	प्रधान आयुक्त का कार्यालय,सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP & SEZ MUNDRA, KUTCH-GUJARAT** **EMAIL: group1-mundra@gov.in**	

A	File No.	CUS/APR/5088/2026-Gr 1-O/o Pr Commr-Cus-Mundra
B	Order-in-Original No.	**MCH/ADC/ZDC/418/2026-27**
C	Passed by	**Dipak Zala** Additional Commissioner of Customs, Custom House, Mundra.
D	Date of order	**21.10.2026**
E	Noticee/Party/Importer	M/s Parasnath Organics Private Limited (0507087119) (IEC: APGPK2572L)
F	SCN No. & Date	Waived.

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।

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

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1- में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

" सीमा शुल्क आयुक्त (अपील),

चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद-380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA
Having his office at 4th Floor, HUDCO Building, Ishwar Bhuvan Road,
Navrangpura, Ahmedabad-380 009."

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए ।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

(i) उक्त अपील की एक प्रति और

A copy of the appeal, and

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं॰-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए ।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटि/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये ।

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

6. अपील प्रस्तुत करते समय, सीमा शुल्क (अपील) नियम,1982 और सीमा शुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए ।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

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

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

BRIEF FACTS OF THE CASE

M/s Parasnath Organics Private Limited (0507087119) situated at Survey No 465 & 466, Village Hatdi, Taluka Mundra, Mundra, GUJARAT-370410 (hereby called as 'the Importer' for the sake of brevity) has filed Bill of Entry No. 3466220 dated 31.08.2026 hereby called as 'the said BE' for the sake of brevity) for import of goods purportedly said to be '*MIXED HYDROCARBON OIL- CTH-27101990*' through Customs Broker- M/s ATL Delhi at Mundra Port. The assessable value of the goods declared by the importer is Rs. 11,12,322/- and total gross weight for all 02 X 20' Containers (In Drums) is 33,280 KGS.

2. Assessment and Examination of the Goods:

The said BE was selected for assessment and the assessment officer has forwarded the said BE to Docks Officer under first check to draw sample for testing purpose. The Docks Officer opened and examined the goods and representative samples of the goods was forwarded to CRCL, Vadodara for testing vide Test Memo No. 1362389 dated 11.09.2026. The details of the import documents are as below:

Sr. No.	BE No./Date	Container No.	Goods Declared
1	3466220 dated 31.08.2026	CAIU3447313	MIXED HYDROCARBON OIL, CTH-27101990
2		WHLU2912908	

3. Test Report:

The CRCL, Vadodara has issued Test Report No. RCL/Mundra/Imp/1841 dated 14.09.2026 for test memo no. 1362389 dated 11.09.2026. The details of the test report are as under: -

"The sample as received is in the form of brownish liquid having pleasant ordour.

On the basis of Gas Chromatography-Mass spectrometry examination and other tested parameters sample u/r and is a of mixture of hydrocarbon (less than 70% by wt.), organic solvents, perfumery compounds etc., having following constants: -

Density @15 Deg. C (gm/ml) = 0.8786

K.V at 40°C= 1.153 cSt

Flash Point (Abel) = Below Zero °C

Non-Volatile Residue (NVR) = 26.6%

Distillation-Produce forth on heating do not distilled at atmospheric pressure.

On the basis of above tested parameters the sample u/r can not be used as a primary product.

It covers under the category of waste organic solvent.

Actual use of product may be ascertained at your end.

4 Classification of the Goods:

The importer has imported the goods declared as *MIXED HYDROCARBON OIL-CTH-27101990.* However as per CRCL, Vadodara Test Report No. RCL/Mundra/Imp/1841 dated 14.09.2026 the goods were found as "Waste Organic Solvent" instead of Mixed Hydrocarbon Oil. The goods "Waste Organic Solvent" is rightly classifiable under Chapter 38. The CTH 3825 covers the goods "Waste Organic Solvent". The relevant extract of the CTH is as below:

