization Scheme and availing benefit of exemption under Notification No.18/2015-cus dated 01.04.2015. In view of the above, both the Directors of M/s. Friscon Polyfab Pvt Ltd, Pithampur appears liable for penalty under Section 112 and 114AA of the Customs Act, 1962.

(xii) Smt. Sampat Ghanshyam Bagaria, Proprietor and Shri Alok Ghanshyam Bagaria, the Marketing Manager of M/s. New Chem Plastic, Mumbai appear to be liable for penalty under Section 112 & 114AA of the Customs Act, 1962 for omission and commission held by them being the beneficial owners of the imported goods and performing diversion of the same in domestic market in violation of Para 4.16 of the Foreign Trade Policy 2015-20 and condition no. x of the Notification no.18/2015-Cus dated 01.04.2015.

(xiii) Mr. Vikas Jain, Prop. of M/s. Yashika Enterprises also appears to be liable for penalty under Section 112 & 114AA of the Customs Act, 1962 for omission and commission held by them being the beneficial owners of the imported goods and performing diversion of the same in domestic market in violation of Para 4.16 of the Foreign Trade Policy 2015-20 and condition no. x of the Notification no.18/2015-Cus dated 01.04.2015.

33.1 Now, therefore, **M/s. KRM Plastics LLP**, Plot no. 109-B, Sector-I, Industrial Area, Vikas Bhawan Road, Pithampur, Distt- Dhar (M.P.) (Noticee No.1) is hereby called upon to explain and Show Cause in writing to the Common Adjudicating Authority viz. Principal Commissioner/Commissioner of Customs, Mundra Port, Gujarat, within 30 days from the date of receipt of this notice as to why:-

(i) Subject goods i.e. PP granules weighing 3195.24 Metric Tons valued at **Rs. 29,57,96,841/-** (Rupees Twenty Nine Crores Fifty Seven Lakh Ninety Six Thousand Eight Hundred and Forty One only), which were imported duty free under 12 'Advance Authorization Licenses' mentioned in para 9 & Table no.3 to this notice, should not be held liable to confiscation under section 111 (o) of the Customs Act,1962.

(ii) Total custom duty amounting to **Rs. 8,20,39,253/-** (Rupees Eight Crores Twenty Lakh Thirty Nine Thousand Two Hundred Fifty Three Only) as mentioned in para 9 & Table no.3 to this notice, payable on the aforesaid quantity of 3195.24 MTs of goods, which were imported by availing the benefit of exemption of Notification No.18/2015-Cus dated 01.04.2015 as amended, should not be

demanded and recovered from them under section 28(4) of the Customs Act, 1962 along with applicable interest under section 28AA of the Customs Act, 1962. Further, the amount of Rs.55,000/- (Rupees Fifty Five Thousand Only) vide challan dated 31.07.2024 against Bill of Entry no.6967994 dated 20.07.2023, should not be appropriated against the said demand.

(iii) Penalty should not be imposed upon them under section 112 and 114A of the Customs Act, 1962 for violation of various conditions of import prescribed under Notification No. 18/2015-Cus dated 01.04.2015 read with provisions of para 4.16 of the Foreign Trade Police 2015-20 and the actual user condition of Advance Authorization licences.

33.2 Now, therefore, **Shri Utkarsh Bhave** S/o Shri Ajay K. Bhave, (Noticee No.2) the active partner of M/s. KRM Plastics LLP, 109-B, Divine Greens, Nipania, Indore is hereby called upon to explain and Show Cause in writing to the Common Adjudicating Authority viz. Principal Commissioner/Commissioner of Customs, Mundra Port, Gujarat, within 30 days from the date of receipt of this notice as to why the penalty should not be imposed upon him under section 112 & 114AA of the Customs Act, 1962, as he knowingly, intentionally and deliberately fabricated/caused to be fabricated as operating a non-existing unit and it was never the intention of the importer to comply with the conditions of Advance Authorization Scheme.

33.3 Now, therefore, **Shri Anshul Kumar Agarwal & Shri Avinash Kumar Rungta** (Noticee No.3), both the Directors of M/s. Friscon Polyfab Pvt Ltd, Pithampur are hereby called upon to explain and Show Cause in writing to the Common Adjudicating Authority viz. Principal Commissioner/Commissioner of Customs, Mundra Port, Gujarat, within 30 days from the date of receipt of this notice as to why the penalty should not be imposed upon them under section 112 & 114AA of the Customs Act, 1962 for the omission and commission held by them as discussed in the notice.

33.4 Now, therefore, **Smt. Sampat Ghanshyam Bagaria**, the Proprietor of M/s. New Chem Plastics, Mumbai and **Shri Alok Ghanshyam Bagaria**, the Maketing Manager of M/s. New Chem Platics, Mumbai (Noticee No.4) are hereby called upon to explain and Show Cause in writing to the Common Adjudicating Authority viz. Principal Commissioner/Commissioner of Customs, Mundra Port, Gujarat, within 30 days from the date of receipt of this notice as to why the penalty should not be imposed upon them under section 112 & 114AA of the Customs Act, 1962 for the omission and commission held by them as discussed in the notice.

33.5 Now, therefore, **Shri Vikas Jain**, the Proprietor of M/s. Yashika Enterprises, Indore (Noticee No.5) is hereby called upon to explain and Show Cause in writing to the Common Adjudicating Authority viz. Principal Commissioner/Commissioner of Customs, Mundra Port, Gujarat, within 30 days from the date of receipt of this notice as to why the penalty should not be imposed upon them under section 112 & 114AA of the Customs Act, 1962 for the omission and commission held by them as discussed in the notice.

WRITTEN SUBMISSIONS AND PERSONAL HEARING

34. 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:

34.1 Noticee No. 1 (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, 05.08.2026, 22.09.2026 and 14.10.2026. On 14.10.2026, Shri Utkarsh Bhave, partner of the noticee, appeared and requested a personal hearing in physical mode. A physical hearing was accordingly fixed on 22.10.2026, but the noticee did not appear. A further hearing was fixed on 12.11.2026, but the noticee again did not appear. No submission has been made on its behalf.

34.2 Noticee No. 2 (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, 05.08.2026, 22.09.2026 and 14.10.2026. On 14.10.2026, the noticee appeared and requested a personal hearing in physical mode. A physical hearing was accordingly fixed on 22.10.2026, but the noticee did not appear. A further hearing was fixed on 12.11.2026, but the noticee again did not appear. No submission has been made by him.

34.3 Noticee No. 3 (Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta, Directors of M/s Friscon Polyfab Pvt Ltd): The noticees, through their counsel Shri Ashutosh Upadhyay, Advocate, filed a letter dated 17.12.2025, a preliminary reply dated 04.08.2026 and a reply on merits dated 04.08.2026. During the personal hearing through virtual mode, Adv. Ashutosh Upadhyay and Adv. Lalit Joshi appeared on behalf of the noticees and re-iterated the written submissions. Their submissions are summarised as below:

i. SCN issued without jurisdiction: Relying on Point B.33 of the minutes of the Tariff Conference held on 28-29.10.2015 (Instruction F. No. 96/85/2015-CX.I dated 07.12.2015), the noticees submitted that recovery for goods not used for the intended purpose under Rule 8 of the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 lies with the officer having jurisdiction

over the actual user factory. It was submitted that only the customs authority having jurisdiction over the factory of Noticee No. 1 could demand duty and impose penalty. The noticees accordingly sought withdrawal of the SCN.

ii. Identity of Noticee No. 3: The noticees submitted that M/s Friscon Polyfab Pvt Ltd and its two directors are three different persons. According to them, the SCN does not make clear which of them is Noticee No. 3. They added that for a penalty, the role of each person has to be established by evidence.

iii. Bona fide purchase in the domestic market: The noticees submitted that M/s Friscon Polyfab Pvt Ltd never imported any material from a foreign supplier, and only purchased PP granules from KRM on GST-paid invoices. They were unaware of KRM's imports and non-payment of duty until the search.

iv. Cross-examination: The noticees sought cross-examination of Shri Utkarsh Bhave and of the investigating officers who recorded the statements of Shri Avinash Kumar Rungta and Shri Anshul Kumar Agarwal. They submitted that statements cannot be relied upon without allowing cross-examination. They relied on *Swiber Offshore Construction Pvt. Ltd.*, 2014 (301) ELT 119 (Tri.-Ahmd.) and *Raju Sharma*, (2026) 44 Centax 309 (Cal.).

34.4 Noticee No. 4 (Smt. Sampat Ghanshyam Bagaria, Proprietor, and Shri Alok Ghanshyam Bagaria, Marketing Manager, M/s New Chem Plastics): The Noticee filed a written reply dated 13.04.2026. During the personal hearing through virtual mode, CA Vishal Poddar appeared on behalf of both the noticees and re-iterated the written reply dated 13.04.2026. They are summarized as below:

i. Domestic trader with no role in the imports: The noticee submitted that it does not hold any Advance Authorisation, has never imported any goods, and has never filed a Bill of Entry, appointed a CHA, or executed any bond or declaration under the Customs Act. It had no knowledge that the goods had been imported under an exemption scheme or that their domestic sale was restricted.

ii. No financing of the imports: The noticee submitted that its payments to KRM were consideration for goods. According to the noticee, KRM's use of those funds to pay its own supplier cannot be treated as financing of imports by the noticee. The payments of Rs. 21,86,000/- and Rs.

20,58,000/- made to M/s Overseas Polymers Pvt Ltd on behalf of KRM were commercial settlements.

iii. Statements of co-noticees and cross-examination: The noticee submitted that the case rests on uncorroborated statements of KRM and its partner, and sought cross-examination of the persons of KRM whose statements are relied upon. It relied on *Shri Dharanidhar Ghosh v. Commissioner of Customs (Preventive)* (CESTAT Kolkata) and *Mitesh Impex v. Union of India* (Guj. HC). It prayed that the SCN and the proposed penalties be set aside.

34.5 Noticee No. 5 (Shri Vikas Jain, Proprietor, M/s Yashika Enterprises): No written reply to the SCN has been received from the noticee to date. Personal hearings were fixed on 17.07.2026, 18.08.2026, 22.09.2026 and 14.10.2026. The noticee did not appear on any of the dates fixed.

34.6 Noticee Nos. 1 and 2 have been given six opportunities of personal hearing, and Noticee No. 5 has been given four. Para 35 of the SCN also informed them that the case may be decided ex parte on the evidence on record if they neither reply nor appear. I find that adequate opportunity has been afforded to them, and I proceed to decide the case in respect of Noticee Nos. 1, 2 and 5 on the basis of the evidence on record.

DISCUSSION AND FINDINGS

35. 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 weighing 3195.24 MT, valued at Rs. 29,57,96,841/-, imported duty free by M/s KRM Plastics LLP under 12 Advance Authorisations as detailed in Table No. 3 of the SCN, are liable to confiscation under Section 111(o) of the Customs Act, 1962;

ii. Whether the customs duty of Rs. 8,20,39,253/- on the said 3195.24 MT of PP granules, exempted under Notification No. 18/2015-Cus dated 01.04.2015, is liable to be demanded and recovered from M/s KRM Plastics LLP under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA of the Customs Act, 1962, and whether the amount of Rs. 55,000/- deposited vide challan dated 31.07.2024

against Bill of Entry No. 6967994 dated 20.07.2023 is liable to be appropriated against the said demand;

iii. Whether penalties under Sections 112 and 114A of the Customs Act, 1962 are imposable on M/s KRM Plastics LLP;

iv. Whether penalties under Sections 112 and 114AA of the Customs Act, 1962 are imposable on Shri Utkarsh Bhave, partner of M/s KRM Plastics LLP; on Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta, Directors of M/s Friscon Polyfab Pvt Ltd; on Smt. Sampat Ghanshyam Bagaria, Proprietor, and Shri Alok Ghanshyam Bagaria, Marketing Manager, of M/s New Chem Plastics, Mumbai; and on Shri Vikas Jain, Proprietor of M/s Yashika Enterprises, Indore.

BRIEF FACTS:

36. M/s KRM Plastics LLP, with Shri Utkarsh Bhave and his wife as partners, declared itself a manufacturer of FIBC and PP woven sacks at 109-B, Sector-I, Industrial Area, Pithampur. It obtained 16 Advance Authorisations from DGFT for duty-free import of PP granules and UV stabiliser master batch, for use in the manufacture of FIBCs for export. As per DGFT's e-mail dated 01.11.2023, 4 of these were surrendered and 12 remained. Under these 12 authorisations, KRM imported 3195.24 MT of PP granules, valued at Rs. 29,57,96,841/-, through 109 Bills of Entry between 2020 and 2023, as detailed in Table No. 3 of the SCN. About 74% of these imports were made at Mundra. The goods were cleared without payment of duty under Notification No. 18/2015-Cus dated 01.04.2015.

