OFFICE OF THE COMMISSIONER CUSTOM HOUSE, KANDLA

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A	File No.	GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla
B	Order-in-Original No.	KND-CUSTM-000-COM-05-2026-27
C	Passed by	Dinesh Singh, Commissioner of Customs, Custom House, Kandla.
D	Date of Order	16.10.2026
E	Date of Issue	16.10.2026
F	SCN No. & Date	SCN F No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025 & Supplementary Show Cause Notice F. No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 01.04.2026
G	Noticee / Party / Importer / Exporter	(i) M/s. Organitech Private Limited having registered address at 602, Deep Shikha Tower-8, Rajendra Palace, New Delhi. (ii) Shri Lalit Kumar Babulal Tater alias Lalit Jain, B-69, Upper Ground Floor, Raman Lamba Marg, Plastic Free Park, New Rajendra Nagar, Central Delhi – 110060. (iii) Shri Sunil Jain, Director, M/s. Organitech Pvt. Ltd., 406, Sector 7, Faridabad, Haryana. (iv) Shri Tarun Kapoor, Director, M/s. Organitech Pvt. Ltd., 602, Deep Shikha Tower-8, Rajendra Place, New Delhi. (v) M/s. Sundaram Sales Pvt. Ltd., 338 & 339, Akbar-Malahi, P.O. Hajipur, P.S. Sarai, Vaishali, Bihar – 844125 (vi) M/s. Vishwas Refoils & Consumer Ltd., Plot No. 12 &

		13, Survey No. 112/L, RUDA Transport Nagar, Rajkot – 360003 (vii) M/s. Vikram Industries, Plot No. 5 to 8, Parekh Industrial Estate-3B, Tatithaiya, Taluka Palsana, Surat

1. This Order-in-Original is granted to the concerned free of charge.

2. 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:

Customs Excise & ServiceTax AppellateTribunal,
West Zonal Bench, 2ndFloor, Bahumali Bhavan
Asarwa,Nr.Girdhar Nagar Bridge,GirdharNagar,Ahmedabad-380004

3. Appeal shall be filed within three months from the date of communication of this order.

4. 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. 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. Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

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

8. An appeal against this order shall lie before the Appellate Authority on payment of 7.5% of the duty demanded wise duty or

duty and penalty are in dispute, or penalty wise if penalty alone is in dispute.

BRIEF FACTS OF THE CASE

1. M/s. Organitech Pvt. Ltd. (IEC-AADCO2236L) (herein after to be referred as M/s. OPL, for the sake of brevity) having registered office at 602, Deepshikha Building 8, Rajendra Place, New Delhi is importing RBD Palm Olein (Edible Grade) availing duty exemptions against Advance Authorizations issued by DGFT.

2. Intelligence gathered by Directorate of Revenue Intelligence indicated that M/s. OPL was diverting the duty exempted goods imported under Advance Authorisation by way of selling it to their sister concern firm M/s. Parc Impex Solutions Pvt. Ltd. after effecting its clearance from the port, which are further sold by M/s. Parc Impex Solutions Pvt. Ltd. (herein after to be referred as M/s. Parc, for the sake of brevity) to various DTA buyers. In terms of para 4.03 of FTP 2023, the import of goods under Advance Authorisations are exempted from payment of customs duties subject to its actual usage in the manufacture of the resultant product which has to be finally exported towards fulfilment of export obligations. As such, the above act of domestic sale of the imported goods by M/s. OPL manifests diversion of the goods in violations of the terms and conditions under Customs Notification 21/2023-Customs dated 01.04.2023 issued by CBIC and provisions under FTP 2023.

2.1 M/s OPL was importing RBD Palm Olein (Edible Grade) availing duty exemption under four Advance Authorisations issued by the Directorate General of Foreign Trade ("DGFT") under Chapter 4 of the Foreign Trade Policy 2023 ("FTP 2023"), in terms of Customs Notification No. 21/2023-Customs dated 01.04.2023. The Advance Authorisations were issued under

SION E-5, the resultant export product being "Biscuits". The particulars are as under:

Table-I

Sr.	Advance Authorisation No.	Date	Issuing Authority
1	05611001950	09.06.2023	Joint DGFT, Indore
2	05611001958	16.06.2023	Joint DGFT, Bhopal
3	05611001997	03.07.2023	Joint DGFT, Bhopal
4	05611002207	26.09.2023	Joint DGFT, Indore

3. A search under Section 105 of the Customs Act, 1962 was conducted on 03.11.2023 at the registered premises of OPL at 602, Deep Shikha Tower, Rajendra Place, New Delhi The premises were found virtually empty and the importer was not found functioning there. On enquiry, the search was extended on 03/04.11.2023 to House No. 22, First Floor, BLK-H, Bali Nagar, Delhi-110015, where Shri Lalit Kumar Babulal Tater alias Lalit Jain was present. Records of M/s OPL and of several other firms, mobile phones, laptops, copies of Aadhaar and PAN cards and photographs of various persons, digital signature dongles and rubber stamps were resumed under the Panchnama.

4. Statements of Shri Lalit Jain were recorded under Section 108 of the Act on 04.11.2023 , 06.11.2023, 07.11.2023 , 08.11.2023 , 09.11.2023 and 06.05.2024 . He was arrested under Section 104 of the Act on 04.11.2023. Though he initially claimed to be only a manager of OPL, he subsequently admitted that he is the de-facto owner and beneficial owner of M/s OPL and M/s Parc; that the directors Shri Sunil Jain and Shri Tarun Kapoor are

namesake directors and were paid salary by him; that M/s OPL has no factory, manufacturing unit or job worker; that all imported RBD Palm Olein cleared under the Advance Authorisations was sold domestically to M/s Parc immediately after clearance, and by M/s Parc onward to M/s. Sundaram Sales Pvt. Ltd. (and in one consignment to M/s. Shree Riddhi Health Foods Pvt. Ltd.); and that the sale was in violation of condition (xii) of Notification No. 21/2023-Cus. He further stated that he controls some sixteen other firms through similarly employed directors.

5. Statements of Ms. Kiran Morya and Ms. Nancy Sharma both dated 18.12.2023, employees of Shri Lalit Jain, corroborated that he alone controlled and operated M/s OPL and M/s Parc, that invoices, e-way bills and Bill of Entry documents were prepared by them on the instructions of Shri Lalit Jain, that M/s OPL is a trading company with no manufacturing facility, and that the goods were purchased through bond-to-bond transfers and sold domestically after clearance. Shri Sunil Jain during his statement stated that he is a namesake director who only signed documents and cheques at the direction of Shri Lalit Jain in return for money, and that he never handled any office work or knew about M/s. Sundaram Sales Pvt. Ltd. or M/s. Shree Riddhi Health Foods Pvt. Ltd.. Shri Tarun Kapoor, the second director of M/s OPL , did not join the investigation and could not be traced at his declared address.

6. Statements of the downstream buyers viz, Shri Vikash Kumar Agarwal Accounts Manager of M/s. Shree Riddhi Health Foods Pvt. Ltd., Kolkata, Shri Piyush Pandya Authorised person & Independent Director of M/s. Vishwas Refoils & Consumer Ltd., Rajkot, Shri Mayurbhai Vallabhbhai Kavathiya, Partner of M/s. Vikram Industries, Surat, Ms. Anamika Devi, Director of M/s. Sundaram Sales Pvt. Ltd**.**, and Shri Archit Picholiya alias Archit Jain, Proprietor of M/s. AAA Agri International, Udaipur.

- Shri Piyush Pandya, Authorised person & Independent Director of M/s. Vishwas Refoils & Consumer Ltd. stated that M/s. Vishwas Refoils &

Consumer Ltd bought 49.986 MT from M/s. Pace Ventures Pvt. Ltd. (Invoices GT/175 and GT/176 dated 02.11.2023) through broker M/s. S. Kumar, and that the goods were purchased from M/s. Pace Ventures Pvt. Ltd. who had purchased it from M/s. B.N. Agritech Ltd. and they have purchased it from M/s. Sundaram Sales Pvt. Ltd.

- Shri Mayurbhai Vallabhbhai Kavathiya, Partner of M/s. Vikram Industries, Surat stated that M/s. Vikram Industries bought 24.790 MT from Sundaram Sales Pvt. Ltd. (Invoice SSPL/23-24/550) through the broker M/s. S. Kumar pursuant to a contract confirmation dated 31.10.2023 for 50 MT of imported RBD Palm Olein, that he never communicated directly with M/s. Sundaram Sales Pvt. Ltd., and that he was not aware whether the goods were duty-free.

- Ms. Anamika Devi, Director of M/s. Sundaram Sales Pvt. Ltd**.** stated that M/s. Sundaram Sales Pvt. Ltd. bought 500 MT from M/s Parc through GST invoices and made payment through banking channels, that they have no business with OPL, sold 200.890 MT onward, and lost input tax credit of about ₹20.86 lakh as Parc had not filed the required returns. that they had purchased RBD Palm Olein from M/s. Parc Impex Solutions Pvt. Ltd. both through brokers and directly from the seller also; that they have paid all the charges for the purchase of goods to M/s. Parc Impex Solutions Pvt. Ltd. through banking channels; that they have not done any business with M/s. OPL; that they had sold the RBD Palm Olein to various firms directly as well as through brokers; that they had purchased 500 MT of RBD Palm Olein from M/s. Parc Impex Solutions Pvt. Ltd. through Invoice No. PARC/IGST/072-2023-24 dt. 01.11.2023 & Invoice No. PARC/IGST/073- 2023-24 dt. 03.11.2023 and sold 200.890 MT; that out of the same, they had sold 91.17 MT of RBD Palm Olein to M/s. B.N. Agritech under Invoice No. SSPL/23-24/553 dt. 02.11.2023, Invoice No. SSPL/23-24/548 dt. 02.11.2023 & Invoice No. SSPL/23-24/549 dt. 02.11.2023; that they had sold 25.03 MT of RBD Palm Olein to M/s. Vishwas Refoils Consumer Ltd. (25.03 MT) under Invoice No. SSPL/23-24/546 dt. 02.11.2023; that they had sold 15.38 MT of RBD Palm Olein to M/s. Gujarat Oil Mill under Invoice No. SSPL/23-24/547 dt. 02.11.2023; that they had sold 19.62 MT of RBD Palm

Olein to M/s. Sonia Traders under Invoice No. SSPL/23-24/551 dt. 02.11.2023; that they had sold 24.79 MT of RBD Palm Olein to M/s. Vikram Industries under Invoice No. SSPL/23-24/550 dt. 02.11.2023 & 24.90 MT of RBD Palm Olein to M/s. Ram Kripa Tradelink under Invoice No. SSPL/23-24/552 dt. 02.11.2023; that they were informed by the broker M/s. S Kumar and M/s. Deepak Terminal Agency that their goods 299.110 MT of RBD Palm Olein lying at Warehouse at Kandla were seized by DRI; that these goods purchased from M/s. Parc Impex Solutions Pvt. Ltd. were GST paid but since the seller had not filed the required GST returns, they lost approximately 20.86 Lakh value of input tax credit on the purchased goods.

