
	<p style="text-align: center;">कार्यालय: आयुक्त सीमा शुल्क, मुन्द्रा, सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421</p> <p style="text-align: center;">OFFICE OF THE COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421</p> <p>PHONE:02838-271426/271423 FAX:02838-271425 Email: adj-mundra@gov.in</p>	
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DIN-20250571MO0000111CBE

Date: 19.05.2025

SHOW CAUSE NOTICE**1. Intelligence:**

The Directorate of Revenue Intelligence (DRI), Ahmedabad Zonal Unit, Ahmedabad developed an Intelligence that M/s Gurukrupan Agro Limited [IEC-AAICG7050K], having office address M/s Gurukrupan Agro Limited, Add- 401, 4th Floor, Shivalik-7 , Gondal Road , Rajkot , Gujarat, 360002 and its Godown address M/s Gurukrupan Agro Limited, A-179, SVP Marketing Yard, Bedi, Rajkot, Gujarat- 360003 have imported 950 Mts of Raw Chick Peas (Kabuli Chana) under the Advance Authorisation having License number 2411003847 dated 11.09.2024 and 2411003937 dated 16.10.2024 and started to divert the same in the open market. The details of the imported goods are as under:

Table-A

Port Code	BE NUMBER	BE DATE	Goods Description	QTY (MTS)	Advance Authorisation No. and Date
INIXY1	5843571	27-09-2024	Raw Chick Peas	354	2411003847 dated 11.09.2024
INIXY1	6081323	11-10-2024	Raw Chick Peas	21	2411003937 dated 16.10.2024 & 2411003847 dated 11.09.2024
INMUN1	6514282	05-11-2024	Raw Chick Peas	150	2411003937 dated 16.10.2024
INMUN1	6514341	05-11-2024	Raw Chick Peas	25	2411003937 dated 16.10.2024
INMUN1	6514378	05-11-2024	Raw Chick Peas	25	2411003937 dated 16.10.2024
INMUN1	5884152	30-09-2024	Raw Chick Peas	375	2411003847 dated 11.09.2024
Total				950	

2. Acting upon the aforesaid intelligence, simultaneous searches were conducted by the officers of Directorate of Revenue Intelligence at different premises on 20.11.2024 and 21.12.2024 and the results of the same is summarized as under:-

2.1 The office premises of M/s Gurukrupan Agro Limited situated at 401, 4th Floor, Shivalik-7 , Gondal Road , Rajkot , Gujarat, 360002 was searched under the Panchnama dated 20.11.2024 **(RUD-01)** in presence of independent panchas. During the course of panchnama proceedings, some sale invoices issued by M/s Gurukrupan Agro Limited in respect of sale of duty-free goods i.e. Raw Chick Peas (Kabuli Chana) imported under Advance Authorisation are recovered. The details are as under:

Table-B

Sr. No.	Invoice No. and Date	Buyer Name and Address	Quantity (in MT)	Amount (in Lakh)
1	GAL/24-25/B51 Dated 18.10.2024 (RUD-1.1)	Shri Kashumbari Foods LLP, E-820, DSIIDC, Industrial Area, Narela, Delhi-110040	42	42.21
2	GAL/24-25/B53 Dated 14.11.2024 (RUD-1.2)	Nigam Enterprises, B-253, APMC Marketing Yard, Bedi, Rajkot	2.998	3.12
3	GAL/24-25/B54 Dated 15.11.2024 (RUD-1.3)		4.923	4.82
4	GAL/24-25/B55 Dated 16.11.2024 (RUD-1.4)		8.405	7.79
5	GAL/24-25/B56 Dated 16.11.2024 (RUD-1.5)	Vasudev Traders, B-178, APMC Marketing Yard, Bedi, Rajkot	6.599	6.23
6	GAL/24-25/B57 Dated 19.11.2024 (RUD-1.6)	Dishika Enterprises, 420 Gram Ajnas Khategaon Dewas, MP-455336	30.33	29.42
		Total	95.25	93.59

2.2.1 The Godown premises of M/s Gurukrupan Agro Limited, situated at A-179, SVP Marketing Yard, Bedi, Rajkot – 360003 was searched under the Panchnama dated 20.11.2024 **(RUD-02)** in the presence of independent panchas and Shri Haresh Lalchand Chimnani, Managing Director of M/s Gurukrupan Agro Limited. During the course of panchnama proceedings, Shri Haresh

Lalchand Chimnani informed that M/s Gurukrupan Agro Limited is engaged in trading/importing of various agricultural commodities i.e coriander, cumin seeds, Chilli Powder, chickpeas etc. During the search proceedings, it was found that 1977 cartons of Chilli Powder were stacked in the Godown which were meant for export purpose. It was also observed that apart from 1977 cartons, no goods and machinery were found in the said premises.

2.2.2 Regarding the import of duty-free Raw Chick Peas imported under Advance Authorisation, Shri Haresh Lalchand Chimnani informed that the said duty-free goods is not available in the godown and were stored in Cold Storage namely M/s Tusara Infra LLP. He further informed that they had not installed any machinery for processing of Raw chickpeas (Kabuli Chana) and further informed that they would be receiving the services of processing of Raw Chick Peas through outsourcing or job work and they were not planning to install the machinery in their premises. It was further informed by Shri Haresh Lalchand Chimnani that they did not take any permission or even not applied for any permission from DGFT or Customs about the job work and not had any permission to store the said duty-free goods other than place mentioned in the Advance Authorisation. It was further gathered that 37 Mts. of Chick peas procured under Advance Authorisation were stored in the godown of M/s Shiva Agri Trade, A-178, Marketing Yard, Bedi, Rajkot and 11 Mts Chick peas procured under Advance Authorisation were stored in the godown of M/s. Nigam Enterprise, General Merchant and Commission Agent, B-253, New Marketing Yard, Bedi, Rajkot

2.3 Further, the Godown premises of M/s. Nigam Enterprise, General Merchant and Commission Agent, B-253, New Marketing Yard, Bedi, Rajkot was searched under the Panchnama dated 20.11.2024 (**RUD-03**) in the presence of independent panchas and Shri Bhavesh Shamjibhai Sagpariya, Partner, M/s Nigam Enterprise. During the course of panchnama proceedings, 220 PP bags having 50 Kg each, covered with black plastic cover contains Kabuli Chana were found in the godown. On being inquired, Shri Bhavesh Shamjibhai Sagpariya informed that the said 220 PP Bags having 50 Kg each, covered with black plastic cover contains Kabuli Chana were received by them on 18.11.2024 from M/s. Gurukrupan Agro Limited for fumigation purpose. Shri Bhavesh Shamjibhai Sagpariya further informed that they have purchased 16325.5 KGs Kabuli Chana from M/s. Gurukrupan Agro Limited in the month November-2024 and further sold the said goods in the APMC *mundy* auction.

2.4 Further, the shop cum godown premises of M/s Vasudev Traders, B-178, APMC Marketing Yard, Bedi, Rajkot was searched under the panchnama proceedings dated 20.11.2024 (**RUD-04**) in the presence of independent panchas and Shri Bharatbhai Devjibhai Pipaliya, Caretaker of M/s Vasudev Traders. During the course of panchnama proceedings, Shri Bharatbhai Devjibhai Pipaliya informed that they purchased total 6599 Kgs of Chickpeas from M/s. Gurukrupan Agro Limited and further sold the goods in the open market to the difference buyers, hence not have any quantity.