36.1 On searches conducted on 12.09.2023, the declared factory premises at Pithampur were found closed and locked, and were no longer in the possession of KRM. The premises at Rau Khedi, Dewas bye pass, Indore, searched on the same day, were found non-existent. Shri Bhave, in his statement dated 12.09.2023, stated that the Pithampur premises had been vacated in March 2023. According to him, the business was thereafter run from his residence. He was arrested on 13.09.2023 under Section 104 of the Customs Act, 1962.

36.2 In his statements under Section 108 dated 12.09.2023, 15.12.2023, 21.06.2024 and 29.08.2024, Shri Bhave stated that all the PP granules imported under the 12 authorisations were sold in the domestic market. He also stated that the export obligation had not been fulfilled. He stated that the imports were made on high seas sale basis, mainly from M/s Overseas Polymers Pvt Ltd, and were financed in advance by M/s New Chem Plastics, M/s Friscon Polyfab Pvt Ltd and M/s Yashika Enterprises, to whom or at whose direction the goods were delivered. For this, he received a commission of Rs. 1 to 2 per kg.

36.3 Follow-up searches on 14.09.2023 at the factory and office of M/s Friscon Polyfab Pvt Ltd recovered several documents relating to KRM's imports. These included a page of KRM's Bill of Entry No. 4040587 dated 05.01.2023, ex-bond

gate-out documents of M/s Overseas Polymers Pvt Ltd and KRM's invoice No. KRM/253/2023-24 dated 23.08.2023 with its e-way bill. Statements were recorded of the directors and the General Manager of M/s Friscon Polyfab Pvt Ltd and of the Marketing Manager of M/s New Chem Plastics. Shri Vikas Jain of M/s Yashika Enterprises did not appear despite summons dated 30.10.2023, 13.06.2024, 28.06.2024, 05.08.2024 and 13.08.2024.

37. 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:

38. 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.

39. Authorisations obtained and bonds executed in the name of a unit that did not manufacture. I find that the authorisations were obtained and the bonds executed in the name of KRM as a manufacturer exporter, for duty-free import of inputs to be used in the manufacture of FIBCs for export. During the search on 12.09.2023, the declared factory premises at Pithampur, Distt. Dhar were found closed and locked, and were no longer in the possession of KRM, and the Rau Khedi premises were found non-existent. Shri Bhave, in his statement dated 12.09.2023, stated that he generally got goods manufactured through job workers. However, according to him, none of the imported consignments was ever sent to job work for processing. He further admitted that the export obligation had not been fulfilled; he was trying to fulfil it by exporting finished goods purchased indigenously. Thus, on his own statement, the imported PP granules were neither used in manufacture by KRM, which was no longer in possession of its declared factory premises, nor sent to any job worker, and the export obligation was sought to be met, if at all, with finished goods purchased in the domestic market.

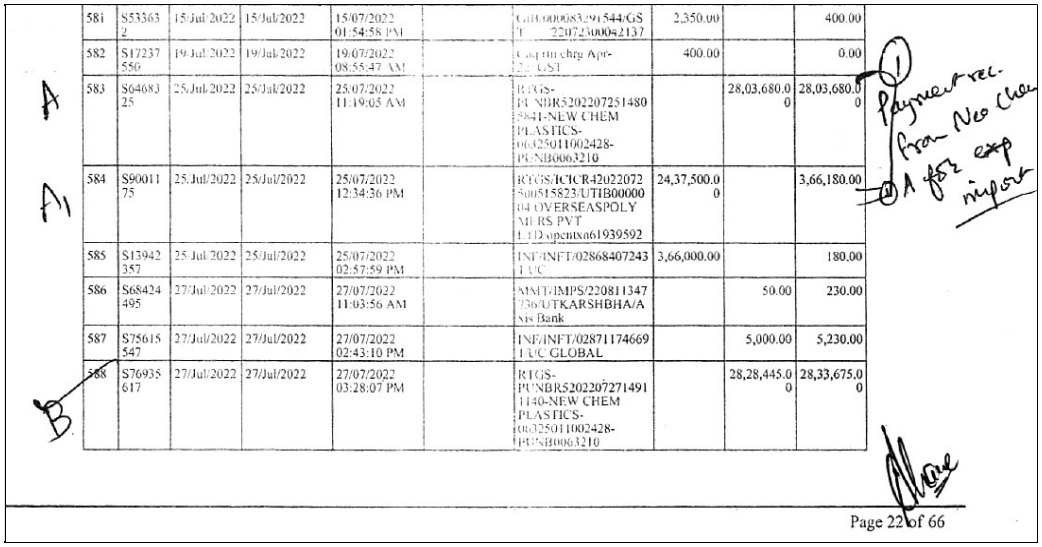
40. Imports financed by the buyers and made on high seas sale basis. In his statement dated 15.12.2023, Shri Bhave stated that he did not import directly. According to him, all the imports were made under high seas sale agreements with M/s Overseas Polymers Pvt Ltd, M/s Ishaan Plastics, M/s S.P. Industries and others. He stated that the payments to the suppliers were funded in advance by M/s New Chem Plastics, M/s Friscon Polyfab Pvt Ltd and M/s Yashika Enterprises. During the recording of the said statement dated 15.12.2023, he submitted the relevant pages of the statement of KRM's ICICI Bank account No. 384805000623, marking each receipt from these buyers (A, B, C…) against the corresponding onward payment to M/s Overseas Polymers Pvt Ltd (A1, B1, C1…). The relevant pages of the bank statement so marked, forming part of his statement dated 15.12.2023, are reproduced below.

40.1 The entries relating to the receipts from M/s Friscon Polyfab Pvt Ltd and the corresponding onward payments to M/s Overseas Polymers Pvt Ltd are reproduced below.

1040	S52032166	15/Nov/2022	15/Nov/2022	15/11/2022 03:06:35 PM		NFS/15656334/CASH WDL 15-11-22/Fee Rs21.00 GST Rs3.78	10,024.78		35,465.44
1041	S60085029	16/Nov/2022	16/Nov/2022	16/11/2022 12:54:02 PM		RTGS-UBINR22022111601001[illegible]FRISCON POLYFAB PRIVATE LIMITED-[illegible]UBIN0556807		20,16,000.00	20,51,465.44
1042	S60109046	16/Nov/2022	16/Nov/2022	16/11/2022 12:57:01 PM		RTGS IC R42022111[illegible]UTIB00000[illegible]OverseasPolymers Pvt Ltd	20,16,100.00		35,365.44
1043	S62988760	16/Nov/2022	16/Nov/2022	16/11/2022 05:47:29 PM		NFS/15656224/CASH WDL 16-11-22/Fee [illegible]	10,024.78		25,340.66

1049	S73907809	17/Nov/2022	17/Nov/2022	17/11/2022 11:38:05 PM		VPS/THE RED MAP 20221117233823/21185951640/RAU	165.00		42,481.66
1050	S78573879	18/Nov/2022	18/Nov/2022	18/11/2022 03:57:53 PM		RTGS-UBINR22022111801182232-FRISCON POLYFAB PRIVATE LIMITED-5680050100001[illegible]UBIN0556807		19,92,000.00	20,34,481.66
1051	S78595606	18/Nov/2022	18/Nov/2022	18/11/2022 04:00:55 PM		RTGS/ICICR42022111800531391/UTIB00000[illegible]04/OverseasPolymers Pvt Ltd	19,91,900.00		42,581.66
1052	S78928837	18/Nov/2022	18/Nov/2022	18/11/2022 04:32:42 PM		INF/INFT/03011448667[illegible]1/FundtransfertoKrmplastesII/GIRIRAJ [illegible] RPR		15,96,000.00	16,38,581.66

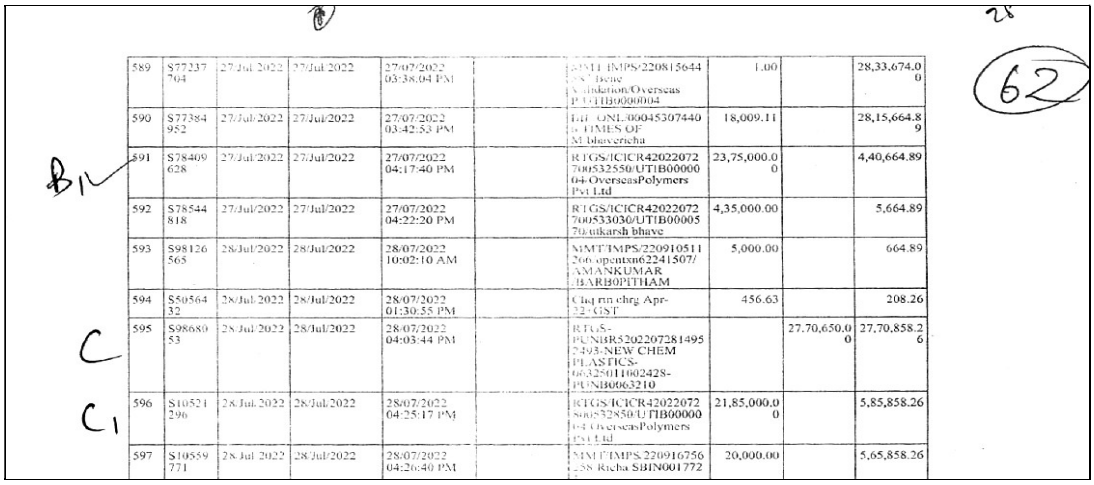
40.2 The entries relating to the receipts from M/s New Chem Plastics and the corresponding onward payments to M/s Overseas Polymers Pvt Ltd are reproduced below.



	581	S53363 2	15/Jul/2022	15/Jul/2022	15/07/2022 01:54:58 PM		GB0000083291544/GS T 220723000042137	2,350.00		400.00
	582	S17237 550	19/Jul/2022	19/Jul/2022	19/07/2022 08:55:47 AM		Chq rtn chrg Apr-22+GST	400.00		0.00
A	583	S64683 25	25/Jul/2022	25/Jul/2022	25/07/2022 11:19:05 AM		RTGS-PUNBR5202207251480 5841-NEW CHEM PLASTICS-0032501 1002428-PUNB0063210		28,03,680.00	28,03,680.00
A1	584	S90011 75	25/Jul/2022	25/Jul/2022	25/07/2022 12:34:36 PM		RTGS/ICICR42022072 5005158 23/UTIB00000 04 OVERSEASPOLY MERS PVT LTD opentxn61939592	24,37,500.00		3,66,180.00
	585	S13942 357	25/Jul/2022	25/Jul/2022	25/07/2022 02:57:59 PM		INF/INFT/02868407243 1 UC	3,66,000.00		180.00
	586	S68424 495	27/Jul/2022	27/Jul/2022	27/07/2022 11:03:56 AM		MMT/IMPS/220811347 736/UTKARSHBHA/A xis Bank		50.00	230.00
	587	S75615 547	27/Jul/2022	27/Jul/2022	27/07/2022 02:43:10 PM		INF/INFT/02871174669 1 UC GLOBAL		5,000.00	5,230.00
B	588	S76935 617	27/Jul/2022	27/Jul/2022	27/07/2022 03:28:07 PM		RTGS-PUNBR5202207271491 1140-NEW CHEM PLASTICS-0032501 1002428-PUNB0063210		28,28,445.00	28,33,675.00

Payment rec. from Neo Chem A for exp import

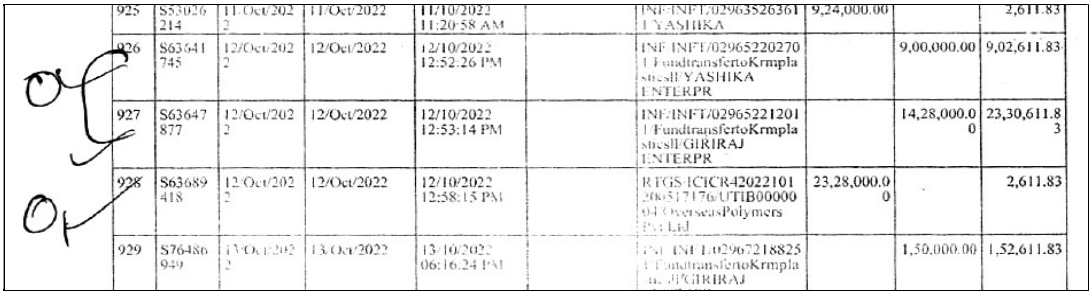
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	589	S77237 704	27/Jul/2022	27/Jul/2022	27/07/2022 03:38:04 PM		MMT/IMPS/220815644 [illegible] Validation/Overseas P UTIB0000004	1.00		28,33,674.00
	590	S77384 952	27/Jul/2022	27/Jul/2022	27/07/2022 03:42:53 PM		TRF ONL/000453074 40 TIMES OF M/0overcricha	18,009.11		28,15,664.89
B1	591	S78409 628	27/Jul/2022	27/Jul/2022	27/07/2022 04:17:40 PM		RTGS/ICICR42022072 7005325 50/UTIB00000 04/OverseasPolymers Pvt Ltd	23,75,000.00		4,40,664.89
	592	S78544 818	27/Jul/2022	27/Jul/2022	27/07/2022 04:22:20 PM		RTGS/ICICR42022072 7005330 30/UTIB00005 70/utkarsh bhave	4,35,000.00		5,664.89
	593	S98126 565	28/Jul/2022	28/Jul/2022	28/07/2022 10:02:10 AM		MMT/IMPS/220910511 266 opentxn62241507/ AMANKUMAR BARB0PITHAM	5,000.00		664.89
	594	S50564 32	28/Jul/2022	28/Jul/2022	28/07/2022 01:30:55 PM		Chq rtn chrg Apr-22+GST	456.63		208.26
C	595	S98680 53	28/Jul/2022	28/Jul/2022	28/07/2022 04:03:44 PM		RTGS-PUNBR5202207281495 2393-NEW CHEM PLASTICS-0032501 1002428-PUNB0063210		27,70,650.00	27,70,858.26
C1	596	S10521 296	28/Jul/2022	28/Jul/2022	28/07/2022 04:25:17 PM		RTGS/ICICR42022072 8005328 50/UTIB00000 04/OverseasPolymers Pvt Ltd	21,85,000.00		5,85,858.26
	597	S10559 771	28/Jul/2022	28/Jul/2022	28/07/2022 04:26:40 PM		MMT/IMPS/220916756 258 Richa SBIN001772	20,000.00		5,65,858.26

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40.3 The entries relating to the receipts from M/s Yashika Enterprises and the corresponding onward payments to M/s Overseas Polymers Pvt Ltd are reproduced below.