- Shri Archit Jain, Proprietor of M/s. AAA Agri International, Udaipur stated that the goods moved on Bond-to-Bond basis from Shree Riddhi Health Foods Pvt. Ltd to Oligo Foods Pvt. Ltd. and then to M/s OPL, which filed the Ex-Bond Bills of Entry, and that Shri Lalit Jain used to deal on behalf of these companies.

7. M/s OPL has filed 64 Ex-Bond Bills of Entry for clearance of 11,968.346 MT of RBD Palm Olein against the four Advance Authorisations, 48 Ex-Bond Bills Of Entry filed at Custom House Kandla and 16 Ex-Bond Bills of Entry filed at Custom House, Kolkata. The details are as under:

TABLE-II

S. No.	Custom House	Relevant WH B/E No. & date	Ex Bond Bill of Entry No. & date	Imported Qty (MT)	Adv. Auth. No. & date	Total duty to be Demanded
A	B	C	D	E	F	G
1	Customs House, Kandla	3959352 dt.29-12-2022	6508577 dt.21-06-2023	250	5611001958	24,72,819/-
2	Customs House, Kandla	4651786	6508578 dt. 21-06-2023	250	5611001958	24,49,141/-

3	Customs House, Kandla	dt.15-02-2023	6508581 dt. 21-06-2023	250	5611001958	24,49,141/-
4	Customs House, Kandla		6508580 dt. 21-06-2023	250	5611001958	24,49,141/-
5	Customs House, Kandla		6605785 dt. 27-06-2023	211.585	5611001950	20,72,806/-
6	Customs House, Kandla		6832231 dt. 12-07-2023	9.43	5611001950	94,420/-
7	Customs House, Kandla	6220676 dt.01-06-2023	6650250 dt.30-06-2023	250	5611001950	24,65,420/-
8	Customs House, Kandla	6220692 dt.01-06-2023	6650252 dt.30-06-2023	247.632	5611001950	24,42,067/-
9	Customs House, Kolkata	6343658 dt.09-06-2023	6595119 dt.27-06-2023	250	5611001950	24,68,379/-
10	Customs House, Kolkata	6347995 dt.10-06-2023	6836588 dt.12-07-2023	250	5611001958	25,22,850/-
11	Customs House, Kolkata		6837071 dt.12-07-2023	250	5611001958	25,22,850/-
12	Customs House, Kolkata		6867969 dt.14-07-2023	250	5611001958	25,22,850/-
13	Customs House, Kolkata		6876854 dt.14-07-2023	100	5611001958	10,09,140/-
14	Customs House, Kolkata		6876859 dt.14-07-2023	146.509	5611001950	14,78,481/-
15	Customs House, Kolkata	6349225 dt.10-06-2023	6814327 dt.11-07-2023	250	5611001958	25,22,850/-
16	Customs House, Kolkata		6814418 dt.11-07-2023	250	5611001958	25,22,850/-
17	Customs House, Kolkata	6349260 dt.10-06-2023	6756383 dt.07-07-2023	250	5611001958	25,22,850/-
18	Customs House, Kandla	6518201 dt.21-06-2023	6697648 dt.03-07-2023	255.068	5611001958	25,63,191/-
19	Customs House,		6697650 dt.03-07-	255.068	5611001958	25,63,191/-

	Kandla		2023			
20	Customs House, Kandla	6794902 dt. 10-07-2023	7021234 dt.24-07-2023	250	5611001997	37,25,841/-
21	Customs House, Kandla	6984322 dt.21-07-2023	7134006 dt.31-07-2023	125	5611001997	13,13,073/-
22	Customs House, Kandla		7134013 dt.31-07-2023	125	5611001997	13,13,073/-
23	Customs House, Kandla		7134004 dt.31-07-2023	125	5611001997	13,13,073/-
24	Customs House, Kandla		7134003 dt.31-07-2023	125	5611001997	13,13,073/-
25	Customs House, Kandla	6984324 dt.21-07-2023	7133588 dt.31-07-2023	120	5611001997	12,60,550/-
26	Customs House, Kandla		7133595 dt.31-07-2023	125	5611001997	13,13,073/-
27	Customs House, Kandla		7133866 dt.31-07-2023	125	5611001997	13,13,073/-
28	Customs House, Kandla		7133872 dt.31-07-2023	125	5611001997	13,13,073/-
29	Customs House, Kandla		7707544 dt.06-09-2023	2.619	5611001997	27,989/-
30	Customs House, Kandla	6985649 dt.21-07-2023	7134008 dt.31-07-2023	125	5611001997	13,13,073/-
31	Customs House, Kandla		7134012 dt.31-07-2023	125	5611001997	13,13,073/-
32	Customs House, Kandla		7134009 dt.31-07-2023	115	5611001997	12,08,027/-
33	Customs House, Kandla		7134438 dt.31-07-2023	125	5611001997	13,13,073/-
34	Customs House, Kandla		7254835 dt.08-08-2023	10	5611001958	1,07,099/-
35	Customs House, Kandla	7164134 dt.02-08-2023	7249581 dt.08-08-2023	250	5611001997	26,77,470/-
36	Customs	7164142	7249579	250	561100199	26,77,470/-

	House, Kandla	dt.02-08-2023	dt.08-08-2023		7	
37	Customs House, Kolkata	7173877 dt.03-08-2023	7487608 dt.23-08-2023	125	5611001997	13,17,350/-
38	Customs House, Kolkata		7786538 dt.12-09-2023	125	5611001997	13,35,884/-
39	Customs House, Kolkata		7923364 dt.21-09-2023	125	5611001997	13,07,370/-
40	Customs House, Kolkata		7999800 dt.25-09-2023	122.305	5611001997	12,79,183/-
41	Customs House, Kolkata	7173878 dt.03-08-2023	7632827 dt.01-09-2023	250	5611001997	26,71,768/-
42	Customs House, Kolkata		7786535 dt.12-09-2023	125	5611001997	13,35,884/-
43	Customs House, Kolkata		7862440 dt.16-09-2023	122.890	5611001997	12,85,301/-
44	Customs House, Kandla	7176227 dt.03-08-2023	7392717 dt.17-08-2023	250	5611001997	26,34,699/-
45	Customs House, Kandla		7480864 dt.23-08-2023	125	5611001997	13,17,350/-
46	Customs House, Kandla		7480868 dt.23-08-2023	125	5611001997	13,17,350/-
47	Customs House, Kandla	7177035 dt.03-08-2023	7621865 dt.01-09-2023	250	5611001997	26,71,768/-
48	Customs House, Kandla		8143375 dt.04-10-2023	250	5611002207	35,95,520/-
49	Customs House, Kandla	7179686 dt.03-08-2023	7448881 dt.21-08-2023	250	5611001997	26,34,699/-
50	Customs House, Kandla		7448880 dt.21-08-2023	250	5611001997	26,34,699/-
51	Customs House, Kandla	7180092 dt.03-08-2023	7486707 dt.23-08-2023	250	5611001997	26,34,699/-
52	Customs House, Kandla		7680614 dt.05-09-2023	250	5611001997	37,76,908/-

53	Customs House, Kandla	7181257 dt.03-08-2023	8157311 dt.05-10-2023	250	5611002207	35,95,520/-
54	Customs House, Kandla	7181259 dt.03-08-2023	7885118 dt.18-09-2023	250	5611001997	26,14,740/-
55	Customs House, Kandla	7310318 dt.11-08-2023	7545623 dt.26-08-2023	14	5611001958	1,48,699/-
56	Customs House, Kandla		7546302 dt.26-08-2023	120	5611001950	12,74,566/-
57	Customs House, Kandla		7547923 dt.26-08-2023	116	5611001997	12,32,080/-
58	Customs House, Kandla		7634306 dt.01-09-2023	250	5611001997	26,92,704/-
59	Customs House, Kandla	7388624 dt.17-08-2023	7453318 dt.21-08-2023	250.24	5611001997	26,57,894/-
60	Customs House, Kandla	7812694 dt.13-09-2023	8015301 dt.26-09-2023	250	5611001997	37,40,851/-
61	Customs House, Kandla		8143162 dt.04-10-2023	250	5611002207	36,38,865/-
62	Customs House, Kandla	8267537 dt.12-10-2023	8323951 dt.16-10-2023	250	5611002207	35,61,662/-
63	Customs House, Kandla	8268445 dt.12-10-2023	8567037 dt.01-11-2023	250	5611002207	35,41,216/-
64	Customs House, Kandla		8587219 dt.02-11-2023	250	5611002207	35,41,216/-
			Total	**11968.346**		**13,29,20,055/-**

8. Out of the total imports made by M/s. OPL as summarised above at Table -II, following imported goods were traced during the investigation –

(i) Partial goods of 49.986 MT, imported through Bill of Entry mentioned at Sr. No.63 as mentioned in Table-II above, from the premises of M/s. Vishwas Refoils & Consumer Ltd. situated at Plot No.12/13, Survey No.1121, Ruda

Transport Nagar, Behind Satt Hanuman Temple, Rajkot-Ahmedabad Highway, Anandpur, Rajkot (Gujarat). The above goods were placed under Seizure vide Seizure Memo dated 23.11.2023 issued from File No.DRI/AZU/CI/ENQ-70(INT-29)/2023.

(ii) Partial goods of 24.790 MT imported through Bill of Entry mentioned at Sr. No.63 as mentioned in Table-II above, from the premises of M/s. Vikram Industries, Plot No. 5-6-7-8, Parekh Industrial Estate, Vibhag-3B, Block-179, At-Tatithaiya, Taluka-Palisana, Surat (Gujarat). The above goods were placed under Seizure vide Seizure Memo dated 23.11.2023 issued from File No.DRI/AZU/CI/ENQ-70(INT-29)/2023.

(iii) Partial goods of 49.11 MT imported through Bill of Entry mentioned at Sr. No.63 as mentioned under Table-II at para 18.2 above, from M/s. Deepak Estate Agency, Plot No.5-6, Block-A, Behind Hotel Sea Rock, Kandla, Kutch – (Gujarat). The above goods were placed under Seizure vide Seizure Memo dated 24.11.2023 issued from File No.DRI/AZU/CI/ENQ-70(INT-29)/2023.

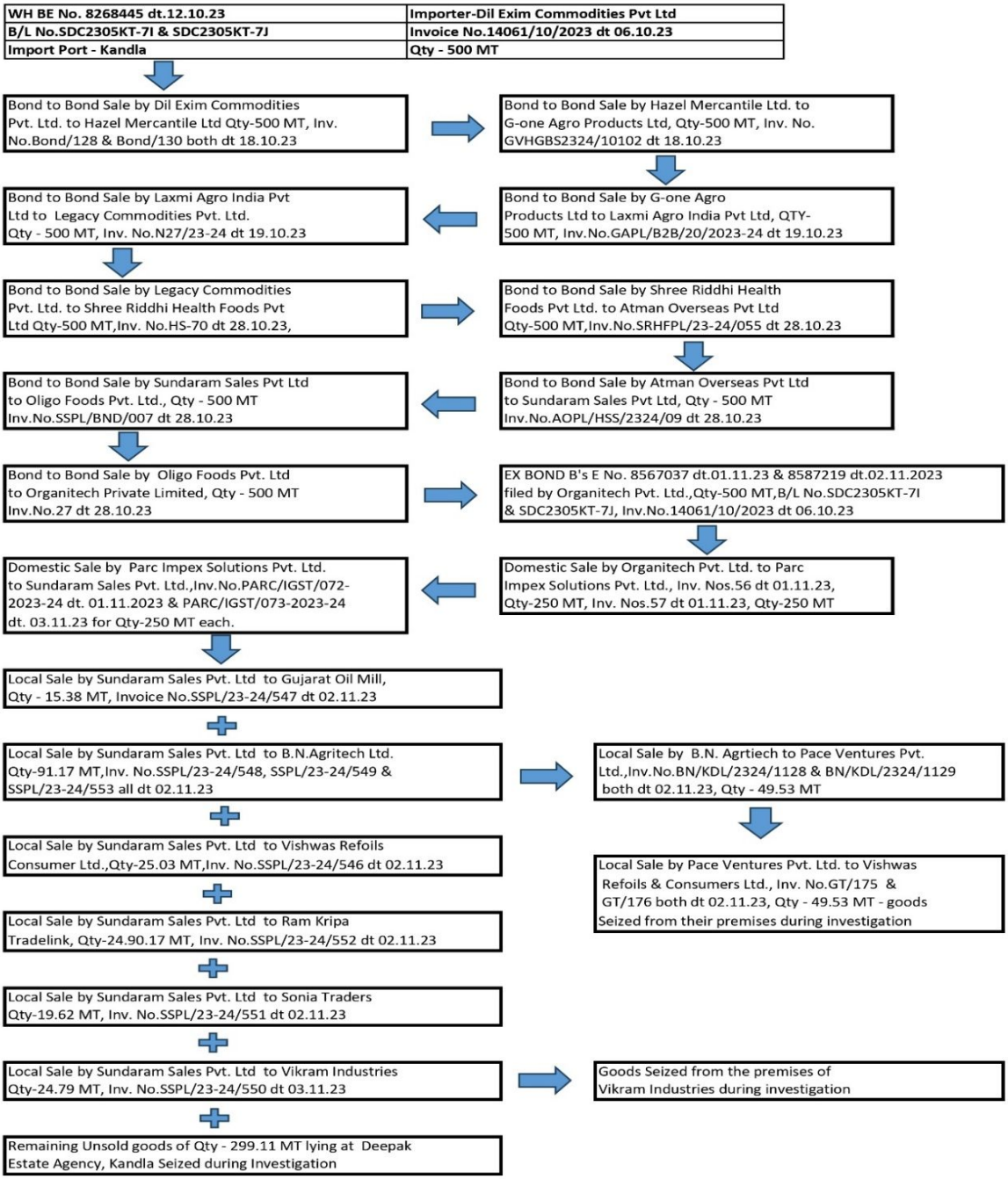
(iv) Full quantity of goods viz. 250 MT imported through Bill of Entry at Sr. No.64 as mentioned at Table-II para 18.2 above from M/s. Deepak Estate Agency, Plot No.5-6, Block-A, Behind Hotel Sea Rock, Kandla, Kutch – (Gujarat). The above goods were placed under Seizure vide Seizure Memo dated 24.11.2023 issued from File No.DRI/AZU/CI/ENQ-70(INT-29)/2023

9. M/s OPL has availed exemption of customs duty of ₹13,29,20,055/- on goods having total assessable value of ₹89,70,67,188/- (details in Table-II above). The Warehousing Bills of Entry had been filed by various other importers and the goods passed through several hands under Bond-to-Bond transfers before being cleared by M/s OPL.

10. The investigation conducted in the case has revealed that after filing of the Warehousing Bills of Entry, the ownership of the goods has changed multiple hands before final clearance of the goods by filing Bond to Bond transfer of the goods. A specimen of Bond-to-Bond movement in respect of the goods imported under Warehousing Bill of Entry No.8268445 dt. 12.10.2023 and

covered under Bill of Lading No.SDC 2305KT-7I & SDC 2305KT-7J, as well as its Domestic Sale after its clearance under Ex-bond Bill of Entry from the port until the event of seizure of the goods which were effected in the case, is replicated herein below

TRACKING OF IMPORTED GOODS FROM WAREHOUSING BILL OF ENTRY TO EX-BOND BILL OF ENTRY/CLEARANCE AND ITS DOMESTIC SALE



11. It was noticed from the documentary evidence recovered from File No. 15 resumed under Annexure-A to the Panchnama dated 03/04.11.2023 comprises, for several Ex-Bond Bills of Entry (including B/E Nos. 8323951, 6837071, 6867969, 6836588, 7923364, 8143375, 6814327 and 6832231), the sale invoices issued by M/s OPL to M/s Parc and by M/s Parc to M/s Sundaram Sales Pvt. Ltd., together with e-way bills which carry the very Bill of Lading numbers of the imported consignments. Bank statements of M/s Parc recovered from File No. 14 show that funds credited by M/s Sundaram Sales Pvt. Ltd were passed on, almost immediately, to M/s OPL.

12. It is evident that M/s. Organitech Pvt. Ltd. (IEC: AADCO2236L) imported duty-free RBD Palm Olein (Edible Grade) under the Advance Authorisation Scheme by availing exemption under Notification No. 21/2023-Customs dated 01.04.2023, subject to fulfilment of export obligations. However, the importer has diverted the duty-free imported goods into the domestic market in clear violation of the conditions of the aforesaid Customs Notification and the provisions of the Foreign Trade Policy. Further M/s. Organitech Pvt. Ltd. does not possess any manufacturing facility for consumption of the imported goods in the manufacture of export products, which clearly indicates that the firm never intended to carry out any export production activity. ***Verification of export data also confirms that no exports have been made by the importer corresponding to the said Advance Authorisations.***

13. M/s. OPL has filed 64 Ex-bond Bills of Entry in the case for import of 11968.346 MT of RBD Palm Olein under 04 Advance Authorisation as mentioned under Table -II at para 18.2 of this Notice. These imports have been made from the port of Customs House Kandla & Custom House Kolkata. Since the demand of duty in the case is attributed to multiple jurisdictions, the investigation report in terms of section 110AA of the Customs Act, 1962 was forwarded to the competent authority of the port having highest amount of duty

i. e. Customs House Kandla, in terms of CBIC Notification No.28/2022-Cus (NT) dt. 31.03.2022 by the DRI, AZU for issuance of Show Cause Notice.

14. During the course of investigation, certain aspects were identified which required further detailed examination. The investigation of these aspects was expected to take a reasonable period of time, and consequently, the prescribed time limit of two years for completion of investigation under Section 28BB(1) of the Customs Act, 1962 was likely to lapse. Accordingly, an extension of the time limit for completion of the investigation was sought from the proper authority in terms of the proviso to Section 28BB(1) of the Customs Act, 1962, and the same was duly granted for a further period of two months.

15. Accordingly, a SCN F.No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025 was issued in the matter wherein,

A. Shri Lalit Kumar Babulal Tater alias Lalit Jain, resident of B-69, Upper Ground Floor, Raman Lamba Marg, Plastic Free Park, New Rajendra Nagar, Central Delhi, Delhi – 110060, in the capacity of being the beneficial owner of the goods at the time of import till the domestic sale of imported goods, was called upon to show cause in writing to the Commissioner of Customs, Custom House, Kandla, Near Balaji Temple Kandla- 370210 (Gujarat) as to why:-

i. The duty exemption amounting to ₹13,29,20,055/- (Rupees Thirteen Crore Twenty Nine Lakhs Twenty Thousand and Fifty Five Only) availed on the import of 11968.346 MT of RBD Palm Olein under Advance Authorisation, in terms of conditions stipulated under Notification No. 21/2023-Customs dated 01.04.2023, as amended, (details as per Annexure A to the Show Cause Notice), should not be denied and consequently the short paid duty not be demanded and recovered from him under Section 28(4) of the Customs Act, 1962.

ii. The illicitly diverted goods weighing 373.886 MT valued at ₹ 2,71,40,427/- (Two Crore, Seventy One Lakh Forty Thousand Four Hundred and Twelve Seven only) seized under Seizure Memos dated 23.11.2023 & 24.11.2023 as mentioned at para 18.4 of SCN supra should not be held liable for confiscation under section 111(o) of the Customs Act, 1962.

ii. The imported goods weighing 11594.460 MT valued at ₹ 86,99,26,761/- (Rupees Eighty Six Crore Ninety Nine Lakh Twenty Six Thousand Seven Hundred and Sixty One only) which were not seized and illicitly diverted in contravention to the conditions stipulated under Notification No. 21/2023-Customs dated 01.04.2023, as amended, should not be held liable for confiscation under section 111(o) of the Customs Act, 1962. However, these goods are physically not available for confiscation.

iv. Interest at the appropriate rate on the above said duty amount from the date of importation of the goods till the payment of such duty should not be recovered under Section 28 AA of the Customs Act, 1962 from him.

v. Penalty should not be imposed under Section 112(a) and (b) of the Customs Act, 1962, for dealing with the above imported goods which would render the goods liable for confiscation u/s. 111 of the Customs Act, 1962.

vi. Penalty should not be imposed on him under Section 114A of the Customs Act, 1962

B. M/s. Sundaram Sales Private Ltd., situated at 338 & 339, Akbar-Malahi, P.O. Hajipur, P.S. – Sarai, Vaishali, Bihar – 844125 in the capacity of being the domestic owner of the goods imported under Advance Authorisation, may be called upon to show cause in writing to the Commissioner of Customs, Custom House, Kandla, Near Balaji Temple Kandla-370210 (Gujarat) as to why:-

(i) The illicitly diverted goods weighing 299.11 MT valued at ₹ 2,17,97,312/- (Two Crore, Seventeen Lakh Ninety Seven Thousand Three Hundred and Twelve only) seized under Seizure Memo dated 24.11.2023 as

mentioned at para 18.4 of SCN should not be held liable for confiscation under section 111(o) of the Customs Act, 1962.