2.5 Further, the Godown premises of M/s. Shiva Agri Trade, A-178, Marketing Yard, Bedi, Rajkot was searched under the Panchnama dated 21.11.2024 (**RUD-**

05) in the presence of independent panchas and Shri Ritikesh Sureshbhai Sedani, Partner, M/s. Shiva_Agri Trade. During the course of panchnama proceedings, 740 PP bags having 50 Kg each, covered with black plastic cover contains Kabuli Chana were found in the godown. On being asked, Shri Ritikesh Sureshbhai Sedani informed that the said 740 PP Bags having 50 Kg each, covered with black plastic cover contains Kabuli Chana was received by them on 16.11.2024 from M/s. Gurukrupan Agro Limited for fumigation purpose. He further informed that he have not made any transaction or trading activity with M/s. Gurukrupan Agro Ltd and they have just given the place in their godown to store their goods for fumigation purpose.

2.6 Further, the premises of M/s. Tusara Infra LLP, Near Avad Party Plot, B/h Jayraj Fashion Rajkot Morbi Highway, Rajkot was searched under the Panchnama dated 21.11.2024 (**RUD-06**) in the presence of independent panchas and Utsav Rasikbhai Kantaria, Associate Operations, M/s Tusara Infra LLP. During the course of panchnama proceedings, Shri Utsav Rasikbhai Kantaria informed that they are mostly receiving the Kabuli Chana from M/s Gurukrupan Agro Limited since Oct 2024 for cold storage and at that time 15986 bags of Kabuli Chana having total weight of 800746 Kgs pertaining to M/s Gurukrupan Agro Limited was stored in the cold storage and the officers took the inventory of the same.

2.7 From the proceedings taken under various panchanamas as mentioned above, it was noticed that M/s Gurukrupan Agro Limited has diverted the 95.25 Mts duty free goods i.e Raw Chick Peas imported under Advance Authorisation Scheme by way of sale to various buyers without processing. Further, it also noticed that neither the rest of duty free goods i.e Raw Chick peas nor any processing machinery were available at the registered address of M/s Gurukrupan Agro Limited mentioned in the Advance Authorisation License.

3. STATEMENTS OF THE KEY PERSONS:

3.1 During the course of investigation, statement dated 21.11.2024 (**RUD-07**) of Shri Kirit Raiyani, Manager of M/s Gurukrupan Agro Limited, A-179, APMC Market Yard, bedi, Rajkot, Gujarat was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Gurukrupan Agro Limited is a Limited Company and there are 3 Directors of the Company namely (1) Shri Hareshbhai Lalchand Chimnani (2) Mrs Madhuben Lalchandbhai Chimnani And (3) Mrs Heenaben Hareshkumar Chimnani.
- He looked after all the work related to sale, purchase, storage, loading, unloading of all the goods in which M/s Gurukrupan Agro Limited is trading and he report to Shri Hareshbhai Chimnani, Director of M/s Gurukrupan Agro Limited.
- M/s Gurukrupan Agro Ltd is engaged in trading business of the agro commodities like Chana, Desi Chana, Kabuli Chana, Corriender, Sesame Seeds, Jeera, Mathi, Chilli Powder, turmeric etc.

- M/s Gurukrupan Agro Limited imported Raw Kabuli Chana and cleared through Mundra and Kandla Port.
- He was not aware that the Raw Kabuli Chana is duty free goods.
- As per his knowledge 906 MTs goods of Raw Kabuli Chana are received from Kandla & Mundra port. Further, out of 906 MTs, 800 MTs goods are lying in Cold Storage namely Tusara Infra LLP, Rajkot and 11 Ton is lying at the godown of Nigam Enterprises, APMC, Rajkot, 36 Ton is lying at Godown of Shiva Agree Trade , APMC, Rajkot and 10 Ton is lying between the Shed no. 3 and No. 4. Of APMC Market Yard., Bedi Rajkot and approx. 49 MTs are sold to the local buyer under sale invoice.
- The said 57 MTs ton duty free goods which were lying at the various locations of APMC Market, Rajkot are brought to the Market yard for sale. However, the sale of same was still pending as the fumigation process of the goods is pending.
- They did not export and process any goods out of 906 Mts imported Raw Kabuli Chana through Mundra and Kandla Port.
- He received directions from Shri Hareshbhai Chimnani regarding the sale and store of imported goods i.e Raw Kabuli Chana.

3.2 During the course of investigation, statement dated 26.11.2024 (**RUD-08**) of Shri Sagpariya Bhavesh Shamjibhai, Partner of M/s Nigam Enterprise, B-253, APMC Yard Bedi, Rajkot, Gujarat was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Nigam Enterprise is working as commission agent work at the APMC market yard, Bedi, Rajkot.
- He has only known to Shri Kirit Raiyani, Manager of M/s Gurukrupan Agro Limited.
- They had purchase approx. 16 Mts of Raw Chick peas (Kabuli Chana) from M/s Gurukrupan Agro Limited and sold the same under auction at APMC market, Rajkot as Shri Kirit Bhai asked them to sale the said goods. The details of the purchase and sale of the said goods are as below:

Purchase of goods from M/s Gurukrupan Agro Limited

Sr No.	Invoice No.	Date	Total Qty (in Kg)	Total invoice Value (in Rs.)
01	GAL/24-25/B53	14.11.2024	2998	3,12,457/-
02	GAL/24-25/B54	15.11.2024	4923	4,82,454/-
03	GAL/24-25/B55	16.11.2024	8404.5	7,79,102/-
Total			16325.5	15,74,013/-

Sale of the above said purchased goods to different buyers

Sr No	Name of Buyer	Invoice No.	Invoice Date	Qty (in KG)	Inv. Amt (in Rs.)
01	Hariom Corporation	GST-R00541	16.11.2024	8404.50	7,95,986/-
02	Gokul Seed Tech Pvt. Ltd.	GST-R00539	15.11.2024	4883	4,88,859/-
03	Gokul Seed Tech Pvt. Ltd.	GST-R00531	14.11.2024	2950	3,15,654/-
04	Lakhanbhai, (farmer)	In Cash	In Cash	40	3,920/-

- after the sale of the said goods, they have transferred the said invoice amount to the bank account of M/s Gurukrupan Agro Limited through RTGS.
- Other than the above said goods, on the request of Shri Kiritbhai, Manager of M/s Gurukrupan Agro Limited they stored the 11 ton Raw Chick peas (Kabuli Chana) in their godown on 18.11.2024.