	925	S53026 214	11/Oct/2022	11/Oct/2022	11/10/2022 11:20:58 AM		INF/INFT/02963526361 1/YASHIKA	9,24,000.00		2,611.83
O	926	S63641 745	12/Oct/2022	12/Oct/2022	12/10/2022 12:52:26 PM		INF/INFT/02965220270 1/FundtransfertoKrmplastcslF/YASHIKA ENTERPR		9,00,000.00	9,02,611.83
	927	S63647 877	12/Oct/2022	12/Oct/2022	12/10/2022 12:53:14 PM		INF/INFT/02965221201 1/FundtransfertoKrmplastcslI/GIRIRAJ ENTERPR		14,28,000.00	23,30,611.83
O1	928	S63689 418	12/Oct/2022	12/Oct/2022	12/10/2022 12:58:15 PM		RTGS-ICICR42022101 2063517176/UTIB00000 04/OverseasPolymers Pvt Ltd	23,28,000.00		2,611.83
	929	S76486 949	13/Oct/2022	13/Oct/2022	13/10/2022 06:16:24 PM		TRF INF/INFT/02967218825 1/FundtransfertoKrmplastcsl/GIRIRAJ		1,50,000.00	1,52,611.83

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EE1

1272	S11743985	26/Dec/2022	26/12/2022 05:54:01 PM	[illegible]			25,00,000.00	26,72,702.18
1273	S11755746	26/Dec/2022	26/12/2022 05:55:17 PM	INF/INFT/03056707277/FundtransfertoKrmplastiesllGIRIRAJENTERPR			10,00,000.00	36,72,702.18
1274	S11807690	26/Dec/2022	26/12/2022 06:01:07 PM	MMT/IMPS/236018215/507/VENTURE SCBL0	2,00,000.00			34,72,702.18
1275	S11886288	26/Dec/2022	26/12/2022 06:08:45 PM	RTGS/ICICR42022122/00542177/UTIB00000/04 OverseasPolymers Pvt Ltd	25,00,000.00			9,72,702.18
1276	S12958553	26/Dec/2022	26/12/2022 08:03:51 PM	INF/INFT/03056854114/FundtransfertoKrmplastiesllGIRIRAJENTERPR			8,80,000.00	18,52,702.18

40.4. In the same statement dated 15.12.2023, in reply to Question 10, which asked whether the buyers were aware that the goods were imported under the advance licence scheme without payment of duty, Shri Bhave stated that M/s New Chem Plastics, M/s Friscon Polyfab Pvt Ltd and M/s Yashika Enterprises were well aware that the PP granules were imported without payment of duty under Advance Authorization. The relevant part of his statement is reproduced below:

Question 10:- From your above statement, it appears that you have done payment on the direction of other parties like New Chem Plastics, Friscon Polyfab etc. and also selling goods to them. Is the buyer of imported goods are aware that the goods are imported under advance license scheme without payment of duty?

Ans:- Yes, buyers like New Chem Plastics, Friscon Polyfab, Yashika Enterprises are well aware of the fact that the goods i.e. PP granules were imported without payment of duty. In support of my statement, I will submit copies of Whats app Chat or other relevant information with buyers of goods viz. Friscon Polyfab, New Chem Plastics and others. Now, I am submitting whats app chat held on 16.02.2023 between me and Anshul Agrawal (Director of Friscon Polyfab) wherein we have been chatting about transaction that were marked as II and II1 in ICICI bank statement. I am also submitting whats app chat held on 02.03.2023 between me and Anshul Agrawal (Director of Friscon Polyfab) wherein we are chatting about transaction that were marked as OO and OO1 in ICICI bank statement. In both these statements, Director of Friscon Polyfab is chatting regarding imports that were done by KRM Plastics LLP.

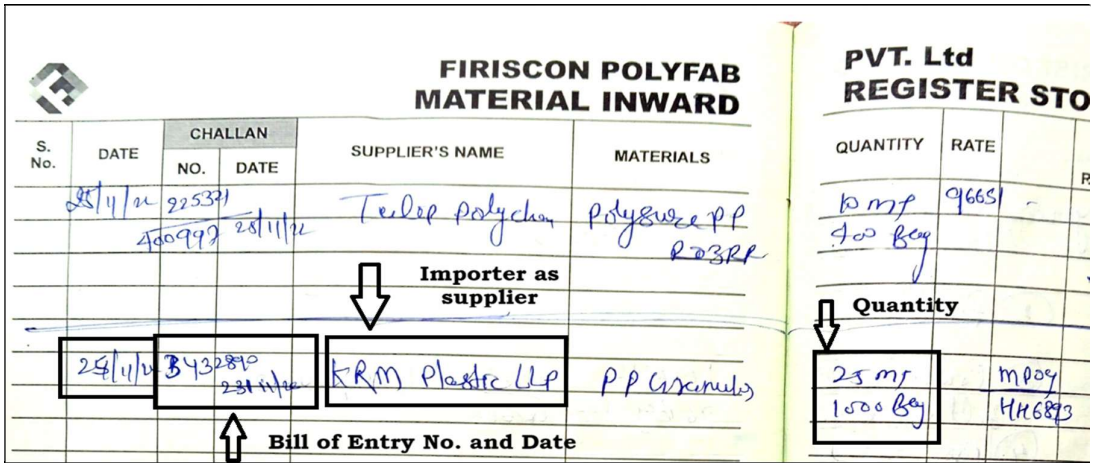
40.5 In his statement dated 21.06.2024, Shri Bhave further explained that the buyers paid the import rate without the duty element, plus a commission, and sometimes also financed the purchase of the authorisation. On receipt, he transferred the amount to the supplier, who made the high seas sale agreement.

41. Diversion of the imported goods to the buyers. Shri Bhave, in his statement dated 21.06.2024, stated that once the goods were released, the buyer placed its vehicle at the port and sent the goods to its own destination. In most cases, he was not aware of the final destination. In his statement dated 29.08.2024, he stated that he had diverted and sold all the PP granules imported

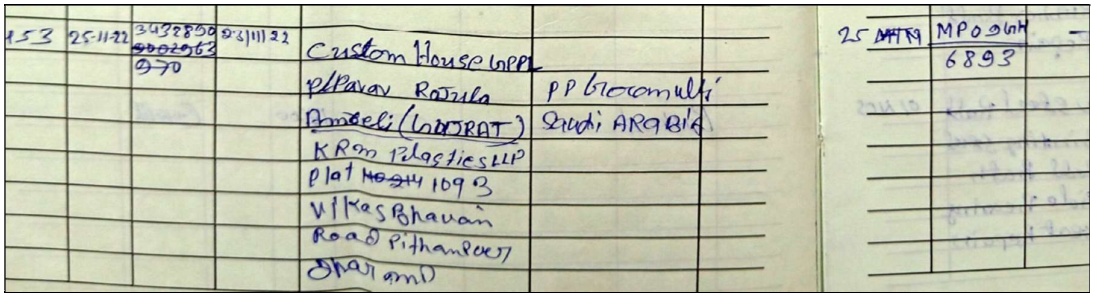
under the 12 authorisations to the local market. He also stated that M/s Friscon Polyfab Pvt Ltd and M/s New Chem Plastics regulated the transport and generated their own invoices to whomever the goods were to be delivered. In most cases, M/s New Chem Plastics also deployed the CHA. According to him, M/s Yashika Enterprises followed the same pattern. To give the sales the appearance of regular domestic sales, KRM issued GST invoices, charging GST and a margin of Rs. 1 to 2 per kg over the import price. The evidence relating to each of the three buyers is discussed below.

41.1 M/s Friscon Polyfab Pvt Ltd. The Material Inward Register of M/s Friscon Polyfab Pvt Ltd, seized from its factory premises during the search on 14.09.2023, records receipts of PP granules from KRM. The relevant entries are reproduced below.

(a) The entry dated 25.11.2022 records the receipt of 25 MT (1000 bags) of PP granules from KRM against Bill of Entry No. 3432890 dated 23.11.2022, with the Bill of Entry number and date entered in the challan column.

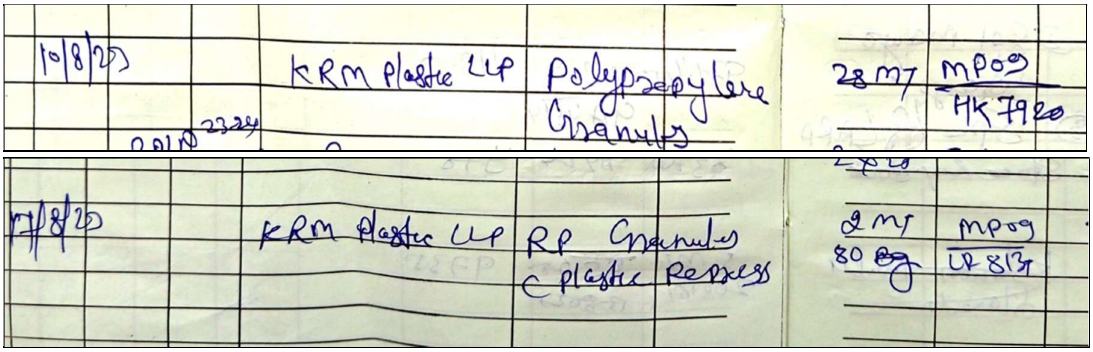


(b) The entry records, for the same Bill of Entry No. 3432890 dated 23.11.2022, the particulars of the consignor as Custom House Pipavav, along with KRM Plastics LLP, Dhar, for 25 MT of PP granules of Saudi Arabian origin.



These entries show that the PP granules imported by KRM under Bill of Entry No. 3432890 dated 23.11.2022 at Pipavav, as per Table No. 3 of the SCN, were received at the factory of M/s Friscon Polyfab Pvt Ltd two days after the Bill of Entry, with the Custom House, Pipavav recorded as their point of dispatch.

(c) The register also records receipts of PP granules from KRM on 10.08.2023 (28 MT) and 17.08.2023 (2 MT) as below.



(d) Shri Vikas Tiwari, General Manager (Production) of M/s Friscon Polyfab Pvt Ltd, in his statement dated 14.09.2023, confirmed the receipt at the factory of goods covered by Bill of Entry No. 4040587 dated 05.01.2023, the documents of which were found there. The relevant part of his statement is reproduced below.

> **Question- 18:- During the search of factory premises of M/s Friscon Polyfab Private Limited, a Bill of Entry bearing No. 4040587 date 05.01.2023(only 01 page out of total 07 pages) having Importer Name M/s KRM Plastics LLP was found stapled with counting sheet of description of Inward Material of your factory,please explain whether these goods are received in your factory or not?**
>
> **Answer:-** Yes, the goods are received in our factory after proper counting of packages as evident from the documents.