3825		**RESIDUAL PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES, NOT ELSEWHERE SPECIFIED OR INCLUDED; MUNICIPAL WASTE; SEWAGE SLUDGE; OTHER WASTES SPECIFIED IN NOTE 6 TO THIS CHAPTER**			
3825 10 00	-	Municipal waste	kg.	10%	-
3825 20 00	-	Sewage sludge	kg.	10%	-
3825 30 00	-	Clinical waste	kg.	10%	-
	-	*Waste organic solvents:*			
3825 41 00	--	Halogenated	kg.	10%	-
3825 49 00	--	Other	kg.	10%	-
3825 50 00	-	Wastes of metal pickling liquors, hydraulic fluids, brake fluids and anti-freeze fluids	kg.	10%	-
	-	*Other wastes from chemical or allied industries:*			
3825 61 00	--	Mainly containing organic constituents	kg.	10%	-
3825 69 00	--	Other	kg.	10%	-
3825 90 00	-	Other	kg.	10%	-

From the above it clearly appears that the goods "Waste Organic Solvent" is rightly classifiable under CTH 38254900 under 2nd double dash entry of 4th single dash entry of CTH 3825.

5. As per the test report of CRCL, Vadodara, the goods imported under the said BE have been identified as WASTE ORGANIC SOLVENT. In accordance with ITC(HS), 2022 Schedule 1 - Import Policy issued by DGFT, the import of such goods is categorized as

'**Restricted**', subject to compliance with prescribed conditions and procedures. The details are as below:

38247700	Mixtures containing halogenated derivatives of methane, ethane or propane : -- Containing bromomethane (methyl bromide) or bromochloromethane	Restricted	Import permitted as per Policy Condition 3 of Chapter 38
38251000	Municipal waste	Restricted	
38252000	Sewage sludge	Restricted	
38253000	Clinical waste	Restricted	
38254100	Waste organic solvents : -- Halogenated	Restricted	
38254900	Waste organic solvents : -- Other	Restricted	
38255000	Wastes of metal pickling liquors, hydraulic fluids, brake fluids and anti-freeze fluids	Restricted	
38256100	Other wastes from chemical or allied industries : -- Mainly containing organic constituents	Restricted	
38256900	Other wastes from chemical or allied industries : -- Other	Restricted	
38259000	Other	Restricted	

Since the importer has not produced any valid authorisation from DGFT for import of said goods. In fact, the importer has mis-declared the said goods as Mixed Hydrocarbon Oil under CTH 27101990. Therefore, the import of 'WASTE ORGANIC SOLVENT in this case amounts to a violation of the FTP and DGFT Policy/Regulations. The goods become prohibited and therefore, the goods imported under Bill of Entry No. 3466220 dated 31.08.2026 were rendered liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962.

6. **LEGAL PROVISIONS:**

CUSTOMS ACT, 1962

6.1. As per **Section 2 (33)** of the Customs Act, 1962 '**prohibited goods'** means *any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.*

6.2. As per Section 2 (39), **'smuggling'**, in relation to any goods, means *any act or omission which will render such goods liable to confiscation under section 111 or section 113*;

6.3. **SECTION 46** of the Act, prescribes that the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such

bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed.

6.4. Further, **Section 111** of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

The following goods brought from a place outside India shall be liable for confiscation:

> *(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*
>
> *(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54.*

6.5. **Further, Section 112** of the Act provides the penal provisions for improper importation of goods, etc. which read as under**:**

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 section111,*
>
> *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.

6.6. **SECTION 124** prescribes the mandatory issuance of show cause notice before confiscation of goods, which read as under**:**

No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person –

(a) is given a notice in writing with the prior approval of the officer of Customs not below the rank of an Assistant Commissioner of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

***Provided** that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.*

***Provided** further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.*

7. From the discussion in para supra, it appears that the importer, M/s Parasnath Organics Private Limited (0507087119) has attempted to import a restricted item in the guise of item of CTH-27101990, by mis-declaration of description and classification in contravention of various provisions of the Customs Act and Rules made thereunder. The said acts of omission and commission on the part of the importer M/s Parasnath Organics Private Limited (0507087119) have rendered the goods imported under Bill of Entry No. 3466220 dated 31.08.2026 liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962 and also rendered himself liable for penalty under the provisions of Section 112(a)(i) of the Customs Act, 1962.

8. In view of the above, it appears that**: -**

(i) The declared description and classification of the goods i.e. "MIXED HYDROCARBON OIL" and 27101990 in respect of the goods imported vide Bill of Entry No. 3466220 dated 31.08.2026 are liable to be rejected and same needs to be re-determined as WASTE ORGANIC SOLVENT under CTH 38254900.