3.3 During the course of investigation, statement dated 26.11.2024 (**RUD-09**) of Shri Pipaliya Bharatbhai Devjibhai, M/s Vasudev Traders, B-178, APMC Yard Bedi, Rajkot, Gujarat was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Vasudev Traders is working as commission agent work at the APMC market yard, Bedi, Rajkot.
- He has only known to Shri Kirit Raiyani, Manager of M/s Gurukrupan Agro Limited.
- M/s Vasudev Traders purchased total **6599** Kgs of Raw Chick Peas (kabuli chana) having value of Rs. **6,23,305** under invoice no. GAL/24-25/B56 dated 16.11.2024 from M/s Gurukrupan Agro Limited and sold the same under auction at APMC market, Rajkot as Shri Kirit Bhai asked them to sale the said goods and after the sale of the said goods they have transferred the amount of Rs. 6,23,260 for the sale of the said auctioned goods in bank account of M/s Gurukrupan Agro Limited on 20.11.2024. The details of the goods that were sold through auction at APMC Market, Rajkot are as below:

Sr No.	Name of Buyer	Invoice No.	Invoice Date	Qty (in KG)	Inv. Amt (in Rs.)
1	Dhareshwar	GR1	16.11.2024	140	13,588/-
2	Shri Gunateet Trading	GR2	16.11.2024	360	34,573/-
3	M/s GP Enterprises	GR3	16.11.2024	2109	2,04,689/-
4	Hariom Corporation	GR4	16.11.2024	3240	3,11,153/-

5	Bhagyoday	GR5	16.11.2024	750	72,791/-
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- they received fresh and fine quality of Raw Kabuli Chana from M/s Gurukrupa Agro Limited and there is no impurity in the said goods.

3.4 During the course of investigation, statement dated 28.11.2024 (**RUD-10**) of Shri Haresh Lalchand Chimnani, Managing Director of M/s Gurukrupan Agro Limited, situated at 401, 4th floor, Shivalik-7, Gondal Road, Rajkot, Gujarat 360002 was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Gurukrupan Agro Limited is a limited company with 3 directors namely (i) Mr. Hareshkumar Lalchand Chimnani (ii) Mrs Madhuben L Chimnanai and (iii) Mrs Heenaben H. Chimnani and all the work related to the firm is looked after/supervised by him only
- M/s Gurukrupan Agro Limited is engaged in trading and processing of agro commodities. The firm is involved in import, export and local trading. In Agro Commodities we trade in the Turmeric, Chick peas, Chilli powder, Peanut, Coriander Seeds, Sesame Seed, Cumin Seed, Fenugreek Seed, Muster Seed, Basil Seed, Pista and Fresh Fruits etc.
- M/s Gurukrupan Agro Limited (GSTIN: 24AAICG7050K1ZH) has 1 principal place of business i.e. Office No. 401, 4th floor, Future Capital Holdigs, Shivalik-7, Gondal Road, Rajkot, Gujarat 360002 and one additional place of business i.e Shop cum Godown No. A-179, Gurukrupan Agro Limited, Shree Sardar Vallabhbhai Patel Market yard, APMC, Morbi Road, Bedi, Rajkot, Gujarat-360003.
- M/s Gurukrupan Agro Limited does not have any machinery installed for processing of the goods and if needed they took the service for processing from M/s Vasudev Industries, situated at G-A/40, APMC, Shree Sardar Vallabhbhai Patel, Market Yard, Bedi, Rajkot.
- M/s Gurukrupan Agro Limited mainly imports Chick Peas, Pista and Fresh Fruits (Apple and Kiwi) and mainly exports Peanut, Sesame, Turmeric, Coffee, Corriander etc.
- M/s Gurukrupan Agro Limited imported 950 MTs of Raw Chick Peas (Kabuli Chana) through Mundra and Kandla Port under the Advance Authorisation No. 2411003847 dated 11.09.2024 and 2411003937 dated 16.10.2024.
- he sold the approx. 95 Mts of Kabuli Chana which were imported under advance Authorisation by M/s Gurukrupan Agro Limited to various buyers. The details of the same are as below:

Sr No.	Invoice No.	Date	Total Qty (in Kg)	Buyer Name	Total invoice Value (in Rs.)
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01	GAL/24-25/B51	18.10.2024	42000	Shri Kashumbhari Foods LLP, Narela Delhi	42,21,000/-
02	GAL/24-25/B53	14.11.2024	2998	Nigam Enterprise, APMC, Bedi, Rajkot	3,12,457/-
03	GAL/24-25/B54	15.11.2024	4923		4,82,454/-
04	GAL/24-25/B55	16.11.2024	8404.5		7,79,102/-
05	GAL/24-25/B56	16.11.2024	6599	Vasudev Traders, APMC, Bedi Rajkot	6,23,305/-
06	GAL/24-25/B57	19.11.2024	30325	Dishika Enterprise, Dewas, MP	29,41,525/-
Total			95249.5		93,59,843/-

- he was fully aware about the provisions and conditions of Customs notification no. 21/2023-Customs dated 01.04.2023 issued by Govt. of India, Ministry of Finance , Department of Revenue to regulate the import made under Advance Authorisation as earlier they have also taken one Advance Authorisation to import Raw Sesame Seeds to export Hulled Sesame Seeds. In that license they have completed export obligation.
- the 950 MTs goods (Raw Chick Peas) was not present at their premises at the time of search, however approx. 850 MT imported goods were stored at the cold storage for safety. 95 MTs of duty free goods were sold into the local market
- M/s Gurukrupan Agro Limited imported total 950 MT Raw Chick peas under advance Authorisation for export of Processed Chick Peas. However, they did not require any processing unit as they have already mentioned name of M/s Vasundhara Industries, APMC Yard, Rajkot, in Udhyam Registration as our processing unit.
- He accepted that M/s Gurukrupan Agro Limited diverted the duty free goods in the local/domestic market.
- He agreed with the facts mentioned in the statements dated 26.11.2024 of Shri Pipaliya Bharatbhai Devjibhai, S/o Shri Pipaliya Devjibhai, care taker of M/s Vasudev Traders, B-178, APMC Yard Bedi, Rajkot, Gujarat and Shri Sagpariya Bhavesh Shamjibhai, S/o Shri Shamjibhai, Partner of M/s Nigam Enterprise, B-253, APMC Yard Bedi, Rajkot, Gujarat recorded under the section 108 of the Customs Act, 1962.

3.5 During the course of investigation, statement dated 18.12.2024 (**RUD-11**) of Shri Govani Kalpeshkumar Jayantilal, Partner of M/s Vasundhara Industries, situated at G-A/40, Shree Sardar Vallabhbhai Patel Market yard, APMC, Bedi,

Morbi Road, Rajkot-360003 was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Vasundhara Industries is involved in major trading of the Cumin (Jeera).
- They purchase Jeera from the APMC Auction Market, Rajkot and then perform the machining and sortex process on it and then the final product will be sold in the Indian domestic markets.
- They receive the various agro goods from the different firms of APMC market, Rajkot and then after performing the machining and sortex process on it as required, they return the goods to the respective firms and receive the amount of the said process from the respective firms.
- Machining and Sortex are the process performed through the machinery called as Sortex Plant. He further state that Machining process is the basic cleaning of the agro commodity and the sortex is the deep and advanced cleaning of the agro commodity. Air is used to clean the goods through Sortex Plant and no chemicals are used to clean the goods.
- Around 2.5 months back, Kirit bhai, Manager of M/s Gurukrupan Agro Limited told him that they (M/s Gurukrupan Agro Limited) wanted to do the sortex process of imported Raw Chick Peas at M/s Vasundhara Industries, therefore, they asked him to give his consent to include the name of my firm i.e. M/s Vasundhara Industries in MSME registration of M/s Gurukrupan Agro Limited to which he agreed.
- M/s Vasundhara Industries does not have any agreement with M/s Gurukrupan Agro Limited regarding the sortex of imported chick peas. However they have received a letter dated 24.09.2024 (**RUD-12**) from M/s Gurukrupan Agro Limited regarding processing of import goods approx. 2 months ago.
- They have been doing machining work of Coriander and sortex work of Cumin (Jeera) provided by M/s Gurukrupan Agro Limited since almost last 2 year and this is the first time; M/s Gurukrupan Agro Limited issued a letter to M/s Vasundhara Industries for job work purpose.
- No payment was received till date from M/s Gurukrupan Agro Limited for sortex process of Raw chick peas.