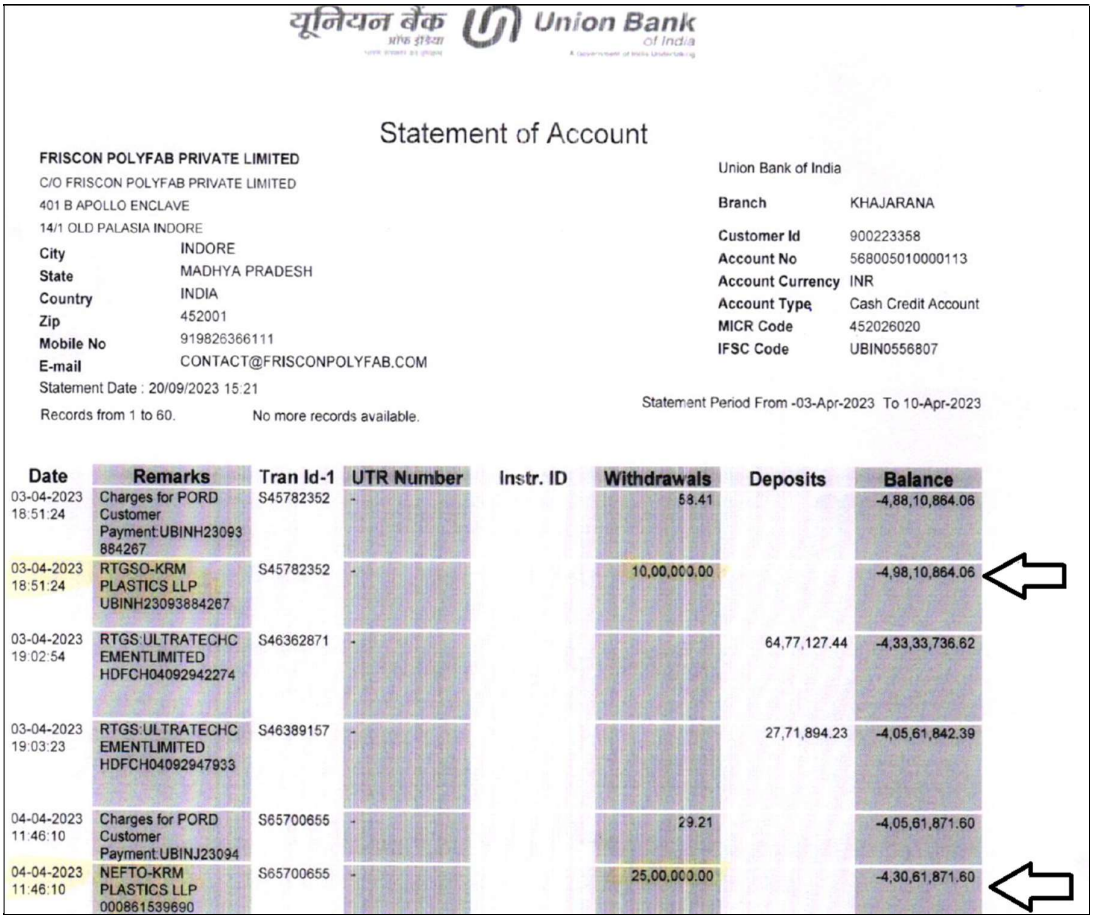
(e) The sales ledger of KRM, submitted by Shri Bhave during the panchnama proceedings dated 12.09.2023, records the sales to M/s Friscon Polyfab Pvt Ltd. The relevant pages are reproduced below.

KRM Plastics LLP 22-23
PLOT NO. 109B, VIKAS BHAWAN ROAD
SECTOR NO. 01, PITHAMPUR

Sales Register
1-Apr-22 to 31-Mar-23

Date	Particulars	Vch Type	Vch No.	Debit Amount	A
6-Apr-22	OM ENTERPRISE	Sales	KRM/002/22-23	5,03,122.50	
6-Apr-22	PEACOCK PACKAGING INDUSTRIES	TRADE SALES A/C	KRM/001/22-23	23,97,760.00	
8-Apr-22	Tirupati Enterprises	Sales	KRM/003/22-23	25,624.00	
9-Apr-22	CENTURY MOULDINGS PRIVATE LIMITED	TRADE SALES A/C	KRM/004/22-23	2,95,000.00	
9-Apr-22	RAFFIA POLYMERS Govardhan park	TRADE SALES A/C	KRM/005/22-23	36,13,750.00	
13-Apr-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/006/22-23	73,160.00	
13-Apr-22	FRISCON POLYFAB PRIVATE LIMITED	TRADE SALES A/C	KRM/007/22-23	14,63,200.00	
14-Apr-22	FRISCON POLYFAB PRIVATE LIMITED	TRADE SALES A/C	KRM/008/22-23	21,94,800.00	
16-Apr-22	S J ENTERPRISES	TRADE SALES A/C	KRM/009/22-23	1,39,240.00	
21-Apr-22	RAFFIA POLYMERS Govardhan park	TRADE SALES A/C	KRM/010/22-23	23,22,240.00	
21-Apr-22	VENTUREWAY RETAIL PRIVATE LIMITED	TRADE SALES A/C	KRM/011/22-23	7,37,500.00	
21-Apr-22	VENTUREWAY RETAIL PRIVATE LIMITED	TRADE SALES A/C	KRM/012/22-23	4,63,740.00	
28-Apr-22	RAFFIA POLYMERS Govardhan park	TRADE SALES A/C	KRM/013/22-23	14,69,100.00	
28-Apr-22	S J ENTERPRISES	TRADE SALES A/C	KRM/014/22-23	4,60,200.00	
30-Apr-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/015/22-23	82,308.24	
5-May-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/020/22-23	2,03,285.00	
6-May-22	Tirupati Enterprises	Sales	KRM/021/22-23	1,26,850.00	
6-May-22	SIMPLEX CHEMOPACK PVT LTD	Sales	KRM/022/22-23	6,07,243.00	
6-May-22	SIMPLEX CHEMOPACK PVT LTD	Sales	KRM/023/22-23	4,95,210.00	
11-May-22	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/026/22-23	14,112.00	
11-May-22	*(cancelled)*	Sales	KRM/027/22-23		
12-May-22	OM ENTERPRISE	Sales	KRM/028/22-23	6,42,156.00	
13-May-22	Tirupati Enterprises	Sales	KRM/029/22-23	1,29,387.00	
18-May-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/030/22-23	10,62,000.00	
20-May-22	SIMPLEX CHEMOPACK PVT LTD	Sales	KRM/031/22-23	32,52,033.00	
20-May-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/032/22-23	1,73,283.00	
21-May-22	OM ENTERPRISE	Sales	KRM/037/22-23	6,42,156.00	
21-May-22	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/038/22-23	3,763.00	
22-May-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/039/22-23	2,15,468.00	

(f) During the recording of his statement dated 21.09.2023, Shri Avinash Kumar Rungta produced the statements of the Union Bank of India account of M/s Friscon Polyfab Pvt Ltd showing its transactions with KRM. An extract of the statement is reproduced below:



यूनियन बैंक Union Bank of India

Statement of Account

FRISCON POLYFAB PRIVATE LIMITED
C/O FRISCON POLYFAB PRIVATE LIMITED
401 B APOLLO ENCLAVE
14/1 OLD PALASIA INDORE
City INDORE
State MADHYA PRADESH
Country INDIA
Zip 452001
Mobile No 919826366111
E-mail CONTACT@FRISCONPOLYFAB.COM
Statement Date : 20/09/2023 15:21

Union Bank of India
Branch KHAJARANA
Customer Id 900223358
Account No 568005010000113
Account Currency INR
Account Type Cash Credit Account
MICR Code 452026020
IFSC Code UBIN0556807

Records from 1 to 60. No more records available.

Statement Period From -03-Apr-2023 To 10-Apr-2023

Date	Remarks	Tran Id-1	UTR Number	Instr. ID	Withdrawals	Deposits	Balance
03-04-2023 18:51:24	Charges for PORD Customer Payment:UBINH23093 884267	S45782352	-		59.41		-4,88,10,864.06
03-04-2023 18:51:24	RTGSO-KRM PLASTICS LLP UBINH23093884267	S45782352	-		10,00,000.00		-4,98,10,864.06
03-04-2023 19:02:54	RTGS:ULTRATECHCEMENTLIMITED HDFCH04092942274	S46362871	-			64,77,127.44	-4,33,33,736.62
03-04-2023 19:03:23	RTGS:ULTRATECHCEMENTLIMITED HDFCH04092947933	S46389157	-			27,71,894.23	-4,05,61,842.39
04-04-2023 11:46:10	Charges for PORD Customer Payment:UBINJ23094	S65700655	-		29.21		-4,05,61,871.60
04-04-2023 11:46:10	NEFTO-KRM PLASTICS LLP 000861539690	S65700655	-		25,00,000.00		-4,30,61,871.60

(g) The e-way bills generated by KRM for the movement of imported PP granules from Mundra to its declared factory at Dhar, and the entries of the same vehicles in the inward register of M/s Friscon Polyfab Pvt Ltd, as set out at para 29.4 of the SCN, are tabulated below. The table is illustrative and does not cover all the supplies made by KRM to M/s Friscon Polyfab Pvt Ltd.

Sl. No.	**E-way bill No. and date**	**Bill of Entry No. and date**	**Route as per e-way bill**
1	631508695416 dated 06.01.2023	4040587 dated 05.01.2023	Mundra to Dhar
2	601534518906 dated 07.03.2023	4878458 dated 07.03.2023	Mundra to Dhar
3	641596974966 dated 04.08.2023	7177956 dated 04.08.2023	Mundra to Dhar
4	601598452161 dated 08.08.2023	7244296 dated 08.08.2023	Mundra to Dhar
5	611604199142 dated 21.08.2023	7448000 dated 21.08.2023	Mundra to Dhar

41.2 M/s New Chem Plastics.

(a) Shri Alok Ghanshyam Bagaria, in his statement dated 31.10.2023, in reply to Question 5, explained how the PP granules were procured from KRM. Orders were placed verbally with Shri Bhave on phone or WhatsApp, against advance

payments, and KRM supplied the goods 2-3 days later. The relevant part of his statement is reproduced below.

Question 5:- What was the process of purchasing and procuring PP Granules from M/s KRM Plastics LLP?

Answer: - We used to give purchase orders verbally on phone or WhatsApp to Mr. Utkarsh Bhave, concerned person of M/s KRM Plastics LLP on mobile nos 9589028696/ 7000929045 and accordingly, used to make advance payments to him for purchasing the PP Granules. Subsequently, M/s KRM Plastics LLP used to supply PP Granules after 2-3 days of making advance payments. However, M/s KRM Plastics LLP delayed several times in delivery of Material.

In reply to Question 6, he stated that Shri Bhave provided the addresses, such as the Seabird Bonded Warehouse, Mundra and LCL Logistics Pvt Ltd, from where the PP granules were loaded into trucks provided by M/s New Chem Plastics. According to him, the goods were sold directly from Mundra, under purchase e-way bills showing both the dispatch and ship-to addresses at Mundra. The same was done for goods received at Pipavav, while goods received at Nhava Sheva were taken to his warehouse at Bhiwandi. The relevant part of his statement is reproduced below.

Question 6:- from where in Mundra, Nhava Seva and Pipavav, you used to receive the PP Granules?

Answer: - Mr. Utkarsh Bhave, concerned person of M/s KRM Plastics LLP used to provide the address such as from Seabird Bonded Warehouse, Mundra,LCL Logistics Pvt. Ltd. etc., from where we used to load the PP Granules in the trucks that were provided by us only. In this regard, E-way bills were generated either by us or by M/s KRM Plastics LLP.

We used to sell the PP Granules directly from Mundra and for this purpose purchase E-way bills were generated in which both the addresses i.e., dispatch from and ship to, were of Mundra and further for sales the E-way bills were generated from Mundra to the address of the buyer.

We also received PP Granules for Pipavav, Gujarat and for this also purchase E-way bills were generated in which both the addresses i.e., dispatch from and ship to, were of Pipavav and further for sales the E-way bills were generated from Pipavav to the address of the buyer.

In respect of PP Granules purchased as Nhava Seva, we used to keep the PP Granules in our warehouse situated at Gala No. 8, Building No. A 7, Ground Floor, Pritesh Compex, Anjurdapoda Road, Val Village, Bhiwandi, Thane, Maharashtra for which E-way bills were generated from Nhave Seva to above said warehouse and thereafter sold to the buyers and E-way bills for the same were generated form above said warehouse to the address of the buyer.

(b) The e-way bill No. 691540458536 dated 21.03.2023, generated by KRM to M/s New Chem Plastics for 24,000 kg of PP granules, is reproduced below. It shows both the place of dispatch and the ship-to address as Mundra, Gujarat 370421. I find that this e-way bill relates to the PP granules imported by KRM at Mundra under Bill of Entry No. 5140930 dated 20.03.2023. The goods were thus delivered to M/s New Chem Plastics at Mundra itself.