(ii) The Bond & Bank Guarantee executed by them for the provisional release of the goods should not be enforced towards levy of Redemption Fees on the such goods.

C. M/s. Vishwas Refoils & Consumer Ltd., Plot No.12 & 13, Survey No.112/L, RUDA Transport Nagar, Anandpar-Navagam, Behind Saat Hanumaan Temple, Rajkot-Ahmedabad Highway, Rajkot – 360003 in the capacity of being the domestic owner of the goods imported under Advance Authorisation, may be called upon to show cause in writing to the Commissioner of Customs, Custom House, Kandla, Near Balaji Temple Kandla- 370210 (Gujarat) as to why:-

(i) The illicitly diverted goods weighing 49.986 MT valued at ₹ 36,42,710/- (Rupees Thirty Six Lakh Forty Two Thousand Seven Hundred and Ten only) seized under Seizure Memo dated 23.11.2023 as mentioned at para 18.4 supra should not be held liable for confiscation under section 111(o) of the Customs Act, 1962.

(ii) The Bond & Bank Guarantee executed by them for the provisional release of the goods should not be enforced towards levy of Redemption Fees on the such goods.

D. M/s. Vikram Industries, Plot No. 5 to 8, Parekh Industrial Estate-3B, Tatithaiya, Taluka-Palsana, Dist. – Surat (Gujarat) in the capacity of being the domestic owner of the goods imported under Advance Authorisation, may be called upon to show cause in writing to the Commissioner of Customs, Custom House, Kandla, Near Balaji Temple Kandla-370210 (Gujarat) as to why:-

(i) The illicitly diverted goods weighing 24.790 MT valued at ₹ 18,06,544/- (Rupees Eighteen Lakh Six Thousand Five Hundred and Forty Four only)

seized under Seizure Memo dated 23.11.2023 as mentioned at para 18.4 supra should

not be held liable for confiscation under section 111(o) of the Customs Act, 1962.

(ii) The Bond & Bank Guarantee executed by them for the provisional release of the goods should not be enforced towards levy of Redemption Fees on the such goods.

16. Further, a Supplementary Show Cause Notice under section 28 (7A) of Customs Act, 1962 has been issued in continuation of the earlier Show Cause Notice issued vide F.No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025 in respect of M/s Organitech Pvt. Ltd. (IEC: AADCO2236L) (hereinafter referred to as "M/s OPL"), wherein it has been established that the noticee had diverted duty-free imported goods, namely RBD Palm Olein (Edible Grade), imported under the Advance Authorisation Scheme. Further investigation has revealed additional facts/evidence necessitating issuance of the Supplementary Show Cause Notice.

The Supplementary Show Cause Notice (SCN) is issued by the Commissioner of Customs, Kandla, under Section 28(7A) of the Customs Act, 1962. It continues the earlier SCN dated 26.12.2025 against M/s Organitech Pvt. Ltd. (OPL) and adds new facts found during a further financial investigation.

17. It emerged clearly from the financial investigation that M/s. OPL diverted the duty-free imported goods, having total assessable value of ₹89,70,67,188/- and involving total duty exemption/duty foregone of ₹13,29,20,055/-, by selling the said goods domestically to its sister concern, M/s. Parc Impex Solutions Pvt. Ltd., instead of utilising the same for manufacture of resultant export product under the Advance Authorisation Scheme.

18. It is further evident that M/s. Parc Impex Solutions Pvt. Ltd., after purchasing the diverted goods from M/s. OPL, sold the same further into the domestic market to M/s. Sundaram Sales Pvt. Ltd., thereby forming a structured chain of domestic trading.Scrutiny of the banking trail reveals that M/s. Parc Impex Solutions Pvt. Ltd. received an amount of ₹1,02,34,03,699/- from M/s. Sundaram Sales Pvt. Ltd. towards sale consideration of the diverted goods. Out of the said receipts, M/s. Parc Impex transferred an amount of approximately ₹97,90,00,420/- back to the accounts of M/s. OPL, thereby ensuring that the major portion of the proceeds arising from domestic diversion ultimately accrued to the importer.

19. It is further observed that out of the remaining amount of approximately ₹4,44,03,279/-, a substantial portion was transferred to other firms controlled and operated by Shri Lalit Kumar Babulal Tater alias Lalit Jain, such as M/s. SKLP Sales Pvt. Ltd., M/s. Starflex India Pvt. Ltd., thereby indicating further rotation and siphoning of funds within the network of entities under his control. It is pertinent to note that while M/s. Parc Impex Solutions Pvt. Ltd. reported domestic sales of goods valued at approximately ₹1,02,99,87,243/-, the total receipts reflected in the banking channel amount to ₹1,02,34,03,699/-. The variation in amounts is attributable to the fact that edible oil prices are market-driven and subject to fluctuations, and the sale consideration may vary depending upon prevailing rates, commercial adjustments, and brokerage arrangements.

20. It is evident from the banking trail that the duty-free imported goods, which were exempted from customs duty solely for the purpose of export production, were instead monetised in the domestic market at commercial value, thereby generating huge unlawful financial gains and resulting in unjust enrichment of beneficial owner. The receipt of approximately ₹97.90 Crore in the accounts of M/s. OPL from M/s. Parc Impex Solutions Pvt. Ltd., along with further

diversion of about ₹4.44 Crore to related firms controlled by Shri Lalit Jain, clearly indicates that the proceeds arising from diversion of exempted imports were accumulated within the controlled business network. These receipts are directly attributable to the illegal domestic sale of duty-free imports and constitute unjust

enrichment at the cost of government revenue.

21. Further, the GST taxable turnover disclosed in the GSTR-1M returns of M/s. OPL and M/s. Parc Impex Solutions Pvt. Ltd. corroborates the fact that the exempted imported goods were systematically monetised through domestic GST invoices, thereby establishing that the entire arrangement was aimed at generating financial profit through diversion, rather than fulfilling export obligations under the Advance Authorisation Scheme.

22. The investigation has established that Shri Lalit Kumar Babulal Tater alias Lalit Jain is the de-facto owner, controller and ultimate beneficiary of M/s OPL and M/s Parc Impex Solutions Pvt. Ltd. In his statement dated 06.05.2024, further he admitted that he controlled all business activities, prepared e-way bills through employees, and ensured routing of funds through banking channels. The diversion of duty-free imported goods into the domestic market in violation of Notification No.21/2023-Cus and FTP provisions resulted in evasion of customs duty amounting to ₹13.29 Crore, and the corresponding domestic sale proceeds accrued to Shri Lalit Jain through the layered banking structure.

23. The systematic routing of funds through M/s Parc Impex Solutions Pvt Ltd, the use of dummy directors, and the accumulation of sale proceeds in M/s OPL accounts clearly indicate that Shri Lalit Jain deliberately designed and executed the diversion scheme with an intention to generate the unlawful monetary

benefits. The consistent pattern of invoicing, generation of e-way bills, receipt of sale proceeds, and accumulation of funds in importer controlled accounts establishes that the diversion was carried out knowingly, through planned execution

24. In view of the facts found during further financial investigation , all the 7 Noticees of SCN dated 26.12.2025 viz. (i) M/s. Organitech Pvt. Ltd. (IEC - AADCO2236L), (ii) M/s. Sundaram Sales Private Ltd, (iii) M/s. Vishwas Refoils & Consumer Ltd., (iv) M/s. Vikram Industries, (v) Shri Sunil Jain, Director of M/s. Organitech Private Limited, (vi) Shri Tarun Kapoor, Director of M/s. Organitech Private Limited & (vii) Shri Lalit Kumar Babulal Tater alias Lalit Jain were hereby called upon to show cause in writing to the Commissioner of Customs, Custom House, Kandla, Near Balaji Temple, Kandla-370210 (Gujarat), as to why the facts revealed above during the financial investigation should not be taken into consideration while adjudicating the Show Cause Notice issued vide F.No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025.

PERSONAL HEARING:

25. In compliance with the principles of natural justice and Section 122A of the Act, personal hearings were fixed on **03.09.2026, 10.09.2026 and 23.09.2026** and the hearing notices were issued to all the Noticees

26. **Noticees viz, (i)** M/s. Organitech Pvt. Ltd. (IEC - AADCO2236L, (ii) Shri Lalit Kumar Babulal Tater alias Lalit Jain, (iii) Shri Sunil Jain, Director of M/s. Organitech Private Limited and (iv) Shri Tarun Kapoor, Director of M/s. Organitech Private Limited did not appear on any of the three dates, nor have they filed any written reply or sought adjournment. They have thus been

afforded three opportunities of hearing, and have failed to appear before the adjudicating authority.

27. **Noticees viz, (i)** M/s. Sundaram Sales Private Ltd, (ii) M/s. Vishwas Refoils & Consumer Ltd. and (iii) M/s. Vikram Industries appeared for personal hearing held on 23.09.2026 through their authorised representative **Shri Vikas Mehta**, Consultant who re-iterated the written submission dated 23.09.2026 on behalf of each of the said 03 noticees represented by him.

DEFENCE SUBMISSIONS:

28. Noticees at Sr. No. 1 to 4 viz, **(i)** M/s. Organitech Pvt. Ltd. (IEC - AADCO2236L, (ii) Shri Lalit Kumar Babulal Tater alias Lalit Jain, (iii) Shri Sunil Jain, Director of M/s. Organitech Private Limited and (iv) Shri Tarun Kapoor, Director of the SCN No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025 & Supplementary SCN F. No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 01.04.2026 have not filed any defence submission.

Noticees at Sr. No. 5 to 7 viz, (i) M/s. Sundaram Sales Private Ltd, (ii) M/s. Vishwas Refoils & Consumer Ltd. and (iii) M/s. Vikram Industries of the SCN No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025 & Supplementary SCN F. No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 01.04.2026 have filed their defence submission dated 23.09.2026.

A. Defence submission of M/s. Sundaram Sales Private Ltd.

(a) M/s **Sundaram Sales Private Ltd. have submitted** that they have purchased 500 MT of RBD Palm Olein from Parc under GST invoices and paid the price through banking channels. That they had no business dealing with M/s Organitech Pvt. Ltd., the Advance Authorisation holder. There is no allegation supported by evidence that they applied for, used or controlled M/s Organitech Pvt. Ltd. Advance Authorisations, knew of any actual-user condition, participated in any false declaration at import, or shared the alleged duty benefit.

(b) The alleged breach of Notification No. 21/2023-Customs dated 01.04.2023 is attributed to OPL and to Shri Lalit Kumar Babulal Tater alias Lalit Jain. They had entered only after customs clearance and after OPL had issued domestic invoices to Parc. The bank trail relied upon by the notice proves payment of commercial consideration; it does not prove collusion or knowledge.

(c) That M/s **Sundaram Sales Private Ltd.** had no business transaction with OPL. It was not the importer, Advance Authorisation holder, manufacturer-exporter, customs declarant or beneficiary of the duty exemption. After purchase, they sold quantities in the domestic market under GST invoices. The notice records ordinary commercial onward transactions and does not allege clandestine removal by Sundaram. The statement of the buyer (M/s Vikram Industries) affirmatively records that it did not know that the goods were duty-exempt and had received them under a GST invoice, in the ordinary course of business.

(d) The statements relied upon identify Shri Lalit Jain as the person controlling OPL and Parc and as the person who directed the domestic sale. These statements do not establish that M/s **Sundaram Sales Private Ltd.** induced or conspired in the import or that it knew the goods were imported duty-free subject to actual-use and export-obligation conditions.

(e) That M/s Sundaram Sales Pvt. Ltd. neither controlled Parc's bank account nor directed Parc's subsequent use of money. The allegation that sale proceeds ultimately reached OPL may support the department's case against OPL or the persons controlling Parc. It does not convert Sundaram's purchase price into evidence that Sundaram received the duty benefit or participated in any misstatement before Customs or DGFT.

(f) That mere purchase of goods from Parc and onward sale under GST invoices cannot, without any positive evidence, establish participation of Sundaram in OPL's violation. RBD Palm Olein is neither prohibited nor inherently offending. They had bought it under tax invoices and paid through banks. Thus, it is not the case where goods have been rendered liable for confiscation by Sundaram. No abnormal profit, under-invoicing, cash payment, relationship with OPL, or sharing of duty benefit is alleged. On this basis, it is submitted that these facts warrant dropping confiscation; alternatively, they require nil or nominal fine.

(g) Relying on **Opus Asia Technologies Pvt. Ltd. v. Commissioner of Customs (Sea), Chennai, 2004 (168) ELT 72 (Tri.-Chennai)**, they submit that fine must be commensurate with the margin of profit and that if profit is wiped out no fine may be imposed. Even if technical liability is found, the fine may be reduced to nil or nominal because they had no role in obtaining the authorisations or clearance, paid through banks, received GST invoices, and face commercial loss and blocked security without any allegation of *mens rea*.

(h) If the goods are held liable to confiscation, fine may be fixed only after disclosure of the valuation basis and after considering actual landed purchase cost, GST, freight, storage, finance charges, deterioration and resale realisation; the department has not quantified any margin of profit; and the fine should not be equated with duty foregone, market value, bond value or bank guarantee amount.

(i) In view of the above, M/s Sundaram Sales Private Ltd. requested for drop the proceedings initiated against them.

B. Defence submission of M/s. Vishwas Refoils & Consumer Ltd.

(a) M/s Vishwas Refoils & Consumer Ltd. **have submitted** that the notice itself records that the upstream traders had purchased and sold RBD Palm Plein under GST Invoices and paid the price through banking channels. It also records that Sundaram had no business dealing with OPL, the Advance Authorisation holder. There is no allegation supported by evidence that M/s Vishwas applied for, used or controlled OPL's Advance Authorisations, knew of any actual-user condition, participated in any false declaration at import, or shared the alleged duty benefit. That the same holds true for M/s Vishwas who is downstream bona fide buyer of M/s Sundaram.

(b) The alleged breach of Notification No. 21/2023-Customs dated 01.04.2023 is attributed to OPL and to Shri Lalit Kumar Babulal Tater alias Lalit Jain. They had entered only after customs clearance and after OPL had issued domestic invoices to Parc. The bank trail relied upon by the notice proves payment of commercial consideration; it does not prove collusion or knowledge.

(c) That M/s **Vishwas** had no business transaction with OPL. It was not the importer, Advance Authorisation holder, manufacturer-exporter, customs declarant or beneficiary of the duty exemption. After purchase, Sundaram sold quantities in the domestic market under GST invoices. The notice records ordinary commercial onward transactions and does not allege clandestine removal by the said seller. The statements relied upon identify Shri lalit Jain as the person controlling OPL and Parc and as the person who directed the domestic sale. These statements do not establish that M/s Vishwas induced or conspired in the import or that it knew the goods were imported duty-free subject to actual-use and export-obligation conditions.

(d) That M/s Vishwas neither controlled bank account of any upstream trader. The allegation that sale proceeds ultimately reached OPL may support the department's case against OPL or the persons controlling Parc. It does not convert Vishwas's purchase price into evidence that M/s Vishwas received the duty benefit or participated in any misstatement before Customs or DGFT.

(e) That mere purchase of goods originally imported by M/s OPL, without any positive evidence, does not establish participation of M/s Vishwas in OPL's violation. RBD Palm Olein is neither prohibited nor inherently offending. M/s Vishwas had bought it under tax invoices and paid through banks. Thus, it is not the case where goods have been rendered liable for confiscation by M/s Vishwas. No abnormal profit, under-invoicing, cash payment, relationship with

OPL, or sharing of duty benefit is alleged. On this basis, it is submitted that these facts warrant dropping confiscation; alternatively, they require nil or nominal fine.

(f) Relying on **Opus Asia Technologies Pvt. Ltd. v. Commissioner of Customs (Sea), Chennai, 2004 (168) ELT 72 (Tri.-Chennai)**, they submit that fine must be commensurate with the margin of profit and that if profit is wiped out no fine may be imposed. Even if technical liability is found, the fine may be reduced to nil or nominal because they had no role in obtaining the authorisations or clearance, paid through banks, received GST invoices, and face commercial loss and blocked security without any allegation of *mens rea*.

(g) If the goods are held liable to confiscation, fine may be fixed only after disclosure of the valuation basis and after considering actual landed purchase cost, GST, freight, storage, finance charges, deterioration and resale realisation; the department has not quantified any margin of profit; and the fine should not be equated with duty foregone, market value, bond value or bank guarantee amount.

(h) In view of the above, M/s Vishwas Refoils & Consumer Ltd. requested for drop the proceedings initiated against them.

C. Defence submission of M/s. Vikram Industries

(a) M/s. Vikram Industries **have submitted** that the notice itself records that the upstream traders had purchased and sold RBD Palm Plein under GST Invoices and paid the price through banking channels. It also records that Sundaram had no business dealing with OPL, the Advance Authorisation holder. There is no allegation supported by evidence that M/s Sundaram had applied for, used or controlled OPL's Advance Authorisations, knew of any actual-user condition, participated in any false declaration at import, or shared the alleged duty

benefit. That the same holds true for M/s Vikram who is downstream bona fide buyer of M/s Sundaram.

(b) The alleged breach of Notification No. 21/2023-Customs dated 01.04.2023 is attributed to OPL and to Shri Lalit Kumar Babulal Tater alias Lalit Jain. They had entered only after customs clearance and after the upstream traders issued domestic invoices OPL had issued domestic invoices. The bank trail relied upon by the notice proves payment of commercial consideration; it does not prove collusion or knowledge.

(c) That M/s **Vishwas** had no business transaction with OPL. It was not the importer, Advance Authorisation holder, manufacturer-exporter, customs declarant or beneficiary of the duty exemption. After purchase, Sundaram sold quantities in the domestic market under GST invoices. The notice records ordinary commercial onward transactions and does not allege clandestine removal by the said seller. The statements relied upon identify Shri lalit Jain as the person controlling OPL and Parc and as the person who directed the domestic sale. These statements do not establish that M/s Vikram induced or conspired in the import or that it knew the goods were imported duty-free subject to actual-use and export-obligation conditions.

(d) That M/s Vikram neither controlled bank account of any upstream trader. The allegation that sale proceeds ultimately reached OPL may support the department's case against OPL or the persons controlling Parc. It does not convert M/s Vikram’s purchase price into evidence that M/s Vikram received the duty benefit or participated in any misstatement before Customs or DGFT.

(e) That mere purchase of goods originally imported by M/s OPL, without any positive evidence, does not establish participation of M/s Vikram in OPL’s violation. RBD Palm Olein is neither prohibited nor inherently offending. M/s

Vikram had bought it under tax invoices and paid through banks. Thus, it is not the case where goods have been rendered liable for confiscation by M/s Vikram. No abnormal profit, under-invoicing, cash payment, relationship with OPL, or sharing of duty benefit is alleged. On this basis, it is submitted that these facts warrant dropping confiscation; alternatively, they require nil or nominal fine.

(f) Relying on **Opus Asia Technologies Pvt. Ltd. v. Commissioner of Customs (Sea), Chennai, 2004 (168) ELT 72 (Tri.-Chennai)**, they submit that fine must be commensurate with the margin of profit and that if profit is wiped out no fine may be imposed. Even if technical liability is found, the fine may be reduced to nil or nominal because they had no role in obtaining the authorisations or clearance, paid through banks, received GST invoices, and face commercial loss and blocked security without any allegation of *mens rea*.

(g) If the goods are held liable to confiscation, fine may be fixed only after disclosure of the valuation basis and after considering actual landed purchase cost, GST, freight, storage, finance charges, deterioration and resale realisation; the department has not quantified any margin of profit; and the fine should not be equated with duty foregone, market value, bond value or bank guarantee amount.

(h) In view of the above, M/s Vikram Industries requested for drop the proceedings initiated against them.

29. RELEVANT LEGAL PROVISIONS

29.1 Para 4.03 of FTP 2023 is reproduced herein under –

"4.03 Advance Authorisation

(a) Advance Authorisation 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) Advance Authorisation is issued for inputs in relation to resultant product, on the following basis:

(i) As per Standard Input Output Norms (SION) notified (available in Hand Book of Procedures); OR

(ii) On the basis of self-declaration as per paragraph 4.07 of Handbook of Procedures."

29.2 Para 4.16 of the Foreign Trade Policy , 2023 is reproduced herein under –

"4.16 Actual User Condition for Advance Authorisation

(h) 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/input tax 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 Chartered Accountant at the time of filing application for Export Obligation Discharge Certificate to Regional Authority concerned. An AEO having valid certificate has the option to produce self-declaration to this effect.

(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.

29.3 Para 4.14 of FTP 2023 is reproduced 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) & (f) 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 Authorisation for physical as well as deemed exports are also exempt from whole of the Integrated Tax and Compensation Cess leviable under subsection (7) and sub-section (9) respectively, of section 3 of the Customs Tariff Act, 1975 (51 of 1975)."

29.4 Para 4.40 of Hand book of procedures, the period for fulfilment of export obligation (EO) under Advance Authorisation shall be 18 months from the date of issue of authorization or as notified by DGFT. The above para is reproduced herein under-

"4.40 Export Obligation (EO) Period and its Extension

(a) Period for fulfilment of export obligation under Advance Authorisation shall be 18 months from the date of issue of Authorisation. Period of EO fulfilment under an Advance Authorisation shall commence from date of issue of Authorisation, unless otherwise specified.

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(d) Extension in export obligation period for Authorisations issued under Appendix-4J shall be allowed for a period not more than the half of the stipulated export obligation period. In such cases, composition fee shall be levied in such a manner as prescribed hereunder:

29.5 The relevant conditions in the Customs notification **No. 21/2023-Customs dated 01.04.2023**, is reproduced herein under –

" (i v) 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;

..

(x) that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within the period specified in the said authorisation 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 authorisation:

Provided that an Advance Intermediate authorisation 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;

Provided further that notwithstanding anything contained hereinabove for the said authorisations where the exemption from integrated tax and the goods and service 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 or by making domestic supplies mentioned at serial numbers 1,2 and 3 of the Table contained in notification No. 48/2017-Central Tax, dated the 18th October, 2017 published, vide number G.S.R 1305(E), dated the 18th October, 2017;

(xi) 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 fulfilment 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;

(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 service tax provisions permitting transfer of materials of job work;"

29.6 **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;

29.7 **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;]

29.8 **Section 28(4)** of the Customs Act, 1962:

(4) Where any duty has not been [10] [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 [11] [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.

29.9 S**ection 28(8) of the Customs Act, 1962:**

(8) The proper officer shall, after allowing the concerned person an opportunity of being heard and after considering the representation, if any, made by such person, determine the amount of duty or interest due from such person not being in excess of the amount specified in the notice.

29.10 **Section 28(9)(b) of the Customs Act, 1962:**

The proper officer shall determine the amount of duty or interest under sub-section (8),-

…….

(b) within one year from the date of notice, in respect of cases falling under sub-section (4).

29.11 **Section 28AA of the Customs Act, 1962:** Interest on delayed payment of duty. -

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

(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.]

29.12. **Section 111 of the Customs Act, 1962:** Confiscation of improperly imported goods, etc. –

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(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;

29.13 **Section 125 of the Customs Act, 1962:** Option to pay fine in lieu of confiscation. -

(1) *Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [1] [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:*

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, [3] [no such fine shall be imposed

Provided further that] , without prejudice to the provisions of the proviso to sub-section (2) of section 115 , such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.

(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

29.14 **SECTION 112 of the Customs Act, 1962 : 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, 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 111,

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 114A , to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher :

***Provided** that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;*

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

29.15 **Section 114A of the Customs Act, 1962:** 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 mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined:

Provided that where such duty or interest, as the case may be, as determined under sub-section (8) of section 28 , and the interest payable thereon under section 28AA , is paid within thirty days from the date of the communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the duty or interest, as the case may be, so determined:

Provided further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso :

Provided also that where the duty or interest determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purposes of this section, the duty or interest as reduced or increased, as the case may be, shall be taken into account:

Provided also that in case where the duty or interest determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, the benefit of reduced penalty under the first proviso shall be available if the amount of the duty or the interest so increased, along with the interest payable thereon under section 28AA , and twenty-five percent of the consequential increase in penalty have also been paid within thirty days of the communication of the order by which such increase in the duty or interest takes effect :

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

ISSUES TO BE DECIDED

30. On a careful consideration of the SCN, the Supplementary SCN, the relied-upon documents and the submissions made by the Noticees , the following issues arise before me for determination:

(i) Whether the duty exemption availed under Notification No. 21/2023-Cus dated 01.04.2023 availed on 11,968.346 MT of RBD Palm Olein is liable to be denied and the duty of ₹13,29,20,055/- is recoverable from Shri Lalit Kumar Babulal Tater alias Lalit Jain, in the capacity of being the beneficial owner of the goods at the time of import till the domestic sale of imported goods, under Section 28(4) of the Customs Act, 1962 with interest under Section 28AA of the Customs Act, 1962

(ii) Whether the seized goods 373.886 MT valued at Rs. 2,71,40,427/- are liable to confiscation under Section 111(o) of the Customs Act, 1962.

(iii) Whether the imported goods weighing 11,594.460 MT, which are not seized and illicitly diverted in contravention to the conditions stipulated under Notification No. 21/2023-Customs dated 01.04.2023 are liable to

confiscation under Section 111(o) of the Customs Act, 1962 and if redemption fine under Section 125 of the Act is imposable,

(iv) Whether Penalty is imposable imposed under Section 112(a) and (b) of the Customs Act, 1962, on Shri Lalit Kumar Babulal Tater alias Lalit Jain ,Shri Sunil Jain & Shri Tarun Kapoor both Director of M/s. Organitech Private Limited for dealing with the above imported goods which would render the goods liable for confiscation u/s. 111 of the Customs Act, 1962,

(v) Whether penalty is imposable on Shri Lalit Kumar Babulal Tater alias Lalit Jain under Section 114A of the Customs Act, 1962,

(vi) Whether redemption fine under Section 125 of the Act is to be imposed on Noticees viz, (a) M/s. Sundaram Sales Private Ltd , (b) M/s. Vishwas Refoils & Consumer Ltd., and (c) M/s Vikram Industries and whether the Bond and Bank Guarantee furnished for provisional release are to be enforced.

(vi) What is the effect of the findings of the Supplementary SCN on the present case.

DISCUSSION AND FINDINGS

31. I have carefully gone through the SCN and the Supplementary SCN with the relied-upon documents, and the written submissions of Noticees at Sr. Nos. 5 to 7 and the records of the personal hearings. My findings are as follows.

32. The present case pertains to an investigation being carried out by the Directorate of Revenue Intelligence, Ahmedabad. The Personal Hearing Notices were issued to the Noticees and they were afforded three opportunities for Personal Hearing , i.e., on 03.09.2026, 10.09.2026 and 23.09.2026, in terms of Section 122A of the Customs Act, 1962. The n**oticees viz, (i)** M/s.

Organitech Pvt. Ltd. (IEC - AADCO2236L, (ii) Shri Lalit Kumar Babulal Tater alias Lalit Jain, (iii) Shri Sunil Jain, Director of M/s. Organitech Private Limited and (iv) Shri Tarun Kapoor, Director of M/s. Organitech Private Limited did not appear on any of the three dates, nor have they filed any written reply or sought adjournment. In the circumstances, I proceed to decide the matter on merits ex parte against the above mentioned Noticees on the basis of the material on record. Further, **Noticees viz, (i)** M/s. Sundaram Sales Private Ltd, (ii) M/s. Vishwas Refoils & Consumer Ltd. and (iii) M/s. Vikram Industries appeared for personal hearing held on 23.09.2026 through their authorised representative **Shri Vikas Mehta**, Consultant who re-iterated the written submission dated 23.09.2026 on behalf of each of the said 03 noticees represented by him.

33. The statements relied upon in the present matter were recorded under Section 108 of the Act. Shri Lalit Kumar Babulal Tater alias Lalit Jain had retracted his first statement recorded on 04.11.2023 in which he described himself as a manager hired through an online portal; but the retraction was in the direction of fuller disclosure, and in his statement of 06.05.2024 he has affirmed his position as de-facto owner and beneficiary. That statement has not been retracted. Furthermore, the admissions made on part of Lalit Kumar Babulal Tater alias Lalit Jain are not standing alone and they are corroborated by (i) the statements of his two employees; (ii) the statement of the namesake director Shri Sunil Jain; (iii) the recovery of Aadhaar/PAN copies, photographs, DSCs, dongles, debit cards and stamps of numerous persons from his premises; (iv) invoices and e-way bills (v) the bank statements and GST returns discussed in the Supplementary SCN; and (vi) the statements of buyers and the broker. I find the statements to be voluntary, reliable and corroborated by documents.

34. I find that in the present matter, M/s. Organitech Pvt. Ltd. (IEC: AADCO2236L) imported duty-free RBD Palm Olein (Edible Grade) under the

Advance Authorisation Scheme by availing exemption under Notification No. 21/2023-Customs dated 01.04.2023, subject to fulfilment of export obligations. However, the importer has diverted the duty-free imported goods into the domestic market in clear violation of the conditions of the aforesaid Customs Notification and the provisions of the Foreign Trade Policy. Further M/s. Organitech Pvt. Ltd. does not possess any manufacturing facility for consumption of the imported goods in the manufacture of export products, which clearly indicates that the firm never intended to carry out any export production activity

An Advance Authorisation permits import of inputs free of duty solely for physical incorporation in a resultant export product, subject to the actual-user condition and discharge of export obligation. Condition (xii) of the Notification No. 21/2023-Customs dated 01.04.2023 expressly bars transfer or sale of the imported materials, the only permitted movement being to a job worker for processing. Duty-free import is thus a facility conditional upon use of the goods for export production.

35 It is noticed that Shri Lalit Kumar Babulal Tater alias Lalit Jain stated in his statement recorded on 07.11.2023 that M/s OPL does not have any factory or manufacturing facility unit and also does not have any supporting manufacturer or job worker to use the goods imported under Advance Authorisation in manufacturing resultant export product, and that the additional addresses declared in the IEC (Indore and Krishna Park Extension, New Delhi) did not belong to M/s OPL. In his statement recorded on 06.05.2024 , Shri Lalit Jain agreed with the panchnama of 19.12.2023 drawn at Krishna Park Extension recording that no manufacturing facility existed there. The persons employed by Shri Lalit Jain in their statements stated that M/s OPL is a trading company with no manufacturing facility. Thus M/s OPL is not having any manufacturing facility for the resultant product “Biscuits”.

35.1 Also on verification of export data confirms that no exports have been made against any of the four Advance Authorisations. It is found that each consignment was bought in bond through a chain of Bond-to-Bond transfers (M/s OPL did not even order the goods from the overseas supplier, as Shri Lalit Jain admitted in statement recorded on 07.11.2023 , cleared by OPL by Ex-Bond Bills of Entry debiting the Advance Authorisation, and sold within a day or so by GST invoice to M/s. Parc Impex Solutions Pvt. Ltd., then to M/s. Sundaram Sales Pvt. Ltd.. The invoices and e-way bills of M/s OPL and M/s Parc carry the Bill of Lading numbers of the imported goods, and Shri Lalit Jain admitted that the goods were not even shifted to M/s Parc's premises. The GSTR-1M returns show outward supplies by M/s OPL to M/s Parc of taxable value ₹ 87.77 crore and by M/s Parc Impex Solutions Pvt. Ltd., to M/s Sundaram Sales Pvt. Ltd of ₹ 95.77 crore.

35.2. M/s Sundaram paid ₹102.34 crore to M/s Parc, and ₹97.90 crore flowed from Parc to OPL almost immediately, establishing that the sale proceeds of the duty-free goods ended with the controller of M/s OPL and that M/s Parc was a pass-through entity. Shri Lalit Jain admitted in his statement dated 08.11.2023 that the goods imported by OPL were sold by him in violation of condition (xii), that he alone planned and executed the entire modus of obtaining the Advance Authorisations, importing and selling the goods domestically, that the directors had no role, and that all profit was taken by him. He admitted using Chartered Accountant certificates dated 09.06.2023 prepared on documents supplied by him to seek exemption from furnishing Bank Guarantee at registration of the Authorisations. Shri Sunil Jain, Director of M/s. Organitech Private Limited, Ms. Kiran Morya and Ms. Nancy Sharma both employees working under Shri **Lalit Kumar Babulal Tater alias Lalit Jain** confirmed these facts.

36. I accordingly hold that the goods were imported and cleared under Advance Authorisation without any intention or ability to use them for manufacture and

export; that conditions (x) and (xii) of Notification No. 21/2023-Cus dated 01.04.2023were not observed in respect of the entire 11,968.346 MT cleared under 64 Ex-Bond Bills of Entry; and that the exemption stands vitiated. The duty leviable but for the exemption, quantified at ₹13,29,20,055/-, is accordingly liable to be demanded, together with interest as stipulated in condition (iv) of the Notification.

37. The duty has remained unpaid by reason of collusion, wilful mis-statement and suppression of facts. The Advance Authorisations were obtained and operated through a company bought for the purpose, run through namesake directors and employees paid by Shri Lalit Jain, with an IEC declaring addresses that were not the importer's; Chartered Accountant certificates were procured to avoid furnishing of Bank Guarantee; the actual-user condition was invoked while no manufacturing facility existed; the registered office was found vacated; the goods were sold through a pre-arranged chain of related entities immediately upon clearance and none of this was disclosed to Customs or DGFT. Collusion between Shri Lalit Jain and the namesake directors, brokers and related firms is established and is wilful mis-statement and suppression with intent to evade duty. The extended period under Section 28(4) is therefore rightly invoked.

38. In terms of Section 2(26) read with Section 2(3A), a person who exercises effective control over the goods, or on whose behalf the goods are imported, is an importer. Shri Lalit Jain purchased the company M/s OPL, appointed its directors, procured the Advance Authorisations, arranged the Bond-to-Bond purchases, filed the Ex-Bond Bills of Entry, sold the goods and benefited from the proceeds. Shri Lalit Jain is thus the beneficial owner and the real importer, and the duty is recoverable from him under Section 28(4) of the Customs Act, 1962.

39. In the present case, **M/s** OPL is the importer on record , but the SCN, in its charging paras proposes the demand of duty, interest and penalties under Sections 28(4), 28AA, 112 and 114A against Shri Lalit Jain alone and does not propose any demand or penalty against OPL by name. Shri Lalit Jain purchased

the company M/s OPL, appointed its directors, procured the Advance Authorisations, arranged the Bond-to-Bond purchases, filed the Ex-Bond Bills of Entry, sold the goods and benefited from the proceeds. Shri Lalit Jain is thus the beneficial owner and the real importer, and the duty is recoverable from him under Section 28(4) of the Customs Act, 1962. Interest at applicable rate is also payable on the confirmed duty under Section 28AA of the Act from the date on which the duty ought to have been paid, i.e., the date of clearance under the respective Ex-Bond Bill of Entry(s).

40. Condition (xii) of the Notification No. 21/2023 - Customs prohibits transfer or sale of the imported materials. Each of the 64 consignments was sold domestically in breach of that condition, and the non-observance was not sanctioned by any proper officer. The goods are accordingly "***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***" and are liable to confiscation under Section 111(o) of the Customs Act, 1962. The goods traced and seized are 299.11 MT at Kandla, 49.986 MT at Rajkot and 24.790 MT at Surat, aggregating 373.886 MT valued at Rs. 2,71,40,427/- are liable to confiscation under Section 111(o) of the Customs Act, 1962.

41. The remaining goods 11,594.460 MT valued at Rs. 86,99,26,761/- were cleared and sold off and are not physically available. They are nevertheless held liable to confiscation under Section 111(o) of the Customs Act, 1962, as the liability to confiscation arises upon the non-observance of the condition and does not depend upon continued availability of the goods. The goods have already been cleared and are no longer under the control of 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, the issue has already been

settled by the 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, I am 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."

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.) Hence, from the above discussion and relying on the above judgments, I conclude that in the present case, the redemption fine in lieu of confiscation of the goods under Section 125 of the Customs Act, 1962 is required to be imposed.

42. The SCN proposes against Noticees viz, (a) M/s. Sundaram Sales Private Ltd., (b) M/s. Vishwas Refoils & Consumer Ltd., and (iii) M/s Vikram Industries only the confiscation of the goods found with them and the enforcement of their Bond and Bank Guarantee towards redemption fine. Their contentions of the above mentioned 03 noticees regarding absence of *mens rea*, therefore, bear only on the question of the quantum of fine, as discussed below. The contention that the Noticees bought the goods bona fide, without knowing that they were duty-free subject to conditions, does not answer the charge of liability to confiscation. Section 111(o) of the Customs Act, 1962 attaches to the goods in respect of which the condition of the exemption notification has not been observed. Condition (xii) of Notification No. 21/2023-Cus dated 01.04.2023 provides that the materials "shall not be transferred or sold"; once the materials are sold, they are rendered liable to confiscation by the very act of sale, and that liability follows the goods into the hands of whoever possesses them. A buyer acquires the goods subject to that statutory incidence. The knowledge of the buyer is not an ingredient of Section 111(o) of the Customs Act, 1962.

43. I found that the Noticees paid through banks and received GST invoices which only shows that the transactions were recorded and it does not make the sale imported goods cleared under Advance Authorisation lawful under the Customs notification No. 21/2023-Cus dated 01.04.2023. Indeed, these very invoices and e-way bills are the evidence of the transfer/sale that violates condition (xii) of the Notification. Similarly, the plea that no clandestine removal is alleged against them, or that RBD Palm Olein is not a prohibited item, is not relevant to Section 111(o) of the Customs Act, 1962.

44. I found that M/s Sundaram Sales Private Ltd. have in their defence stated that they had no dealing with M/s OPL and have merely bought the goods from M/s Parc. At Para-10, the chain of events for Warehousing B/E No. 8268445 dated 12.10.2023 has been shown , which M/s Sundaram Sales Private Ltd. has not controverted and thus shows that M/s Sundaram Sales Private Ltd is a link in

the Bond-to-Bond chain and they have sold the 500 MT of goods in bond to M/s Oligo Foods Pvt. Ltd. (Inv. SSPL/BND/007 dated 28.10.2023), a firm controlled by Shri Lalit Jain. Further, M/s Oligo Foods Pvt. Ltd. have transferred the goods to M/s OPL on the same day and thereafter M/s OPL cleared the subject goods duty-free by Ex-Bond Bills of Entry on 01/02.11.2023 and, via M/s Parc the same 500 MT came back to M/s Sundaram Sales Private Ltd. under M/s Parc's Invoices of 01.11.2023 and 03.11.2023. These circumstances are not consistent with ordinary-course purchase of duty-paid goods.

45. I found that M/s **Vishwas Refoils & Consumer Ltd. and M/s Vikram Industries** are located at the end of the chain and dealt through broker M/s. S. Kumar for the purchase of goods cleared duty free by M/s OPL by filing Ex-Bond Bill of Entries. Further, the Noticees viz, (a) M/s. Sundaram Sales Private Ltd., (b) M/s. Vishwas Refoils & Consumer Ltd., and (iii) M/s Vikram Industries have referred to judgment in case of **Opus Asia Technologies Pvt. Ltd. v. Commissioner of Customs (Sea), Chennai, 2004 (168) ELT 72 (Tri.-Chennai and have requested** that fine must be commensurate with the margin of profit and that if profit is wiped out no fine may be imposed. **It is found that** Section 125 of the Customs Act, 1962 leaves the quantum of fine to the discretion of the adjudicating authority and that such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon. Therefore, I found that the margin of profit is not required to be quantified by the Department for the fine to be levied under Section 125 of the Customs Act, 1962.

46. Taking above findings into account, I consider it appropriate to give the Noticees viz, (a) M/s. Sundaram Sales Private Ltd., (b) M/s. Vishwas Refoils & Consumer Ltd., and (iii) M/s Vikram Industries , an option of redeeming the goods on payment of redemption fine under provisions of Section 125 of the Customs Act, 1962. The Bond and Bank Guarantee executed by the Noticees at the time of provisional release are to be enforced towards the redemption fine imposed on each of them, if the fine is not paid voluntarily within the time

stipulated in this Order. The balance, if any, shall continue to be held as security in terms of the provisional release in respect of the Customs liability on the corresponding quantity of goods until it is discharged, and thereafter be dealt with in accordance with the law.

47. **Penalty on Shri Lalit Jain:** I have held that Shri Lalit Jain is the beneficial owner and effective controller of M/s OPL and M/s Parc. Shri Lalit Jain is the person who benefited from the diversion of goods cleared duty free under Advance Authorisations, and that the duty has not been paid by reason of collusion, wilful mis-statement and suppression of facts. Foe these acts, Shri Lalit Jain has thereby rendered himself liable to a penalty under Section 114A of the Customs Act, 1962. As Section 114A bars a simultaneous penalty on the same person under Section 112, I impose the penalty on him under Section 114A only, and the proposal to impose penalty under Section 112(a) and (b) on him is dropped.

48. **Penalty on Shri Sunil Jain, Director, M/s. Organitech Pvt. Ltd: Shri Sunil Jain** has admitted to having accepted directorship of M/s OPL and other firms for money, knowing that import and export business would be done through them, and to signing documents and cheques as directed by Shri Lalit Jain. By lending his name and signature he facilitated the import and diversion of goods which he had reason to believe would be dealt with improperly, and has thereby abetted the acts that rendered the goods liable to confiscation. In view of the above, I held **Shri Sunil Jain, Director, M/s. Organitech Pvt. Ltd** liable for imposing penalty under Section 112(a)(ii) and (b)(ii) of the Customs act, 1962.

49. **Shri Tarun Kapoor, Director, M/s. Organitech Pvt. Ltd.:** I found that from the statements and evidences gathered during investigation that Shri Tarun Kapoor was a namesake director who signed the documents and cheques of M/s OPL. Unlike Shri Sunil Jain, he has evaded the investigation and has not responded to the SCN or to the hearing notices and cannot be traced. I held

Shri Tarun Kapoor, Director, M/s. Organitech Pvt. Ltd liable for imposing penalty under Section 112(a)(ii) and (b)(ii) of the Customs act, 1962.

50. The Supplementary SCN dated 01.04.2026 adds the financial trail and GST data to the case already made out in the SCN dated 26.12.2025. I take the findings recorded therein into consideration, and hold that they independently corroborate the finding that the duty-free goods were diverted and monetised, that M/s OPL and M/s Parc were firms operated by Shri Lalit Jain, and that the proceeds were collected by him being the beneficial owner if goods cleared duty free under Advance Authorisations by Shri Lalit Jain.

ORDER

A. In respect of Shri Lalit Kumar Babulal Tater alias Lalit Jain

(i) I **deny** the exemption from customs duty availed under Notification No. 21/2023-Customs dated 01.04.2023 on import of 11,968.346 MT of RBD Palm Olein (Edible Grade) through 64 Ex-Bond Bills of Entry against Advance Authorisation Nos. 05611001950, 05611001958, 05611001997 and 05611002207, and **confirm the demand** of customs duty of **₹13,29,20,055/- (Rupees Thirteen Crore Twenty-Nine Lakh Twenty Thousand and Fifty-Five only)** under Section 28(4) of the Customs Act, 1962, to be recovered from him.

(ii) I order that **interest** at the applicable rate be paid by him on the duty confirmed at (i) above under Section 28AA of the Customs Act, 1962, from the date of clearance under the respective Ex-Bond Bills of Entry till the date of payment.

(iii) I hold the seized goods, namely 373.886 MT of RBD Palm Olein, liable to **confiscation** under Section 111(o) of the Customs Act, 1962, and, since they have been provisionally released, give the option of redemption to the persons concerned as ordered at B, C and D below.

(iv) I hold the unseized goods, namely 11,594.460 MT of RBD Palm Olein valued at ₹86,99,26,761/-, liable to **confiscation** under Section 111(o) of the Customs Act, 1962. I impose redemption fine of Rs. **₹8,69,92,676/-**, **(Rupees Eight Crore Sixty-Nine Lakh Ninety Two Thousand and Six Seventy-Six only)** Under Section 125(1) of the Customs Act, 1962, in lieu of confiscation.

(v) I impose a penalty of **₹13,29,20,055/-** (equal to the duty confirmed at (i) above) upon Shri **Lalit Kumar Babulal Tater alias Lalit Jain** under Section 114A of the Customs Act, 1962.114A.

(vi) I do not impose any penalty on Shri **Lalit Kumar Babulal Tater alias Lalit Jain** under Section 112(a) and (b) of the Customs Act, 1962.

B. In respect of M/s. Sundaram Sales Pvt. Ltd.

(i) I order **confiscation** of the 299.11 MT of RBD Palm Olein valued at ₹2,17,97,312/- seized under Seizure Memo dated 24.11.2023 under Section 111(o) of the Customs Act, 1962, and give the option to redeem the goods on payment of a **redemption fine of ₹21,79,731/- (Rupees Twenty-One Lakh Seventy Nine Thousand and Seven Thirty One only)** under Section 125 of the Act, within 120 days from the date of communication of this Order, failing which the option shall become void.

(ii) I order that the Bond and Bank Guarantee furnished for provisional release be **enforced/appropriated** towards the redemption fine, if not paid voluntarily within 30 days of the communication of this Order

C. In respect of M/s. Vishwas Refoils & Consumer Ltd.

(i) I order **confiscation** of the 49.986 MT of RBD Palm Olein valued at ₹36,42,710/- seized under Seizure Memo dated 23.11.2023 under

Section 111(o) of the Customs Act, 1962, and give the option to redeem the goods on payment of a **redemption fine of ₹3,64,271/- (Rupees Three Lakh Sixty Four Thousand and Two Hundred Seventy One only)** under Section 125 of the Act, within 120 days from the date of communication of this Order, failing which the option shall become void.

(ii) I order that the Bond and Bank Guarantee furnished for provisional release be **enforced/appropriated** towards the redemption fine, if not paid voluntarily within 30 days of the communication of this Order.

D. In respect of M/s. Vikram Industries

(i) I order **confiscation** of the 24.790 MT of RBD Palm Olein valued at ₹18,06,544/- seized under Seizure Memo dated 23.11.2023 under Section 111(o) of the Customs Act, 1962, and give the option to redeem the goods on payment of a **redemption fine of ₹1,80,654/- (Rupees One Lakh Eighty Thousand and Six Hundred Fifty Four only)** under Section 125 of the Act, within 120 days from the date of communication of this Order, failing which the option shall become void.

(ii) I order that the Bond and Bank Guarantee furnished for provisional release be **enforced/appropriated** towards the redemption fine, if not paid voluntarily within 30 days of the communication of this Order.

E. In respect of Shri Sunil Jain

(i) I impose a **penalty of ₹1,32,92,005/- (Rupees One Crore Thirty-Two Lakh Ninety Two Thousand and Five only)** on him each under Section 112(a)(ii) of the Customs Act, 1962.

(ii) I impose a **penalty of ₹1,32,92,005/- (Rupees One Crore Thirty-Two Lakh Ninety Two Thousand and Five only)** on him each under Section 112(b)(ii) of the Customs Act, 1962.

F. In respect of Shri Tarun Kapoor

(i) I impose a **penalty of ₹1,32,92,005/- (Rupees One Crore Thirty-Two Lakh Ninety Two Thousand and Five only)** on him each under Section 112(a)(ii) of the Customs Act, 1962.

(ii) I impose a **penalty of ₹1,32,92,005/- (Rupees One Crore Thirty-Two Lakh Ninety Two Thousand and Five only)** on him each under Section 112(b) (ii) of the Customs Act, 1962.

G. In respect of M/s. Organitech Pvt. Ltd.

(i) No separate order of demand or penalty is passed against M/s. Organitech Pvt. Ltd. since none was proposed in the charging paragraphs of the SCN. The Department's right to proceed against the said firm under its Bond or otherwise in accordance with law is not affected, subject to credit of any recovery made from Shri Lalit Jain.

51. This Order is passed 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.

52. The Show Cause Notice F.No. GEN/ADJ/COMM/744/2025-Adjn-O/o Commr-Cus-Kandla dated 26.12.2025, read with the Supplementary Show Cause Notice dated 01.04.2026, stands disposed of in the above terms.

Digitally signed by
Dinesh Singh
Date: 16-10-2026
22:49:34

(Dinesh Singh)
Commissioner of Customs
Custom House, Kandla

By E-Office/E-mail:

1. M/s. Organitech Pvt. Ltd., 602, Deep Shikha Tower-8, Rajendra Place, New Delhi.

2. Shri Lalit Kumar Babulal Tater alias Lalit Jain, B-69, Upper Ground Floor, Raman Lamba Marg, Plastic Free Park, New Rajendra Nagar, Central Delhi – 110060.

3. Shri Sunil Jain, Director, M/s. Organitech Pvt. Ltd., 406, Sector 7, Faridabad, Haryana.

4. Shri Tarun Kapoor, Director, M/s. Organitech Pvt. Ltd., 602, Deep Shikha Tower-8, Rajendra Place, New Delhi.

5. M/s. Sundaram Sales Pvt. Ltd., 338 & 339, Akbar-Malahi, P.O. Hajipur, P.S. Sarai, Vaishali, Bihar – 844125

6. M/s. Vishwas Refoils & Consumer Ltd., Plot No. 12 & 13, Survey No. 112/L, RUDA Transport Nagar, Rajkot – 360003

7. M/s. Vikram Industries, Plot No. 5 to 8, Parekh Industrial Estate-3B, Tatithaiya, Taluka Palsana, Surat

Copy to:

1. The Additional Director General, DRI, Zonal Unit, Ahmedabad.
2. The Additional/Joint DGFT, Rajkot
3. The Deputy/Assistant Commissioner (TRC), Custom House, Kandla.
4. The Deputy/Assistant Commissioner (CCO), Customs Ahmedabad Zone.