3.5 During the course of investigation, statement dated 18.12.2024 (**RUD-13**) of Shri Ritikesh Sureshbhai Sedani, Partner of M/s Shiva Agri Trade, situated at A-178, APMC Market yard, Bedi, Morbi Road, Rajkot-360007 was recorded under Section 108 of the Customs Act, 1962 wherein he interalia stated that:-

- M/s Shiva Agri trade is working as commission agent work at the APMC market yard, Bedi, Rajkot.
- He has only known to Shri Kirit Raiyani, Manager of M/s Gurukrupan Agro Limited.
- On the request of Shri Kirit Raiyani, Manager, M/s Gurukrupan Agro Limited, they allowed to store approx. 37 MTs of Raw Chick Peas (Kabuli Chana) in their Godown for the purpose of fumigation.
- The said 37 MTs of goods was placed in their godown on 16.11.2024 for 4 to 5 days.

- He had not received any invoice or delivery challan in respect of the said 37 MTs goods.

4. SEIZURE OF THE GOODS IMPORTED UNDER ADVANCE AUTHORISATION

4.1 Thus, it is evident from the above that none of the quantity out of 950 Mts of duty-free Raw Chick Peas imported under Advance Authorisation were used for processing /manufacture the export product as required to export for fulfillment of export obligation and nor any processing unit were available at the registered premises of M/s Gurukrupan Agro Limited, hence it appears the importer imported the goods under Advance Authorisation for diversion only.

4.2 Further, out of 950 MTs of duty-free goods i.e. Raw Chick Peas (Kabuli Chana) imported under Advance Authorisation; 95.249 MTs were sold to different domestic buyers and rest of the said goods was stored other than the premises mentioned in their Advance Authorisation issued by the DGFT. The details of the same is as below:

Table-C

Sr. No.	Storage place Name	Total Qty (in MTs)	Remark
01	M/s Tusara Infra LLP, (Cold Storage) Add-Near Avad Party Plot, B/h Jayraj Fashion, Rajkot Morbi Highway, Rajkot	799.300 (15986 PP bags having 50 KG in each bags)	Goods detained under Panchnama dated 21.11.2024 for further enquiry
02	M/s Shiva Agri Trade, Add-A-178, Marketing Yard, Bedi Rajkot	37.000 (740 PP Bags having 50KG in each bags)	Goods detained under Panchnama dated 21.11.2024 for further enquiry
03	M/s Nigam Enterprises, B-253, APMC Marketing Yard, Bedi, Rajkot	11.000 (220 PP Bags having 50 KG in each bags)	Goods detained under Panchnama dated 20.11.2024 for further enquiry
04	Shed No.3 and Shed No. 4 of Yard of APMC Market, Rajkot	10.165 (204 PP bags)	
	Total	857.465	

4.3 Further, the goods which were mentioned at Sr. 2, 3 & 4 in the above table have been transferred to the M/s Tusara Infra LLP, (Cold Storage) Add-Near Avad Party Plot, B/h Jayraj Fashion, Rajkot Morbi Highway, Rajkot for safety as the goods were perishable in nature. It appears that goods i.e Raw Chick Peas (Kabuli Chana) were imported under duty exemption against Advance Authorisation as per Customs Notification 21/2023-Cus dated 01.04.2023 and

diverted without payment of Customs Duty and other applicable duties, in gross violation of Notification 21/2023-Cus dated 01.04.2023 and provisions of the Customs Act, 1962, hence the said goods having quantity 857.465 MT and total assessable value approx. Rs. 6.22 Cr were placed under seizure under section 110 of the Customs Act, 1962 vide **(RUD-14)** as the same were liable to confiscation under Section 111 of the customs act, 1962.

5. SCRUTINY OF THE DOCUMENTS AND ENQUIRIES CONDUCTED WITH DGFT, RAJKOT

5.1 M/s Gurukrupan Agro Limited vide Letter dated 11.12.2024 addressed to ADG, DRI Ahmedabad requested to allow them to export the goods after due processing. Vide the said letter the importer submitted that while applying for obtaining the Advance Authorisation from DGFT, they have submitted their MSME Certificate bearing Registration no. UDYAM-GJ-20-0027154 issued by Ministry of micro, small and medium enterprises, to incorporate the name of M/s Vasundhara Industries, G/A-40, APMC Marketing Yard, Morbi Road, Rajkot-360003 as their supporting manufacture unit. It was further submitted that due to oversight, the name of the said unit was not incorporated in the said Advance Authorisation. Thus, on the request of M/s Gurukrupan Agro Limited, DGFT, RA Rajkot amended their Advance Authorisations No. 2411003847 dated 11.09.2024 **(RUD-15)** and 2411003937 dated 16.10.2024 **(RUD-16)** under which they have imported the Raw Chick Peas (Kabuli Chana) and incorporated the name of M/s Vasundhara Industries, G/A-40, APMC Marketing Yard, Morbi Road, Rajkot-360003 as their supporting manufacture on dated 16.12.2024

5.2 It is evident that importer made the request before DGFT to amend the Authorisation for including the name of M/s Vasundhara Industries after initiation of inquiry by DRI, Ahmedabad to avoid the proceedings and consequences of the said inquiry and thus, this office vide letter DRI/AZU/GI-02/ENQ-47(INT-47)/2024 dated 20.12.2024 **(RUD-17)** requested DGFT Rajkot to review the amendment made in the said Advance Authorisations

Further, DGFT Rajkot vide Letter F.No. JDT/RJT/GURUKRUPAN/DRI/AM25 dated 30.12.2024 **(RUD-18)** and 02.01.2025 **(RUD-19)** informed this office that on account of diversion of imported goods under Advance Authorisation in the local market, necessary action under FTDR Act has been initiated.

5.3 Further, on being requested by DRI vide letter F.No DRI/AZU/GI-02/ENQ-47(INT-47)/2024 dated 26.12.2024 **(RUD-20)**, DGFT Rajkot, vide F.No. JDT/RJT/GURUKRUPAN/DRI/AM25 dated 02.01.2025 provided the copy of fresh applications submitted for obtaining the Advance Authorisations and further its amendments Applications along with its attachments. Ongoing through the said documents, it was observed that in the application submitted by M/s Gurukrupan Agro Limited for issuance of Advance Authorisations No. 411003847 dated 11.09.2024 and 2411003937 dated 16.10.2024, no name of supporting manufacturer was mentioned. Further, the UDYAM certificate **(RUD- 21)** submitted by M/s Gurukrupan Agro Limited at time for applying for advance Authorisation did not bear the name of any supporting manufacturer.

5.4 The matter was brought into the notice of DGFT. In response to that vide the email dated 08.05.2025 **(RUD- 22)** received from DGFT, Rajkot, it was informed that DGFT, Rajkot has already issued Show Cause Notice to M/s Gurukrupan Agro Limited.