Doc No. : Tax Invoice - KRM/222/2022-23
Date : 21-Mar-23

IRN : f659a4ba6d54f49787111bb2fb46320b7c9ac805e4cad415f839be1dafc5361f
Ack No. : 162313613124511
Ack Date : 21-Mar-23

1. e-Way Bill Details

e-Way Bill No.	: 691540458536	Mode	: 1 - Road	Generated Date	: 21-Mar-23 6
Generated By	: 23AAQFK3625H1ZB	Approx Distance	: 100 KM	Valid Upto	: 22-Mar-23 1
Supply Type	: Outward-Supply	Transaction Type	: Combination of 2 and 3		

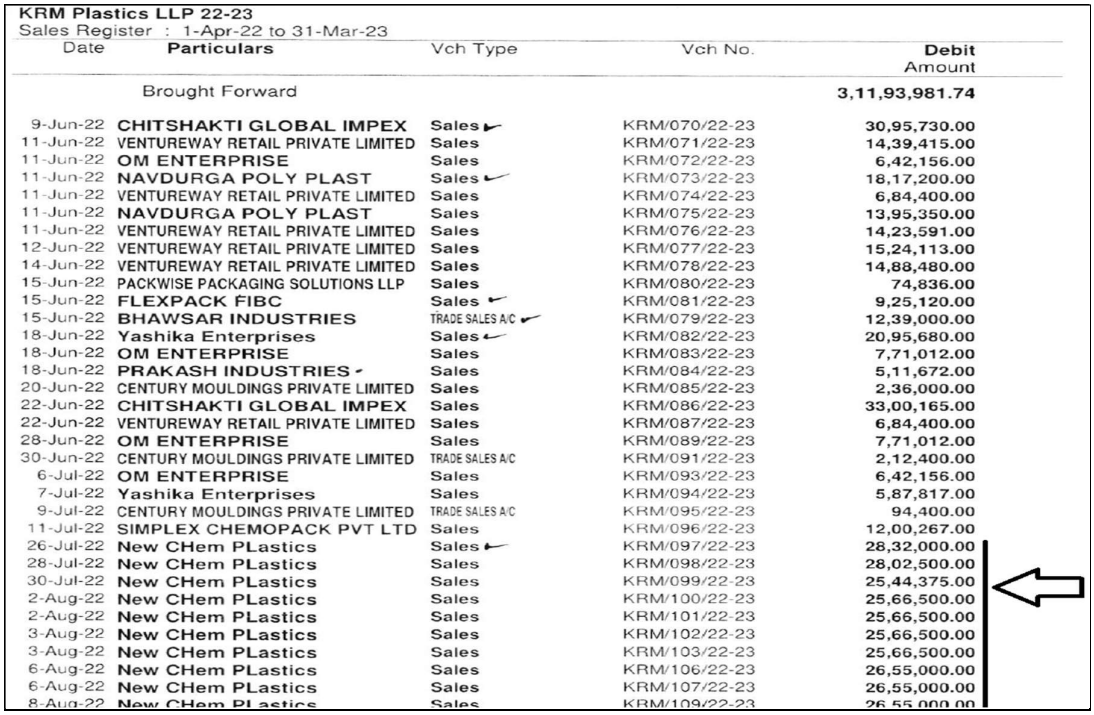
2. Address Details

From	To
KRM Plastics LLP 22-23	New CHem PLastics
GSTIN : 23AAQFK3625H1ZB	GSTIN : 27ACVPB8658C1Z9
Madhya Pradesh	Maharashtra
Dispatch From	**Ship To**
MUNDRA	MUNDRA, MUNDRA
MUNDRA Gujarat 370421	MUMBAI Gujarat 370421

3. Goods Details

HSN Code	Product Name & Desc	Quantity	Taxable Amt
39021000	Pp Granules & Pp Granules	24,000 KGS	21,96,000.00

(c) The sales ledger of KRM records the sales to M/s New Chem Plastics. The relevant pages are reproduced below:



KRM Plastics LLP 22-23
Sales Register : 1-Apr-22 to 31-Mar-23

Date	Particulars	Vch Type	Vch No.	Debit Amount
	Brought Forward			3,11,93,981.74
9-Jun-22	CHITSHAKTI GLOBAL IMPEX	Sales	KRM/070/22-23	30,95,730.00
11-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/071/22-23	14,39,415.00
11-Jun-22	OM ENTERPRISE	Sales	KRM/072/22-23	6,42,156.00
11-Jun-22	NAVDURGA POLY PLAST	Sales	KRM/073/22-23	18,17,200.00
11-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/074/22-23	6,84,400.00
11-Jun-22	NAVDURGA POLY PLAST	Sales	KRM/075/22-23	13,95,350.00
11-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/076/22-23	14,23,591.00
12-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/077/22-23	15,24,113.00
14-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/078/22-23	14,88,480.00
15-Jun-22	PACKWISE PACKAGING SOLUTIONS LLP	Sales	KRM/080/22-23	74,836.00
15-Jun-22	FLEXPACK FIBC	Sales	KRM/081/22-23	9,25,120.00
15-Jun-22	BHAWSAR INDUSTRIES	TRADE SALES A/C	KRM/079/22-23	12,39,000.00
18-Jun-22	Yashika Enterprises	Sales	KRM/082/22-23	20,95,680.00
18-Jun-22	OM ENTERPRISE	Sales	KRM/083/22-23	7,71,012.00
18-Jun-22	PRAKASH INDUSTRIES	Sales	KRM/084/22-23	5,11,672.00
20-Jun-22	CENTURY MOULDINGS PRIVATE LIMITED	Sales	KRM/085/22-23	2,36,000.00
22-Jun-22	CHITSHAKTI GLOBAL IMPEX	Sales	KRM/086/22-23	33,00,165.00
22-Jun-22	VENTUREWAY RETAIL PRIVATE LIMITED	Sales	KRM/087/22-23	6,84,400.00
28-Jun-22	OM ENTERPRISE	Sales	KRM/089/22-23	7,71,012.00
30-Jun-22	CENTURY MOULDINGS PRIVATE LIMITED	TRADE SALES A/C	KRM/091/22-23	2,12,400.00
6-Jul-22	OM ENTERPRISE	Sales	KRM/093/22-23	6,42,156.00
7-Jul-22	Yashika Enterprises	Sales	KRM/094/22-23	5,87,817.00
9-Jul-22	CENTURY MOULDINGS PRIVATE LIMITED	TRADE SALES A/C	KRM/095/22-23	94,400.00
11-Jul-22	SIMPLEX CHEMOPACK PVT LTD	Sales	KRM/096/22-23	12,00,267.00
26-Jul-22	New CHem PLastics	Sales	KRM/097/22-23	28,32,000.00
28-Jul-22	New CHem PLastics	Sales	KRM/098/22-23	28,02,500.00
30-Jul-22	New CHem PLastics	Sales	KRM/099/22-23	25,44,375.00
2-Aug-22	New CHem PLastics	Sales	KRM/100/22-23	25,66,500.00
2-Aug-22	New CHem PLastics	Sales	KRM/101/22-23	25,66,500.00
3-Aug-22	New CHem PLastics	Sales	KRM/102/22-23	25,66,500.00
3-Aug-22	New CHem PLastics	Sales	KRM/103/22-23	25,66,500.00
6-Aug-22	New CHem PLastics	Sales	KRM/106/22-23	26,55,000.00
6-Aug-22	New CHem PLastics	Sales	KRM/107/22-23	26,55,000.00
8-Aug-22	New CHem PLastics	Sales	KRM/109/22-23	26,55,000.00

(d) The Bills of Entry under which KRM imported PP granules at Mundra, and the invoices and e-way bills under which the same goods were sold to M/s New Chem Plastics, as set out at para 30 of the SCN, are tabulated below. The table is illustrative and does not cover all the supplies made by KRM to M/s New Chem Plastics.

Sl. No.	**Bill of Entry No. and date**	**Qty imported (MT)**	**KRM invoice No. and date**	**Qty invoiced (MT)**	**E-way bill No.**	**Route as per e-way bill**
1	9714742 dated 25.07.2022	25	97/2022-23 dated 26.07.2022	25	251459970420	Mundra to Mundra
2	9761618 dated 28.07.2022	25	98/2022-23 dated 28.07.2022	25	221461321914	Mundra to Mundra
3	9782760 dated 29.07.2022	23	99/2022-23 dated 30.07.2022	23	281461812333	Mundra to Mundra
4	9875541 dated 05.08.2022	25	107/2022-23 dated 06.08.2022	25	281464914850	Mundra to Mundra
5	9902713 dated 06.08.2022	46	109/2022-23 dated 08.08.2022	25	241465636935	Mundra to Mundra
			110/2022-23 dated 08.08.2022	21	291465646096	Mundra to Mundra
6	9993855 dated 13.08.2022	48	118/2022-23 dated 16.08.2022	24	241468608494	Mundra to Mundra
			119/2022-23 dated 16.08.2022	24	291468614285	Mundra to Mundra

41.3 M/s Yashika Enterprises.

(a) The Sales Register of KRM for 2022-23 records sales to M/s Yashika Enterprises. The relevant page of the Sales Register is reproduced below:

KRM Plastics LLP 22-23
Sales Register : 1-Apr-22 to 31-Mar-23

Date	Particulars	Vch Type	Vch No.	Debit Amount
	Brought Forward			22,02,92,149.94
3-Feb-23	RUDRANSH PRIME PACK PRIVATE LIMITED	Sales	KRM/190/2022-23	1,32,160.00
3-Feb-23	JEWEL POLYMERS	Sales	KRM/191/2022-23	7,27,210.00
4-Feb-23	RUDRANSH PRIME PACK PRIVATE LIMITED	Sales	KRM/192/2022-23	1,32,160.00
4-Feb-23	RUDRANSH PRIME PACK PRIVATE LIMITED	Sales	KRM/193/2022-23	1,32,160.00
8-Feb-23	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/194/2022-23	24,85,080.00
8-Feb-23	ALPS POLYTEX	Sales	KRM/195/2022-23	28,91,000.00
8-Feb-23	*(cancelled)*	Sales	KRM/196.2022-23	
8-Feb-23	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/197/2022-23	24,85,080.00
10-Feb-23	EVEREST WOVEN INDUSTRIES	Sales	KRM/198/2022-23	29,35,250.00
10-Feb-23	ALPS POLYTEX	Sales	KRM/199/2022-23	28,62,090.00
10-Feb-23	New CHem PLastics	Sales	KRM/200/2022-23	26,88,630.00
17-Feb-23	New CHem PLastics	Sales	KRM/201/2022-23	27,43,500.00
21-Feb-23	ALPS POLYTEX	Sales	KRM/202/2022-23	19,08,060.00
21-Feb-23	ALPS POLYTEX	Sales	KRM/203/2022-23	29,05,750.00
22-Feb-23	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/204/2022-23	26,38,038.00
22-Feb-23	FRISCON POLYFAB PRIVATE LIMITED	Sales	KRM/205/2022-23	26,38,038.00
22-Feb-23	*(cancelled)*	Sales	KRM/206/2022-23	
23-Feb-23	*(cancelled)*	Sales	KRM/207/2022-23	
23-Feb-23	New CHem PLastics	Sales	KRM/208/2022-23	27,14,000.00
25-Feb-23	EVEREST WOVEN INDUSTRIES	Sales	KRM/209/2022-23	11,91,800.00
25-Feb-23	Yashika Enterprises	Sales	KRM/210/2022-23	23,24,600.00
25-Feb-23	Yashika Enterprises	Sales	KRM/211/2022-23	23,24,600.00
28-Feb-23	Yashika Enterprises	Sales	KRM/212/2022-23	23,24,600.00
28-Feb-23	Yashika Enterprises	Sales	KRM/213/2022-23	23,24,600.00
1-Mar-23	M R ENTERPRISE	Sales	KRM/214/2022-23	28,88,640.00
1-Mar-23	M R ENTERPRISE	Sales	KRM/215/2022-23	28,88,640.00
3-Mar-23	Yashika Enterprises	Sales	KRM/216/2022-23	67,260.00
4-Mar-23	*(cancelled)*	Sales	KRM/217/2022-23	
10-Mar-23	FLEXPACK FIBC	Sales	KRM/218/2022-23	12,27,200.00

(b) The Bills of Entry under which KRM imported PP granules at Mundra, and the invoices and e-way bills under which the goods were sold to M/s Yashika Enterprises, as set out at para 31 of the SCN, are tabulated below. The table is illustrative and does not cover all the supplies made by KRM to M/s Yashika Enterprises.

Sl. No.	**Bill of Entry No. and date**	**Qty imported (MT)**	**KRM invoice No. and date**	**Qty invoiced (MT)**	**E-way bill No.**	**Route as per e-way bill**
1	4722542 dated 20.02.2023	41.5	210/2022-23 dated 25.02.2023	20	601530167955	Indore to Indore
			211/2022-23 dated 25.02.2023	20	691530223535	Indore to Indore
2	4841760 dated 28.02.2023	24	212/2022-23 dated 28.02.2023	20	661531548681	Indore to Indore

42. I have discussed above how the Advance Authorisations were obtained in the name of KRM, which had no manufacturing facility of its own, how the imports were financed by the buyers through KRM's bank account, and how the duty-free PP granules so imported were diverted to M/s Friscon Polyfab Pvt Ltd, M/s New Chem Plastics and M/s Yashika Enterprises instead of being used in the manufacture of export products. Having found so, I now proceed to examine the role played by each of the persons involved.