(ii) The imported goods having declared assessable value of **Rs. 11,12,322/-** are liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962.

(iii) The importer M/s Parasnath Organics Private Limited (0507087119) is liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

9. **Show Cause Notice and Personal Hearing Waiver:**

The importer M/s Parasnath Organics Private Limited (0507087119) vide letter dated 06.10.2026 has requested for waiver of issuance of Show Cause Notice and Personal Hearing in this matter. He also requested for adjudication of the goods with permission to re-export the same.

DISCUSSION AND FINDINGS

10. I have carefully gone through the facts of the case available on records. The importer has requested permission for re-export of the impugned goods and has also waived the requirement of personal hearing and Show Cause Notice. Thus, I find that principle of natural justice as provided in Section 122A of the Customs Act, 1962 have been complied with and therefore, I proceed to decide the case on the basis of documentary evidences available on records. I have carefully gone through the facts available on the record. I find that the following issues are required to be decided in present adjudication proceedings:

(i) Whether the declared description and classification of the goods i.e. “MIXED HYDROCARBON OIL” and 27101990 in respect of the goods imported vide Bill of Entry No. 3466220 dated 31.08.2026 are liable to be rejected and same needs to be re-determined as WASTE ORGANIC SOLVENT under CTH 38254900.

(ii) Whether the imported goods having declared assessable value of **Rs. 11,12,322/-** are liable for confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962.

(iii) Whether the importer M/s Parasnath Organics Private Limited (0507087119) is liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

10.1. I find that M/s Parasnath Organics Private Limited (0507087119) filed Bill of Entry No. 3466220 dated 31.08.2026 for clearance of goods declared as "Mixed Hydrocarbon Oil" classifiable under Customs Tariff Item 27101990. The consignment imported under 02*20 feet containers carrying the goods in Drums with a declared assessable value of Rs. 11,12,322/-. Further, I find that the said BE was selected for assessment and the assessment officer has forwarded the said BE to Docks Officer under first check to draw sample for testing purpose. The Docks Officer opened and

examined the goods and representative samples of the goods was forwarded to CRCL, Vadodara for testing vide Test Memo No. 1362389 dated 11.09.2026.

10.2. I find that the CRCL, Vadodara has issued Test Report No. RCL/Mundra/Imp/1841 dated 14.09.2026 for test memo no. 1362389 dated 11.09.2026. The details of the test report are as under: -

"The sample as received is in the form of brownish liquid having pleasant ordour.
On the basis of Gas Chromatography-Mass spectrometry examination and other tested parameters sample u/r and is a of mixture of hydrocarbon (less than 70% by wt.), organic solvents, perfumery compounds etc., having following constants: -
Density @15 Deg. C (gm/ml) = 0.8786
K.V at 40°C= 1.153 cSt
Flash Point (Abel) = Below Zero °C
Non-Volatile Residue (NVR) = 26.6%

Distillation-Produce forth on heating do not distilled at atmospheric pressure.
On the basis of above tested parameters the sample u/r cannot be used as a primary product.
It covers under the category of waste organic solvent.
Actual use of product may be ascertained at your end.

From the above Test Report, I find that the goods were identified as "Organic Waste Solvent" by the CRCL, Vadodara instead of the declared goods.

10.3. I find that the importer has imported the goods declared as *MIXED HYDROCARBON OIL- CTH-27101990.* However as per CRCL, Vadodara Test Report No. RCL/Mundra/Imp/1841 dated 14.09.2026 the goods were found as "Waste Organic Solvent" instead of Mixed Hydrocarbon Oil. The goods "Waste Organic Solvent" is rightly classifiable under Chapter 38. The CTH 3825 covers the goods "Waste Organic Solvent". The relevant extract of the CTH is as below:

3825		**RESIDUAL PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES, NOT ELSEWHERE SPECIFIED OR INCLUDED; MUNICIPAL WASTE; SEWAGE SLUDGE; OTHER WASTES SPECIFIED IN NOTE 6 TO THIS CHAPTER**			
3825 10 00	-	Municipal waste	kg.	10%	-
3825 20 00	-	Sewage sludge	kg.	10%	-
3825 30 00	-	Clinical waste	kg.	10%	-
	-	*Waste organic solvents:*			
3825 41 00	--	Halogenated	kg.	10%	-
3825 49 00	--	Other	kg.	10%	-
3825 50 00	-	Wastes of metal pickling liquors, hydraulic fluids, brake fluids and anti-freeze fluids	kg.	10%	-
	-	*Other wastes from chemical or allied industries:*			
3825 61 00	--	Mainly containing organic constituents	kg.	10%	-
3825 69 00	--	Other	kg.	10%	-
3825 90 00	-	Other	kg.	10%	-

From the above it clearly appears that the goods "Waste Organic Solvent" is rightly classifiable under CTH 38254900 under 2nd double dash entry of 4th single dash entry of CTH 3825.

10.4. I find that as per the test report of CRCL, Vadodara, the goods imported under the said BE have been identified as WASTE ORGANIC SOLVENT. In accordance with ITC(HS), 2022 Schedule 1 - Import Policy issued by DGFT, the import of such goods is categorized as '**Restricted**', subject to compliance with prescribed conditions and procedures. The details are as below:

38247700	Mixtures containing halogenated derivatives of methane, ethane or propane : -- Containing bromomethane (methyl bromide) or bromochloromethane	Restricted	Import permitted as per Policy Condition 3 of Chapter 38
38251000	Municipal waste	Restricted	
38252000	Sewage sludge	Restricted	
38253000	Clinical waste	Restricted	
38254100	Waste organic solvents : -- Halogenated	Restricted	
38254900	Waste organic solvents : -- Other	Restricted	
38255000	Wastes of metal pickling liquors, hydraulic fluids, brake fluids and anti-freeze fluids	Restricted	
38256100	Other wastes from chemical or allied industries : -- Mainly containing organic constituents	Restricted	
38256900	Other wastes from chemical or allied industries : -- Other	Restricted	
38259000	Other	Restricted	

Since the importer has not produced any valid authorisation from DGFT for import of said goods. In fact, the importer has mis-declared the said goods as Mixed

Hydrocarbon Oil under CTH 27101990. Therefore, the import of 'WASTE ORGANIC SOLVENT in this case amounts to a violation of the FTP and DGFT Policy/Regulations. The goods become prohibited and therefore, the goods imported under Bill of Entry No. 3466220 dated 31.08.2026 were rendered liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962.

10.5. **CONFISCATION OF IMPORT GOODS AND REDEMPTION FINE IN LIEU OF CONFISCATION:**

10.5.1. I find that the goods are liable for confiscation under Section 111(d) & 111(m) of the Customs Act, 1962. In this regard, I find that as far as confiscation of goods are concerned, Section 111 of the Customs Act, 1962, defines the Confiscation of improperly imported goods. The relevant legal provisions of Section 111(d) and Section 111(m) of the Customs Act, 1962 are reproduced below: -

.

.

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

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54;"

10.5.2. I find that the impugned goods have been declared as "Mixed Hydrocarbon Oil" under CTH 27101990, whereas the test reports establish that the goods are WASTE ORGANIC SOLVENT. I further find that the goods are restricted item in accordance with ITC(HS), 2022 Schedule 1 - Import Policy issued by DGFT. These goods can be imported only after valid import authorisation from DGFT for restricted goods. In the present case, I find that the importer has not produce any authorisation from DGFT to import these items. Therefore, the import of these goods is in clear contravention of the Foreign Trade Policy and ITC(HS), 2022 Schedule 1 - Import Policy issued by DGFT. Therefore, I hold that in terms of Section 2(33) of the Customs Act, 1962, goods imported in violation of any prohibition imposed under any law for the time being in force are to be treated as "prohibited goods". Accordingly, I find that the impugned goods are liable to confiscation under Section 111(d) of the Customs Act, 1962.

10.5.3. Further, I find that the importer has declared the goods as "Mixed Hydrocarbon Oil" under CTH 27101990, whereas the goods are actually WASTE ORGANIC SOLVENT under Chapter 3825. The importer has mis-declared the goods in respect of the description and classification. The importer has also tried to import 'restricted' item by mis-declaring it as freely importable goods. These acts rendered the subject goods liable for confiscation under Section 111(m) of the Customs Act, 1962.

10.6. As I have already held these goods liable for confiscation in previous para under Section 111 of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. The Section 125 ibid reads as under: -

> *"Section 125. 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."*

10.6.1. A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of confiscated goods to redeem the goods by paying redemption fine. The Noticees have already, as discussed under foregoing paras, has requested for re-export of the goods. The Noticees have also waived the right personal hearing and SCN. The Noticees also did not disputed the CRCL, Vadodara test reports. I find that Section 125 of the Customs Act, 1962 empowers the adjudicating authority, in cases where goods are liable to confiscation, to grant an option to redeem the goods on payment of fine in lieu of confiscation. In the present case, the goods have remained under customs control and have not been cleared for home consumption. The importer, upon being informed of the test results, has sought re-export and has not pressed for clearance into the domestic market. I observe that confiscation must follow as a consequence of statutory violation. The principles of proportionality and fairness in adjudication require that while enforcement of law is ensured, the punishment should be proportionate to the nature of violation.

10.6.2. I find that import of certain goods requires authorization from DGFT, which the importer admittedly does not possess. Thus, the issue that arises is not one of absolute prohibition of the goods per se, but of non-fulfilment of the statutory and policy

conditions governing their import. In the present case, the importer has failed to obtain the requisite authorization and has thus not satisfied the mandatory pre-conditions for import and clearance of the goods for home consumption. Therefore, the infirmity lies in the importer's failure to comply with the prescribed statutory conditions. In the absence of fulfilment of these essential conditions, the goods cannot be permitted to be cleared into the domestic market.

10.6.3. I further observe that ordering confiscation in the present case and not allowance for re-export would not serve any meaningful revenue purpose. Such a course would only result in unnecessary litigation and prolonged detention of containers at the port without yielding any revenue to the Government. The goods in question are not per se banned items; rather, their import is regulated and conditional. The confiscation ordered herein is thus a legal consequence of non-fulfilment of statutory conditions and absence of requisite authorization.

10.6.4. In view of the above discussion, I am of the considered view that the ends of justice would be met by allowing redemption of the subject goods for the limited purpose of re-export. Imposition of redemption fine along with penalty is sufficient to address the violation and convey a clear deterrent message to similarly placed importers. At the same time, this course ensures that the goods do not enter the domestic market in violation of statutory conditions. Therefore, under the provisions of Section 125 of the Customs Act, 1962, I find it appropriate to allow the importer an option to redeem the goods for the limited purpose of re-export on payment of redemption fine.

10.7. From the above, it is evident that the impugned goods were found to be mis-declared in respect of description, classification and other material particulars. The subject goods found 'restricted" in nature, thus, falls within the meaning of prohibited category of goods due to their import contravening import policy. The above discussed acts on the part of the importer have rendered the subject goods liable to confiscation under Section 111 of the Customs Act, 1962. Accordingly, I hold that the importer is liable for penalty under Section 112(a)(i) of the Customs Act, 1962.

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

ORDER

(i) I reject the declared description and classification of the goods i.e. "Mixed Hydrocarbon Oil" under CTI 27101990 and hold that the impugned goods are correctly describe as "Waste organic Solvent" and classifiable under CTH 38254900.

(ii) I confiscate the impugned goods having declared value of Rs. 11,12,322/- under the provisions of Sections 111(d) and 111(m) of the Customs Act, 1962. However, in exercise of powers conferred under Section 125 of the Customs Act, 1962, I give an option to the importer to redeem the confiscated goods for the limited purpose of re-export only, on payment of redemption fine of **Rs. 1,10,000/- (Rupees One Lakh Ten Thousand only)**.

(iii) I impose a penalty of **Rs. 55,000/- (Rupees Fifty-Five Thousand only)** upon the Importer under Section 112(a)(i) of the Customs Act, 1962.

12. This order is issued without prejudice to any other action which may be contemplated against the importer or any other person in terms of any provision of the Customs Act, 1962 and/or any other law for the time being in force.

Digitally signed by Dipakbhai Zala
Date: 23-10-2026 19:31:17

Additional Commissioner of Customs,
Assessment Group-I/IA,
Custom House, Mundra

To,

M/s Parasnath Organics Private Limited (0507087119),
Survey No 465 & 466, Village Hatdi,
Taluka Mundra, Mundra, GUJARAT-370410.

Copy to:

(i) The Deputy Commissioner of Customs (Review/TRC), CH, Mundra.
(ii) The Deputy Commissioner of Customs, SIIB, CH, Mundra.
(iii) The Deputy Commissioner of Customs (EDI), CH, Mundra.