Quantification of duty and Duty Paid:-

6. After scrutiny of records, it was observed that M/s Gurukrupan Agro Limited, Rajkot had imported duty free goods through the Kandla (INIXY1) and Mundra Port (INMUN1). The Advance Authorisations were registered at Mundra Port (INMUN1) and imports were made through Kandla Sea Port (INIXY1) and Mundra Sea Port (INMUN1). The details of the clearances made are mentioned as under:-

TABLE-D

Sr No.	Port Code	BE No.	BE date	Item	CTH	Qty (in MT)	Item Ass Value	Advance Authorisation No.
1	INIXY1	6081323	11-10-2024	CHICK PEAS	7132010	8.4	6,12,645	2411003937
2	INMUN1	6514282	05-11-2024	RAW CHICKPEAS (KABULI CHANA)	7132010	150	1,08,31,125	2411003937
3	INMUN1	6514341	05-11-2024	RAW CHICKPEAS (KABULI CHANA)	7132010	25	18,05,188	2411003937
4	INMUN1	6514378	05-11-2024	RAW CHICKPEAS (KABULI CHANA)	7132010	25	18,05,188	2411003937
5	INIXY1	5843571	27-09-2024	CHICK PEAS	7132010	354	2,57,42,521	2411003847
6	INIXY1	6081323	11-10-2024	CHICK PEAS	7132010	12.6	9,18,967	2411003847
7	INMUN1	5884152	30-09-2024	CHICK PEAS	7132010	275	1,99,97,722	2411003847
	INMUN1	5884152	30-09-2024	CHICK PEAS	7132010	100	72,71,899	2411003847
					Total Qty	950		

6.1. Quantification of duty foregone in case of goods imported through the Mundra Port (INMUN1):-

After scrutiny of records, it was observed that M/s Gurukrupan Agro Limited had imported **575 MTs** of goods i.e Raw Chick Peas (Kabuli Chana) having value ₹ **4,17,11,120/- (Four Crores Seventeen Lakhs Eleven Thousand One Hundred and Twenty Rupees only)** under Advance Authorisation Scheme through the Mundra Port during the period from 30.09.2024 to 05.11.2024 as per details mentioned in Annexure-A. Out of 575 MTs of goods, 53.249 MTs of goods were sold in the domestic market to the various buyers under invoices no. GAL/24-25/B53 Dated 14.11.2024 (RUD-1.2), GAL/24-25/B54 Dated 15.11.2024 (RUD-1.3), GAL/24-25/B55 Dated 16.11.2024 (RUD-1.4), GAL/24-25/B56 Dated 16.11.2024 (RUD-1.5)& GAL/24-25/B57 Dated 19.11.2024 (RUD-1.6) and rest of the goods was not present at the registered premises of M/s Gurukrupan Agro Limited.

6.2. Quantification of duty foregone in case of goods imported through the Kandla Port (INIXY1):-

After scrutiny of records, it was observed that M/s Gurukrupan Agro Limited had imported **375 MTs** of goods i.e Raw Chick Peas (Kabuli Chana) having value **₹ 2,72,74,133/- (Two Crores Seventy Two Lakhs Seventy our Thousand One Hundred and Thirty Three Rupees only)** under Advance Authorisation Scheme through the Mundra Port on 27.09.2024 and 11.10.2024 during the period from 30.09.2024 to 05.11.2024 as per details mentioned in Annexure-A. Out of 375 MTs of goods, 42 MTs of goods were sold in the domestic market to Shri Kashumbari Foods LLP, Narela Delhi under invoice no GAL/24-25/B51 Dated 18.10.2024 (**RUD-1.1**) and rest of the goods was not present at the registered premises of M/s Gurukrupan Agro Limited.

6.3 Further, M/s Gurukrupan Agro Limited had accepted that they had sold the duty free goods into domestic market and had voluntarily paid Rs. 30,43,500/- on account of diverted goods imported under Advance Authorisation. Rs. 21,43,500/- paid on 22.11.2024 through TR-6 challan no GAL/01/2024 dated 21.11.2024 (**RUD-23**) and Rs. 9,00,000/- paid on 28.11.2024 through TR-6 Challan No GAL/02/2024 dated 05.12.2024 (**RUD-24**)

7. Legal Provisions applicable in the case:-

A. The Foreign Trade (Development and Regulation) Act, 1992

- (i) Section 11: Contravention of provision of this Act, rules, orders and exports and import policy: - 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 export and import policy for the time being in force.

B. Foreign Trade (Regulation) Rules, 1993

- (i). RULE 14: Prohibition regarding making, signing of any declaration, statement or documents: -

No person shall make, sign or use or cause to be made, signed or used any declaration, statement or document for the purposes of obtaining a license or importing any goods knowing or having reason to believe that such declaration, statement or document is false in any material particular.

C. RELEVANT PROVISIONS OF ADVANCE AUTHORISATION SCHEME UNDER FOREIGN TRADE POLICY 2015-2020:-

Chapter 4 of Export and Import Policy 2015-2020 (FTP 2023) titled Duty Exemption/Remission Scheme and sub paras there under read as:-

4.00. Scheme under this chapter enables duty free imports of inputs for export production, including replenishment of input or duty remission.

4.03. (a) Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage).....”

4.16 (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.

D. NOTIFICATIONS UNDER THE CUSTOMS ACT, 1962:-

The conditions for import of the inputs under Advance Authorisation and there utilization has statutory backing in Notification No. 21/2023-Cus dated 01.04.2023 issued by the CBIC which, among other things, states that:

1. **Notification No. 21/2023 - Customs dated 01.04.2023** 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 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, 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 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A 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 said 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 fulfilment 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)

(vi)

(vii)

(viii).....

(ix).....

(x).....

(xi).....

(xii) that the said authorisation 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 goods and services tax provisions permitting transfer of materials for job work;

(xiii) 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

2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within six months from the date of clearance of the said material or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow: Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.

E. CUSTOMS ACT, 1962:-

(1) **Section 2(39) – “Smuggling** “in relation to any goods, means any act or omission which will render such goods liable to confiscation under Section 111 or Section 113 of the Customs Act, 1962.

(2) **Section 3. Classes of officers of customs. -**

1[There shall be the following Classes of officers of customs, namely:-

- (a) Principal Chief Commissioner of Customs or Principal Chief Commissioner of Customs (Preventive) or Principal Director General of Revenue Intelligence;*
- (b) Chief Commissioner of Customs or Chief Commissioner of Customs (Preventive) or Director General of Revenue Intelligence;*
- (c) Principal Commissioner of Customs or Principal Commissioner of Customs (Preventive) or Principal Additional Director General of Revenue Intelligence or Principal Commissioner of Customs (Audit);*
- (d) Commissioner of Customs or Commissioner of Customs (Preventive) or Additional Director General of Revenue Intelligence or Commissioner of Customs (Audit);*
- (e) Principal Commissioner of Customs (Appeals);*
- (f) Commissioner of Customs (Appeals);*
- (g) Additional Commissioner of Customs or Additional Commissioner of Customs (Preventive) or Additional Director of Revenue Intelligence or Additional Commissioner of Customs (Audit);*
- (h) Joint Commissioner of Customs or Joint Commissioner of Customs (Preventive) or Joint Director of Revenue Intelligence or Joint Commissioner of Customs (Audit);*
- (i) Deputy Commissioner of Customs or Deputy Commissioner of Customs (Preventive) or Deputy Director of Revenue Intelligence or Deputy Commissioner of Customs (Audit);*
- (j) Assistant Commissioner of Customs or Assistant Commissioner of Customs (Preventive) or Assistant Director of Revenue Intelligence or Assistant Commissioner of Customs (Audit);*
- (k) such other class of officers of customs as may be appointed for the purposes of this Act*

(3) Recovery of duties not levied or not paid or short levied or short paid or erroneously refunded:-

Section 28(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 wilful mis-statement; or*
- (c) suppression of facts,*

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

(4) Interest on delayed payment of duty:-

Section 28AA:- (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 succeeding 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.