43. Role of Shri Utkarsh Bhave. I find that Shri Bhave was the partner who managed the affairs of KRM, his wife being a sleeping partner. He obtained the authorisations, executed the bonds and lent KRM's name and IEC for the imports. He routed the buyers' funds to the suppliers through KRM's bank account and raised invoices for the diverted goods. In his statement dated 12.09.2023, he admitted that he was aware of the obligations attached to imports under Advance Authorisation and of the consequences of selling the imported material in the local market. In his statement dated 21.06.2024, he accepted that he had violated the provisions of the Customs Act by selling the duty-free goods in the domestic market without payment of duty. Neither M/s KRM Plastics LLP nor Shri Utkarsh Bhave has filed any reply to the SCN. They did not appear for the physical hearings fixed at their own request on 22.10.2026 and 12.11.2026, and have not disputed the facts and evidence discussed above.

44. Role of Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta, Directors of M/s Friscon Polyfab Pvt Ltd. I find that the two directors controlled the imports made in KRM's name and took delivery of the goods, as shown by the evidence discussed below.

- **WhatsApp chats.** Shri Bhave produced WhatsApp chats between himself (Mobile No. 95890-28696) and Shri Anshul Agarwal (Mobile No. 98263-66111), supported by a certificate dated 29.08.2024 under Section 138C. Some instances of the chats, as reproduced at para 29.2 of the SCN, are as under.

  (i)

  [01/02/2023, 15:23:45] Anshul Agrawal: Send OC
  [01/02/2023, 15:23:54] Anshul Agrawal: in which name
  [01/02/2023, 15:24:01] Anshul Agrawal: Krm or Singh
  [01/02/2023, 15:24:35] Utkarsh Bhave: Singh

  (ii)

  [03/03/2023, 11:12:15] Utkarsh Bhave: Sir don't have adequate fund for now. Kindly transfer
  [03/03/2023, 11:12:29] Anshul Agrawal: Ok
  [03/03/2023, 16:29:32] Anshul Agrawal: NKT bill no.871 KRM Plastics LLP.pdf (1 page attached)
  [03/03/2023, 16:30:10] Anshul Agrawal: 500000 Sp industries / 62500 New Krishna transport / Total 562500 transferred

  (iii)

  [06/03/2023, 16:38:31] Anshul Agrawal: NKT bill no.880 KRM Plastics LLP.pdf (1 page attached)
  [06/03/2023, 16:38:31] Anshul Agrawal: 7 lk Sp industries / 10 lk overseas / 57600 New Krishna Tranport Co / 48109 shipping bill payment
  [06/03/2023, 16:38:31] Anshul Agrawal: 1805709 transferred

(iv)

[17/07/2023, 16:07:26] Utkarsh Bhave: KRM Plastics LLP.docx (3 pages attached)
[17/07/2023, 16:15:38] Utkarsh Bhave: KRM Plastics LLP.pdf (3 pages attached)
[17/07/2023, 16:21:04] Utkarsh Bhave: This agreement is being entered into on this 17 day of July 2023 (Agreement).pdf (7 pages attached)
[17/07/2023, 16:21:57] Utkarsh Bhave: CCF8-13.pdf (6 pages attached)
[17/07/2023, 16:50:00] Utkarsh Bhave: NOTED AND REGISTERED.pdf (3 pages attached)
[17/07/2023, 18:19:59] Anshul Agrawal: Utkarsh ji send your adhar card for kyc
[17/07/2023, 18:20:33] Utkarsh Bhave: (photo attached)

The above chats show that Shri Anshul Agarwal was funding the imports, arranging payment to the transporter of the imported goods and directing the process.

- **Import documents found at the factory.** During the search on 14.09.2023, the following documents were recovered from the factory of M/s Friscon Polyfab Pvt Ltd:

(i) A page of KRM's Bill of Entry No. 4040587 dated 05.01.2023, stapled with the inward counting sheet.

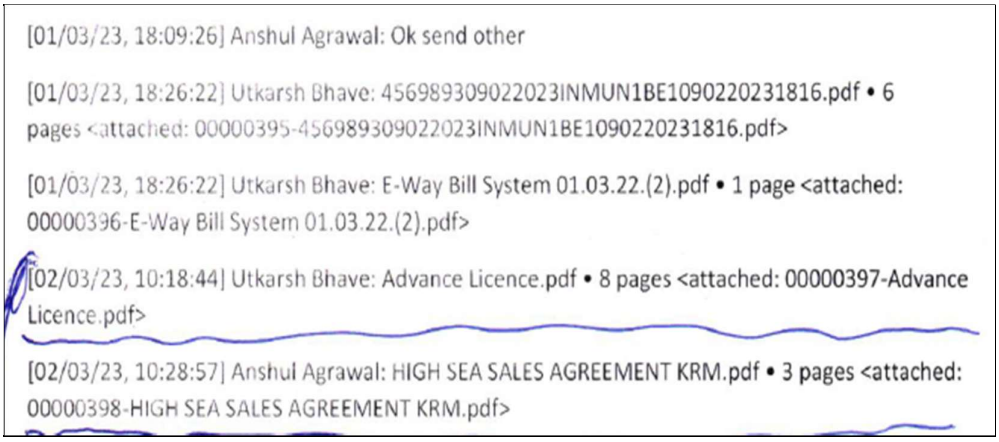
(ii) Ex-bond gate-out documents of Seabird Marine Services for M/s Overseas Polymers Pvt Ltd under Ex-BoE No. 4892167 dated 03.03.2023.

(iii) Ex-bond gate-out documents of Seabird Marine Services for M/s Overseas Polymers Pvt Ltd under Ex-BoE No. 5272611 dated 28.03.2023.

(iv) Transport slip LR No. 14412 dated 01.03.2023 of New Krishna Transport Co., stapled with Bill of Entry No. 4569893 dated 09.02.2023.
Shri Vikas Tiwari, General Manager (Production), in his statement dated 14.09.2023, stated that the goods covered by each of these documents were received in the factory.

a) The document at (iv) above is further linked to the WhatsApp chats produced by Shri Bhave with his statement dated 15.12.2023. On 01.03.2023, Shri Bhave sent Shri Anshul Agarwal a file bearing the number and date of Bill of Entry No. 4569893 dated 09.02.2023. The next morning, 02.03.2023, he sent a file titled “Advance

Licence", after which Shri Anshul Agarwal sent the high seas sale agreement for his signature. The relevant part of the chat is reproduced below:



[01/03/23, 18:09:26] Anshul Agrawal: Ok send other

[01/03/23, 18:26:22] Utkarsh Bhave: 4569893090220231NMUN1BE1090220231816.pdf • 6 pages <attached: 00000395-4569893090220231NMUN1BE1090220231816.pdf>

[01/03/23, 18:26:22] Utkarsh Bhave: E-Way Bill System 01.03.22.(2).pdf • 1 page <attached: 00000396-E-Way Bill System 01.03.22.(2).pdf>

[02/03/23, 10:18:44] Utkarsh Bhave: Advance Licence.pdf • 8 pages <attached: 00000397-Advance Licence.pdf>

[02/03/23, 10:28:57] Anshul Agrawal: HIGH SEA SALES AGREEMENT KRM.pdf • 3 pages <attached: 00000398-HIGH SEA SALES AGREEMENT KRM.pdf>

b) In reply to Question 20 of his statement dated 14.09.2023, Shri Vikas Tiwari confirmed that the goods covered by this transport slip and Bill of Entry were received in the factory:

Question- 20:- During the search of factory premises of M/s Friscon Polyfab Private Limited, a Bilty (transport document) with LR No. 14412 dated 01.03.2023 from M/s New Krishna Transport Company Indore stapled with BoE no. 4569893 dated 09.02.2023 was found , please explain whether these goods are received in your factory or not?

Answer:- Yes, the goods are received in our factory.

c) When the same documents were put to Shri Avinash Kumar Rungta in Question 18 of his statement dated 26.09.2023, he gave no explanation and stated only that they did not belong to the company:

Question 18: - During the search proceedings at your factory premises of M/s Friscon Polyfab Private Limited, it is observed that a transporter slip bearing LR No. 14412 of M/s New Krishna Transport Co. Indore enclosing therein Bill of Entry No. 4569893 dated 09.02.2023 has been seized from your factory. Please clarify.

Answer:-. The documents shown to me does not belong to our company. I will submit the related details in the next hearing.

Thus, the goods of the very Bill of Entry that Shri Bhave sent to Shri Anshul Agarwal on 01.03.2023 were transported under an LR of the same date and received at the factory of M/s Friscon Polyfab Pvt Ltd.

- **Denials contradicted.** Shri Avinash Rungta, in his statement dated 21.09.2023, stated that his firm had no transaction with M/s Overseas Polymers Pvt Ltd, procured no foreign origin granules from it and never unloaded containers directly at the factory. He remained silent on the ex-bond gate-out slip showing STC Marlex Polypropylene Resin dispatched by M/s Overseas Polymers Pvt Ltd by truck No. MH09HH9238 and unloaded at the factory. Shri Anshul Agarwal, in his statement dated 26.10.2023, admitted that this truck was unloaded at the factory. The denials are thus contradicted by the documents recovered and by the statement of their own General Manager.

- **Use of the company's vehicle.** KRM's e-way bills showed vehicle No. MP09-GJ-0195 carrying loads of 46.5 MT, 49.5 MT and 72 MT. Shri Avinash Rungta, in his statement dated 26.10.2023, stated that this is the company's vehicle, a TATA 1512 LPT with a payload capacity of 12 MT, which cannot load 30 MT in a single trip. Shri Anshul Agarwal, in his statement dated 26.10.2023, stated that the said vehicle cannot load more than 30 MT in a single trip, and that he was aware that the vehicle number used in KRM's invoices and e-way bills was of his company. Shri Rungta stated that, on noticing the wrong use of the vehicle number, he contacted KRM, and Shri Bhave replied that it was due to a technical glitch which would be rectified. I find that no such rectification is on record. I further find that the loads shown far exceed the capacity of the vehicle. The vehicle number of M/s Friscon Polyfab Pvt Ltd was thus shown in KRM's documents, with the knowledge of its director, for loads the vehicle could not have carried.

- **Supplies from a vacated unit.** Shri Bhave, in his statement dated 12.09.2023, stated that KRM had vacated its Pithampur premises in March 2023 and thereafter operated from his residence at Indore. Shri Avinash Rungta, in his statement dated 26.10.2023, could not explain how goods were received on record from a unit which had ceased to exist. M/s Friscon Polyfab Pvt Ltd purchased 875.25 MT of PP granules valued at Rs. 7,54,73,334/- from KRM under 31 invoices (Table No. 6 of the SCN). These purchases are accounted for in its books of account.

From the above, I find that Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta financed the imports made in KRM's name, directed their clearance and transport, and took delivery of the goods or had them delivered as they directed. They knew that the goods were imported duty free under Advance Authorisation. Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta are, therefore, both responsible for these acts.

44.1 Noticee No. 3 has contended that M/s Friscon Polyfab Pvt Ltd only purchased PP granules from KRM on GST-paid invoices, without knowledge of the imports. I do not find merit in this contention. As found above, the directors were not mere purchasers in the domestic market.

- Shri Anshul Agarwal funded the payments to the high seas sellers, which were routed through KRM's bank account, and arranged payment of the transport charges of KRM's imports to New Krishna Transport Co., as seen from the WhatsApp chats certified under Section 138C.
- KRM's Bill of Entry and Overseas Polymers' ex-bond documents were found at their factory, and their General Manager confirmed that those goods were received there.
- The goods reached their factory under e-way bills generated by KRM showing delivery to KRM's own factory, and their company's vehicle, with a payload capacity of 12 MT, was shown in KRM's e-way bills for loads of up to 72 MT. Shri Anshul Agarwal admitted that he was aware that his company's vehicle number was being used in KRM's invoices and e-way bills.
- They bought at the import rate of Rs. 81.70 per kg when, at the same time, RIL's effective price was about Rs. 86-88 per kg.

45. Role of Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria of M/s New Chem Plastics. M/s New Chem Plastics is a proprietary concern of Smt. Sampat Ghanshyam Bagaria. Shri Alok Ghanshyam Bagaria, in his statement dated 10.10.2023, stated that he was authorised by the proprietor, his mother, for the day-to-day affairs of the firm and solely dealt with its business. I now examine the role of M/s New Chem Plastics, and of its proprietor and authorised person, in the imports made in KRM's name, on the basis of the evidence discussed below.

