सीमाशुल्क(अपील) आयुक्तकाकार्यालय,

OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), अहमदाबाद, AHMEDABAD,

चौथी मंज़िल 4th Floor, हडकोभवनHUDCO Bhavan, ईश्वर भुवन रोड़ IshwarBhuvan Road,

नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009

दूरभाषक्रमांक Tel. No. 079-26589281

DIN- 20261071MN00005B8787

क	फ़ाइलसंख्या FILE NO.	S/49-104/CUS/KDL/FEB/25-26
ख	अपीलआदेशसंख्या ORDER-IN-APPEAL NO. (सीमाशुल्कअधिनियम, 1962 कीधारा 128ककेअंतर्गत) (UNDER SECTION 128A OF THE CUSTOMS ACT, 1962):	KDL-CUS-000-APP-57-2026-27
ग	पारितकर्ता PASSED BY	Shri Vishwajeet Singh Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	07.10.2026
ङ	उदभूतअपीलआदेशकीसं. वदिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	OIO No. KDL/AC/BYR/184/EODC/2025-26 dated 31.12.2025, passed by Assistant Commissioner of Customs (EODC), Custom House, Kandla
च	अपीलआदेशजारीकरनेकीदिनांक ORDER- IN-APPEAL ISSUED ON:	07.10.2026
छ	अपीलकर्ताकानामवपता NAME AND ADDRESS OF THE APPELLANT:	M/s Cargill India Pvt. Ltd., Y-65, Ground Floor, Hauz Khas, South Delhi, New Delhi - 110016. (Address for correspondence: 10th Floor, Tower - 1 & 3, AIPL Business Club, Golf Course Ext Road, Sector 62, Gurugram - 122018.)

1.	**यहप्रतिउसव्यक्तिकेनिजीउपयोगकेलिएमुफ्तमेंदीजातीहैजिनकेनामयहजारीकियागयाहै.**
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	**सीमाशुल्कअधिनियम 1962 कीधारा 129 डीडी (1) (यथासंशोधित) केअधीननिम्नलिखितश्रेणियोंकेमामलोंकेसम्बन्धमेंकोईव्यक्तिइसआदेशसेअपनेकोआहतमहसूसकरताहोतोइसआदेशकीप्राप्तिकीतारीख से 3 महीनेकेअंदरअपरसचिव/संयुक्तसचिव (आवेदनसंशोधन),वित्तमंत्रालय, (राजस्वविभाग) संसदमार्ग,नईदिल्लीकोपुनरीक्षणआवेदनप्रस्तुतकरसकतेहै.**
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.

	निम्नलिखितसम्बन्धितआदेश/Order relating to :
(क)	बैगेज़केरूपमेंआयातितकोईमाल.
(a)	any goods imported on baggage.
(ख)	भारतमेंआयातकरनेहेतुकिसीवाहनमेंलादागयालेकिनभारतमेंउनकेगन्तव्यस्थानपरउतारेनगएमालयाउसगन्तव्यस्थानपरउतारेजानेकेलिएअपेक्षितमालउतारेनजानेपरयाउसगन्तव्यस्थानपरउतारेगएमालकीमात्रामेंअपेक्षितमालसेकमीहो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग)	सीमाशुल्कअधिनियम, 1962 केअध्यायX तथाउसकेअधीनबनाएगएनियमोंकेतहतशुल्कवापसीकीअदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
3.	पुनरीक्षणआवेदनपत्रसंगतनियमावलीमेंविनिर्दिष्टप्रारूपमेंप्रस्तुतकरनाहोगाजिसकेअन्तर्गतउसकीजांचकीजाएगीऔरउसकेसाथनिम्नलिखितकागजातसंलग्नहोनेचाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्टफीएक्ट,1870केमदसं.6 अनुसूची 1 केअधीननिर्धारितकिएगएअनुसारइसआदेशकी 4 प्रतियां,जिसकीएकप्रतिमेंपचासपैसेकीन्यायालयशुल्कटिकटलगाहोनाचाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्धदस्तावेज़ोंकेअलावासाथमूलआदेशकी 4 प्रतियां,यदिहो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षणकेलिएआवेदनकी 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षणआवेदनदायरकरनेकेलिएसीमाशुल्कअधिनियम, 1962 (यथासंशोधित) मेंनिर्धारितफीसजोअन्यरसीद,फीस,दण्ड,जब्तीऔरविविधमदोंकेशीर्षकेअधीनआताहैमेंरु. 200/-(रूपएसौमात्र)यारु.1000/- (रूपएएकहज़ारमात्र),जैसाभीमामलाहो,सेसम्बन्धितभुगतानकेप्रमाणिकचलानटी.आर.6 कीदोप्रतियां. यदिशुल्क,मांगागयाब्याज,लगायागयादंडकीराशिऔररूपएएकलाखयाउससेकमहोतोऐसेफीसकेरूपमेंरु.200/- औरयदिएकलाखसेअधिकहोतोफीसकेरूपमेंरु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.
4.	मदसं. 2 केअधीनसूचितमामलोंकेअलावाअन्यमामलोंकेसम्बन्धमेंयदिकोईव्यक्तिइसआदेशसेआहतमहसूसकरताहोतोवेसीमाशुल्कअधिनियम 1962 कीधारा 129 ए (1) केअधीनफॉर्मसी.ए.-3 मेंसीमाशुल्क,केन्द्रीयउत्पादशुल्कऔरसेवाकरअपीलअधिकरणकेसमक्षनिम्नलिखितपतेपरअपीलकरसकते हैं
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :

	सीमाशुल्क, केंद्रीयउत्पादशुल्कवसेवाकरअपीलियअधिकरण,पश्चिमीक्षेत्रीयपीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरीमंज़िल,बहुमालीभवन,निकटगिरधरनगरपुल, असारवा,अहमदाबाद-380016	2nd Floor, BahumaliBhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016

5.	सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए (6) केअधीन,सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए(1)केअधीनअपीलकेसाथनिम्नलिखितशुल्कसंलग्नहोनेचाहिए-
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -
(क)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपाँचलाखरूपए याउससेकमहोतोएकहज़ाररुपए.
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;
(ख)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपाँचलाखरूपएसे अधिकहोलेकिनरुपये पचासलाखसेअधिकनहोतो;पांचहज़ाररुपए
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;
(ग)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपचासलाखरूपए सेअधिकहोतो;दसहज़ाररुपए.
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees
(घ)	इसआदेशकेविरुद्धअधिकरणकेसामने,मांगेगएशुल्कके 10% अदाकरनेपर,जहांशुल्कयाशुल्कएवंदंडविवादमेंहैं,यादंडके 10% अदाकरनेपर,जहांकेवलदंडविवादमेंहै,अपीलरखाजाएगा।
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
6.	उक्तअधिनियमकीधारा 129 (ए) केअन्तर्गतअपीलप्राधिकरणकेसमक्षदायरप्रत्येकआवेदनपत्र- (क) रोकआदेशकेलिएयागलतियोंकोसुधारनेकेलिएयाकिसीअन्यप्रयोजनकेलिएकिएगएअपील : - अथवा (ख) अपीलयाआवेदनपत्रकाप्रत्यावर्तनकेलिएदायरआवेदनकेसाथरुपयेपाँचसौकाशुल्कभीसंलग्नहोनेचाहिए.
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.

ORDER-IN-APPEAL

This appeal has been filed by M/s Cargill India Pvt. Ltd., Y-65, Ground Floor, Hauz Khas, South Delhi, New Delhi – 110016 (hereinafter referred to as "the appellant"), under Section 128 of the Customs Act, 1962, against Order-in-Original No. KDL/AC/BYR/184/EODC/2025-26 dated 31.12.2025 (hereinafter "the impugned order") passed by the Assistant Commissioner of Customs (EODC), Custom House, Kandla (hereinafter "the adjudicating authority"), to the extent it imposes a penalty of Rs. 2,00,000/- upon the appellant under Section 117 of the Customs Act, 1962.

BRIEF FACTS OF THE CASE

1. M/s Cargill India Pvt. Ltd., Y-65, Ground Floor, Hauz Khas, South Delhi, New Delhi – 110016 (IEC No. 596044330) ("the appellant"), engaged in the business of import of various types of crude edible oils, is holder of two Advance Authorisation Licences bearing No. 0310832389 dated 23.10.2019 and No. 0310834910 dated 17.02.2020, registered with Custom House, Kandla, against which the appellant had imported inputs duty-free under Notification No. 18/2015-Customs dated 01.04.2015, as amended, executing a bond under Section 143 of the Customs Act, 1962 for due discharge of export obligation.

2. The Export Obligation Period (EOP) under the said two licences expired on 23.01.2021 and 18.08.2021 respectively. Condition (viii) of the said Notification (read with Para 4.26 of the Handbook of Procedures) required the licensee to produce evidence of discharge of export obligation, i.e. the Export Obligation Discharge Certificate (EODC)/Redemption Certificate, to the satisfaction of the proper officer within sixty days of expiry of the EOP, or within such extended period as may be allowed. Admittedly, the appellant did not furnish the EODC within the said period.

3. The appellant was called upon vide letters dated 11.01.2022 and 01.03.2022 to produce the EODC/Redemption Certificate, and thereafter Show Cause Notice No. 04/2021-22/EODC dated 31.03.2022 was issued proposing recovery of duty foregone with interest under the said Notification read with Section 143 of the Customs Act, 1962, imposition of penalty under Section 117 of the Customs Act, 1962, and enforcement of the bond executed by the appellant.