(5) Section 111:- Confiscation of improperly imported goods, etc.:-

Sub Section 111 (o) stipulates that 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.

(6) 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 111, 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, harboring, keeping, concealing, selling or purchasing or in any other manner dealing with the goods which he knows or has reason to believe are liable to confiscation under Section 111;

Shall be liable to penalty as envisaged in sub clause (i) to (v) of the said Section.

(7) Section 114A- Penalty for short levy or non-levy of duty in certain cases:-

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

Discussion on the evidences:-

From the facts discussed in the foregoing paras, documentary evidences gathered during the course of investigation, statements of various persons recorded on various dates coupled with the voluntary depositions made by various persons, the following facts emerge:-

- Shri Haresh Lalchand Chimnani, Managing Director of M/s Gurukrupan Agro Limited, situated at 401, 4th floor, Shivalik-7, Gondal Road, Rajkot, Gujarat 360002 and Shri Kirit Raiyani (Manager of Gurukrupan Agro Limited) is responsible for the functioning of M/s Gurukrupan Agro Limited
- M/s Gurukrupan Agro Limited Obtained Advance Authorisation bearing no. 2411003937 dated 16.10.2024 and 2411003847 dated 11.09.2024 from DGFT Rajkot under Advance Authorisation Scheme and had utilized for import of duty free goods under Advance Authorisation Scheme. The aforesaid license was issued to M/s Gurukrupan Agro Limited in terms of **para 4.03 of Foreign Trade Policy 2015-2020** for importing Raw Chick Peas without payment of duty by availing the benefit of Notification No. 21/2023-Cus. dated 01.04.2023.
- As per the para (xii) of Notification No. 21/2023-Cus. Dated 01.04.2023, *the said materials shall not be transferred or sold* It further appears that Gurukrupan Agro Limited had obtained licenses under Advance Authorisation Scheme for import of Raw Chick Peas.
- From the investigation conducted, as discussed in the above **paras**, it appears that the goods were not found present at the Registered Premises mentioned in the Advance Authorisation. Rather, the said duty free goods were stored at Multiple locations instead of the registered premises which shows the diversion of duty free goods across different place. It also appears that in the said Advance Authorisation, name of supporting manufacturer was not mentioned
- M/s Gurukrupan Agro Limited imported approximately 950 MT of Raw Kabuli Chana under Advance Authorisation for export after processing. However, the importer sold around 95.25 MT of these duty-free goods in the local market without intimation of any authority, in gross violation of the conditions attached to the Advance Authorisation.
- M/s Gurukrupan Agro Limited did not have any processing machinery installed at their registered premises, indicating non-compliance with the Advance Authorisation conditions of processing the imported goods before export.
- In his statement, Shri Kirit Raiyani (Manager of Gurukrupan Agro Limited) admitted that goods were being sold locally, and the company was aware of the Advance Authorisation rules.

- In his statement, Shri Haresh Lalchand Chimnani (MD of Gurukrupan Agro Limited) acknowledged that the company had sold the duty-free goods locally and that no processing was done.
- In their statements, Shri Bhavesh Shamjibhai Sagpariya (Partner of Nigam Enterprise) and Shri Bharatbhai Devjibhai Pipaliya (Partner of Vasudev Traders) confirmed purchasing Kabuli Chana from Gurukrupan Agro Limited and selling it in the APMC market.
- After the investigation began, M/s Gurukrupan Agro Limited requested DGFT to amend their Advance Authorisation to include M/s Vasundhara Industries as their supporting manufacture. However, this request was made only after the initiation of inquiry by DRI, Ahmedabad, indicating that the amendment was likely an attempt to cover up the diversion of goods.
- On-going through the documents received from DGFT Rajkot, it is evident that no name of M/s Vasundhara Industries was mentioned as a supporting manufacturer in the Applications submitted by M/s Gurukrupan Agro Limited or Authorisations issued subsequently by DGFT. Further, while making request for amendment of the Advance Authorisation, M/s Gurukrupan Agro Limited submitted an informal consent letter dated 27.11.2024 of M/s Vasundhara Industries to process the goods. It is clear that there is no formal job work agreement between M/s Vasundhara Industries and M/s Gurukrupan Agro Limited and the consent letter is a clearly result of an afterthought as the same was issued after initiation of the said enquiry. Further, in his statement, Shri Govani Kalpeshkumar Jayantilal, Partner of M/s Vasundhara Industries stated that this is the first time that M/s Gurukrupan Agro Limited issued a letter to M/s Vasundhara Industries for job work purpose which shows their malafide intention to misuse the remission allowed through import under Advance Authorization Scheme.

Contravention of Statutory Provisions:

16. M/s Gurukrupan Agro Limited had imported duty free goods under Advance Authorisation Scheme under Authorizations No. 2411003937 dated 16.10.2024 and 2411003847 dated 11.09.2024 issued under Noti. No. 21/2023-Cus Dated 01.04.2023 during the period from September 2024 to November 2024. This period was covered under the provisions of The Foreign Trade Policy (FTP) 2023, which came into force with effect from 1st April, 2023.

16.1. As per the terms and conditions of Notification No. 21/2023-Cus., dated 01.04.2023 read with relevant provisions of Exim Policy in force, in order to avail exemption from payment of duty, Gurukrupan Agro Limited was required to deliver the duty free imported goods at their registered premises as per Actual User Conditions of the said notifications. After delivering the same to their registered premises, they were required to process the same for manufacture of finished goods meant for export only. However, the said materials might be transferred to a job worker for processing subject to complying with the conditions specified in the relevant CBIC notifications permitting transfer of materials for job work. Now, as per the evidence available on record and discussed in the foregoing paragraphs, it appears that the conditions/provisions of the Advance Authorisation issued to Gurukrupan Agro Limited for effecting duty free clearance of impugned goods were not followed by the said firm and the goods imported under the impugned Advance Authorisation were diverted/sold in the open market in as such condition and accordingly the actual user condition (and physical incorporation in export products) requiring fulfillment of export obligation was violated. The condition No. (x) of Notification No. 21/2023-Cus., dated 01.04.2023 had also been violated. Consequently Gurukrupan Agro Limited was not entitled to avail benefit of duty free

clearance in terms of Notification No. 21/2023-Cus., dated 01.04.2023 and as such the duty of Customs but for exemption along with the interest at the applicable rate is recoverable from Gurukrupan Agro Limited.