- **Advance payments and payments to the supplier.** Shri Alok Bagaria, in his statement dated 31.10.2023, stated that he made regular purchases of PP granules from KRM from July 2022 to May 2023, against advance payments. In September 2022, he paid an advance of about Rs. 65 lakh, against which KRM did not supply the goods. When he refused to pay further advance, Shri Bhave asked him to make payment to M/s Overseas Polymers on behalf of KRM. After a meeting at the office of M/s Overseas Polymers, Mumbai, in the presence of Shri Bhave, he paid Rs. 21,86,000/- and Rs. 20,58,000/- directly to M/s Overseas Polymers on behalf of KRM, and received PP granules worth Rs. 48,66,320/- against these payments.

- **Loading at the port.** Shri Alok Bagaria, in his statement dated 31.10.2023, stated that he procured PP granules from KRM at Mundra, Nhava Sheva and Pipavav. Shri Bhave gave him the address of the Seabird bonded warehouse, Mundra and LCL Logistics, from where the PP

granules were loaded into trucks provided by his firm. The e-way bills, generated either by him or by KRM, showed both the dispatch and ship-to addresses at Mundra. The same was done at Pipavav, while goods from Nhava Sheva were taken to his warehouse at Bhiwandi and sold from there. Shri Bhave, in his statement dated 29.08.2024, stated that in most cases the CHA and the transporter were deployed by M/s New Chem Plastics.

- **Diversion traced to Bills of Entry.** M/s New Chem Plastics purchased 1051.5 MT of PP granules valued at Rs. 9,46,94,750/- from KRM under 45 invoices (Table No. 7 of the SCN). KRM's outward e-way bills link specific imports to the firm, for instance Bill of Entry No. 5140930 dated 20.03.2023 (48 MT) to invoice Nos. 222 and 223 dated 21.03.2023 (para 41.2(b) above), and Bill of Entry No. 9993855 dated 13.08.2022 (48 MT) to invoice Nos. 118 and 119 dated 16.08.2022, as tabulated at para 41.2(d) above.

From the above, I find that M/s New Chem Plastics, a proprietary concern of Smt. Sampat Ghanshyam Bagaria, acting through Shri Alok Ghanshyam Bagaria as her authorised person, financed the imports made in KRM's name and took delivery of the goods at the port of import, with knowledge that they were imported under KRM's authorisations. Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria are, therefore, both responsible for these acts.

45.1 Noticee No. 4 has contended that it is only a domestic trader which purchased goods from KRM on GST invoices, without knowledge of the imports. It denies having financed the imports or having engaged the CHA. I do not find merit in these contentions. The payments made by it to M/s Overseas Polymers on behalf of KRM and the taking of delivery at the port have already been found at para 45 above, on the basis of Shri Alok Bagaria's own statement, and the deployment of the CHA and the transporter on the basis of the statement of Shri Bhave dated 29.08.2024. Shri Bhave, in his statement dated 15.12.2023, stated that it knew the goods were imported without payment of duty, and its payment to the high seas seller and taking of delivery at the port bear this out. It was thus not a mere purchaser in the domestic market.

46. Role of Shri Vikas Jain, Proprietor of M/s Yashika Enterprises. Shri Bhave, in his statement dated 29.08.2024, stated that M/s Yashika Enterprises followed the same pattern as M/s Friscon Polyfab Pvt Ltd. He named several units working with Shri Vikas Jain, at whose direction he transferred money to their accounts. He also stated that Shri Vikas Jain arranged fake purchase invoices, from units in several States, to provide input tax credit in KRM's electronic credit ledger. KRM's records show sales of 350.395 MT of PP granules

valued at Rs. 3,60,94,940/- to M/s Yashika Enterprises under 26 invoices (Table No. 4 of the SCN). KRM's outward e-way bills link specific imports to it. For instance, of Bill of Entry No. 4722542 dated 20.02.2023 (41.5 MT), 40 MT was invoiced to M/s Yashika Enterprises on 25.02.2023 under invoice Nos. 210 and 211, as tabulated at para 41.3(b) above.

- **His own statement.** In his statement dated 01.12.2023, recorded in the case of M/s Singh Exports, Shri Vikas Jain stated that he financed the imports made by M/s Singh Exports, which were later diverted to the local market from the port of import itself. As regards KRM, he stated that he obtained fake purchase invoices on commission, from KRM, the money being routed through KRM's bank account and returned in cash.
- **Non-cooperation.** Shri Vikas Jain did not appear in response to five summons during investigation in the present case, and has not replied to the SCN.

I find that whether some of the invoices issued to M/s Yashika Enterprises were accommodation bills, as stated by Shri Vikas Jain, or covered actual delivery, does not alter his role. On his own statement and that of Shri Bhave, he financed the duty-free imports made in KRM's name and controlled the disposal of the goods. He is, therefore, responsible for these acts.

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

- KRM, through Shri Utkarsh Bhave, lent its name, IEC and authorisations for the import of PP granules free of duty.
- The imports were financed by M/s Friscon Polyfab Pvt Ltd, M/s New Chem Plastics and M/s Yashika Enterprises, and the goods were taken over by them or disposed of as they directed.
- The goods were not used in the manufacture of export products but were transferred and sold in the domestic market.

I find that this is in breach of condition (x) of Notification No. 18/2015-Cus and 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:

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

48.1 Jurisdiction. Noticee No. 3 contended, relying on Point B.33 of the Tariff Conference held on 28-29.10.2015, that only the officer having jurisdiction over the actual user factory can demand duty. I find that Point B.33 relates to imports under the IGCR Rules, 1996. 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.

48.2 Identity of Noticee No. 3. Noticee No. 3 contended that it is not clear whether the company or its two directors are the noticee. I find that para 33.3 of the SCN calls upon Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta, both Directors of M/s Friscon Polyfab Pvt Ltd, to show cause why penalty should not be imposed upon them. The company is not a noticee. The role of each director has been discussed at para 44 above, and the penalty, if any, will be determined for each of them separately.

48.3 Cross-examination sought by Noticee No. 3. Noticee No. 3 sought cross-examination of Shri Utkarsh Bhave and of the officers who recorded the statements of its directors. I find that the request does not merit acceptance, for the reasons below.

- My findings against Noticee No. 3 at para 44 rest primarily on documents and on statements other than those of Shri Bhave. These include the documents recovered from the noticees' own factory, the statement of their own General Manager, the admissions of the directors themselves, the e-way bills and the inward register, and the WhatsApp chats certified under Section 138C. The statements of Shri Bhave are relied upon as corroborated by this evidence, not in isolation.
- Shri Bhave is himself a noticee in these proceedings. He has not filed any reply to the SCN, and did not appear for the physical hearings fixed at his own request on 22.10.2026 and 12.11.2026.
- The statements of the directors were recorded under Section 108 and contain their own account of the transactions. No retraction was filed at any time after they were recorded. The officers who recorded the statements are not witnesses to the facts stated in them, and the recovery of the documents during the search is not disputed. No purpose would, therefore, be served by their cross-examination.
- I have gone through the decisions relied upon by the noticees, namely *Swiber Offshore Construction Pvt. Ltd. v. Commissioner of Customs, Kandla*, 2014 (301) E.L.T. 119 (Tri.-Ahmd.) and *Raju Sharma v. Assistant Commissioner of State Tax, Bureau of Investigation*, (2026) 44 Centax 309 (Cal.). In those cases, the orders were set aside because the request for cross-examination was either rejected without any objective opinion formed on the material on record, or not dealt with at all. In the present case, the request has been considered and the reasons for not accepting it are recorded above. The said decisions are, therefore, distinguishable on facts.

The request of Noticee No. 3 for cross-examination is, accordingly, rejected.

48.4 Cross-examination sought by Noticee No. 4. Noticee No. 4 sought cross-examination of the persons of KRM whose statements are relied upon. I find that the request does not merit acceptance. The findings against the noticee at para 45 rest on the statement of Shri Alok Ghanshyam Bagaria himself and on the payments to M/s Overseas Polymers admitted in its own reply, and not on the statements of Shri Bhave alone. Shri Bhave is himself a noticee in these proceedings and has not filed any reply to the SCN, and did not appear for the physical hearings fixed at his own request on 22.10.2026 and 12.11.2026. The noticee has relied on *Shri Dharanidhar Ghosh v. Commissioner of Customs (Preventive)* (CESTAT Kolkata), where it was held that a penalty under Section 112 cannot be imposed solely on the basis of a co-accused's statement without independent corroboration. In the present case, the findings are corroborated by the noticee's own statement and admissions. It has also relied on *Mitesh Impex v. Union of India* (Guj. HC), where it was held that witness statements cannot be relied upon without an opportunity of cross-examination unless the non-availability of the witness is established. Here, Shri Bhave has not made himself available despite repeated opportunities, and the findings do not depend on his statement alone. Both decisions are, therefore, distinguishable on facts. The request of Noticee No. 4 for cross-examination is, accordingly, rejected.

DEMAND OF DUTY, INVOCATION OF THE EXTENDED PERIOD:

49. As the goods imported under the 12 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 from KRM under Section 28. The imports were made under Bills of Entry from 2020 to 2023, and the demand covers a period of five years. The demand can, therefore, be sustained only if the extended period under Section 28(4) is invocable, which I examine below.

49.1 Under Section 28(4), the extended period of five years can be invoked where duty has not been paid by reason of collusion, wilful mis-statement or suppression of facts. In each of the 109 Bills of Entry, KRM claimed the exemption under Notification No. 18/2015-Cus for materials imported for use in the manufacture of export products, and executed bonds as a manufacturer exporter, all but one without bank guarantee, as stated by Shri Bhave in his statement dated 29.08.2024. Its declared factory premises at Pithampur were found closed and locked on 12.09.2023, having been vacated in March 2023, none of the imported consignments was sent for job work, and Shri Bhave stated that all the imported goods were sold in the local market. KRM's e-way bills showed dispatch of the goods to its factory at Dhar while the goods were received by M/s Friscon Polyfab Pvt Ltd (para 41.1), showed sales to M/s New Chem Plastics at Mundra itself within a day or two of the Bills of Entry (para 41.2), and showed sales to M/s Yashika Enterprises within Indore (para 41.3). At no stage

did KRM inform the Customs authorities that the goods were not used in manufacture, or that its factory had been vacated in March 2023, and the diversion came to light only on the searches of 12.09.2023 and 14.09.2023. As found at paras 40 to 46, the imports were financed and the goods taken over by M/s Friscon Polyfab Pvt Ltd, M/s New Chem Plastics and M/s Yashika Enterprises. Shri Bhave, in his statement dated 12.09.2023, stated that he was aware of the obligations under the Advance Authorisation scheme and of the consequences of selling the imported goods in the local market. I, therefore, find that KRM, acting through Shri Bhave, wilfully mis-stated the purpose of the imports, suppressed the diversion of the goods from the Customs authorities, and colluded with M/s Friscon Polyfab Pvt Ltd, M/s New Chem Plastics and M/s Yashika Enterprises, by reason of which the duty was not paid. The extended period under Section 28(4) has, therefore, been rightly invoked.

49.2 Duty involved. As discussed above, the entire quantity of 3195.24 MT of PP granules, valued at Rs. 29,57,96,841/-, imported under the 12 authorisations was diverted and sold in the domestic market, and was not used for the purpose for which the exemption was granted. The duty foregone on it is computed as under:

Duty	**Rate**	**Amount (Rs.)**
Basic Customs Duty	7.5% of assessable value	2,21,84,763
Social Welfare Surcharge	10% of BCD	22,18,476
IGST	18% of (assessable value + BCD + SWS)	5,76,36,014
Total		**8,20,39,253**

In view of the above, I confirm the demand of customs duty of Rs. 8,20,39,253/- under Section 28(8), and order the same to be recovered from M/s KRM Plastics LLP under Section 28(4), along with interest under Section 28AA. I also order that the amount of Rs. 55,000/- deposited vide challan dated 31.07.2024 against Bill of Entry No. 6967994 dated 20.07.2023 be appropriated against this demand.

CONFISCATION AND PENALTIES:

50. The SCN proposes confiscation of the 3195.24 MT of PP granules 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;"

50.1 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), and the export obligation was not discharged by export of resultant products manufactured in India, as required by condition (viii), as admitted by Shri Bhave (para 39). No sanction of the proper officer was sought or obtained for this non-observance. I therefore find that the PP granules weighing 3195.24 MT, valued at Rs. 29,57,96,841/-, imported under the 12 Advance Authorisations detailed in Table No. 3 of the SCN, are liable to confiscation under Section 111(o).

50.2 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."*

50.3 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.

51. Penalty on M/s KRM Plastics LLP:

51.1 Penalty on M/s KRM Plastics LLP under Section 114A**:** As found at para 49.1 above, the duty of Rs. 8,20,39,253/- was not paid by reason of collusion, wilful mis-statement and suppression of facts, and the duty has been confirmed and ordered to be recovered under Section 28(4). The ingredients of Section 114A are, therefore, satisfied, and the penalty follows as a statutory consequence. I, therefore, hold M/s KRM Plastics LLP liable to a penalty equal to the duty of Rs. 8,20,39,253/-. In view of the fifth proviso to Section 114A, which bars a penalty under Section 112 where a penalty has been levied under Section 114A, no separate penalty is imposed on KRM under Section 112.

52. Penalty on Shri Utkarsh Bhave:

52.1 Penalty on Shri Utkarsh Bhave under Section 112**:** M/s KRM Plastics LLP is a limited liability partnership, a body corporate with a legal existence separate from its partners under Section 3(1) of the Limited Liability Partnership Act, 2008. A penalty on the partner for his own acts is, therefore, not a second penalty on the same person. As found at para 43, Shri Bhave obtained the authorisations, executed the bonds, routed the buyers' funds to the suppliers and sold the duty-free goods in the domestic market. These acts rendered the goods liable to confiscation under Section 111(o). I, therefore, hold him liable to a penalty under Section 112(a)(ii).

52.2 Penalty on Shri Utkarsh Bhave under Section 114AA**:** In each of the 109 Bills of Entry and the bonds under condition (iv), KRM claimed the exemption for materials to be used in the manufacture of export products, as a manufacturer exporter. Shri Bhave caused these declarations to be made knowing that there was no manufacturing unit. He also knew that the imports were financed by the buyers and that the goods would be sold from the port. These declarations and documents were false in material particulars, and were made and used knowingly 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 Shri Utkarsh Bhave liable to a penalty under Section 114AA.

53. Penalty on Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta:

53.1 Penalty on Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta under Section 112: As found at para 44, the two directors financed the imports, funded the payments to the high seas sellers through KRM's bank account, arranged payment to the transporter, directed the clearance and transport, and took delivery of the goods at their factory or had them delivered as they directed. They did so knowing that the goods were imported duty free under Advance Authorisation, as shown by the purchase at the import rate and by their direct dealings with the suppliers. They thus acquired possession of, and were concerned in carrying, removing, purchasing and otherwise dealing with, goods which they knew to be liable to confiscation under Section 111(o). I, therefore, hold each of them liable to a separate penalty under Section 112(b)(ii). In determining the amount of penalty, I take into account that M/s Friscon Polyfab Pvt Ltd purchased 875.25 MT valued at Rs. 7,54,73,334/- from KRM, as per Table No. 6 of the SCN. 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 them, is relevant. At the rates applied in the SCN, i.e. 27.735% (BCD 7.5%, SWS 10% of BCD and IGST 18%), it works out to about Rs. 2,09,32,529/-.

53.2 Penalty on Shri Anshul Kumar Agarwal and Shri Avinash Kumar Rungta under Section 114AA**:** In the WhatsApp chat of 02.03.2023, produced by Shri Bhave with his statement dated 15.12.2023, Shri Anshul Agarwal sent the file "HIGH SEA SALES AGREEMENT KRM.pdf" (3 pages) to Shri Bhave with the message "please sign and send it", and Shri Bhave sent back a scanned PDF document (2 pages) about fifteen minutes later. In the chat of 17.07.2023, KRM's agreement documents were sent to Shri Anshul Agarwal, who sought Shri Bhave's Aadhaar card for KYC. The directors thus caused the high sea sales agreements, on which the goods were cleared under exemption in KRM's name, to be made. They knew that the goods were being imported for them and not for manufacture by KRM. They also caused e-way bills to be generated showing delivery to KRM's factory at Dhar, with their own vehicle number, while the goods were delivered to their factory. I find that they knowingly caused 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 each of them liable to a separate penalty under Section 114AA.

54. Penalty on Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria:

54.1 Penalty on Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria under Section 112: As found at para 45, M/s New Chem Plastics financed the imports made in KRM's name, paid M/s Overseas Polymers directly on behalf of KRM, deployed the CHA and the transporter, and took delivery of the goods at the port of import. Shri Alok Ghanshyam Bagaria conducted these transactions as the person authorised by the proprietor. M/s New Chem Plastics is a proprietary concern, which has no legal existence separate from its proprietor, Smt. Sampat Ghanshyam Bagaria, and the acts done in its business by her authorised representative are acts done on her behalf. I find that the goods were acquired, carried, removed and dealt with on behalf of the proprietor by Shri Alok Ghanshyam Bagaria, who knew, from his payments to the high seas seller and his dealings at the port, that they were imported under KRM's authorisations. They thus acquired possession of, and were concerned in carrying, removing, purchasing and otherwise dealing with, goods which they knew to be liable to confiscation under Section 111(o). I, therefore, hold Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria each liable to a penalty under Section 112(b)(ii). In determining the amount of penalty, I take into account that M/s New Chem Plastics purchased 1051.5 MT valued at Rs. 9,46,94,750/- from KRM, as per Table No. 7 of the SCN. 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 them, is relevant. At the rates applied in the SCN, i.e. 27.735% (BCD 7.5%, SWS 10% of BCD and IGST 18%), it works out to about Rs. 2,62,63,589/-.

54.2 Penalty on Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria under Section 114AA: Shri Alok Ghanshyam Bagaria, in his statement dated 31.10.2023, stated that, at the instance of Shri Bhave, he paid Rs. 21,86,000/- and Rs. 20,58,000/- directly to M/s Overseas Polymers Pvt Ltd, the high seas seller of KRM's imports, on behalf of KRM. As stated by Shri Bhave in his statement dated 29.08.2024, the CHA who cleared these goods was, in most cases, deployed by M/s New Chem Plastics. The goods were thus cleared under Bills of Entry and high seas sale documents showing KRM as the buyer and importer for use in manufacture, whereas the goods were diverted to M/s New Chem Plastics, which bought them at Mundra itself, as discussed at para 41.2. These documents were false in material particulars, and were caused to be made and used by M/s New Chem Plastics, acting through Shri Alok Ghanshyam Bagaria, with knowledge of the true facts. I, therefore, hold Smt. Sampat Ghanshyam Bagaria and Shri Alok Ghanshyam Bagaria each liable to a penalty under Section 114AA.

55. Penalty on Shri Vikas Jain:

55.1 Penalty on Shri Vikas Jain under Section 112: As found at para 46, Shri Vikas Jain financed the duty-free imports made in KRM's name, which were diverted to the local market from the port of import, and controlled the disposal of the goods. He did so with knowledge that the goods were imported duty free under Advance Authorisation. Shri Bhave, in his statement dated 21.06.2024, stated that the buyers paid for the goods at the import rate without the duty element, plus a commission, and the funds received from M/s Yashika Enterprises were routed by KRM to M/s Overseas Polymers Pvt Ltd, as seen at para 40.3 above. He thus acquired possession of, and was concerned in carrying, removing, purchasing 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). In determining the amount of penalty, I take into account the sales of 350.395 MT valued at Rs. 3,60,94,940/- to M/s Yashika Enterprises, as per Table No. 4 of the SCN. 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. At the rates applied in the SCN, i.e. 27.735% (BCD 7.5%, SWS 10% of BCD and IGST 18%), it works out to about Rs. 1,00,10,932/-.

55.2 Penalty on Shri Vikas Jain under Section 114AA**:** The imports financed by Shri Vikas Jain were cleared under Bills of Entry and bonds in KRM's name, claiming exemption for materials to be used in manufacture by KRM, whereas the goods were imported for him and diverted at the port. He thus caused documents false in material particulars to be made and used in the transaction of business for the purposes of the Customs Act. He also arranged fake purchase invoices to provide KRM with input tax credit, which was used to issue GST invoices giving the diversion the appearance of regular domestic sales. I, therefore, hold Shri Vikas Jain liable to a penalty under Section 114AA.

56. In view of the above discussion and findings, I pass the following order.

ORDER

i. The PP granules weighing **3195.24 MT**, valued at **Rs. 29,57,96,841/-** (Rupees Twenty Nine Crore Fifty Seven Lakh Ninety Six Thousand Eight Hundred Forty One only), which were imported duty free under 12 'Advance Authorization Licenses' mentioned in para 9 & Table no.3 to the SCN, are held liable to confiscation under Section 111(o) of the Customs Act, 1962. I impose redemption fine of **Rs. 4,00,00,000/-** (Rupees Four 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. 8,20,39,253/-** (Rupees Eight Crore Twenty Lakh Thirty Nine Thousand Two Hundred Fifty Three only) as mentioned in para 9 & Table no.3 to the SCN, payable on the aforesaid quantity of 3195.24 MTs of goods, which were imported by availing the benefit of exemption of Notification No.18/2015-Cus dated 01.04.2015 as amended, under the provisions of Section 28(8) of the Customs Act, 1962 and order to recover the same from M/s KRM Plastics LLP 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 amount of **Rs. 55,000/-** (Rupees Fifty Five Thousand only), deposited by M/s KRM Plastics LLP vide challan dated 31.07.2024 against Bill of Entry No. 6967994 dated 20.07.2023, be appropriated against the duty demand confirmed at Sl. No. (ii) above.

iv. I impose a penalty of **Rs. 8,20,39,253/-** (Rupees Eight Crore Twenty Lakh Thirty Nine Thousand Two Hundred Fifty Three only) on M/s KRM Plastics LLP under Section 114A of the Customs Act, 1962. No penalty is imposed on M/s KRM Plastics LLP under Section 112 of the Customs Act, 1962.

v. I impose the following penalties under Section 112(a)(ii) or Section 112(b)(ii), as applicable, and under Section 114AA of the Customs Act, 1962 on the persons named below:

Sr. No.	**Name of the person**	**Section 112(a)(ii)**	**Section 112(b)(ii)**	**Section 114AA**
1	Shri Utkarsh Bhave, Partner, M/s KRM Plastics LLP	Rs. 80,00,000/-	—	Rs. 5,00,000/-
2	Shri Anshul Kumar Agarwal, Director, M/s Friscon Polyfab Pvt Ltd	—	Rs. 20,00,000/-	Rs. 1,00,000/-
3	Shri Avinash Kumar Rungta, Director, M/s Friscon Polyfab Pvt Ltd	—	Rs. 20,00,000/-	Rs. 1,00,000/-
4	Smt. Sampat Ghanshyam Bagaria, Proprietor, M/s New Chem Plastics, Mumbai	—	Rs. 26,00,000/-	Rs. 1,00,000/-
5	Shri Alok Ghanshyam Bagaria, Marketing Manager,	—	Rs. 26,00,000/-	Rs. 1,00,000/-

	M/s New Chem Plastics, Mumbai			
6	Shri Vikas Jain, Proprietor, M/s Yashika Enterprises, Indore	—	Rs. 10,00,000/-	Rs. 1,00,000/-

57. 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 or any other law for the time being in force.

Digitally signed by Nitin Saini
Date: 19-11-2026 14:19:35

(Nitin Saini)
Commissioner of Customs,
Mundra

F.No. GEN/ADJ/COMM/45/2025-Adjn

To,

1. **M/s. KRM Plastics LLP**,
   (IEC-1116900203)
   109-B, Sector-I, Industrial Area, Vikas Bhawan Road,
   Pithampur, Distt- Dhar (M.P.)

2. **Shri Utkarsh Bhave**,
   The partner of M/s. KRM Plastics LLP,
   109-B, Divine Greens, Nipania, Indore

3. **Shri Anshul Agarwal & Shri Avinash Kumar Rungta**,
   Directors of M/s. Friscon Polyfab Pvt Ltd,
   Plot No.108, Smart Industrial Park,
   Natrip, Pithampur, Distt- Dhar (M.P.)

4. **Smt. Sampat Ghanshyam Bagaria, Proprietor of M/s. New Chem Plastics & Shri Alok Ghanshyam Bagaria, Marketing Manager of M/s. New Chem Plastics**,
   804, Zinnia Building, Nahar Amrit Shakti,
   Chandivali Farm Road, Andheri (E),
   Mumbai (Maharastra)

5. **Shri Vikas Jain**,
   Prop. of M/s. Yashika Enterprises,

285, M Das Baghichi, Aerodrome Road,
Near Ramchandra Nagar, Indore-452001.

Copy to:

1. The Additional Commissioner, CCCO, Ahmedabad
2. The Central Economic Intelligence Bureau, Janpath Bhawan, 6th Floor B-Wing, Janpath, New Delhi-110001.
3. The Commissioner of Customs, Hqrs, Indore for information.
4. The Commissioner of Customs, Nhava Sheva for information.
5. The Commissioner of Customs, Pipavav, Gujarat for information.
6. The Commissioner of Customs, Hazira, Surat for information.
7. The Commissioner of Customs, Sanand, Ahmedabad for information.
8. Guard file.