4. The appellant replied to the Show Cause Notice on 22.06.2022, stating, inter alia, that the requisite documents for redemption had been submitted to DGFT, Mumbai on 13.04.2022. The appellant further submitted on 22.12.2025 that copies of the EODC/redemption letters issued by the Additional DGFT, Ahmedabad on 18.11.2025 (for Licence No. 0310832389) and 22.10.2024 (for Licence No. 0310834910) had been furnished to the Department by e-mail dated 18.12.2025, and requested that the Show Cause Notice proceedings be dropped.

5. The Adjudicating authority vide the impugned Order-in-Original No. KDL/AC/BYR/184/EODC/2025-26 dated 31.12.2025, on the basis of the redemption letters/EODC produced, held that the main condition of the Notification, namely export of resultant goods manufactured out of the duty-free imported goods, stood fulfilled, and accordingly (i) dropped the demand of duty and interest in respect of both Authorisations, and (ii) dropped the proceedings for enforcement of the bond executed by the appellant. However, the adjudicating authority imposed a penalty of Rs. 1,00,000/- for each of the two Advance Authorisations (aggregating Rs. 2,00,000/- (Rupees Two Lakh only)) on the appellant under Section 117 of the Customs Act, 1962, on the ground that the appellant had not approached the office proactively until the Show Cause Notice was issued and had delayed submission of the EODC/redemption documents, by approximately 4 years 10 months in respect of Authorisation No. 0310832389 and approximately 3 years 2 months in respect of Authorisation No. 0310834910 (computed from expiry of the respective EOP).

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6. Aggrieved by the imposition of the said penalty, the appellant has filed the present appeal under Section 128 of the Customs Act, 1962, seeking to set aside the impugned order to the extent of the penalty of Rs. 2,00,000/-.

GROUNDS OF APPEAL

7. The appellant has, in substance, urged the following grounds:

(a) The Department has itself acknowledged that there is no breach of export obligation warranting payment of duty or encashment of bond; once the substantive obligation stands fulfilled, penalty cannot be imposed merely on the ground of belated filing of the EODC, there being no loss of revenue and no mala fide intention.

(b) Section 117 of the Customs Act, 1962 being a residuary penal provision, its invocation requires more than a technical or procedural lapse, and once export obligation is duly fulfilled and there is no suppression or wilful default, penalty does not survive, relying on Regency Ceramics Ltd. v. Commissioner of Customs (Export), Chennai, 2018 (363) E.L.T. 293 (Tri.-Chennai), Hotel Surya Continental v. Commissioner of Customs (ICD), New Delhi, 2014 (314) E.L.T. 564 (Tri.-Del.) and Davangere Wire Rope Industries Pvt. Ltd. v. Commissioner of Customs (Appeals), Bangalore, 2006 (196) E.L.T. 445 (Tri.-Bang.).

(c) The appellant cannot be penalised for the time taken by DGFT in issuing the EODC, the appellant's responsibility being confined to completing the export obligation and submitting the requisite documents to DGFT, relying on Kabir Oldtex v. Commissioner of Customs, CESTAT New Delhi, 2023 (12) TMI 388.

8. PERSONAL HEARING:

A personal hearing in the matter was held on 05.08.2026. Ms. Neha Khurana, Senior Customs Advisor appeared on behalf of the Appellant and reiterated the submissions made at the time of filing of the appeal.

DISCUSSION AND FINDINGS

9. Before going into the merits of the case, I find that the impugned order was received by the appellant on 31.12.2025 and the appeal was filed on 27.02.2026, i.e. within 58 days of communication of the order, which is within the period of sixty days prescribed under Section 128(1) of the Customs Act, 1962 and is therefore admitted for decision on merits.

10. The appellant has deposited Rs. 15,000/- (Rupees Fifteen Thousand only), being 7.5% of the disputed penalty of Rs. 2,00,000/-, vide Challan No. 6721836713 dated 16.02.2026, in compliance with Section 129E(i) of the Customs Act, 1962. The appeal is therefore maintainable.

11. The Assistant Commissioner of Customs (EODC), Kandla was asked for comments on the appeal vide this office letter dated 27.02.2026, but no comments have been received till date. I am, therefore, deciding the appeal on the basis of the facts and documents already on record.

12. I have carefully gone through the impugned order, the appeal memorandum, grounds of appeal and the submissions made at the time of personal hearing. The short question for determination is whether the penalty of Rs. 2,00,000/- imposed under Section 117 of the Customs Act, 1962, for delay in furnishing the EODC in respect of the two Advance Authorisations, is legal, proper and sustainable in the facts and circumstances of the case.