16.2. From the facts discussed in forgoing paras and material evidences available on record, it appears that Gurukrupan Agro Limited was having knowledge of provisions of Customs Act, 1962 and deliberately sold the duty free goods viz. Raw Chick Peas in the local market and without payment of aggregate duties of Customs. It appears that they had contravened the provisions of Chapter 4 of the Foreign Trade Policy FTP 2023 read with Notification No. 21/2023-Cus dated 01.04.2023, in as much as they had diverted/sold **950 MTs of goods viz. Raw Chick Peas**, imported under the said Scheme for using the same in the export of the resultant products but actually sold in the local market. They had diverted/sold the goods knowingly in the local market to make huge illegal profits. The said duty free goods were supposed to be exported or disposed of in accordance to the provisions of the FTP 2023 and above said notification issued by CBIC but Gurukrupan Agro Limited violated the conditions of the FTP 2023 and did not fulfill the requisite compliance and conditions for import of duty free inputs & export thereof as envisaged under Advance Authorisation Scheme read with the condition of Notification No. 21/2023-Cus dated 01.04.2023.

16.3. From the facts discussed in the foregoing paras and material evidences available on record, it appears that Shri Haresh Lalchand Chimnani diverted/sold the goods imported by them without payment of duty under the Advance Authorisations No. 2411003937 dated 16.10.2024 and 2411003847 dated 11.09.2024 issued in the name of Gurukrupan Agro Limited in terms of Notification No. 21/2023-Cus dated 01.04.2023 during the period from September 2024 to November 2024.

16.4. In light of the facts discussed in the foregoing paras and material evidence available on records, it appears that Gurukrupan Agro Limited had violated/contravened the provisions of Notification No. 21/2023-Cus dated 01.04.2023 read with the provisions of para no. 4.03. & 4.16 of Chapter 4 of Export & Import Policy 2015-2020 in as much as they had imported 950 MTs of goods viz. Raw Chick Peas of CTH **07132010** having CIF Value **₹6,89,85,253/-** (Six Crores Eighty Nine Lakhs Eighty Five Thousand Two Hundred Fifty Three Rupees Only) for which duty forgone amounts to **₹3,03,53,511/- Three Crores Three Lakhs Fifty Three Thousand Five Hundred Eleven Rupees Only** (as detailed in Annexure-A attached to this Investigation Report) against Advance Authorisation Scheme and were diverted/sold into the local market as such for sale and were not actually utilized for intended purpose and for fulfillment of its export obligation as envisaged in the said Authorization.

16.5. The violation/infringement of actual user condition and other conditions on the part of Gurukrupan Agro Limited was further confirmed by way of statements of Shri Haresh Lalchand Chimnani which confirms that duty free goods imported under Advance Authorisation Scheme during the period September 2024 to November 2024 had been diverted/sold in local market. Further the statements of the various buyers indicate that the goods imported in the name of Gurukrupan Agro Limited under Advance Authorisation scheme were diverted and illicitly sold in the local market. Further the statements of Shri Haresh Lalchand Chimnani and Shri Kirit Raiyani indicate that Gurukrupan Agro Limited was not capable of processing any goods as they have not any processing unit or also have not any processing machinery which could enable them for processing the imported goods and thereby the goods were diverted/sold before making any export goods to fulfill the export obligation in gross violation of the condition of Advance Authorisation and provisions of the relevant CBIC Notification.

16.6. In view of foregoing discussion, the said goods imported under 7 Bills of Entry under Advance Authorisation appears liable to confiscation under Section 111(o) of Customs Act, 1962 for contravention of the conditions of the relevant notification, Advance Authorisation Scheme, Exim Policy and Customs Act, 1962. Also their act of

diversion of the said goods is to be treated as smuggling as per Section 2(39) of the Customs Act, 1962. Thus Gurukrupan Agro Limited by their acts of commission and/or omission had rendered themselves liable for penalty under the provisions of Section 112 of Customs Act, 1962.

16.7. By such acts Gurukrupan Agro Limited by way of willful mis-statement and suppression of facts, fraudulently availed benefits in terms of Para 4.03 of FTP 2023 in as much as they failed to process any resultant product meant for export the and violated the provisions of Rule 14 of the Foreign Trade (Regulations) Rules, 1993 read with Section 11 of the Foreign Trade (Development and Regulations) Act, 1992. Further, the duty free Raw Chick Peas were diverted in local market in violation of the above said provisions and therefore contravened the provisions of Section 3 of Foreign trade (Development & Regulation) Act, 1992.

16.8. The Customs Duty amounting to **₹3,03,53,511/- Three Crores Three Lakhs Fifty Three Thousand Five Hundred Eleven Rupees Only** (leviable on the illicitly cleared imported goods viz. 950 MTs of goods viz. Raw Chick Peas is therefore liable to be recovered in terms of proviso to Section 28(4) of Customs Act, 1962 read with the provisions of Notification No. 21/2023-Cus dated 01.04.2023. Gurukrupan Agro Limited by adopting the above modus had violated the statutory conditions as laid down for Advance Authorisation license under Notification No. 21/2023-Cus dated 01.04.2023 and evaded the aforesaid Customs duty by reason of collusion, wilful mis-statement and suppression of facts. The Licenses under Advance Authorisation Scheme were obtained, mis-utilised & mis-represented and the facts that no processing facilities were available in the premises of Gurukrupan Agro Limited was suppressed from the Customs authorities & DGFT Authorities while effecting duty free clearances and the very same fact that the exempted goods were admittedly diverted/sold in the domestic market very clearly establishes mis-statement of the facts on the part of Gurukrupan Agro Limited who had obtained the licence on actual user basis and there upon invocation of provision of Section 28(4) of Customs Act, 1962 for the purpose of demand of duty is attracted. Interest at applicable rate is also liable to be recovered in terms of provisions of Section 28AA of Customs Act 1962. In view of the above discussions, it appears that Gurukrupan Agro Limited by their acts of omission and commission, had made the goods liable for confiscation under Section 111 of the Customs Act, 1962 and evaded Customs duty amounting to **₹3,03,53,511/-** therefore rendered themselves liable for penalty under section 112(a) & 112(b) of the Customs Act, 1962. The act of evasion of duty by reason of collusion & suppression of facts on the part of Gurukrupan Agro Limited had rendered them liable for Penal action under Section 114A & 114AB of the Customs Act 1962.

17. In light of discussions made in the foregoing paras, Shri Haresh Lalchand Chimnani had obtained Licence under Advance Authorisation Scheme from DGFT, Rajkot fraudulently in the name of Gurukrupan Agro Limited on the basis of willful mis-declaration and on the basis of false information and after obtaining the impugned Advance Authorisation Licence, imported 7 consignments of Raw Chick Peas as detailed in the table given at **Annexure-A** attached to this **Investigation Report** in the name of Gurukrupan Agro Limited and cleared the same without paying Customs Duty by availing benefit of Notification No. 21/2023-Cus dated 01.04.2023 against impugned Advance Authorisations issued in the name of Gurukrupan Agro Limited and thereby

caused a loss to the Government exchequer to the extent of ₹3,03,53,511/- Shri Haresh Lalchand Chimnani was well aware of the legal provisions governing imports under the Advance Authorisation Scheme to the effect that the duty free goods imported under the said Scheme were subject to the actual user condition and as such could not be sold in the market. By indulging themselves in the unauthorized diversion and sale of duty free goods imported against the impugned Advance Authorisation, Shri Haresh Lalchand Chimnani illegally enriched himself at the cost of Government Revenue thereby knowingly causing harm to the economy of the nation. Thus from the circumstantial and documentary evidences available on record it appears that Shri Haresh Lalchand Chimnani by way of their act of diverting duty free goods made these liable for confiscation under Section 111 of the Customs Act, 1962 and rendered themselves liable for penal action under Section 112(a), 112(b), 114AA & 114AB of the Customs Act, 1962.

17.1 For their acts of omission and commission:

- (A) Gurukrupan Agro Limited has rendered himself liable for penalty under Section 112(a), 112(b), 114A & 114AB of the Customs Act, 1962.
- (B) Shri Haresh Lalchand Chimnani has rendered himself liable for penalty under Section 112(a), 112(b), 114AA & 114AB of the Customs Act, 1962.

18. Annexures having details of assessable value and duty forgone is prepared as below:

TABLE-E

Sr. No.	Bills of Entry Details	Assessable Value (In ₹)	Duty Forgone	Concerned Port
1	2	3	4	5
1	ANNEXURE-A	₹2,72,74,133/-	₹1,20,00,618/-	CH Kandla (INIXY1)
2	ANNEXURE-B	₹4,17,11,120/-	₹1,83,52,893/-	CH Mundra (INMUN1)
	Total	₹6,89,85,253 /-	₹3,03,53,511/-	

18.1 Now, therefore, M/s Gurukrupan Agro Limited [IEC- AAICG7050K], 401, 4th Floor, Shivalik-7, Gondal Road, Rajkot, Gujarat, 360002 is hereby called upon to Show Cause to the Commissioner of Customs, Mundra having his office at 5B, Port User Building, Mundra Port, Mundra, Kutch, Gujarat-370421 within 30 (Thirty) days from receipt of this notice, as to why:

- (i) The illicitly cleared goods i.e. 950 MTs of Raw Chick Peas valued at ₹6,89,85,253/- (Six Crores Eighty-Nine Lakhs Eighty-Five Thousand Two Hundred Fifty-Three Rupees Only) should not be confiscated under Section 111(o) of the Customs Act, 1962.

(ii) Customs duty amounting ₹3,03,53,511/- Three Crores Three Lakhs Fifty-Three Thousand Five Hundred Eleven Rupees Only) foregone on illicitly cleared Raw Chick Peas weighing 950 MTs of Raw Chick Peas valued at ₹6,89,85,253/- (Six Crores Eighty Nine Lakhs Eighty Five Thousand Two Hundred Fifty Three Rupees Only) details as per enclosed Annexure A & B to this Investigation Report, should not be demanded and recovered from them under Section 28(4) of Customs Act, 1962 read with the provisions of Notification No. 21/2023-Cus dated 01.04.2023 and duty of Rs. 30,43,500/- paid voluntarily during investigation should not be appropriated against the duty demanded.

(iii) Interest at the applicable rates on the said duty amount mentioned at (ii) above from the date of duty-free importation till the date of payment of such duty should not be recovered under Section 28AA of Customs Act, 1962;

(iv) Penalty should not be imposed on them under Section 112 (a) & 112 (b) / Section 114A & 114AB of Customs Act, 1962.

(v) The Bond furnished by them against the consignments imported duty free under Advance Authorisations in terms of Notification No. 21/2023-Cus. dated 01.04.2023 but diverted as such to the local market, should not be enforced and security if any furnished with bond may not be encashed and appropriated towards their duty liabilities, interest thereon, fine and penalties.

18.2. Now therefore, Shri Haresh Lalchand Chimnani, Managing Director of Gurukrupan Agro Limited, Rajkot [IEC- AAICG7050K], is hereby called upon to show cause within 30 (thirty) days of receipt of this Notice, in writing, to the Adjudicating Authority i.e., Commissioner of Customs, Mundra, 5B, Port User Building, Mundra Port, Mundra, Kutch, Gujarat -370421 (INMUN1), as to why Penalty should not be imposed on him under Section 112(a), 112(b), 114AA & 114AB of Customs Act, 1962.

19. The noticees are further called upon to intimate in writing as to whether they wish to be heard in person by the adjudicating authority before the case is adjudicated within 30 days from the date of receipt of this show cause notice. If no reply of this notice is received and / or they fail to appear before the adjudicating authority, when the case is posted for hearing, the case will be liable to be decided ex-parte on the basis of the evidences available on record without any further notice to them.

20. The noticee have the option to avail the facility under the provisions of Section 28(5) of the Customs Act, 1962, which reads "where any duty has not been levied or not paid or has been short-levied or short-paid or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under Section 28AA

and the penalty equal to fifteen percent of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing" and get the proceedings initiated by this Notice concluded under the provisions of Section 28(6) of the Customs Act, 1962.

21. This Show Cause Notice is issued without prejudice to any other action that may be taken against the noticee / noticees mentioned hereinabove or any other persons / firms connected with the case under the Customs Act, 1962 or any other law for the time being in force.

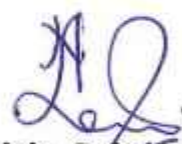
22. Documents relied upon are detailed in **Annexure -'R'** attached to this Show Cause Notice. Scanned copy of the Relied Upon documents is also attached in CD Form with this Show Cause Notice.

23. A copy of the Show Cause Notice is also transmitted to M/s Gurukrupan Agro Limited [IEC- AAICG7050K] and Shri Haresh Lalchand Chimnani, Managing Director of Gurukrupan Agro Limited, at their email ids exports.gurukrupan@yahoo.com, & gktac13@gmail.com in terms of clause (c) of sub-section 1 of section 153 of the Customs Act, 1962 so that such service through email shall be deemed to have been received by the noticees in terms of clause (c) of sub-section 1 of section 153 of the Customs Act, 1962.

24. The Noticee(s) have an option to make an application under Section 127B of the Customs Act, 1962 prior to adjudication of the case to the Hon'ble Settlement Commission to have the case settled in such form and in such manner specified in the rules.

25. The department also reserves its right to amend, modify or supplement this notice at any time prior to the adjudication of the case.

Encl. as above



(Nitin Saini)

Commissioner of Customs
Customs House Mundra,

SCN.No. 11/2025-26/COMM/NS/ADJ/MCH

Dated 19.05.2025

To the Noticees,

- 1) M/s Gurukrupan Agro Limited [IEC- AAICG7050K], Add- 401, 4th Floor, Shivalik-7, Gondal Road, Rajkot, Gujarat-360002; (exports.gurukrupan@yahoo.com)
- 2) Sh. Shri Haresh Lalchand Chimnani, Managing Director of Gurukrupan Agro Limited, [IEC- AAICG7050K], Add- 401, 4th Floor, Shivalik-7, Gondal Road, Rajkot, Gujarat-360002 (gktac13@gmail.com)

Copy for necessary action to: -

- 1)** The Principal Commissioner/ Commissioner of Customs, Kandla, Kandla Custom House, Near Balaji Temple, Kandla-370210 (INIXY1), **Email: commr-cuskandla@nic.in;**
- 2)** The Additional Director, DRI Zonal Unit, Ahmedabad, Unit no. 15, Magnet Corporate Park, Near Sola Flyover, S.G. Highway, Thaltej, Ahmedabad - 380054;
- 3)** Guard File.