13. It is not in dispute that the export obligation under both licences stood fully discharged in value and quantity terms, as certified by the Additional DGFT, Ahmedabad in the EODCs dated 18.11.2025 and 22.10.2024. It is on this basis that the adjudicating authority dropped the demand of duty and interest and the proceedings for enforcement of the bond. The only surviving dispute is the penalty imposed solely on account of delay in furnishing EODC.

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14. I further find that the impugned order mentions a delay of about 4 years and 10 months and 3 years and 2 months, calculated from the date of expiry of the EOP up to the date of issue of the EODC by DGFT, as per the table below:

Sr. No.	License No.	License Date	Last Date of EOP	Due Date for Submission of EODC (EOP + 60 days)	EODC/Redemption Letter Date (by DGFT)	Delay in Submission of EODC
1	0310832389	23.10.2019	23.01.2021	24.03.2021	18.11.2025	04 Years 10 months approx.
2	0310834910	17.02.2020	18.08.2021	17.10,2021	22.10.2024	03 Years 2 months approx.

I further find that the penalty has been imposed mainly on the ground of this delay. However, the order does not clearly state who was responsible for the delay.

15. As already noted, the appellant's own written submission dated 22.05.2022 admits that the application for EODC was filed with DGFT, Mumbai only on 13.04.2022, whereas the 60-day period prescribed for furnishing evidence of discharge of export obligation had expired on 24.03.2021 and 17.10.2021 respectively for the two licences. The application was thus filed after the letters dated 11.01.2022 and 01.03.2022 had been issued by Custom House, Kandla and even after the Show Cause Notice dated 31.03.2022. This leaves an unexplained and unaccounted delay of approximately 12-13 months in respect of the first licence and approximately 6 months in respect of the second licence, squarely and admittedly on the part of the appellant, before the appellant even approached DGFT. No document has been placed on record, neither before the adjudicating authority nor before this forum evidencing any request made by the appellant to Customs for extension of the said 60-day period, nor any explanation whatsoever for this initial lapse. The appellant's assertion in the grounds of appeal that the delay lay with DGFT and that the appellant is not at fault glosses over this admitted initial default, which is entirely of the appellant's own making and is not attributable, on any reading of the record, to DGFT or to Customs.

16. The appellant's own default in approaching DGFT beyond the prescribed period, for reasons neither disclosed nor substantiated, constitutes a clear contravention of condition (viii) of the exemption Notification No. 18/2015-Customs read with the bond executed under Section 143 of the Customs Act, 1962, and is squarely a contravention attracting penalty under Section 114 of the Customs Act, 1962, which is the residuary penal provision for contravention of the Act, rules, regulations, and conditions of notifications issued thereunder for which no penalty is separately provided. The circumstance that the export obligation was ultimately found by DGFT to have been fulfilled, and that there is no loss of revenue, does not efface this independent contravention of the timeline prescribed for furnishing evidence of such fulfilment; the two are distinct obligations under the scheme of the Notification.

17. The case law relied upon by the appellant is distinguishable. In Regency Ceramics (supra), Hotel Surya Continental (supra) and Davangere Wire Rope Industries (supra) the penalty was found unsustainable because fulfilment of export obligation was not in dispute and no other default was on record; here the demand was dropped only due to belated fulfilment, and the appellant's own submission shows a discrete period of delay attributable to itself in approaching DGFT. In Kabir Oldtex (supra), the principle that an assessee cannot be penalised for the time taken by DGFT in issuing the EODC does not assist the appellant, as the penalty is sustained here not for the time taken by DGFT after the application was made, but for the appellant's own delay in approaching DGFT within the prescribed period.

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18. In view of the foregoing discussion, I do not find any infirmity in the impugned Order-in-Original insofar as it imposes penalty of Rs. 2,00,000/- (Rs. 1,00,000/- each for the two Advance Authorisations) under Section 117 of the Customs Act, 1962, on the appellant for delay in filing the application for EODC before DGFT and consequent delay in furnishing evidence of discharge of export obligation to the Customs authorities. The grounds urged by the appellant do not warrant interference with the impugned order.

ORDER

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

(i) The impugned Order-in-Original is upheld and the appeal filed by M/s Cargill India Pvt. Ltd. is rejected.

(ii) The appeal is disposed of in the above terms.

Vishwajeet Singh
07.10.2026.

(Vishwajeet Singh)
Commissioner of Customs (Appeals)
Ahmedabad
Date 07.10.2026

F. No. S/49-104/CUS/KDL/FEB/2025-26

To,

M/s Cargill India Pvt. Ltd , Y-65, Ground Floor, Hauz Khas, South Delhi, New Delhi – 110016.

Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Commissioner of Customs, Kandla.
3. The Assistant Commissioner of Customs (EODC), Custom House, Kandla.
4. Guard File.

सत्यापित/ATTESTED
अधीक्षक/SUPERINTENDENT
सीमा शुल्क (अपील), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD