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|  | <p>OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-I सीमा-शुल्क आयुक्त का कार्यालय, एनएस-1 CENTRALIZED ADJUDICATION CELL, JAWAHARLAL NEHRU CUSTOM HOUSE, केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमा-शुल्क भवन, NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA 400707 न्हावाशेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -400 707</p> |
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Date of Order : 15.05.2026

Date of Issue: 20.05.2026

आदेश की तिथि : 15.05.2026

जारी किए जाने की तिथि: 20.05.2026

DIN: 20260578NW0000522808

F. No. S/10-32/2025-26/Commr /Gr. IIG/NS-I /CAC/JNCH

Show Cause Notice No. 181/2025-26/Commr /Gr. IIG/ NS-I/CAC/JNCH dated 27.05.2025

Passed by: Shri Yashodhan Wanage

पारितकर्ता: श्री यशोधन वनगे

Principal Commissioner of Customs (NS-I), JNCH, Nhava Sheva

प्रधान आयुक्त, सीमा शुल्क (एनएस-1), जेएनसीएच, न्हावाशेवा

Order No: 40/2026-27/Pr. Commr./NS-I/CAC/JNCH dated 15.05.2026

आदेश सं. 40 /2026-27/ प्रधान आयुक्त/एन एस-1/सी ए सी/जे एन सी एच दिनांक 15.05.2026

Name of Party/Noticees: Shri Rajeev Sachadev and Shri Vijay Laxman More

पक्षकार (पार्टी)/ नोटिसीकानाम: श्री राजीव सच्चादेव और श्री विजय लक्ष्मण मोरे

ORDER-IN-ORIGINAL

मूलआदेश

1. The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए नि: शुल्क दी जाती है।

2. Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमा-शुल्क अधिनियम 1962 की धारा 129(ए) के तहत इस आदेश के विरुद्ध सी ई एस टी ए टी, पश्चिमी प्रादेशिक न्याय पीठ (वेस्टरीजनलबेंच), ३४, पी. डी. मेलो रोड, मस्जिद (पूर्व), मुंबई- ४००००९ को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

3. Main points in relation to filing an appeal: -

3. अपील दाखिल करने संबंधी मुख्य मुद्दे: -

Form - Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy).

फार्म - फार्म नं. सी ए ३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से

कम से कम एक प्रति प्रमाणित होनी चाहिए।

Time Limit-Within 3 months from the date of communication of this order.

समय सीमा- इस आदेश की सूचना की तारीख से ३ महीने के भीतर

Fee- (a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.

फीस- (क) (एक हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम ५ लाख रुपये या उससे कम है।

(b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakhs.

(ख) पाँच हजार रुपये- जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम ५ लाख रुपये से अधिक परंतु ५० लाख रुपये से कम है।

(c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.

(ग) दस हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम ५० लाख रुपये से अधिक है।

(ग) दस हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम ५० लाख रुपये से अधिक है।

Mode of Payment - A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.

भुगतान की रीति- क्रॉस बैंकड्राफ्ट, जो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सीईएसटीएटी, मुंबई के पक्ष में जारी किया गया हो तथा मुंबई में देय हो।

General - For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

सामान्य - विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधि तमाम लों के लिए, सीमा-शुल्क अधिनियम, १९९२, सीमा-शुल्क (अपील) नियम, १९८२ सीमा-शुल्क, उत्पादन शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, १९८२ का संदर्भ लिया जाए।

4. Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129 of the Customs Act 1962.

4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उसमें माँगे गये शुल्क अथवा उद्गृहीतशास्ति का ७.५% जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमा-शुल्क अधिनियम, १९६२ की धारा १२८ के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी।

1. BRIEF FACTS OF THE CASE

- 1.1.** It was informed by Directorate of Revenue Intelligence, Sub- Regional Unit, Belagavi vide Letter F. No. DRI/BZU/SRU-BGM/S-IV/INV-01(MRU-INT)/2022 dated 26.02.2025 that M/s Bison Enterprises. (hereinafter referred to as "the importer") a proprietorship firm registered in the name of Shri Vijay Laxman More, holder of IEC AXYPM5970A having its registered premises at House No. 413, Dhushiya Chawl, Anand Nagar, Shilphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra 421306. The said firm is registered under GST with GSTIN 27AXYPM5970A1ZZ.
- 1.2.** Intelligence developed by the officers indicated that M/s Bison Enterprises imported PVC Resins from China under concessional rate of duty as provided under Notification No.18/2015 Cus. dated 01.04.2015 under Advance Authorization Scheme provided in Chapter 4 of Foreign Trade Policy 2015-2020. Intelligence gathered also indicated that M/s Bison Enterprises failed to fulfil the conditions of the exemption notification as there were no exports of manufactured goods, indicating Misuse of Advance Licence Scheme - Customs Notification No. 18/2015 Cus. dated 01.04.2015 by importer.
- 1.3.** The IEC details, Import and Advance License details of M/s Bison Enterprises are as under:

IEC DETAILS

| IEC Code | Name of the importer | Address of the Importer | Phone number & E mail Id | Exporter Type | Name of the proprietor | Residential Address |
|----------------------------|----------------------|---|--|------------------------------------|------------------------|--|
| AXYPM5970A date 03/09/2020 | Bison Enterprises | House No 413, Dhushiya Chawl, Anand Nagar Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra - 421306 Factory Address: Godown No 1a & 2, Shalom Empire Gat Number 169 & 170, Talawade, Tehsil Haveli, Pune, Maharashtra - 411062 | 9819042821 & bisonenterprises.2020@gmail.com | Merchant Cum Manufacturer Exporter | Vijay Laxman More | H. No. D07013 629900, Marut Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan |

IMPORT DETAILS

| Port Of Import | BE No & Date | COO | Item Description | Quantity In Kgs | Item wise Ass. Value | Duty Saved/ Foregone at the time of Import | | | | |
|----------------|-----------------------|-----|------------------|-----------------|----------------------|--|------------|-------------|--------------|--------------|
| | | | | | | BCD | SCD | ADD | IGST | TOTAL |
| INNS A1 | 3209473 19-03-2021 | CN | PVC RESIN | 260000 | 2696758 6 | 2696759 | 26967 6 | 282174 5 | 589603 8 | 116842 17 |
| INMU N1 | 2894282 24-02-2021 | CN | PVC RESIN SG5 | 100000 | 1056061 1 | 1056061 | 10560 6 | 109046 5 | 230629 4 | 455842 6 |
| INNS A1 | 3333337 27-03-2021 | CN | PVC RESIN | 182000 | 1953880 4 | 1953880 | 19538 8 | 197522 2 | 425939 3 | 838388 3 |
| | | | | 542000 | 5706700 1 | 5706700 | 57067 0 | 588743 2 | 124617 25 | 246265 27 |

ADVANCE LICENSE DETAILS: -

| License Number | Licence Code | Bond Number | Bond Amount | Quantity in Kgs | Debit value |
|----------------------------|--------------|-------------|-------------|---|-------------|
| 311001325 dt.28-01-2021 | 3 | 2001825965 | 62500000 | PVC Resin 300285 Kgs Plastcizer 165150 Kgs and Stabilizer 11970 Kgs | 37277574 |
| 311000366 dt.24-12-2020 | 3 | 2001816132 | 62500000 | PVC Resin 300285 Kgs Plastcizer 165150 Kgs and Stabilizer 11970 Kgs | 37277574 |

SEARCH AND MAHAZAR

Office premises of M/s Bison Enterprises, (i) House No. 413, Dhushiya Chawl, Anand Nagar, Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra - 421306 and (ii) H. No. D07013629900, Martu Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan, Thane, Maharashtra - 421 306

- 1.4. Based on the said intelligence, investigation was initiated by way of search of the office premises of M/s Bison Enterprises, (i) House No. 413, Dhushiya Chawl, Anand Nagar, Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra 421306 and (ii) H. No. D07013629900, Martu Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan, Thane, Maharashtra - 421 306. The Incident report with regard to locating the above-mentioned premises of M/s Bison Enterprises on 14.12.2022 is as under: -

1.5. Both the locations of Anand Nagar and Netivali are located on the left side of the Shilphata Road opposite Metro Junction. Both the locations are situated approximately half a kilometer within each other. The location can best be described as a slum area with poor people residing in small dwelling units in a compact locality. The area rises into a hillock with no motorable roads. It consists of small byelanes and accessible only by foot. The Officers enquired with local shops on the entire stretch on Shilphata Road covering Matru Bhumi Nagar to end of Anand Nagar till the circle. The officers climbed the hillock occupied by small dwelling units, into byelanes, enquired with shopkeepers, people moving around, woke up sleeping people and knocked many a door. People associated with supply of kitchen gas cylinders and cable connecting local boys were also contacted. Dhusiya Chawl was not identified by any local person. Officers went deep into the area and made enquiries with residents, small shopkeepers and others. Matru Bhumi Nagar and Homi Baba areas are differently located. Officers could trace three families with the surname of 'More'. Officers could identify one Laxman More but he turned out to be not related to Vijay Laxman More. The door number indicated in the address, also appeared to lead nowhere as there were no door numbers in the area. The number appeared to be similar to electricity meter number, but none coincided with the Door number available on the Search Authorization. Finally, the officers took stock of the proceedings and decided to withdraw from the area as the entire exercise appeared leading to nowhere and the place required to be searched for incriminating documents could not be identified.

Residential premises of Shri Vijay Laxman More proprietor of M/s Bison Enterprises located at Shastri Nagar, Kajupada, Pipeline, Kurla West, Sakinaka, Mumbai, Maharashtra 400072 on 15.12.2022

1.6. The officers searched the residential premises of Shri Vijay Laxman More proprietor of M/s Bison Enterprises located at Shastri Nagar, Kajupada, Pipeline, Kurla West, Sakinaka, Mumbai, Maharashtra 400072 on 15.12.2022 at 14:30 hrs. During the search Shri Vishal Laxman More, elder brother of Shri Vijay Laxman More and Smt. Sonali Kalshinge, younger sister of Shri Vijay Laxman More were present at the residence. The said residential premises was a two-story residence with the bottom portion occupied by the family members of Shri Vijay Laxman More. The bottom portion is a single multi-purpose room with an area of about 15*14 sq. ft. approximately. The said residential premises found to have one almirah, one refrigerator, one television set, one single bed cot, one kitchen table with gas stove. Further there was a staircase which leads to loft located in the same room. In the said loft one single cot was found. Upon enquiry, Shri Vishal Laxman More has informed the officers that the top portion is also owned by them and the same is rented to some tenants. Upon further enquiry by the officers, Shri Vishal Laxman More has informed that Shri Vijay Laxman More, his sister Ms. Vanita Laxman More and himself lives in the bottom portion of the said residential premises. The

officers have asked Shri Vishal Laxman More if Shri Vijay Laxman More is present at home to which he replied in negative. Further, when the officers have asked about the whereabouts of Shri Vijay Laxman More, Shri Vishal Laxman More informed the officers that Shri Vijay Laxman More has gone to work and he works at M/s. Vikas Engineering Enterprises, Standard House Compound, Bail Bazar, Kale Marg, Kurla West, Mumbai 400 070. Shri Vishal Laxman Further informed that Shri Vijay Laxman More has been working with the said firm for about eight years. Further, when the officers asked Shri Vishal Laxman More whether he or his Sister Smt. Sonali Kalshinge are aware of anything about M/s Bison Enterprises, both of them replied in negative. Thereafter the officers conducted systematic search of the said premises and in the course of their search the officers have recovered the following documents:

- i. Xerox copy of Election ID card of Shri Vijay Laxman bearing No.CF7327521
- ii. Xerox copy of PAN card of Shri Vijay Laxman More bearing No. AXYPM5970A
- iii. Xerox copy of Aadhar card of Shri Vijay Laxman More bearing No.306938691875
- iv. Copy of Employee State Insurance Corporation e-Pehchan card with insurance No. 3123225821.
- v. Xerox copy of ration card bearing No. 0093672.

1.7. Apart from the aforementioned documents no other documents in relation to M/s Bison Enterprises were recovered in the course of search. Apart from the above-mentioned documents no other material/documents were taken in to possession by the said officers. As no documents relating to M/s. Bison Enterprises were present in the said residential premises, the officers concluded the proceedings.

M/s Nadiya Polymers, 6th Floor, 24th Kailash Darshan, Kennedy Bridge, Above IDBI Bank, Nana Chowk, Mumbai 400007, proprietorship firm of Sri. Rajeev Sachadev.

1.8. It is important to mention that based on the authorization for search bearing DIN No. 202212DDZ20000948257 dated 13.12.2022 issued by the Deputy Director, Directorate of Revenue Intelligence, Mangalore Regional Unit, search was conducted at the said premises on 13.12.2022 where a name plate bearing name "Nadiya Polymers" was seen on the glass door. On entering the said premises, one person who introduced himself as Mr. Prakash Sakharam Thombare who works as a peon in the said office premise was present and he informed that his educational qualification is tenth pass. On being asked Mr. Prakash Sakharam Thombare confirmed that Shri Rajeev Sachadev comes to the said office on a regular basis. On being asked to call Shri Rajeev Sachadev and confirm whether

he is coming to the office, Mr. Prakash Sakharam Thombare called Shri Rajeev Sachadev and informed the officers that Shri Rajeev Sachadev would be coming to office in some time. As Shri Rajeev Sachadev did not turn up to the said office premise, the officers called him and asked about his arrival to the said office location to which he informed that he would be coming in thirty minutes, however, he did not turn up. The officers then began to conduct search proceedings, during the search proceedings, one person entered the said premises and introduced himself as Mr. Viral Mehta, Consultant and on being asked the officers explained him of the purpose of their visit. Shri Viral Mehta informed that he has taken on lease a part of the said office from Shri Rajeev Sachadev for running a consultancy named V360. He further informed that as the master cabin is leased by him, there are no corresponding files or other material in relation to M/s Nadiya or M/s Universal Impex. Upon enquiring by the officers, he further informed that both M/s Universal Impex and M/s Nadiya Polymers are looked after by Shri Rajeev Sachadev and he is no way related to both the firms and left the premises. During the search proceeding, the following files or documents pertaining to M/s Universal Impex were recovered by the officers under mahazar:

| Sr. No. | Handwritten Title on File | No. of Pages From 01 to |
|----------------|--|--------------------------------|
| 1 | Universal GST yellow flat file | 94 |
| 2 | F. No. 03AA04011621AMR1 yellow flat file | 131 |
| 3 | Al Hawaii Co. LLC green flat file | 135 |
| 4 | Universal Impex IT file AY 2019-20 pink flat file | 142 |
| 5 | Universal Impex import blue colour flat file | 20 |
| 6 | Raju bhai KYC flat file | 77 |
| 7 | Universal Impex Kotak Mahindra Bank Statement | 27 |
| 8 | Universal Impex License (0311002656) green flat file | 66 |
| 9 | Bison Enterprises Bill of Lading orange flat file | 98 |

- 1.9. It is important to note that documents related to M/s Bison Enterprises, import of PVC resin under Advance Authorization such as Bill of Lading etc., were found in the search of the premises of M/s Nadiya Polymers belonging to Shri Rajeev Sachadev, who is also the proprietor of M/s Universal Impex.

RECORDING OF STATEMENTS

Statement of Shri Vijay Laxman More, proprietor of M/s Bison Enterprises

- 1.10. Statement of Shri Vijay Laxman More, aged 36 years (DoB 22/12/1986), S/o Laxman More, was recorded by the officers of DRI, Mangalore Regional unit on 15.12.2022, wherein *interalia* he has

stated as under:-

- i. That he can speak Marathi; that he stays with his brother Vishal at Shastri Nagar, Kajupada, Pipe Line, Kurla West, Sakinaka, Mumbai, Maharashtra 400072;
- ii. That his brother was handicapped in one leg due to train accident; that the house was small accommodation with one big room on the ground floor and a small mezzanine floor on top; that he has studied upto 7th standard in Marathi Medium in Municipality School at Bail Bazar; that he has three sisters and one of their sisters who stays nearby cooks food for them; that his parents have expired long back;
- iii. That he doesn't have a mobile number as he has never purchased one and don't use one; that he doesn't know whose number 9702938211 given in the aadhar card.
- iv. That he worked with M/s. Vikas Engineering Enterprises since December, 2019: that earlier to this he tied chains at home and prior to this he was working in a garment factory at Safed pul and he doesn't know the name of the company but it was closed some five to six years back; that he also worked at Electric button factory and in both places he worked for few months; that his work was as helper and he gave items to Ashish and Yogi and do cleaning work and switching off and on machine, give cheque to bank and bring items from market, loading or unloading work:
- v. That his PAN no. was AXYPM5970A;
- vi. That he doesn't know what was import/ export; that he does not have any bank account, receives wages in cash and he gave cash to his sister for house expenses and he retains Rs.1000 to Rs.1500/-for his expenses;
- vii. That on being asked about Agreement for High Sea Sales signed by him he has stated that he has not signed on any agreement; that the name sign photo AADHAR is his and that he has not given these details to anybody;
- viii. That on being asked how many Advance Authorization licenses he has obtained and how many imports he has done, he has stated that he doesn't know what it means,
- ix. That on being asked that he was the proprietor of one company M/s Bison Enterprises and to state its manufacturing activities he has stated that he doesn't know anything about Bison or its activities;
- x. That on being asked has he lived in an area near Shilphata Kalyan Road Near Metro Junction or any places like Matrubhumi Nagar, Anand Nagar, Netivali, Homi Baba Takdi he has stated that

he doesn't know these places;

- xi. That on being asked where his father and grandfather come from, he has stated that his father stayed at the address above and his grandfather comes from Raigad;
- xii. That on being asked what is PVC Resin, he has stated that he doesn't know;
- xiii. That on being asked does he know plastic granules like grains, he has stated yes, he has seen them being used for manufacture of plastic razor;
- xiv. That on being asked has he heard of names like M/s Universal Impex, M/s. Nadia Polymers, Rajeev Rameshchandra Sachadev, he has stated no he has not heard;
- xv. That on being asked has he signed any application for IEC or bank opening account or Bill of Entry etc he has stated no he has not signed any document.

Statement of CHA

1.11. Statement of shri Chetan Ramji Gajra, partner in M/s Naranji Desar and Co., Mumbai, Custom House Agent was recorded on 29th December, 2022 in connection with imports in the name of M/s Bison Enterprises wherein interalia he has stated as under:

- i. That he was a partner in M/s Naranji Desar & Co since 2000 and he was F Card CHA holder-G716 and his son Shri Darshan Gajra was the other partner;
- ii. Their firm was into Customs Broking since three generations and he was continuing his ancestral profession; that they have maintained a good track record; that they have around 10 to 12 active clients and another 2 to 4 who have engaged them one time; that M/s Bison Enterprises (IEC: AXYPM5970A) engaged them for clearance of two shipments bearing Bills of Entry 3209473 dated 19.03.2021 and 3333337 dated 27.03.2021; that they have neither engaged them earlier nor later; that this company was introduced to him by Shri Amar Kothari who was introduced to him by Shri Hitesh Bhanushali and Shri Nitesh Bhanushali; that Shri Hitesh Bhanushali was working with him earlier and this was the reason he accepted to get their shipments cleared; that on being asked, they produced a previous Bill of Entry to establish the M/s Bison Enterprises's credentials; that he also asked for original Documents, for which they replied that they were working from home and as it was second wave time and he accepted to work on documents sent over whatsapp; that normally, they visit their Office to ensure genuinity and to collect documents, but since they had a previous import and as it was second wave, this aspect could not be carried out in person; that all the communications took place over whatsapp from Shri Hitesh's whatsapp number +91

8080030067 to his son's whatsapp number +91 9004267891 wherein they requested to file Bill of Entry; that as a proof of same he also shared the screenshot of the whatsapp chat; that though he insisted on all originals, only original KYC was produced to him that too after clearance; that the imports in respect of the said Bills of Entry were facilitated from Nhava Sheva; that he filed the documents on EDI, the documents were examined and got the consignments cleared; that he gave them the gate pass and learnt that Shri Amar and Shri Nitesh collected the consignments; that normally they arrange the transportation but in this case, these two people informed that they will arrange the transportation; that their Fees were negotiated with Hitesh Bhanushali but till date he has not received even one rupee for his work or for expenses incurred on their behalf; that Amar and Nitesh have paid the CFS charges and they actually transferred nominal amount by NEFT for stamp duty expenses which he had received later so they asked it back and he has transferred it back to them; that in effect, he did not receive any amount from M/s Bison or Amar or Nitesh or Hitesh; that he had no occasion to talk to any person connected to M/s. Bison and on seeing papers, he came to know that Shri Vijay More is the Proprietor and he overheard Shri Amar saying to the effect like Shri Rajeev Sachadev is the Manager or something to the effect that 'Rajeev ka boss hai; that this overhearing actually happened some weeks later during a chance meeting at Nhava Sheva; that he has not interacted or seen with either Shri Vijay Laxman More or Shri Rajeev Sachadev; that he can recall that in the month of March, 2021 he received phone from Shri Hitesh requesting his services and he asked for credentials in respect of M/s Bison Enterprises for which they sent one previous Bill of Entry bearing BOE No. 2894282 dated 24.02.2021, which was checked by me in ICEGATE to confirm its genuineness; that next day they had sent the documents like invoice, Bill of lading, packing list and other KYC documents through whatsapp; that in another 3 to 4 days, he cleared the consignment and contacted Shri Hitesh again who promised his payment; However, he did not receive the promised payment till date; that thereafter, he contacted Shri Hitesh several times for payments and he met Shri Amar once and he assured that payment will be made by Shri Nitesh and when contacted, Shri Nitesh stated that Shri Amar will give and end of the day, his dues are still not settled;

iii. The contact details of Shri Amar Kothari - 09594321234; Shri Hitesh Bhanushali - 08080030067 and Shri Nitesh Bhanushali -09082893699; that he does not have any idea of their address and all three are working with one or the other CHA's:

iv. He produced the following documents pertaining to M/s Bison Enterprises;

A. PAN copy AXYPM5970A

B. Aadhar copy 306938691875

- C. IEC dated 16/02/2021- copy
- D. FIEO letter dated 03/12/2020 copy FIEO RCMC dated 03/12/2021 valid upto 31/03/2021- copy
- E. GST Registration dated 10/08/2020 copy
- F. Udyam Registration dated 23/11/2020 copy (4 sheets)
- G. Original cancelled Cheque No. 908860 of Karnataka Bank bearing signature
- H. Authority letter to Customs undated along with KYC (03 sheets)
- I. Photocopy of commercial invoice, packing list and bill of lading for consignment of 260 MT's of PVC resin.
- J. Final and mail print of Bill of Entry No. 3209473 along with Gate Pass container details of M/s Asthe Logistics, CFS, Nhava Sheva (Photocopy of 7 sheets)
- K. Bill of Entry No. 2894282 copy which was given to him on his asking to verify the genuinenity and screen shot of ICEGATE website which he retained since payment was not coming.
- L. Copy of his application filed with customs on 02/03/2022 for change of address.

Statement dated 22.12.2023 of Shri Rajeev Sachadev, proprietor of M/s Universal Impex and M/s Nadiya Polymers.

1.12. Statement of Shri Rajeev Sachadev, proprietor of M/s Universal Impex and M/s Nadiya Polymers who was also investigated by this office for alleged diversion of PVC resin imported by M/s Universal Impex under Advance Authorization and non-fulfilment of export obligation involving customs duties of Rs. 2.95 Crores was recorded on 22.12.2023 wherein on being asked why was the documents pertaining to M/s Bison Enterprises and M/s Universal impex were found in the said M/s Nadiya Polymers office during search of the said premises by officers of DRI on 13.12.2022, he has stated that the documents pertaining to M/s Universal Impex were found in the premises of M/s Nadiya Polymers as the said premises was rented by him and also M/s Universal Impex was his firm; as he has sublet a part of the said office to Shri Viral Mehta, Proprietor of V 360 consultancy who shares his office, the files of M/s Bison Enterprises recovered under Mahazar dated 13.12.2022 belongs to him; in this regard, he would confirm with Shri Viral Mehta and revert back within 15 days; that he would produce copy of the sublet agreement for sharing office with Shri Viral Mehta of V 360 Consultants within 15 days' time.

1.13. It was observed from Shri Rajeev Sachadev's import documents pertaining to his proprietorship firm M/s Universal Impex that in respect of his imports under BE No. 4587081 and 4587084 both dated 06.07.2021, he had imported the subject goods on High Sea Sales basis from M/s A.G. Enterprises and it was also observed from the copy of High Seas agreement that it was signed by (i) Mr. Vijay Laxman More; (ii) Raghunath Narayan Bhoir; and (iii) Shri Arun Ganpat Awale; Hence on being asked to give details of these persons, he has stated that it was a fact that High Sea sales has happened with M/s. A.G. Enterprises in respect of the above-mentioned Bills of Entry; He knew Shri. Arun Ganapt Awale is the proprietor of M/s A. G. Enterprises and Shri Raghunath Narayan Bhoir who works as peon in his office; He was not aware about Vijay Laxman More; he was arranged by Shri Viral Mehta, who shares his office;

SUMMONS ISSUED AND OTHER COMMUNICATIONS

1.14. Meanwhile summons dated 08.01.2024 was issued to the CHA's involved in import of the goods belonging to M/s Universal Impex in a similar issue i.e., M/s Purushotam Chatrabuj Thackar, Mumbai and M/s. O. K. Cargo Craft Pvt Ltd., Mumbai. The said summons was returned from the postal authorities with a remark "Left". However, M/s. O. K. Cargo Craft Pvt. Limited responded to the e mail sent to them and submitted the documents pertaining to imports made by M/s Universal Impex on 19.01.2024 by email. He also mentioned that Shri Nitesh Bhanushali Mob-90828 93699 is the person who introduced the firm M/s Universal Impex to them and submitted copy of the Driving License of Shri Nitesh Bhanushali and also stated that they have received documents from Nitesh Bhanushali (Email id-yashforwarding@gmail.com) for clearance.

1.15. Summons was sent to Shri Nitesh Bhanushali who has introduced M/s Universal Impex to M/s. O. K. Cargo Craft Pvt. Limited for appearance and to tender evidence. Shri Nitesh Bhanushali vide his e mail dated 14.08.2024 sent from nitesh.bhanushali097@gmail.com has stated that documents of both importers i.e., M/s Universal Impex and M/s Bison Enterprises has been received from Shri Amar Kothari for the clearance work and he had only forwarded documents to Sunil Joisher of M/s O. K Cargo for clearance.

1.16. Summons was issued to Shri Amar Kothari of M/s Kotak Forwarders, Mumbai Mob No.9594321234 for tendering evidence and submission of documents on 19.08.2024, however Shri Amar Kothari vide his email has stated that he could not appear on 19.8.2024 as per summons issued as he is not having available proper documentation required by this office; that the said work was done previously 3-4 years back and he had received the documents by what's app and sometimes personally; that he is doing a job and he don't have his own office so he don't have a record of the same; that he had done this work as freelance; that he had got the work of this PVC import of M/s Universal Impex and M/s

Bison Enterprises both by importer Rajiv Sachadev proprietor of M/s Universal Impex; they had met via one common friend Rajiv Sachadev residence at Address 12, 704, Fam society, Koparkhairne, Vashi, Navi Mumbai. Contact no. 919136045687. Another summons dated 21.08.2024 was issued to him for appearance on 28.08.2024, however Shri Amar Kothari vide his e mail dated 28.08.2024 requested for adjournment citing health issues.

1.17. Statement of Shri Amar Kothari was recorded on 07.11.2024 wherein *interalia* he has stated as under:

- i. He has appeared in response to summons bearing DIN No. 202408DDZ2000000B2AF dated 21.08.2024, he could not attend to the summons earlier as he was not well and was hospitalized and operated for kidney stone and as per his request and keeping his condition, he had requested to take his statement at Mulund where he resides;
- ii. He was B Com graduate from Mumbai University;
- iii. He was working in M/s. Kotak Forwarding Agency, 201, Koteswar Plaza, RHB Road, Mulund West, Mumbai 400080 as Customs Clerk since 2011;
- iv. He was familiar with the procedures related to clearance of goods in customs; he does documentation and attend to assessment and clearance work at Nhava Sheva Customs Port;
- v. He was in this field for last 12 years;
- vi. He holds H card bearing No. 31/2019 issued by Bombay Customs;
- vii. He was employed with M/s. Kotak Forwarding Agency;
- viii. Whatever customs clearance work comes to M/s. Kotak Forwarding, he has attended to the same and he has also done customs clearance work as freelancer;
- ix. He has heard of firms by name M/s Universal Impex and M/s Bison Enterprises and he has done the customs clearance work related to their imports;
- x. He has come in contact with M/s Universal Impex and M/s Bison Enterprises through his office docks (CFS) person Shri Naveen Bhanushali who is residing in the same society where Shri Rajeev Sachadev, proprietor of M/s Universal Impex resides;
- xi. He has interacted and met Shri Rajeev Sachadev, proprietor of M/s Universal Impex and collected all the documents pertaining to customs clearance work of both M/s Universal Impex and M/s Bison Enterprises from him; On being asked, Shri. Rajeev Sachadev has stated that M/s Bison Enterprises is his sister-concern firm and they also import same goods as imported by M/s

Universal Impex i.e., PVC Resin. He has not met any person from M/s Bison Enterprises:

- xii. He met Shri Rajeev Sachadev in his society FAM society, Kopar Khairane and collected all documents from in there; he met him during 2021, he doesn't remember the exact dates.
- xiii. Shri Rajeev Sachadev gave copies of Bill of Lading, Invoice, Packing List, Country of Origin Certificate, License copy and KYC related documents and requested to file the Bill of Entry and get the goods cleared from Customs in respect of both M/s Universal Impex and M/s Bison Enterprises;
- xiv. He has received the remuneration in cash from Shri Rajeev Sachadev at his society. I don't remember the amount of remuneration paid by him;
- xv. As this work was taken by him on freelance, he did the basic documentation and asked Shri Nitesh Bhanushali, who was his friend to get the goods cleared from customs;
- xvi. He had paid Rs.1000/- per container to Shri Nitesh Bhanushali for the said work;
- xvii. He knew Shri Nitesh Bhanushali as he was his friend in customs for 6 years;
- xviii. He knew M/s Purushotam Chatrabuj Thackar, Mumbai and M/s. O. K. Cargo Craft Pvt Ltd., Mumbai; he has given the customs work to them through Shri Nitesh Bhanushali as he has done this work on freelance and did not want his employer to know about his freelancing work;
- xix. He could not attend to the summons earlier as he was not well and was hospitalized and operated for kidney stone and as per his request and keeping his health condition, he had requested to take his statement at Mulund where he reside;
- xx. As he has done freelancing work and do not have own office, he has not maintained any records with him, hence he has not brought them with him, However, he will try to collect the same and courier it within 15 days;
- xxi. He has collected the documents from Shri Rajeev Sachadev for customs clearance work of M/s Universal Impex and M/s Bison Enterprises in presence of his friend Shri Navin Bhanushali;
- xxii. Other than Shri Rajeev Sachadev, he has not met any other person on behalf of the above said firms in connection with above customs clearance work. He has only met and coordinated with Shri Rajeev Sachadev and his Mobile Number was 8104041677 or 9136045687;
- xxiii. On being asked did he verify the credentials of the importer M/s Universal Impex and M/s Bison Enterprises like visiting their business premises etc., before handling their customs clearance work,

he has stated "No", as the work was taken based on the reference from a friend, he had not done the verification;

- xxiv. On being asked whether he was aware that the goods i.e., PVC resins were being imported under advance license authorization with actual manufacture condition he stated that initially when he met Shri Rajeev Sachadev, he was not aware of the same, but on perusal of the documents submitted by him, he came to know about the same;
- xxv. He has not met Shri Rajeev Sachadev for the last 2-3 years.

Visit Note by DRI, Pune with regard to M/s Bison Enterprises, situated at Godown No. 1A & 2, Shalom Empire, Gat No: 169 & 170, Talwade, Tehsil: Haveli, Pune.

- 1.18. On being asked by this office, DRI, Pune Regional unit submitted visit note of SIO, DRI, Pune Regional Unit dated 18.11.2021 wherein he has reported that the Godown No. 1 A is now occupied by a firm by the name M/s Usha Chemicals. No name board by the name M/s Bison Enterprises was found at the said address. Discreet enquiries were made with the persons in and around Shalom Empire premises, it was stated that some persons do recollect a firm being at the said premises for a very short period and the same had been shut. He also called up the numbers given on the advertisement board. The number 9370145226 was attended by a person named Mr. Jose who stated that he the owner of the said premises and also stated that M/s Bison Enterprises had taken the premises on rent but they vacated within a month. Since he was out of station, he sent the copy of rent agreement through WhatsApp. As per the said rent agreement dated 3.11.2020 entered between Shri Godwin Jose and Shri Vijay Laxman more of M/s Bison Enterprises, the lease and license agreement was for a period of 36 months with monthly rent is of Rs.30,000/- per month in the first year, Rs.33,000/- per month in the second year and Rs.36,300/- per month during third year.
- 1.19. Further DRI, Pune also shared a letter F. No. DRI/MZU/F/MISC15/2021/10402 dated 16.11.2021 of AD, DRI, Mumbai Zonal Unit against which the said verification of the address was carried out. In the said letter it has been stated that information received indicates that in the year 2020, one M/s Bison Enterprises having IEC No. AXYPM5970A had exported readymade garments under 24 shipping bills from Nhava Sheva to Dubai. The said goods have been abandoned at Jebel Ali port and hence there wouldn't be any realization of foreign remittances. It has been learnt that the proprietor of the said firm is one Shri Vijay Laxman More and the factory address of M/s Bison Enterprises, is Godown No. 1A & 2, Shalom Empire, Gat No: 169 & 170, Talwade, Tehsil: Haveli, Pune and had requested to verify the address of the said firm.

Non-existence of M/s Bison Enterprises at the registered premises and link between M/s Bison

Enterprises and M/s Universal Impex to Shri Rajeev Sachadev.

- 1.20.** During the search of the premises of M/s Nadiya Polymers belonging to Shri Rajeev Sachadev located at 6th Floor, 24th Kailash Darshan, Kennedy Bridge, Above IDBI Bank, Nana Chowk, Mumbai 400007 on 13.12.2022 the officers found a file of Bison Enterprises -Bill of Lading orange flat file which has been recovered and seized in the mahazar dated 13.12.2022 (Mentioned at Sl. No. 9). The above premises was also shared by Shri Viral K Mehta.
- 1.21.** It was observed from the import documents that in respect of imports by M/s Universal Impex under BE No. 4587081 and 4587084 both dated 06.07.2021, the goods have been imported under High Sea Sales basis from M/s. A. G. Enterprises and it was also observed from the copy of High Seas agreement that it was signed by shri. Vijay Laxman More whose name has figured in M/s Bison Enterprises.
- 1.22.** In his statement dated 29th December, 2022, Shri Chetan Ramji Gajra, partner in M/s. Naranji Desar and Co., Mumbai, Custom House Agent recorded in connection with imports in the name of M/s Bison Enterprises wherein interalia he has stated that M/s Bison Enterprises (IEC: AXYPM5970A) was introduced to him by Shri Amar Kothari and he has overheard Shri Amar saying to the effect like Shri Rajeev Sachadev is the Manager or something to the effect that 'Rajeev ka boss hai'.
- 1.23.** As clearly brought out in the incident report dated 14.12.2022 that the premises of M/s Bison Enterprises at (i) House No. 413, Dhushiya Chawl, Anand Nagar, Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra - 421306 and at (ii) H. No. D07013629900, Martu Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan, Thane, Maharashtra 421 306 could not be located. Infact Dhushiya Chawl, Anand Nagar area did not have any motorable roads and consisted of small byelanes and accessible only by foot. Further, in respect of second premises it was found that Matru Bhumi Nagar and Homi Baba areas are differently located and the door number indicated in the address also appeared to lead nowhere as there were no door numbers in the area.
- 1.24.** Shri Vijay Laxman More in his statement dated 15.12.2022 has clearly stated that he has been working at M/s Vikas Engineering Enterprises, Standard House Compound, Bail Bazar, Kale Marg, Kurla West, Mumbai 400 070 since December, 2019; that earlier to this he used to do small part time job at home; that he is not aware of M/s Bison Enterprises nor associated with any of its activities. Further as per the Mahazar drawn at his residential premises on 15.12.2022 has also not yielded any connection to M/s Bison Enterprises.
- 1.25.** Further as per visit report of IO, DRI, Pune dated 18.11.2021 with regard to M/s Bison Enterprises, situated at Godown No. 1A & 2, Shalom Empire, Gat No: 169 & 170, Talwade, Tehsil: Haveli, Pune

as requested by AD, DRI, Mumbai Zonal unit, M/s Bison Enterprises had taken the premises on rent but they vacated within a month as informed by Mr. Jose, the owner of the said premises. Further the AD, DRI, Mumbai Zonal Unit while requesting verification of the address had stated that in the year 2020, one M/s Bison Enterprises having IEC No. AXYPM5970A had exported readymade garments under 24 shipping bills from Nhava Sheva to Dubai. The said goods have been abandoned at Jebel Ali port and hence there wouldn't be any realization foreign remittances.

- 1.26.** On being asked by this office vide letter dated 22.6.2023, Karnataka Bank Ltd., Navi Mumbai-Nerul (E) Branch, Thane furnished details of the Account No. 6372000100019701 in the name of M/s Bison Enterprises, submitted copies of KYC documents and bank statement generated on 28.08.2023 having details for the period from 1.3.2021 to 5.12.2021. On perusal of the said bank statement, it is seen that there are no foreign inward remittances indicating that goods have not been exported. On analysis of the said bank statement, it is noticed that M/s Bison Enterprises has received amount through RTGS/ NEFT from various traders/ firms. On checking the E way bill of M/s Bison Enterprises in the E way bill portal, there were no E Way bills raised from M/s Bison Enterprises to the said firms/ traders who have transferred the money through RTGS/ NEFT though the amounts transferred was in lakhs (as E way bill is mandatory for every transaction involving Rs.50000/- and above).
- 1.27.** Further on perusal of the E Waybills raised by M/s Bison Enterprises for movement of imported PVC Resin, as detailed in the table below. As per the data in the E way bill it is seen that these E way bills are for transport of Imported PVC resin to Pune Pin Code No. 411062 which corresponds to their factory at M/s Bison Enterprises, at Godown No. 1A & 2, Shalom Empire, GAT No: 169 & 170, Talwade, Tehsil: Haveli, Pune. However as informed by the owner of the said premises M/s Bison Enterprises had taken the premises on rent during November,2020 and probably vacated during December, 2020 i.e., within a month, hence even though the goods were destined to their registered premises at Talwade as per E way bill there are no chances of storing/ utilizing in the manufacture of Final Products, implying that the imported goods have been diverted locally. Details of E Waybills raised by M/s Bison Enterprises

| EWB No. | Form GSTIN & Name | To GSTIN & Name | From Place & PIN | To Place & PIN | EWB No. & Dt. | Doc No. & Dt. | Assess Val. | Tax Val. | HSN Code | HSN Desc. | Latest Vehicle No. |
|--------------|----------------------|------------------------------------|---------------------|----------------|-----------------------------------|-------------------------------|-------------|----------|----------|---------------|--------------------|
| 261286770009 | URP/ MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 261286770009-31.03.2021 21:59:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46BM3527 |
| 271286768685 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 271286768685-31.03.2021 21:52:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46AR0917 |
| 291285152108 | URP/MS WORLD FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 291285152108-26.03.2021 18:56:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46BB7974 |
| 201285149228 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 201285149228-26.03.2021 18:51:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46BM3562 |
| 221285145079 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 221285145079 -26.03.2021 18:43:00 | IMP/00068/2 0-21-26/03 2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46BM3781 |
| 291285140864 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 291285140864-26.03.2021 18:36:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46BM3671 |
| 291285137077 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 291285137077-26.03.2021 18:29:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46BM3563 |
| 291285123315 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 291285123315 -26.03.2021 18:08:00 | IMP/0006820 -21-26/03/2 021 | 2716979 | 0 | 39041090 | PVC Resin SG5 | DD03M9116 |
| 291285116638 | URP/MZ World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah /999999 | Pune/ 411062 | 291285116638-26.03.2021 17:59:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin SG5 | DD03M9102 |
| 231285109771 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 231285109771-26.03.2021 17:50:00 | IMP/00068/2 0-21-26/03/ 2021 | 2716979 | 0 | 39041090 | PVC Resin SG5 | DD03M9119 |
| 201276259523 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 201276259523-02.03.2021 21:58:00 | 2894282-24 /02/2021 | 2640152 | 0 | 39041090 | PVC Resin SG5 | HR55AF5424 |
| 231276129915 | URP/MS | 27AXYPM59 | UAE/999999 | Pune/ | 231276129915- | 2894282- | 2640152 | 0 | 39041090 | PVC | HR38W3760 |

| | | | | | | | | | | | |
|--------------|---------------------|---------------------------------------|---------------------|--------------|--|----------------------------------|---------|---|----------|---------------|------------|
| | World FZ LLE | 70A1ZZ/BISON ENTERPRISES | | 411062 | 02.03.2021 16:48:00 | 24 /02/2021 | | | | Resin SG5 | |
| 221286776443 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 221286776443- 31.03.2021 22:27:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46BM3781 |
| 251286774941 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 251286774941 - 31.03.2021 22:21:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46BB7834 |
| 201286773646 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 201286773646- 31.03.2021 22:16:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46BM3528 |
| 211286772617 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 211286772617 - 31.03.2021 22:10:00 | 3333337/27/ 03/21-31/0 3/2021 | 2442360 | 0 | 39041020 | PVC Resin | MH46BM3671 |
| 261286771479 | URP/MS World FZ LLC | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | Fajairah UAE/999999 | Pune/ 411062 | 261286771479- 31.03.2021 22:05:00 | 3333337/27/ 03/21-31/0 3/2021 | 244360 | 0 | 39041020 | PVC Resin | MH46BM3563 |
| 271285133699 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 271285133699- 26.03.2021 18:23:00 | IMP/0006820 -21- 26/03/2021 | 2716979 | 0 | 39041090 | PVC Resin | MH46AR0917 |
| 211285128048 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 211285128048- 26.03.2021 18:15:00 | IMP/00068/20-21- 26/03/2021 | 2716979 | 0 | 39041090 | PVC Resin SG5 | DD03M9118 |
| 221276528643 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTER | UAE/999999 | Pune/ 411062 | 221276528643- 03.03.2021 17:06:00 | 2894282-24 /02/2021 | 2640152 | 0 | 39041090 | PVC Resin SG5 | GJ12BW4463 |
| 251276219647 | URP/MS World FZ LLE | 27AXYPM59 70A1ZZ/BISON ENTERPRISES | UAE/999999 | Pune/ 411062 | 251276219647- 02.03.2021 10:21:00 | 2894282-24 /02/2021 | 2640152 | 0 | 39041090 | PVC Resin SG5 | HR38X3914 |

1.28. Further as per the GST Portal <https://www.gst.gov.in/> it is noticed that the address of the principal place of business is being shown as Shop No. 5, behind Two Star Hotel, Chandu Studio Compound, Vidynagari Kalina, Santacruz East, Mumbai - 400098 and bank details is being shown as having Account No. 317201010114608 in Union Bank of India, Grant Road, Mumbai. The present status of GST Registration is being shown as Cancelled Suo Moto. Further as per GST portal the importer has filed GSTR 3B returns as shown in the table below for the period 2020-21 and 2021-22 and no records are found for the period 2022-23.

| GSTR3B Details for Selected Return Period(s) | | | | | | | |
|---|---------------|-------------------|---|--|--|---|---|
| Period | S. No. | Ret Period | Outward Taxable Supplies (Other Than Zero) | Outward Taxable Supplies (Zero Rated) | Outward Taxable Supplies (Nil Rated Exempted) | Inward Supplies (reverse charge) | Outward Taxable Supplies (non-GST) |
| 2020-21 | 1 | Aug, 2020 | 0 | 0 | 0 | 0 | 0 |
| | 2 | Sep, 2020 | 0 | 0 | 0 | 0 | 0 |
| | 3 | Oct, 2020 | 346670 | 0 | 0 | 0 | 0 |
| | 4 | Nov, 2020 | 0 | 0 | 0 | 0 | 0 |
| | 5 | Dec, 2020 | 158345 | 0 | 0 | 0 | 0 |
| | 6 | Jan, 2021 | 96515 | 0 | 0 | 122300 | 0 |
| | 7 | Feb, 2021 | 0 | 137779540 | 0 | 0 | 0 |
| | 8 | Mar, 2021 | 0 | 0 | 0 | 0 | 0 |
| 2021-22 | 1 | Apr, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 2 | May, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 3 | Jun, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 4 | Jul, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 5 | Aug, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 6 | Sep, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 7 | Oct, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 8 | Nov, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 9 | Dec, 2021 | 0 | 0 | 0 | 0 | 0 |
| | 10 | Jan, 2022 | 0 | 0 | 0 | 0 | 0 |

1.29. As can be seen from the table above, the importer has shown an amount of Rs. 13,77,79,540/- as exports during Feb 2021 whereas there are no exports during Calendar year 2021 and 2022 made by M/s Bison Enterprises as per the Customs database. On perusal of the export data for the calendar year 2020 it is noticed that M/s Bison Enterprises had exported readymade garments valued at

Rs.13,77,79,540/- falling under chapter 62 to Jebel Ali, UAE during October, 2020 and the same has been reflected in GSTR 3B return for the month of Feb, 2021 instead of GSTR 3B returns for the month of October,2020. Further the importer has filed NIL GSTR3B returns for the period March,2021 to Jan,2022, indicating that there are no clearances including export clearances during the said period whereas there are imports to the tune of Rs.5.7 Crores (Value) during Feb 21 and March 2021 which has not been accounted.

1.30. As stated by Shri Amar Kothari in his e-mail dated 19.08.2024 in response to summons issued by this office, he had got the work of PVC import of M/s Universal Impex and M/s Bison Enterprises both by importer Rajiv Sachadev proprietor of M/s Universal Impex and that they had met via one common friend at Rajiv Sachadev residence at Address 12, 704, Fam Society, Koparkhairne, Vashi, Navi Mumbai. Contact no. +919136045687. Shri Amar Kothari in his statement dated 7.11.2024 has confirmed what has already been stated in his e mail dated 19.08.2024 mentioned above.

1.31. On perusal of the documents seized during the searches conducted at the premises of M/s Nadiya Polymers, it is noticed that in the signed KYC form for CHA submitted by Shri Rajeev Sachadev, proprietor of M/s Universal Impex, the telephone number has been given as 8104041677. The said number also figures in the receipt bearing No. GJ122MB201205812 dated 1.3.2021 issued by M/s. T S lines Co. Ltd C/o T S Lines (India) Pvt Ltd., (having offices at Mumbai and Mundra) to M/s Bison Enterprises for Rs. 120456.00. In the said receipt the said amount has been paid by M/s Bison Enterprises vide No. KARBN21060908900 dated 1.3.2021 mentioned under Cheque No. & date. On perusal of the bank statement of M/s Bison Enterprises held with Karnataka Bank Ltd., it is seen that the said amount has been transferred through NEFT to M/s. T S lines (India) Pvt. Ltd. on 1.3.2021. This is not coincidence, gives clarity that M/s Bison Enterprises is connected to Shri Rajeev Sachadev proprietor of M/s Universal Impex.

1.32. In view of the above, the following are the key points showing the connection between M/s Bison Enterprises and Shri Rajeev Sachadev:

- Documents of M/s Bison Enterprises were discovered at M/s Nadiya Polymers premises, which is owned by Shri Rajeev Sachadev.
- Shri Vijay Laxman More appears in a High Sea Sales agreement made by M/s Universal Impex, another company owned by Shri Rajeev Sachadev.
- The Custom House Agent, Shri. Chetan Ramji Gajra of M/s. Naranji Desar and Co., stated in his statement has mentioned that Shri Rajeev Sachadev holds a managerial position in M/s Bison Enterprises.

- Shri Amar Kothari confirmed in his statement dated 07.11.2024 that he received customs clearance documents for M/s Bison Enterprises imported goods directly from Shri Rajeev Sachadev.
- M/s Bison Enterprises and Shri Rajeev Sachadev share the same mobile number in their respective documentation.

These points collectively establish a clear link between M/s Bison Enterprises and Shri Rajeev Sachadev, who is the proprietor of M/s Universal Impex.

1.33. Even though Shri Vijay Laxman More, Proprietor of M/s Bison Enterprises in his statement dated 15.12.2022 given before the Senior Intelligence Officer of DRI, MRU has denied his involvement/ owning of M/s Bison Enterprises and no documents pertaining to M/s Bison Enterprises were recovered during search of his residential premises, the fact remains that his photo and name and other credentials such as aadhar No. and PAN have been used in obtaining GST registration, IEC, Lease/ rent agreement, Bank account, High Sea Sales agreement etc`, hence Shri Vijay Laxman More as per above records has to be treated as one of the parties involved in misuse of the Advance Authorization scheme.

SCRUTINY AND ANALYSIS OF EVIDENCE:

1.34. From the data retrieved and documents recovered/ received during investigation, it was found that M/s Bison Enterprises have obtained the following Advance Authorizations from DGFT, Mumbai in terms of the Foreign Trade Policy in force, under self-declaration basis, for duty free import of PVC Resin as per conditions of Notification No. 018/2015-cus dated 01.04.2015 read with Foreign Trade Policy in force, with an obligation to export PVC flexible sheet/ film using the duty free imported materials. The details of the licenses, Qty and FOB value of imports, along with the details of the bond executed at the customs port are tabulated in Table A and B as under:

TABLE A

| Customs House Code | Registration Number | Registration Date | Notification | Bond Number | Bond Value | Expiry Date | Quantity in Kgs | FOB Value IR |
|--------------------|---------------------|-------------------|--------------|-------------|------------|-------------|---------------------|--------------|
| INNSA1 | 311001325 | 28-01-2021 | 018/2015 | 2001825965 | 62500000 | 28.07.2022 | PVC Resin 300285 | 37277574 |
| INNSA1 | 311000366 | 24-12-2020 | 018/2015 | 2001816132 | 62500000 | 24.06.2022 | PVC Resin 300285 | 37277574 |

TABLE B

| BE No & Date | Item | CTH | Quantit | Invoice No. | Invoice | Ass. | Exempt. | Licence |
|--------------|------|-----|---------|-------------|---------|------|---------|---------|
|--------------|------|-----|---------|-------------|---------|------|---------|---------|

| | Description | | Quantity In Kgs | | Date | Value | Notn. | Number |
|-----------------------|--------------|--------------|-----------------|--------------------|----------------|-----------------|----------|---------------|
| 2894282 24.02.2021 | PVC RESIN | 3904109 0 | 100000 | MS-00715 | 06.02.20 21 | 10560611 | 018/2015 | 31100132 5 |
| 3209473 19.03.2021 | PVC RESIN | 3904109 0 | 260000 | MS-0074/ 20- 21 | 11.03.20 21 | 26967586 | 018/2015 | 31100036 6 |
| 3333337 27.03.2021 | PVC RESIN | 3904901 0 | 182000 | MS-0075/ 20- 21 | 11.03.20 21 | 19538804 | 018/2015 | 31100132 5 |
| TOTAL | | | 542000 | | | 57067001 | | |

Transfer and selling of materials imported under Advance Authorization to Local Market

- 1.35.** Advance Authorizations are issued by the Directorate General of Foreign Trade (DGFT) to import of mainly various raw materials without payment of Customs Duty and the said export promotional scheme is governed by Chapter 4 of the Foreign Trade Policy (2015-20) and corresponding Chapter 4 of the Handbook of Procedures (2015-20), Volume I & II. Para 4.03 of the Foreign Trade Policy allows duty-free inputs which are to be physically incorporated in the export products.
- 1.36.** M/s Bison Enterprises had imported PVC Resin falling under Customs Tariff Heading 39041090 vide 3 Bills of Entry (2894282 dt. 24-02-2021, 3209473 dt. 19-03-2021 and 3333337 dt. 27-03-2021) without payment of duty of Customs under Advance Authorization Numbers 311001325 dt. 28.01.2021 and 311000366 dt. 24-12-2020. The importers have availed benefit of exemption extended by Notification No. 018/2015 dated 01.04.2015, as amended.
- 1.37.** The Advance Authorization No. 311001325 and 311000366 were issued on 28.01.2021 and 24.12.2020 respectively and they were valid for 18 months i.e., up to 28.07.2022 and 24.06.2022 respectively, i.e., they should have exported the entire quantity specified in the said Advance Authorizations on or before the above-mentioned dates (within the original export obligation period). However, the firm failed to fulfil the export obligation within the dates mentioned above. Hence, it appeared that the importers are liable to pay the entire duty foregone amount/ duty saved amount in their import using Advance Authorization 311001325 dt. 28.01.2021 and 311000366 dt. 24-12-2020 under the above-mentioned 3 Bills of Entry. However, the firm failed to fulfil the export obligation within the dates mentioned above.
- 1.38.** Para 4.16 of the Foreign Trade Policy (FTP) lays down the Actual User condition in respect of Advance Authorization. In essence, it mandates that the Advance Authorization as well as the materials imported duty-free against it must be used only by the authorization holder and cannot be transferred to any other person, even after fulfilment of export obligation. However, once the export

obligation has been duly completed, the authorization holder is permitted to dispose of the finished goods manufactured out of such duty-free inputs.

1.39. As per Condition Sheet of Advance Authorization, relating to transfer of materials:

1. Authorization Holder shall export/ supply the product(s) as per the quantity (ies) and value(s) specified in the Table at Serial 1 above within a period prescribed under Paragraph 4.22 of the Foreign Trade Policy 2015-2020.

6. The exempt goods imported against the authorization shall only be utilized in accordance with the provisions of paragraph 4.12 and paragraph 4.16 of the Foreign Trade Policy 2015-2020 and other provisions and the relevant Customs Notification [Customs Notification No. 18/2015 dated 1.4.15 (for physical exports), as the case may be as amended from time to time;

15. All conditions of the Foreign Trade Policy 2015-2020 and the Handbook of Procedures 2015-2020 and the ITC (HS) Classification Book as amended shall be applicable unless specifically dispensed with against this Authorization.

1.40. As per Notfn. No. 018/2015 - Cus. dated 01.04.2015: (x) that the said authorization shall not be transferred and the said materials shall not be transferred or sold.

1.41. Neither the policy nor the customs notification nor the conditions attached to the Advance Authorization allow diversion of the duty-free materials as such unless export obligation in respect of the subject Advance Authorization under which such goods were imported duty free, have been fulfilled to the satisfaction of the Customs and DGFT authorities. However, in the instant case, the duty-free imported material i.e., PVC Resin has been fraudulently diverted to local market thereby the importer has failed to fulfil the actual user condition mentioned in the advance license and also failed to export the intended finished product i.e., PVC flexible film/ sheet, thus violated the conditions stipulated in the Notification 018/2015 -Customs dated 01.04.2015 and Advance Authorizations issued to them.

1.42. As per bank statement, no foreign inward remittances have been received as no exports have taken place, thus violating the export obligation conditions put forth in the advance licenses. As per customs data no exports have taken place.

1.43. On perusal of the GST returns filed, as per GST portal, the importer has filed NIL GSTR3B returns for the period March 2021 to Jan, 2022, indicating that there are no clearances including export clearances during the said period whereas there are imports to the tune of Rs. 5.7 Crores (Value) during Feb 21 and March, 2021 which has not been accounted. The imported goods have also not

been found in the registered premises (as address of M/s Bison Enterprises was found to be fictitious and not operating/ existing for the registered premises) implying fraudulent diversion of imported goods and nonadherence to "Actual User Condition" specified in the advance license.

- 1.44.** As per E way Bill portal, No E waybills have been raised for clearance of finished goods from the registered premises implying fraudulent diversion of imported goods (in the absence of manufacturing premises and facility for manufacture).
- 1.45.** As per bank statements, even though there are NIL GSTR 3B returns, the importer has received money from various local entities which are used for making payments to their overseas supplier even though there are no clearances to the entities who have made the payments to the importer. Further as per the bank account of M/s Bison Enterprises, it is also seen that there are no receipts from overseas entities so as to corroborate that the same can be attributed to the non-exports of manufactured goods by M/s Bison Enterprises. Further there are no outward E way bills from M/s Bison Enterprises to any of the ports for export of the finished goods manufactured by them and also there are no Export Shipping Bills for having exported the goods manufactured out of the imported goods in order to satisfy the conditions prescribed in the Notification No.18/2015 Cus dated 1.4.2015. In the absence of the E way bills for transport of goods to the port for export, Shipping Bill for export and nonreceipt of amounts from the foreign buyers, it is clearly evident that the goods imported by M/s Bison Enterprises claiming exemption from Customs Duty with a condition to re-export finished goods i.e., manufactured PVC Flexible sheet/ film using the said imported goods i.e., PVC Resin have been diverted locally. Thus M/s Bison Enterprises have misused the exemption provided under Notification No.18/2015 Cus dated 1.4.2015 and hence are liable for payment of appropriate Customs duties and IGST along with applicable interest and also liable for imposition of penalty under Customs Act, 1962 and IGST Act, 2017.
- 1.46.** It is evident from the above facts that there was clear violation of the conditions of the Advance Authorization, Hand book of Procedures, Customs notification and Foreign Trade Policy by M/s Bison Enterprises, hence it appeared that they are liable to pay the entire duty foregone amount/ duty saved amount in their import using Advance Authorization No. 311001325 dt. 28-01- 2021 and 311000366 dt. 24-12-2020 under the above-mentioned 3 Bills of Entry along with interest as per the extant legal provisions.
- 1.47.** As per GST Portal it is noticed that the address of the principal place of business is being shown as Shop No.5, behind Two Star Hotel, Chandu Studio Compound, Vidynagari Kalina, Santacruz East, Mumbai 400098 and bank details is being shown as having Account No. 317201010114608 in Union Bank of India, Grant Road, Mumbai. The present status of GST Registration is being shown as

Cancelled Suo Moto. Further it is seen that there are no transactions in the said bank account pertaining to the import of PVC resin during the period from Feb.21 onwards.

1.48. Shri Viral K Mehta's non-appearance to the multiple summons issued by this office in spite of officers willing to travel to Mumbai, where the said person lives and questioning the authority of DRI officer as Customs Officers inspite of clarification issued vide Notification No.25/2022-Cus. (NT) dated 31.03.2022 wherein it has been specified that the officers of DRI as an officer of customs with jurisdiction exercisable over the whole of India and Circular No. 07/2022 dated 31.03.2022 issued by CBIC, indicates the non-cooperative attitude of the said individual.

Issue of non-fulfilment of export obligation:

1.49. Para 4.42 of the Handbook of Procedures (2015-20) requires an importer to fulfil export obligation under an Advance Authorization within a period of 18 months from the date of issue of Authorization, unless and until they were given opportunity by the Directorate General of Foreign Trade for extended time for such fulfilment of export obligation. Also, the Handbook Procedures and para (ix) of the Notification No. 018/2015- Cus, make it mandatory on the part of the authorization holder to submit requisite evidence in support of discharge of export obligation in accordance with the law within a period of sixty days from the date of expiry of export obligation.

1.50. From the investigation it appeared that;

- (i) M/s Bison Enterprises does not have any manufacturing facility and has not purchased any machinery for manufacture with regard to import of PVC Resin.
- (ii) No exports have been made by M/s Bison Enterprises out of the imported goods and the imported goods have been cleared as such in the local market without utilizing the same for manufacture of export goods. The imported goods were not stored in any godown and on its import the said imported goods were cleared in the local market.
- (iii) M/s Bison Enterprises have not fulfilled export obligations in respect of the imports under the Advance Authorization.

1.51. And also, as per bank statement, no foreign inward remittances have been received by M/s Bison Enterprises, indicating that no exports have taken place. Further, verification of the customs data indicated no exports have taken place, thus violating the export obligation conditions put forth in the advance licenses.

1.52. It appeared that in view of the discussions in earlier paras, the importer has failed to fulfil the conditions specified therein and as such also they are not eligible for the benefit of duty exemption

provided by the said Advance Authorization issued by the DGFT. It also appeared that they have violated the "Actual User" condition and have diverted the imported goods.

- 1.53.** Section 143 of the Customs Act, 1962, provides for execution of Bonds under certain circumstances where this Act or such other law, grant leave for import, export or clearance of goods on the person executing a bond subject to conditions as approved by the competent authority. In case of exemption that requires fulfilment of post-import conditions over a period of time, law makes such execution of Bond mandatory which makes the importer/ exporter duty bound to pay amount of duty benefit availed with appropriate interest, in case of failure on the part of the importer/ exporter to comply with such conditions. Further, as per condition (iv) of the Customs Notification No. 018/2015-Cus dated 01.04.2015, 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 therein, 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.
- 1.54.** As the importers failed to comply with the conditions stipulated, it appeared that the above Bonds executed for the differential duty by M/s Bison Enterprises, in respect of the imports of goods covered under 3 Bills of Entry be enforced against the differential duty payable by them.
- 1.55.** The importer also undertook to comply with the conditions of the notification as well as the provisions of Foreign Trade Policy, as amended from time to time. It appeared that they failed to observe such conditions and even after such failure, did not pay the amount of Customs duty and interest in terms of the conditions of the Policy, notification as well as the bond executed by them. As a result, they are liable to pay the entire duty forgone/ duty saved amount of Rs. 2,44,21,596/-.
- 1.56.** Condition (ix) of the Notification No. 018/2015 -customs dated 01.04.2015, required an importer to produce evidence of discharge of export obligation to the satisfaction of the Customs authority within a period of sixty day of the expiry of period allowed for fulfilment of export obligation. Failure to do that led to outright violation of the conditions of the notification read with Policy in force rendering goods, so imported, duty free, liable for confiscation under section 111(d) and 111 (o) of the Customs Act, 1962.
- 1.57.** The proprietor as per the paper Shri. Vijaya Lakshman More in his statement stated that he doesn't know what was import/ export; does not have any bank account, only receives wages in cash; he has not signed Agreement for High Sea Sales for the import of M/s Universal Impex; doesn't know what is

Advance Authorization licenses; and doesn't know anything about M/s Bison Enterprises or its activities.

- 1.58.** The importers by their deliberate act/ commission/ omission have contravened various provisions of the Foreign Trade Policy read with Handbook of Procedures. Also, the importer grossly failed to comply with the pre and post import conditions of the notification and imported goods duty free by availing benefit of the same. This has led to contravention of the provisions of the Notification No. 18/2015 dated 01.04.2015, which appeared to have rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.
- 1.59.** The importer has executed the Bonds bearing Numbers 2001825965 dt. 02.02.2021 and 2001816132 dt. 7.1.2021 with Nhava Sheva Customs binding themselves that in the event of failure to fulfil the export obligation and thereupon default in payment of Customs duties and applicable interest mentioned in the bonds as mentioned above which need to be enforced as per Section 143(3) of the Customs Act, 1962.

SUPPRESSION OF FACTS AND MISUSE OF CREDENTIALS: -

- 1.60.** In the instant case, M/s Bison Enterprises imported PVC resin under Advance Authorization Licenses without payment of duties of Customs with an actual user condition and re-export of the final product. Whereas from the facts mentioned above, M/s Bison Enterprises had no facility to manufacture the resultant product i.e., PVC Flexible Sheet/ Film and they have not carried any manufacturing activity and have diverted the imported goods to the local market without adhering to the actual use conditions imposed on the said firm while importing the PVC resin duty free under Advance Authorization scheme. Further M/s Bison Enterprises have not fulfilled export obligations in respect of the imports under the Advance Authorization. Thus M/s Bison Enterprises have suppressed the above fact of non-fulfilment of actual user condition and fulfilment of export obligation cast on them by diversion of duty-free imported goods to the local market from the department.
- 1.61.** Further, it was observed by the Officers during the investigation that address of M/s Bison Enterprises at (i) House No. 413, Dhushiya Chawl, Anand Nagar, Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra - 421306 and (ii) H No. D07013629900, Martu Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan, Thane, Maharashtra - 421 306 could not be identified and during the visit of the officers of DRI, Pune Regional Unit on 18.11.2021 at the Factory Address at Godown No 1A & 2, Shalom Empire GAT Number 169 & 170, Talawade, Tehsil Haveli, Pune, Maharashtra-411062, it was noticed that the said premises was occupied by a firm by the name M/s Usha Chemicals and no name board by the name M/s Bison Enterprises was found at the said address. Further discreet enquiries made with the persons in and around Shalom firm Empire

premises, it was stated by some persons that they do recollect a firm being at the said premises for a very short period and the same has been shut. The owner of the said premises Mr. Jose over phone informed that M/s Bison Enterprises had taken the premise on rent as per the rent agreement dated 3.11.2020 but they vacated within a month clearly implying that the said premises was taken on rent only for the sake of obtaining GST Registration and Advance License and once the paperwork was over, they had physically vacated the said premises but continued to show the said for customs/ DGFT/ GST authorities.

1.62. Shri Vijay Laxman More, the proprietor M/s Bison Enterprises, during recording of his statement has stated that he does not know anything about M/s Bison Enterprises and is working for wages with M/s. Vikas Engineering Enterprises. No documents were recovered during search of the residential premises of Shri Vijay Laxman More on 15.12.2022. However, some of the documents pertaining to M/s Bison Enterprises were recovered during search of M/s Nadiya Polymers belonging to Shri Rajeev Sachadev operating from address 6th Floor 24 Kailash Darshan Kennedy Bridge Road, Above IDBI Bank Nana Chowk, Mumbai, Maharashtra - 400007 indicating that the documents have been purposefully hidden from the department either by the importer or Shri Rajeev Sachadev. Further the Vijay Lakshaman More did not provide answers to all the crucial questions posed to him during recording of his statement, like how his credentials were used for import of Goods under Advance Authorization which were relevant to the ongoing investigation. During the recording of statement, it appeared that Shri Rajeev Sachadev did not divulge the information sought for and was not able to give simple answers to the questions asked and simply stated that he does not know anything about M/s Bison Enterprises. However, Shri Amar Kothari, who handled the imports of M/s Bison Enterprises and M/s Universal impex through Shri. Nitish Bhanushali and CHA in his statement dated 07.11.2024 has stated that Shri Rajeev Sachadev, proprietor of M/s Universal impex is the person who has provided all the documents of M/s Bison Enterprises to him. From this it appeared even though Shri Rajeev Sachadev denies he doesn't know M/s Bison Enterprises and Shri Vijay Laxman More, its proprietor as per the records, there are evidences obtained during the search of the premise M/s Nadiya Polymers and also during the investigation indicating that the goods imported under Advance Authorization have been effectively controlled by Shri Rajeev Sachadev. Therefore, it appeared that Shri Rajeev Sachadev acted as beneficial owner and imported the subject goods under Advance Authorization using the details of Shri Vijay Laxman More within the meaning of section 2(3A) and (22) of Customs Act 1962.

1.63. The proprietor of M/s Bison Enterprises, as per the documents, Shri. Vijay Lakshman More in his statement dated 15.12.2022 has stated that he doesn't know what is import/ export; he does not have any bank account, only receives wages in cash; he has not signed for any Agreement for High Sea

Sales for the import of M/s Universal Impex; he doesn't know what is Advance Authorization licenses; and doesn't know anything about M/s Bison Enterprises or its activities. Further, Statement of Shri Chetan Ramji Gajra, partner in M/s. Naranji Desai and Co., Mumbai, Custom House Agent recorded on 29.12.2022 and statement of Shri Amar Kothari recorded on 07.11.2024 also substantiated that Shri Vijaya Lakshman More has not contacted them for clearance of imported goods, instead it was Shri Rajeev Sachadev, proprietor of M/s Universal Impex contacted and provided documents for clearance of imported goods belonging to M/s Bison Enterprises. From this it appeared that Shri Rajeev Sachadev used the credentials of Shri Vijay Lakshman More to set up the firm and obtained Advance Authorization and used the same for the import of subject goods and caused substantial revenue loss to the exchequer.

1.64. On perusal of the documents seized during the searches conducted at the premises of M/s Nadiya Polymers, it was noticed that in the signed KYC form for CHA submitted by Shri Rajeev Sachadev, proprietor of M/s Universal Impex, the telephone number has been given as 8104041677. The said number also figures in the receipt bearing No. GJ122MB201205812 dated 1.3.2021 issued by M/s. T S lines Co. Ltd C/o T S Lines (India) Pvt Ltd., (having offices at Mumbai and Mundra) to M/s Bison Enterprises for Rs.120456.00. In the said receipt the said amount has been paid by M/s Bison Enterprises vide No. KARBN21060908900 dated 01.03.2021 mentioned under Cheque No. & date. On perusal of the bank statement of M/s Bison Enterprises held with Karnataka Bank Ltd., it was seen that the said amount has been transferred through NEFT to M/s. T S lines (India) Pvt. Ltd. on 01.03.2021. Thus, from the above it clearly appeared that Shri Rajeev Sachadev, proprietor of M/s Universal Impex is the person who is directly involved in transactions of imported goods belonging to M/s Bison Enterprises and had effective control over the imported goods belonging to M/s Bison Enterprises and subsequent diversion of the same in domestic market. Further, Shri Rajeev Sachadev has not produced any evidence on the involvement of Shri Viral Mehta tax consultant as stated by him in his statement dated 22.12.2023.

1.65. With the introduction of self-assessment under the Customs Act, more faith is bestowed on the importer, as the practice of routine assessment, concurrent audit and examination has been dispensed with. As a part of self-assessment by the importer, it was duty of the importer to present correct facts and declare to the Customs authority about their inability to fulfil export obligation and also, they should have volunteered to pay duty, the moment statutory 60 days from the expiry of the EO period was over. However, contrary to this, they availed benefit of the subject notification for the subject goods but did not comply with the conditions laid down in the exemption notification. It appeared that only because of the vigilance and detailed scrutiny of the documents by the officers of DRI the leakage of revenue could come to light. The importer has not come forward on his own to pay such

duty voluntarily. It appeared that the said duty evasion would have remained undetected due to suppression of facts by the importer, but for the intervention of DRI.

- 1.66.** Until the investigation was taken up by DRI, Mangalore, the importers M/s Bison Enterprises did not even come forth to pay the Customs duty in respect of impugned Advance authorization. It is evident that it was within the knowledge of the importers that they failed to comply with the conditions of Notification No. 18/2015-Cus dated 01.04.2015, as amended, but still they did not disclose the same to the Customs authority and did not pay the duty saved on these goods at the time of import. M/s Bison Enterprises and alleged beneficial owner Shri Rajeev Sachadev grossly failed to comply with the legal provisions laid down under the notification and the Policy and suppressed the fact of such failure by not submitting the documents before the Customs authority. This clearly indicates their malafide intent of evading duty of Customs.
- 1.67.** As per the bank statement furnished by Karnataka Bank Ltd., Navi Mumbai-Nerul (E) Branch, Thane in respect of Account No.6372000100019701 in the name of M/s Bison Enterprises, for the period from 1.3.2021 to 5.12.2021 there are no foreign inward remittances also indicating that goods have not been exported.
- 1.68.** Further, as per E waybill portal, it is seen that there are E way bills for transport of Imported PVC resin to Pune Pin Code No. 411062 which corresponds to their factory at M/s Bison Enterprises, at Godown No. 1A & 2, Shalom Empire, Gat No: 169 & 170, Talwade, Tehsil: Haveli, Pune. However as informed by the owner of the said premises M/s Bison Enterprises had taken the premises on rent during November, 2020 and probably vacated during December, 2020 i.e., within a month, hence even though the goods were destined to their registered premises at Talwade as per E way bill there are no chances of storing/ utilizing in the manufacture of Final Products, implying that E way bills have been issued deliberately in order to show movement of the imported goods to Factory premises and to mislead the department with an intention to evade customs duties. Further the imported goods have been diverted locally.

CONFISCATION OF GOODS AND PENALTY

- 1.69.** Whereas it appeared that M/s Bison Enterprises have failed to comply with the conditions of the notification wherein they availed the benefit of duty-free import under Advance Authorization scheme under Notification No. 18/2015-Cus dated 01.04.2015. The non-fulfillment of the conditions laid out in the Foreign Trade Policy 2015-2020, the Handbook of procedures 2015-2020, Notification No 18/2015-Cus dated 01.04.2015 and also the conditions prescribed in the Advance Authorization issued by the competent Regional Authority of the DGFT itself is detailed in above paras has led to contravention of the provisions incorporated therein. Both para 4.44 of the Handbook of Procedures

(2015-20), Volume -I, as well as Condition No. (ix) of the Notification No. 18/2015 -Cus dated 01.04.2015, as amended, have made it mandatory on the part of the importer to discharge their export liability within the stipulated period. Therefore, it appeared that due to the non-fulfilment of conditions and contravention of the provisions prescribed for the purpose of duty exemption, the goods imported i.e., 5,42,000 Kgs of PVC Resin valued at Rs. 5,64,05,507/- imported by M/s Bison Enterprises by utilizing the Advance Authorization numbers 311001325 dt. 28.01.2021 and 311000366 dt. 24.12.2020 under 03 Bills of Entry 2894282 dt. 24.02.2021, 3209473 dt. 19.03.2021 and 3333337 dt. 27.03.2021 are liable to confiscation under Section 111(d) ad 111(o) of the Customs Act, 1962.

1.70. Section 112 of the Customs Act, 1962 stipulates that where

"Any person,

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111 also be liable to pay a penalty so determined.

1.71. Whereas it appeared that M/s Bison Enterprises, the manufacturer exporter controlled by Shri Rajeev Sachadev in this case, have diverted entire quantity of imported PVC resin to local market. Para 4.16 and 4.22 of HTP, para 4.42 of Hand book procedures, conditions laid down in the conditions sheet attached to the Advance Authorizations issued to them and Customs Notification No. 018/2015-customs dated 01.04.2015 all clearly state that the goods imported under Advance Authorization shall not be transferred or sold unless it is mentioned in the said Advance Authorization, which clearly violates the actual user condition prescribed under the Advance Authorization scheme. From the above it appeared that M/s Bison Enterprises/ Shri Rajeev Sachadev intentionally and knowingly concerned itself in improper importation of goods and violated conditions prescribed in the Advance Authorizations. Consequent to the duty evasion as detailed above, M/s Bison Enterprises/ Shri Rajeev Sachadev have rendered the goods imported duty free liable for confiscation under Section 111(d) and 111(o) of the Customs Act, 1962. Further, M/s Bison Enterprises/ Shri Rajeev Sachadev appeared liable for penalty under Section 112 of the Customs Act, 1962, in relation to the said goods.

1.72. Thus, in view of the conditions of the notifications and bonds executed, it appeared that M/s Bison

Enterprises and its alleged beneficial Shri Rajeev Sachadev are duty bound to pay back the duty saved amount on imports as they violated various conditions of notifications. However, they have not come forward to pay back the duty and also, they could not fulfil the export obligation fully. Therefore, the duty saved is recoverable from M/s Bison Enterprises/ Shri Rajeev Sachadev along with interest in terms of Notification No. 18/2015- Cus. dated 01.04.2015 read with Section 143(3) of Customs Act, 1962.

ROLE PLAYED BY DIFFERENT PERSONS IN DUTY EVASION:

1.73. Shri Vijay Laxman More, proprietor M/s Bison Enterprises: As per the DGFT/ GST/ Customs/ Bank records it was noticed that Shri Vijay Laxman More, is the proprietor of M/s Bison Enterprises, even though Shri Vijay Laxman More in his statement dated 15.12.2022 claims that he is not aware of anything connected to M/s Bison Enterprises. However, as evident from the records,

- He has applied for the Advance Authorization.
- No manufacturing activity has been carried out in respect of the imported goods, as there was no manufacturing facility available in M/s Bison Enterprises registered premises. He has not purchased any machinery for manufacture with regard to import of PVC Resin.
- The imported goods have been cleared in the local market without utilizing the same for manufacture of export goods. The imported goods are not stored in any godown and on its import the said imported goods are cleared in the local market.
- No exports have been made by M/s Bison Enterprises out of the said imported goods. M/s Bison Enterprises have not fulfilled export obligations in respect of the imports under the above Advance Authorization.
- Conditions of para 4.16 of foreign trade policy 2015-2020, para 4.51 of foreign trade policy/ Handbook of procedures, Condition Sheet of Advance Authorization, Notification No. 018/2015-customs dated 01.04.2015 are violated.

1.74. As can be seen from the mahazar drawn at the residential premises of Shri Vijay Laxman More, Proprietor of M/s Bison Enterprises located at Shastri Nagar, Kajupada, Pipe Line, Kurla West, Sakinaka, Mumbai, Maharashtra 400072 on 15.12.2022 and also statement of Shri Vijay Laxman More recorded on 15.12.2022, it was very clear/ evident that Shri Vijay Laxman More, with his living condition and educational background and exposure, on his own could not have conducted the business of import of PVC Resin duty free under Advance Authorization and diversion of the said duty-free imported PVC Resin in the local market by M/s Bison Enterprises. Based on the searches

carried out and investigation conducted, it appeared that Shri Rajeev Sachadev, proprietor M/s Universal Impex and M/s Nadiya Polymers has played an active role in conducting the business in the name of M/s Bison Enterprises and in fraudulent diversion of duty-free imported PVC resin in the local market and violation of actual use condition and also have not fulfilled export obligations imposed on the said firm while importing the PVC resin duty free under Advance Authorization scheme. Therefore, from the above, Shri Vijay Laxman More, namesake proprietor of M/s Bison Enterprises who has lent his credentials to be used or was coerced to open requisite credential in his name like IEC, Bank account, GST Registration and other documents required for import/ Export to be used by Shri Rajeev Sachadev, during the period under consideration is liable for penal action under Section 112 or Section 114A of the Customs Act for rendering the imported goods liable for confiscation under Section 111 (d) and 111 (o) of Customs Act, 1962.

1.75. Shri Rajeev Sachadev, proprietor M/s Universal Impex and M/s Nadiya Polymers: From the voluntary submissions in statement dated 22.12.2023 of Shri Rajeev Sachadev proprietor M/s Universal Impex, recorded under Section 108 of the Customs Act, 1962 and other statements/ evidences/ documents recovered during the investigations, it was noticed that:

- During the search of the premises of M/s Nadiya Polymers, a proprietorship firm of Shri Rajeev Sachadev, located at 6th Floor, 24th Kailash Darshan, Kennedy Bridge, Above IDBI Bank, Nana Chowk, Mumbai 400007 on 13.12.2022 by the officers of DRI, MRU apart from files pertaining to M/s Universal Impex which is under investigation for diversion of PVC Resin imported duty free under Advance Authorization file pertaining to M/s Bison Enterprises- Bill of Lading Orange Flat file was also recovered under mahazar dated 13.12.2022.
- It was observed from import documents of M/s Universal Impex that in respect of his imports under BE No. 4587081 and 4587084 both dated 06.07.2021, he has imported the subject goods on High Sea Sales basis from M/s. A. G. Enterprises and it was also observed from the copy of High Seas agreement that it was signed by (i) Mr. Vijay Laxman More; (ii) Raghunath Narayan Bhoir; and (iii) Shri Arun Ganpat Awale. Hence on being asked to give details of these persons, Shri Rajeev Sachadev in his statement dated 22.12.2023 has stated that it is a fact that High Sea sales have happened with M/s. A.G. Enterprises in respect of the above-mentioned Bills of Entry; that he knows Shri. Arun Ganpat Awale is the proprietor of M/s. A. G. Enterprises and Shri Raghunath Narayan Bhoir who works as peon in his office; that he is not aware about Vijay Laxman More and Vijay Laxman More was arranged by Shri Viral Mehta, a tax consultant who shares his office.

- In his Statement of Shri Chetan Ramji Gajra, partner in M/s Naranji Desai and Co., Mumbai, Custom House Agent dated 29.12.2022 in connection with imports in the name of M/s Bison Enterprises has stated that he has overheard Shri Amar Kothari (who introduced this firm to him for doing business) saying to the effect like Shri Rajeev Sachadev is the Manager or something to the effect that 'Rajeev ka boss hai'.
- As stated by Shri Amar Kothari in his e-mail dated 19.08.2024 in response to summons issued by this office, he had got the work of PVC import of M/s Universal Impex and M/s Bison Enterprises both by importer Rajiv Sachadev proprietor of M/s Universal Impex and that they had met via one common friend near Rajiv Sachadev residence at Address 12, 704, FAM society, Kopar Khairne, Vashi, Navi Mumbai and his Contact no. +919136045687. Further in his statement dated 7.11.2024, Shri Amar Kothari has stated that he has met Shri. Rajiv Sachadev in the housing society where Shri. Rajiv Sachadev lives and has received documents pertaining to imports by M/s Universal Impex and M/s Bison Enterprises and has also received money from Shri. Rajiv Sachadev towards the clearance of the said imported goods.
- As mentioned in above para in the signed KYC form for CHA submitted by Shri Rajeev Sachadev, the telephone number has been given as 8104041677. The said number also figures in the receipt bearing No. GJ122MB201205812 dated 1.3.2021 issued by M/s. T S Lines Co. Ltd C/o T S Lines (India) Pvt Ltd., to M/s Bison Enterprises for Rs.120456/-. In the said receipt the said amount has been paid by M/s Bison Enterprises vide No. KARBN21060908900 dated 1.3.2021 mentioned under Cheque No. & date. On perusal of the bank statement of M/s Bison Enterprises held with Karnataka Bank Ltd., it is seen that the said amount has been transferred through NEFT to M/s. T S Lines (India) Pvt. Ltd. on 1.3.2021.
- During investigations conducted by DRI, MRU against M/s Universal Impex Proprietor Shri Rajeev Sachadev, the following have been noticed: -
 - (i) He has changed the name of firm M/s Universal Impex to M/s Nadiya Polymers without any specific reasons. However, all the credentials such as PAN Number, IEC No., GST No. remain the same;
 - (ii) He has applied for the Advance Authorization through a consultant Shri Viral Mehta who shares office with him;
 - (iii) No manufacturing activity has been carried out in respect of the imported goods, as there was no manufacturing facility available in M/s Universal Impex registered premises. He has not purchased any machinery for manufacture with regard to import

of PVC Resin;

- (iv) The imported goods have been cleared in the local market without utilizing the same for manufacture of export goods. The imported goods are not stored in any godown and on its import the said imported goods are cleared in the local market. He doesn't remember to whom the said imported goods are cleared locally, their address and other details;
- (v) No exports have been made by M/s Universal Impex out of the said imported goods. M/s Universal Impex have not fulfilled export obligations in respect of the imports under the above Advance Authorization;
- (vi) During the search of the premises of M/s Nadiya Polymers, the documents/ records pertaining to M/s Bison Enterprises were recovered as brought out in the mahazar drawn at the premise of M/s Nadiya Polymers belonging to Shri Rajeev Sachadev;
- (vii) As stated by Shri Rajeev Sachadev on the advice and complete guidance of Shri Viral Mehta, he has imported the goods under Advance Authorization and the business of M/s Universal Impex has been conducted. Shri Viral Mehta has contacted the overseas supplier, arranged for shipment and CHA services, but Shri Rajeev Sachadev has not produced any document in this effect as stated by him in his statement;

1.76. From the above, it appeared that Shri Rajeev Sachadev, proprietor of M/s Universal Impex, is the person responsible for the import of 'PVC resin' under the Advance Authorization scheme in the name of M/s Bison Enterprises. He is aware of the procedures related to imports under concessional rate of duty under the Advance Authorization scheme. He knows that they have not fulfilled the export obligation as stipulated in the Advance Authorization read with relevant notification and foreign trade policy in respect of their import under Advance Authorization. He was aware of the transfer and selling of goods in local market. Further, as per the evidence Shri Rajeev Sachadev directly dealing with the imports for M/s Bison Enterprises is well aware of the procedures related to Advance Authorization and has not made any sincere efforts to ascertain the status of non-fulfilment of export obligation to DGFT. At no point in time did he made any effort to bring to the notice of the concerned authorities about M/s Bison Enterprises inability to fulfil the export obligation and take necessary corrective measures towards payment of duties. From the above, it appears he acted as beneficial owner of the goods imported by M/s Bison Enterprises. His deliberate actions in omitting to abide by the provisions of Foreign Trade Policy read with Handbook of Procedures, with an intent to evade the customs duties resulted in loss of government revenue due to non- payment of Customs duties. Therefore, it appeared that Shri Rajeev Sachadev, proprietor of M/s Universal Impex is the person

involved in the decision making in M/s Bison Enterprises, during the period under consideration hence he is liable for payment of customs duties as the beneficial owner of M/s Bison Enterprises along with applicable interest and penalty.

Quantification of the Duties Involved.

1.77. As per the Bills of Entry obtained during search and submitted by CHA and data available with customs, M/s Bison Enterprises have imported PVC resin under the following 3 Bills of Entry and the details of assessable value and duties involved, year of import and port of import mentioned in the said 3 Bills of Entry are as under.

| Port of Import | BE No & Date | Item Description | Quantity In Kgs | Assessable Value | BCD @ 10% | Special Customs Duty @ 10% | Anti-Dumping Duty* | IGST @18% | Total duty |
|--------------------|-----------------------|------------------|-----------------|------------------|----------------|----------------------------|--------------------|----------------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6=10% of 5 | 7=10% of 6 | 8=* | 9 = 18% of (5+6+7+8) | 10=6+7+8+9 |
| INMU N1 | 2894282 24-02-2021 | PVC RESIN SG5 | 100000 | 1056061 | 1056061 | 105606 | 2821745 | 5896038 | 9879450 |
| | TOTAL A | | 100000 | 1056061 | 1056061 | 105606 | 2821745 | 5896038 | 9879450 |
| INNS A1 | 3209473 19-03-2021 | PVC RESIN | 260000 | 2696758 | 2696759 | 269676 | 1090465 | 2306294 | 6363194 |
| INNS A1 | 3333337 27-03-2021 | PVC RESIN | 182000 | 1953880 | 1953880 | 195388 | 1975222 | 4259393 | 8383883 |
| | TOTAL B | | 442000 | 4650639 | 4650639 | 465064 | 3065687 | 6565687 | 14747077 |
| GRAND TOTAL | | | 542000 | 5706700 | 5706700 | 570670 | 5887432 | 12461725 | 24626527 |

*Anti-Dumping Duty@ \$ 147.96 per MT, as per Notification No. 32 /2019 Customs (ADD) dated 10.08.2019, (after considering \$ rate @ Rs.73.7 i.r.o. Bill of Entry 2894282 dt. 24.02.2021 and @ 73.35 i.r.o. Bills of Entry 3209473 dt. 19-03-2021 and 3333337 dt. 27-03-2021).

1.78. As can be seen from the table above, M/s Bison Enterprises during the period February, 21 have imported PVC Resin at Mundra Port and the total duties involved works out to Rs.98,79,450/- whereas during the March,21, they have imported PVC Resin at Nhava Sheva Port, Mumbai and the total duties involved works out to Rs.1,47,47,077/-. As can be seen from the table above, the total duty involved in all the 3 Bills of Entry is Rs.2,46,26,527/-. The Bills of Entry have been assessed by mentioning Anti-Dumping Duty as per Notification No. 32/2019-Customs (ADD) dated 10 August 2019 as the origin of goods has been declared as China. As per Notification No. 32/2019-Customs

(ADD) dated 10 August 2019 the rate of ADD is @ \$ 147.96 per MT (after considering \$ rate @ Rs 73.7 i.r.o. Bill of Entry 2894282 dt. 24.02.2021 and @ Rs 73.35 i.r.o. Bills of Entry 3209473dt. 19-03-2021 and 3333337 dt. 27-03-2021) and the same have been considered while demanding the total duties of customs.

Summary of the Investigation:

1.79. From the facts and discussions herein above, it appeared that: -

- (i) M/s Bison Enterprises have obtained the Advance Authorizations from DGFT, Mumbai in terms of the Foreign Trade Policy in force, under self-declaration basis, for duty free import of PVC Resin as per conditions of Notification No. 018/2015-cus dated 01.04.2015 read with Foreign Trade Policy in force, with an obligation to export PVC flexible sheet/ film using the duty-free imported materials with actual user condition.
- (ii) M/s Bison Enterprises had imported PVC Resin falling under Customs Tariff Heading 39041090/ 39049010 vide 3 Bills of Entry without payment of duty of Customs under Advance Authorization license.
- (iii) The Advance Authorizations issued to M/s Bison Enterprises were valid for 18 months from the date of issue. However, M/s Bison Enterprises have failed to fulfil the export obligation within the prescribed time limit, hence, it appeared that the importers are liable to pay the entire duty foregone amount/ duty saved amount in their import using Advance Authorizations.
- (iv) The registered office premises of M/s Bison Enterprises at (i) House No. 413, Dhusiya Chawl, Anand Nagar, Shiphata Road, Near Metro Junction, Front of Hard Cas, Netivali, Kalyan East, Thane, Maharashtra - 421306 and (ii) H. No. D07013629900, Martu Bhumi Nagar, Home Baba Takdi, Netivali, Kalyan, Thane, Maharashtra - 421 306 was found to be not traceable and the factory address of M/s Bison Enterprises, at Godown No 1A & 2, Shalom Empire GAT Number 169 & 170, Talawade, Tehsil Haveli, Pune, Maharashtra-411062 was not operational and the said premises was vacated within a month of taking on rent as per the owner of the said premises.
- (v) Shri Rajeev Sachadev acted as beneficial owner and imported the subject goods under Advance Authorization using the details of Shri Vijay Laxman More.
- (vi) Neither the policy nor the customs notification nor the conditions attached to the Advance Authorization allow diversion of the duty-free materials as such unless export obligation in respect of the subject Advance Authorization under which such goods were imported duty free,

have been fulfilled to the satisfaction of the Customs and DGFT authorities. However in the instant case, the duty free imported material i.e., PVC Resin has been fraudulently diverted to local market thereby the importer have failed to fulfil the actual user condition mentioned in the advance license and also failed to export the intended finished product i.e., PVC flexible film/sheet, thus violated the conditions stipulated in the Notification 018/2015-Customs dated 01.04.2015, Para 4.16 and 4.22 of the Foreign Trade Policy, para 4.42 of Handbook of Procedure and the conditions prescribed in the Advance Authorization.

- (vii) Condition (viii) of the Notification No. 018/2015 -Customs dated 01.04.2015, as amended, require an importer to discharge the export obligation as specified in the Authorization both in terms of value and quantity within the specified period as specified in the Authorization or within the extended period as may be granted by the Regional Authority of DGFT by exporting resultant products manufactured out of the duty-free materials imported.
- (viii) Condition (ix) of the Notification No. 018/2015 -customs dated 01.04.2015, required an importer to produce evidence of discharge of export obligation to the satisfaction of the Customs authority within a period of sixty days of the expiry of period allowed for fulfilment of export obligation. Failure to that led to outright violation of the conditions of the notification read with Policy in force rendering goods, so imported, duty free, liable for confiscation under section 111 (o) of the Customs Act, 1962.
- (ix) Such non-payment of duty of Customs, interest on the said amount of duty not paid becomes payable from the said importers under the conditions of Bond executed at the port of import at the time of clearance of imported goods under the said notification.
- (x) Thus, the importers by their deliberate actions in omitting to abide by the provisions of the Foreign Trade Policy read with Handbook of Procedures have grossly failed to comply with the pre and post import conditions of the notification and imported goods duty free by availing undue benefit of the same. This has led to contravention of the provisions of the notification No. 18/2015 dated 01.04.2015, which appears to have rendered the goods liable to confiscation under Section 111(o) of the Customs Act, 1962. Further, these acts appear to have made M/s Bison Enterprises liable for penalty under Section 112(a)/ 112(b) or Section 114A of the Customs Act, 1962.

1.80. It appeared from the above discussion that consequent to duty evasion as detailed above, Shri Rajeev Sachadev, Prop. M/s Universal Impex and M/s Nadiya Polymers and also the beneficial owner of M/s Bison Enterprises and Shri Vijay Laxman More Proprietor of M/s Bison Enterprises (as per records), appeared to have rendered these goods cleared at Nhava Sheva Port/ Mundra port, liable for

confiscation. For all their acts of omission and commission it appeared that they have rendered,

- (i) the imported goods liable for confiscation under Section 111(d) and 111(o) of the Customs Act 1962;
- (ii) Shri Rajeev Sachadev rendered himself liable to pay a total differential Customs duty of Rs. 2,46,26,527/- (Rupees Two Crores Forty-Six Lakhs Twenty-Six Thousand Five hundred and Twenty-Seven Only), on the goods imported by M/s Bison Enterprises (as detailed in para 12.1 and 12.2 of the Show Cause Notice), being beneficial owner of M/s Bison Enterprises in terms of bond executed by them under Section 143(3) of the Customs Act, 1962 read with Section 5(1) of the IGST Act.
- (iii) Shri Rajeev Sachadev rendered himself liable to pay interest, at the appropriate rate, on the differential duty as above, in terms of bond executed by them under Section 143(3) of the Customs Act, 1962;
- (iv) rendered themselves liable for Penalty under Section 112(a)/ 112(b) or Section 114A of the Customs Act, 1962, for rendering the goods imported by them liable for confiscation under Section 111(d) and Section 111(o) of the Customs Act, 1962.
- (v) rendered themselves liable to enforce the Bonds executed by them, against the consignments imported duty free under Advance Authorizations in terms of Notification No. 18/2015-Customs dated 01.04.2015 read with Section 143(3) of the Customs Act, 1962.

1.81. In view of the above, Shri Rajeev Sachadev, beneficial owner of M/s Bison Enterprises, and M/s Bison Enterprises holders of IEC AXYPM5970A having permanent residential address at No.703, FAM society Room, Building No.12, Near Balaji Garden, Sector No.11, Navi Mumbai, Thane, Maharashtra 400 709 was called upon to show cause to the Principal Commissioner/Commissioner of Customs, NS-I, JNCH, Nhava Sheva Tal: Uran, District: Raigad, Maharashtra-400707 as to why:

- (i) Shri Rajeev Sachadev should not be considered as beneficial owner and thereby importer (within the meaning of section 2(3A) read with Section 2(22) of Customs Act 1962) with respect to the import of subject goods under Advance Authorization by M/s Bison Enterprises;
- (ii) the goods i.e. 5,42,000 kgs of imported PVC Resin valued at Rs. 5,70,67,001/- imported in the name of M/s Bison Enterprises by utilizing the Advance Authorization numbers 311001325 dt. 28.01.2021 and 311000366 dt. 24.12.2020 under 3 Bills of Entry imported through Nhava Sheva and Mundra Port should not be held liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962, for being imported under the exemption Notification No. 18/2015-cus

dated 01.04.2015, without observing various conditions laid down under the said notification as well as for contraventions of the provisions of the Foreign Trade Policy (2015-2020) read with the Hand Book of Procedures 2015-2020;

- (iii) Duty concession availed by them, under 3 Bills of Entry as detailed in para 12.1 and 12.2 of the Show Cause Notice should not be denied and total Customs duty of Rs. 2,46,26,527/- (Rupees Two crores Forty Six lakhs Twenty Six thousand Five hundred and Twenty Seven Only), forgone/ saved on the said imports, should not be recovered from them along with applicable interest in terms of conditions specified in the Notification No. 18/2015 -Cus dated 01.04.2015 and relevant paras of Foreign Trade Policy 2015-2020 and Hand Book of Procedures 2015-2020, the conditions specified in the Advance Authorization license issued to them and in terms of the bond furnished by them in this regard read with Section 143(3) of the Customs Act, 1962;
- (iv) the bonds executed by M/s Bison Enterprises before the customs authorities for import of duty-free PVC resin under the above-mentioned Advance Authorizations binding themselves that in the event of failure to fulfil the export obligation and thereupon default in payment of Customs duty and applicable interest mentioned in the bonds mentioned above should not be enforced for recovery of the customs duties;
- (v) penalty should not be imposed on Shri Rajeev Sachadev under Section 112 or Section 114A of the Customs Act, 1962 for improper importation of goods availing exemption notification and without observance of the conditions set out in the notification as elaborated above resulting in nonpayment of duty, which rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.
- (vi) penalty should not be imposed on Shri Vijay Laxman More, Proprietor of M/s Bison Enterprises (as per records), for having lent his credentials to be misused under Section 112 and/or Section 114A of Customs Act, 1962.

2. WRITTEN SUBMISSION OF THE NOTICEE

- 2.1.** Shri Rajeev Sachadev has made following submissions vide letter dated 06.04.2026: -
- 2.2.** At the outset the Noticee denies each and every allegation, inference, and conclusion drawn against him in the SCN unless specifically admitted herein. Nothing contained in this reply shall be construed as an admission for want of specific traverse. Noticee reserves his right to file an additional reply, if required.

- 2.3.** The present proceedings are vitiated due to complete non-service of the Show Cause Notice, which is in gross violation of Section 153 of the Customs Act, 1962. The above referred SCN was never served physically or through any legally prescribed mode by your office. The undersigned received a copy of SCN only on 26.03.2026 through email i.e. after the Notice of hearing dated 18.03.2026 requiring appearance on 25.03.2026.
- 2.4.** He has no connection whatsoever with M/s Bison Enterprises or its activities. He is not related to the said entity in any manner and has no knowledge of its business. The undersigned has been wrongly implicated in the present matter.
- 2.5.** The service of SCN is mandatory, not procedural formality. Improper service renders proceedings void ab initio. In CCE vs. Brindavan Beverages Pvt. Ltd. reported as 2007 (5) SCC 388, it was held that the show cause notice is the foundation on which the department has to build up its case. If the allegations in the Show Cause Notice are not specific and are on the contrary vague, lack details and/or unintelligible that is sufficient to hold that the Noticee was not given proper opportunity to meet the allegations indicated in the show cause notice.
- 2.6.** In Amidev Agro Care Pvt. Ltd. vs. Union of India reported as 2012 (279) E.L.T. (BOM), it was held that with regard to service by speed post has not been the correct service of SCN. This violates the principle of natural justice.
- 2.7.** He never received any summons, nor was his statement ever recorded. This is in direct violation of principle of natural justice. Any alleged reliance on statements pertains to unrelated matters and cannot be used to implicate the Noticee in the present case.
- 2.8.** The SCN is self-contradictory, vague, and lacks evidentiary basis. The allegations are addressed below:
- a) False claim of search proceedings- M/s Nadiya Polymers -SCN alleges search of premises of M/s Nadiya Polymers. No such search was ever conducted.
 - b) Irrelevant reference to M/s Universal Impex SCN refers to another concern (M/s Universal Impex) the said matter is already sub-judice before Bombay High Court wherein the undersigned as challenged the jurisdiction of DRI Belgavi, Karnataka. The undersigned denies any nexus with present case of M/s Bison Enterprises.
 - c) The SCN relies on statements of one Mr. Aman Kothari to indict the Noticee. The hearsay evidence has no evidentiary value.
 - d) The SCN alleges that the crores worth work given to unknown individual. There is no

credentials, no CHA license. The said allegation is bald and baseless.

- e) The SCN further relies on presence of phone number in CHA records as per Customs Broker Licensing Regulations (CBLR): it is responsibility of CHA, not third party. No legal liability arises merely from phone listing.
- f) SCN repeatedly mixes Universal Impex case with present case. This is nothing but a fishing and roving inquiry.
- g) Documents of M/s Bison Enterprises found while searching the premises of Mr. Rajiv Sachadev. The said premises were shared office. The said premises belonged to Mr. Viral Mehta, a legal consultant. The said documents were part of his professional consultancy records. He had no connection with M/s Bison Enterprises.

2.9. No summons was issued to him during the investigation, no statement was recorded, and there is no direct evidence. Yet, the SCN incorrectly concludes that the undersigned is an importer.

2.10. SCN does not provide any evidence of, import trail, transport documents, financial transactions, or any direct or indirect linkage. The allegations are based purely on surmises and conjectures.

2.11. Under the Customs Act, 1962, the Adjudicating Authority is duty-bound to independently verify facts, ensure evidence-based findings, and uphold principles of natural justice.

2.12. The undersigned reserves the right to file additional submissions and rely on further documents and judgment.

2.13. In these circumstances, the Show Cause Notice as against the Noticee may kindly be dropped in entirety and the name of the undersigned be deleted from the present proceedings, as he has no connection whatsoever with M/s Bison Enterprises or the alleged activities. Furthermore, the SCN deserves to be quashed on account of non-service and violation of natural justice.

3. RECORD OF PERSONAL HEARING:

3.1. Opportunities for personal hearing were granted by the Adjudicating Authority to the Noticees Shri Rajeev Sachadev and Shri Vijay Laxman More on 17.03.2026, 25.03.2026 and 07.04.2026. However, despite the grant of multiple opportunities, the Noticees did not appear for the personal hearings scheduled on said dates.

3.2. I find that Shri Rajeev Sachadev vide email dated 24.03.2026, submitted that:

"I would like to clearly state that I have absolutely no connection whatsoever with M/s Bison Enterprises or its activities. I am not related to this entity in any manner and have no knowledge about its business. It appears that my name/address has been wrongly linked in this matter. I have vide my earlier correspondences have already intimated you of the above.

In view of this, I humbly request you to kindly check your records and remove my name from the instant proceedings. It is important to note that we have not even been served Show Cause Notice in this matter.

However, if you still intend to conduct hearing, I request you to kindly reschedule the hearing by 2 weeks so that I can appoint an advocate and appear through him.

- 3.3. I find that, in response to the aforesaid request, a copy of the Show Cause Notice along with the Relied Upon Documents was duly provided to Shri Rajeev Sachadev through email on 25.03.2026. Further, a personal hearing was scheduled on 07.04.2026 as a final opportunity, granting the two weeks' time as sought by him. However, Shri Rajeev Sachadev did not appear for the said personal hearing too. Nevertheless, I find that he has filed written submissions vide letter dated 06.04.2026, which have been taken on record and duly considered while deciding the case on merits.

4. DISCUSSION AND FINDINGS

- 4.1. I have carefully examined the Show Cause Notice, the evidence relied upon therein, the statements recorded under Section 108 of the Customs Act, 1962, the documentary records seized during investigation, and the submissions made by the Noticees. I find that opportunities for personal hearing were granted to the Noticees, namely Shri Rajeev Sachadev and Shri Vijay Laxman More, on three occasions i.e. 17.03.2026, 25.03.2026 and 07.04.2026. However, both the Noticees failed to appear for the scheduled personal hearings. I note that Shri Rajeev Sachadev has filed written submissions vide letter dated 06.04.2026, which have been taken on record and duly considered while deciding the case on merits.
- 4.2. I observe that the Noticee Shri Vijay Laxman More did not participate in the adjudication proceedings in spite of the servicing of letters for Personal Hearings in terms of Section 153 of Customs Act, 1962. Section 153 of the Customs Act, 1962 reads as under:

Section 153. Modes for service of notice, order, etc. (1) *An order, decision, summons, notice or any other communication under this Act or the rules made thereunder may be served in any of the following modes, namely: -*

- (a) *by giving or tendering it directly to the addressee or importer or exporter or his customs broker or his authorised representative including employee, advocate or any other person or to any adult member of his family residing with him*

- (b) *by a registered post or speed post or courier with acknowledgement due, delivered to the person for whom it is issued or to his authorised representative, if any, at his last known place of business or residence;*
- (c) *by sending it to the e-mail address as provided by the person to whom it is issued, or to the e-mail address available in any official correspondence of such person;*
- [(ca) *by making it available on the common portal;]:*
- (d) *by publishing it in a newspaper widely circulated in the locality in which the person to whom it is issued is last known to have resided or carried on business or*
- (e) *by affixing it in some conspicuous place at the last known place of business or residence of the person to whom it is issued and if such mode is not practicable for any reason, then, by affixing a copy thereof on the notice board of the office or uploading on the official website, if any.*

4.3. I find that, in compliance with Section 153 of the Customs Act, 1962 and in adherence to the principles of natural justice, sufficient opportunities were afforded to both the Noticees to file replies and appear for personal hearing. While Shri Rajeev Sachadev has participated in the proceedings by way of written submissions, Shri Vijay Laxman More has failed to respond or appear despite due service of notices. Such non-participation cannot be permitted to impede time-bound adjudication, particularly in matters involving recovery of Government dues. I, therefore, hold that the principles of natural justice have been duly complied with and proceed to decide the case *ex parte* against Shri Vijay Laxman More, on the basis of evidence available on record. This view is supported by the following judicial precedents:-

- (i) Sumit Wool Processors Vs. CC, Nhava Sheva [2014 (312) E.L.T. 401 (Tri. - Mumbai)]
- (ii) Modipon Ltd. Vs. CCE, Meerut [reported in 2002 (144) ELT 267 (All.)]

4.4. On careful perusal of the Show Cause Notice and case records, I find that following main issues are involved in this case which are required to be decided:

- A. Whether or not, the goods i.e. 5,42,000 kgs of imported PVC Resin valued at Rs. 5,70,67,001/- imported in the name of M/s Bison Enterprises by utilizing the Advance Authorization Nos. 311001325 dt. 28.01.2021 and 311000366 dt. 24-12-2020 under 3 Bills of Entry imported through Nhava Sheva and Mundra Port should be held liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962, for being imported under the exemption Notification No. 18/2015-cus dated 01.04.2015, without observing various conditions laid down under the said notification as well as for contraventions of the provisions of the Foreign Trade Policy (2015-2020) read with the Hand Book of Procedures 2015-2020;

- B. Whether or not Shri Rajeev Sachadev should be considered as beneficial owner and thereby importer (within the meaning of Section 2(3A) read with Section 2(26) of Customs Act 1962) with respect to the import of subject goods under Advance Authorization by M/s Bison Enterprises;
- C. Whether or not, duty concession availed by them, under 3 Bills of Entry as detailed in para 12.1 and 12.2 of the Show Cause Notice should be denied and total Customs duty of Rs. 2,46,26,527/-. (Rupees Two crores Forty-Six Lakhs Twenty-Six thousand Five hundred and Twenty-Seven Only), forgone/ saved on the said imports along with applicable interest should be recovered from Shri Rajeev Sachadev in terms of conditions specified in the Notification No. 18/2015 -Cus dated 01.04.2015 and relevant paras of Foreign Trade Policy 2015-2020 and Hand Book of Procedures 2015-2020, the conditions specified in the Advance Authorization license issued to them and in terms of the bond furnished by them in this regard read with Section 143(3) of the Customs Act, 1962;
- D. Whether or not, the bonds executed by M/s Bison Enterprises before the Customs Authorities for import of duty-free PVC resin under the above-mentioned Advance Authorizations binding themselves that in the event of failure to fulfil the export obligation and thereupon default in payment of Customs duty and applicable interest mentioned in the bonds as mentioned above should be enforced for recovery of the customs duties;
- E. Whether or not penalty should be imposed on Shri Rajeev Sachadev under Section 112 or Section 114A of the Customs Act, 1962, for improper importation of goods availing exemption of notification and without observance of the conditions set out in the notification as elaborated above resulting in nonpayment of duty, which rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.
- F. Whether or not, penalty should be imposed on Shri Vijay Laxman More, Proprietor of M/s Bison Enterprises (as per records), for having lent his credentials to be misused under Section 112 and/or Section 114A of Customs Act, 1962.

Having framed the substantive issues arising from the Show Cause Notice, I now proceed to examine each issue in detail one by one, in light of the facts on record, relevant provisions of the Customs Act, 1962, applicable judicial pronouncements.

Whether or not, the goods i.e. 5,42,000 kgs of imported PVC Resin valued at Rs. 5,70,67,001/- imported in the name of M/s Bison Enterprises by utilizing the Advance Authorization Nos. 311001325 dt. 28.01.2021 and 311000366 dt. 24-12-2020 under 3 Bills of Entry imported through

Nhava Sheva and Mundra Port should be held liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962, for being imported under the exemption Notification No. 18/2015-cus dated 01.04.2015, without observing various conditions laid down under the said notification as well as for contraventions of the provisions of the Foreign Trade Policy (2015-2020) read with the Hand Book of Procedures 2015-2020.

- 4.5. Before moving to the factual matrix, I consider it appropriate to examine the legal provisions under which the impugned goods have been proposed for confiscation, namely Sections 111(d) and 111(o) of the Customs Act, 1962. The relevant extracts are reproduced below:

111. Confiscation of improperly imported goods, etc.—The following goods brought from a place outside India shall be liable to 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;

.....

(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;

- 4.6. I find that in the instant case, the impugned goods were imported under Advance Authorization by availing exemption under Notification No. 18/2015-Cus dated 01.04.2015, a conditional exemption scheme which is not absolute in nature but is inextricably linked to strict adherence to the provisions of the Foreign Trade Policy. The scheme is built upon a clear and unambiguous premise—that duty-free imports are permitted only when they are integrally connected with manufacture of export products and fulfilment of export obligation within the prescribed time.
- 4.7. On examination of the records, it is observed that Advance Authorization Nos. 311000366 dated 24.12.2020 and 311001325 dated 28.01.2021 were issued to M/s Bison Enterprises with a validity period of 18 months, i.e., up to 24.06.2022 and 28.07.2022 respectively. Within this time-bound framework, M/s Bison Enterprises was under a binding obligation to complete the export commitments. The scheme, therefore, does not merely grant a benefit but imposes a corresponding responsibility, failure of which strikes at the very foundation of the exemption.
- 4.8. This obligation is further fortified by Para 4.16 of the Foreign Trade Policy 2015–20, which embodies

the “Actual User” condition. I find that this condition is substantive in nature and mandates that duty-free imported goods must be utilized by the authorization holder itself in the manufacture of export products. Furthermore, I find that Para 2.10 of the Foreign Trade Policy 2015–20 stipulates that where imports are subject to authorization, such imports are restricted to actual users unless specifically relaxed by DGFT. The scheme thus expressly prohibits trading, transfer, or diversion of such goods.

- 4.9.** Further, it is observed that Para 4.03 of the Foreign Trade Policy 2015–20 stipulates that Advance Authorization permits duty-free import of inputs physically incorporated in the export product. Para 4.12 mandates strict accounting and correlation of inputs, requiring that imported goods must be demonstrably linked to the export products as reflected in the shipping bills. This requirement is further reinforced by Para 4.21 and Para 4.51 of the Handbook of Procedures, which mandate maintenance of true and proper accounts of consumption and utilization of duty-free inputs in the prescribed format (Appendix 4-I/4H), duly verifiable by the jurisdictional authority and subject to scrutiny at the time of redemption. Thus, maintenance of verifiable records is a mandatory condition for availing and retaining the benefit of exemption.
- 4.10.** Further, I find that Para 4.22 of the Foreign Trade Policy 2015–20 read with Para 4.42 of the Handbook of Procedures provides that the export obligation must be fulfilled within 18 months from the date of issuance of authorization, with only limited and conditional extensions permissible subject to fulfilment of prescribed criteria and payment of composition fee. The scheme, therefore, underscores the strict and time-bound nature of export obligation, with no automatic or unconditional relaxation.
- 4.11.** The procedural discipline of the scheme is further strengthened by Para 4.44 and Para 4.46 of the Handbook of Procedures, which mandate continuous monitoring and formal discharge of export obligation. The authorization holder is required to link shipping bills with the authorization, submit documentary evidence including e-BRCs within prescribed timelines, and file a formal application for redemption. Failure to fulfil export obligation or to furnish requisite documentation empowers the authorities to enforce the conditions of the authorization and initiate action as per law.
- 4.12.** A harmonious reading of the above provisions of the Foreign Trade Policy 2015–20 and the Handbook of Procedures makes it abundantly clear that the Advance Authorization scheme is founded upon strict compliance with the conditions of actual use, proper accounting of inputs, traceable linkage between imports and exports, and timely fulfilment and discharge of export obligation. These conditions are substantive and integral to the scheme; any deviation therefrom renders the exemption inadmissible.
- 4.13.** Having thus delineated the legal framework governing the import, I now proceed to examine the

factual matrix to determine the extent to which the noticee M/s Bison Enterprises has adhered to, or deviated from, these conditions.

- 4.14.** I find that, during the course of investigation, the very existence of M/s Bison Enterprises at its declared place of business comes into serious doubt. The addresses furnished could not be verified, and the declared factory premises located in Pune was found to be occupied by another entity, with no trace of the noticee's operations. It is observed that the noticee M/s Bison Enterprises occupied the premises only briefly i.e. for only about a month or so and thereafter vacated it, while continuing to project the same address before statutory authorities. More significantly, no manufacturing facility, machinery, labour, or infrastructure necessary for production of the declared export goods was found, nor has any alternative arrangement been demonstrated.
- 4.15.** In the absence of any manufacturing facility, the requirement of "actual use" as mandated under Foreign Trade Policy 2015–20 and Handbook of Procedures stands unfulfilled. This is further corroborated by the complete absence of production-related records such as stock registers, consumption records, electricity usage data, or labour deployment details. Thus, there is no evidence to establish that the imported PVC Resin was ever put to use in the manufacture of export goods.
- 4.16.** I further find that the mandatory requirement of maintaining proper accounts of utilization of duty-free inputs, as prescribed under Para 4.21 and Para 4.51 of the Handbook of Procedures, has not been complied with. No records in the prescribed format (Appendix 4-I/4H) have been produced, nor has any other account of consumption been furnished. This creates a complete evidentiary void regarding the utilization of the imported goods.
- 4.17.** The requirement of establishing a clear nexus between imported inputs and exported goods, as mandated under Para 4.12 of the Foreign Trade Policy 2015–20, also remains unfulfilled. Verification of Customs data does not reveal any shipping bills corresponding to the impugned imports. No export invoices, packing lists, transport documents, or E-way bills evidencing movement of goods from the manufacturing premises to port for export were found or produced.
- 4.18.** I find that the failure to fulfil the export obligation within the prescribed period is clearly borne out from the absence of any export activity in the statutory records. The impugned imports were made during February–March 2021, involving duty-free goods valued at more than ₹5.7 crore. Considering the normal time required for handling, transportation, manufacturing, and allied processes, exports, if any, would reasonably have materialized during Financial Year 2021–22. However, upon perusal of the GSTR-3B returns filed by M/s Bison Enterprises for the period from March 2021 to January 2022, I find that no exports have been reported, indicating complete absence of manufacturing and export activity during the relevant period.

- 4.19.** I further observe that the only export entry reflected in the GSTR-3B return pertains to February 2021, amounting to ₹13,77,79,540/-, which evidently relates to an earlier period and bears no nexus with the impugned imports. In view of the above, it is evident that no exports were undertaken by M/s Bison Enterprises against the goods imported under the Advance Authorization.
- 4.20.** The absence of exports is further corroborated by the financial trail. Examination of bank statements of the account held by M/s Bison Enterprises in the Karnataka Bank, Nerul, reveals that no foreign inward remittances have been received, which would ordinarily be expected against export transactions. This clearly establishes that no export proceeds have been realized. Consequently, I find that the export obligation under Para 4.22 of the Foreign Trade Policy 2015–20 read with Para 4.42 of the Handbook of Procedures remains unfulfilled.
- 4.21.** In contrast, the bank statements reveal receipt of substantial funds from domestic entities through RTGS/NEFT. However, on verification of the E-way bill data from the E-way Bill portal, it is observed that no corresponding E-way bills were generated by M/s Bison Enterprises in respect of supplies made to such traders or firms, despite the fact that the transactions involved amounts exceeding Rs. 50,000/-, for which generation of E-way bills is mandatory. This discrepancy indicates diversion of the goods into the domestic market without proper accounting.
- 4.22.** I find that the diversion of goods to local market is further supported by inconsistencies in the movement records. While certain E-way bills indicate transportation of imported goods to the declared factory premises at Talwade, Pune, despite the fact that M/s Bison Enterprises did not have possession of the said premises during the relevant period. Consequently, the possibility of storage, handling, or utilisation of the goods at the declared premises stands ruled out.
- 4.23.** I also find it significant that as per details found on GST Portal, the GST registration of M/s Bison Enterprises stands cancelled suo motu, and the declared principal place of business differs from the claimed operational premises. These factors further undermine the credibility of M/s Bison Enterprises as a genuine manufacturing exporter.
- 4.24.** Adding to this pattern, I find that a communication dated 16.11.2021 from DRI indicates that even in an earlier instance in the year 2020, exports of readymade garments attributed to M/s Bison Enterprises were allegedly abandoned at Jebel Ali Port, resulting in non-realization of export proceeds. This circumstance, though pertaining to a different period, reflects a recurring absence of genuine export realization and lends further context to the conduct of M/s Bison Enterprises.
- 4.25.** I also find it significant that Shri Vijay Laxman More, shown as the proprietor of the noticee firm, in his statement recorded under Section 108 of the Customs Act, 1962, has categorically denied

knowledge of the firm M/s Bison Enterprises and activities and stated that he is engaged in wage employment elsewhere. This statement, when read in conjunction with the absence of business infrastructure and records, further erodes the credibility of the entity as a genuine business concern.

- 4.26.** From the cumulative effect of the above evidence, I find that there exists a complete absence of any material to establish utilization of the imported goods for manufacture or fulfilment of export obligation. What emerges instead is a pattern marked by non-existent premises, absence of manufacturing capability, lack of movement of goods, non-filing of meaningful statutory returns, and absence of export proceeds.
- 4.27.** In such circumstances, I find that M/s Bison Enterprises does not exhibit the characteristics of a genuine manufacturing exporter but is a transient and non-operational arrangement, created solely to avail duty exemption without adhering to the conditions governing the same. The entire chain envisaged under the Advance Authorization scheme—from import to manufacture to export—stands broken at every stage. Consequently, I hold that the conditions of Notification No. 18/2015-Cus read with the Foreign Trade Policy and Handbook of Procedures have not been fulfilled and the goods are therefore liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.
- 4.28.** As the impugned goods are found liable for confiscation under Sections 111(d) and 111(o) of the Customs Act, 1962, I proceed to examine whether redemption fine under Section 125 of the said Act is imposable in lieu of confiscation. Section 125 provides an option to the owner of confiscated goods to redeem the same upon payment of fine. I find that redemption fine can be imposed in cases where the goods are either physically available for confiscation or have been provisionally released against a bond or other security binding the importer to comply with stipulated conditions or fulfil prescribed obligations.
- 4.29.** In cases where such conditions are not complied with or obligations are not fulfilled, the goods become liable for confiscation and, consequently, redemption fine is also imposable. In this regard, I place reliance on the judgment of the Hon'ble Apex Court in *Weston Components Ltd. vs. Commissioner of Customs, New Delhi* [2000 (115) E.L.T. 278 (S.C.)], wherein it has been held as under

"It is an admitted fact that the goods were released to the appellant on an application made by it and on the appellant executing a bond. Under these circumstances if subsequently it is found that the import was not valid or that there was any other irregularity which would entitle the customs authorities to confiscate the said goods, then the mere fact that the goods were released on the bond being executed, would not take away the power

of the customs authorities to levy redemption fine".

4.30. In the present case, M/s. Bison Enterprises imported the goods under the Advance Authorization Scheme, and the goods were cleared by the proper officer upon execution of a bond as mandated under Notification No. 18/2015-Cus dated 01.04.2015. Release under bond preserves the department's right to impose fine even when goods are not physically available.

4.31. Since the goods were released subject to bond and are otherwise liable to confiscation under Sections 111(d) and 111(o) of the Customs Act, 1962 for violation of the conditions of the said notification and for contravention of the provisions of the Foreign Trade Policy 2015–20 read with the Handbook of Procedures, I hold that redemption fine under Section 125 of the Customs Act, 1962 is legally sustainable and liable to be imposed in lieu of confiscation of the said goods.

Whether or not, Shri Rajeev Sachadev should be considered as beneficial owner and thereby importer (within the meaning of section 2(3A) read with Section 2(26) of Customs Act 1962) with respect to the import of subject goods under Advance Authorization by M/s Bison Enterprises;

4.32. Before examining the issue on merits, I note that the Show Cause Notice proposes to treat Shri Rajeev Sachadev as the beneficial owner and, consequently, as the importer of the impugned goods within the meaning of Section 2(3A) read with the definition of "importer" under the Customs Act, 1962. However, I find that in Para 7.1(V) of the Show Cause Notice, the definition of "importer" has been incorrectly attributed to Section 2(22) of the Act. Extract of Show Cause Notice is reproduced below:-

Section 2(22) (incorrectly cited in the Show Cause Notice) —"importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes 2[any owner, beneficial owner] or any person holding himself out to be the importer;

4.33. I find that the correct statutory provision defining "importer" is Section 2(26) of the Customs Act, 1962, which includes the owner, beneficial owner, or any person holding himself out to be the importer at any time between importation and clearance of goods. Section 2(3A), in turn, defines "beneficial owner" as any person on whose behalf the goods are being imported or who exercises effective control over such goods. Thus, a conjoint reading of Sections 2(3A) and 2(26) makes it clear that the scope of "importer" extends beyond the ostensible importer to include the real person who controls or derives benefit from the import transaction.

4.34. In this context, I find that the reference to Section 2(22) in the Show Cause Notice is a

clerical/typographical error, as the definition reproduced therein corresponds to Section 2(26) of the Act. The substance of the proposal, namely to examine whether Shri Rajeev Sachadev qualifies as a beneficial owner and thereby an importer, remains clear, unambiguous, and within the scope of the proceedings. Therefore, such a clerical error does not vitiate the proceedings. Furthermore, it is observed that the Noticee Shri Rajeev Sachadev was fully aware of the allegation regarding beneficial ownership; hence no prejudice is caused.

4.35. I now proceed to examine whether Shri Rajeev Sachadev is to be treated as the beneficial owner and, consequently, the importer within the meaning of Section 2(3A) read with Section 2(26) of the Customs Act, 1962, in respect of the subject imports made in the name of M/s Bison Enterprises under the Advance Authorization scheme. Section 2(3A) and Section 2(26) of the Customs Act, 1962 are reproduced below: -

***Section 2 (3A):** "beneficial owner" means any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported.*

***Section 2 (26) "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.*

4.36. It is observed that the definition of "beneficial owner" in Section 2(3A) and "importer" under Section 2(26) of the Customs Act, 1962 is wide enough to include any owner, beneficial owner or any person holding himself out to be the importer. I find that determination of beneficial ownership has to be made on the basis of the entire evidence available on record, including documentary evidence, statements recorded under Section 108 of the Customs Act, 1962, financial trail, and conduct of the parties in relation to the import transactions. I further find that where the entity in whose name imports are made is found to be non-functional or lacking independent business existence, and the evidence on record establishes that the transactions were handled, coordinated, and effectively controlled by another person, such person would fall within the ambit of "beneficial owner" as defined under Section 2(3A) of the Customs Act, 1962.

4.37. Applying the above principles to the present case, I find absence of any genuine operational existence of M/s Bison Enterprises. I find that the declared addresses were non-functional, the stated premises were neither owned nor consistently occupied, and no evidence of any manufacturing activity was forthcoming. I find that the entity of M/s Bison Enterprises exists only on paper, without the basic attributes of an independent business establishment, yet substantial import transactions have been undertaken in its name. I find that such a disconnect between the scale of imports and the absence of

infrastructure or activity clearly indicates that the firm was not functioning as an autonomous entity, but rather as a nominal front, with the actual control and direction of its affairs resting elsewhere.

- 4.38.** I find that the search conducted at the premises of M/s Nadiya Polymers on 13.12.2022, admittedly belonging to Shri Rajeev Sachadev, resulted in recovery of documents pertaining to M/s Bison Enterprises viz. Bison Enterprises Bill of Lading Orange Flat File. I find that these documents were not stray or incidental, but were maintained in a systematic manner. The recovery of the said documents from the premises owned by Shri Rajeev Sachadev indicate a clear and continuing association of Shri Rajeev Sachadev with the affairs of M/s Bison Enterprises.
- 4.39.** I find that, on perusal of the documents seized during the search conducted at the premises of M/s Nadiya Polymers, the signed KYC form submitted by Shri Rajeev Sachadev, proprietor of M/s Universal Impex, reflects the telephone number as 8104041677. I further find that the very same number appears in the receipt bearing No. GJ122MB201205812 dated 01.03.2021 issued by M/s T. S. Lines Co. Ltd. (C/o T. S. Lines (India) Pvt. Ltd.) to M/s Bison Enterprises for an amount of ₹1,20,456/-. The said receipt also records that the payment was made by M/s Bison Enterprises through banking channels, which stands corroborated by the bank statement of M/s Bison Enterprises maintained with Karnataka Bank Ltd., showing an NEFT transfer of the identical amount on the same date to M/s T. S. Lines (India) Pvt. Ltd. I find that the convergence of these details—namely, the common telephone number, the corresponding receipt, and the matching banking transaction—cannot be treated as a mere coincidence. Rather, it establishes a clear and direct linkage between M/s Bison Enterprises and Shri Rajeev Sachadev. Accordingly, I find that Shri Rajeev Sachadev had a deep association with M/s Bison Enterprises.
- 4.40.** Furthermore, I find that the association of Shri Rajeev Sachadev with M/s Bison Enterprises is further reinforced by the fact that transactions of M/s Universal Impex, admittedly owned by Shri Sachadev, involve an overlapping individual who happens to be the proprietor of M/s Bison Enterprises. I find that the import documents of M/s Universal Impex, the proprietorship firm of Shri Rajeev Sachadev, reflect that the goods were imported by it on High Sea Sales basis from M/s A. G. Enterprises under two Bills of Entry dated 06.07.2021, and the corresponding High Sea Sales agreements were signed by Shri Vijay Laxman More who also happens to be proprietor of M/s Bison Enterprises along with other persons namely Shri Raghunath Narayan Bhoir and Shri Arun Ganpat Awale. I find that Shri Sachadev in his statement recorded under Section 108 of the Customs Act, 1962 on 22.12.2023 has admitted his familiarity with the latter two, while expressing ignorance regarding Shri Vijay Laxman More, despite the latter being a signatory in transactions connected with his own imports.
- 4.41.** I find that this assertion of lack of knowledge is not tenable when viewed against the surrounding

circumstances. I find that the appearance of Shri Vijay Laxman More as a signatory in High Sea Sales agreements linked to imports of M/s Universal Impex, coupled with his projected role as proprietor of M/s Bison Enterprises, indicates that his identity was being used across connected transactions. I find that such a pattern suggests that Shri Vijay Laxman More was not acting independently, but rather as a name-lender in transactions orchestrated by others.

4.42. Furthermore, I find that the statement of the Custom House Agent, Shri Chetan Ramji Gajra, recorded under Section 108 of the Customs Act, 1962 on 29.12.2022 lends further support to the association of Shri Rajeev Sachadev with M/s Bison Enterprises. In his said statement, he has stated that he had no interaction with the declared proprietor, Shri Vijay Laxman More, and that the clearance process was carried out through intermediaries such as Shri Amar Kothari, Shri Hitesh Bhanushali and Shri Nitesh Bhanushali. This is indicative of the fact that the person shown as importer was not actually managing the imports. I further find that Shri Gajra has stated that he overheard Shri Amar Kothari referring to Shri Rajeev Sachadev as the Manager and saying to the effect that “Rajeev ka boss hai”. I find that though this statement arises from an overheard conversation, it has limited evidentiary value, it gains relevance when corroborated. I find that when read in conjunction with other evidence on record, it assumes corroborative value and supports the inference that Shri Rajeev Sachadev was exercising control over the import transactions carried out in the name of M/s Bison Enterprises.

4.43. I find that the statement of Shri Amar Kothari recorded under Section 108 of the Customs Act, 1962 on 07.11.2024 assumes considerable evidentiary significance in determining the role of Shri Rajeev Sachadev in the subject imports. I find that Shri Kothari, an experienced customs clerk, has unequivocally stated that he had undertaken customs clearance work in respect of both M/s Universal Impex and M/s Bison Enterprises through Shri Naveen Bhanushali, who resides in the same residential society as Shri Rajeev Sachadev. He also stated that he interacted solely with Shri Rajeev Sachadev in connection with the clearance of goods pertaining to both firms. I find that Shri Kothari has specifically stated that all documents required for customs clearance—such as Bills of Lading, invoices, packing lists, certificates of origin, licenses, and KYC documents—were provided to him directly by Shri Rajeev Sachadev. I find that he has further stated that Shri Sachadev himself represented M/s Bison Enterprises as his “sister concern” and indicated that both firms were engaged in importing identical goods. I find that Shri Kothari has categorically affirmed that he had never met any person representing M/s Bison Enterprises and that all coordination and instructions were received exclusively from Shri Sachadev. I further find that the financial aspect also points towards the central role of Shri Sachadev. I find that Shri Kothari has stated that he received remuneration in cash directly from Shri Rajeev Sachadev for the work carried out in respect of both firms, indicating both operational control and financial involvement.

- 4.44.** I also find that Shri Kothari, despite being aware of procedural requirements, did not undertake any independent verification of M/s Bison Enterprises and acted entirely on the basis of his interaction with Shri Sachadev. I find that this further underscores that, in the actual execution of the import process, Shri Sachadev functioned as the single point of authority for both entities.
- 4.45.** I therefore find that the statement of Shri Amar Kothari clearly establishes that the documentation, coordination, financial dealings, and execution of customs clearance in respect of M/s Bison Enterprises were handled entirely by Shri Rajeev Sachadev, with no independent involvement of any representative of the said firm. I find that this constitutes a strong and direct piece of evidence demonstrating that Shri Sachadev exercised effective control over the import transactions.
- 4.46.** I further find that the role of Shri Rajeev Sachadev in the present case is not an isolated instance but is consistent with the facts emerging in the present case. It is on record that, in his capacity as proprietor of M/s Universal Impex, he has been investigated in similar matters involving import of PVC Resin under Advance Authorization and non-fulfilment of export obligations. In those instances, duty-free imported goods were not utilised for the intended purpose and the export obligations remained unfulfilled, indicating diversion of such goods into the domestic market.
- 4.47.** In the present case also, documents pertaining to M/s Bison Enterprises have been recovered from premises under his control, and statements on record establish that import documentation and clearance activities of M/s Bison Enterprises were handled by or routed through him. The use of multiple entities lacking independent business existence, coupled with non-fulfilment of export obligations and diversion of duty-free goods, demonstrates a consistent modus operandi adopted to misuse the provisions of the Advance Authorization scheme.
- 4.48.** Accordingly, the involvement of Shri Rajeev Sachadev cannot be viewed in isolation but as part of a continuing course of conduct. The repeated nature of such transactions rules out any possibility of inadvertence and establishes that the acts were carried out with full knowledge of the conditions governing the scheme and with intent to evade applicable Customs duties thereby establishing wilful suppression of facts with intent to evade duty.
- 4.49.** On a cumulative consideration of the evidence on record, I find that a consistent and unbroken chain emerges. The absence of any independent existence of M/s Bison Enterprises, the use of a name-lender as proprietor, the recovery of documents from premises under the control of Shri Rajeev Sachadev, the handling of import documentation, the financial linkages, and the statements of persons involved in the clearance process collectively establish that Shri Rajeev Sachadev exercised effective control over the imports made in the name of M/s Bison Enterprises and was the real beneficiary of such transactions. Accordingly, I hold that Shri Rajeev Sachadev is the beneficial owner and hence the

importer of the subject goods within the meaning of Section 2(3A) read with Section 2(26) of the Customs Act, 1962.

- 4.50.** I have carefully considered the written submissions dated 06.04.2026 filed by Shri Rajeev Sachadev. I find that the contention regarding non-service of the Show Cause Notice is not tenable, as records clearly establish that the Show Cause Notice was duly served through speed post bearing number EM971530893IN which is a valid mode of service under Section 153 of the Customs Act, 1962. Again, the Show Cause Notice along with relied upon documents was admittedly provided to the Noticee Shri Rajeev Sachadev on 25.03.2026 via email. I further find that the noticee has admittedly received the Show Cause Notice and has filed detailed written submissions on merits. Further, upon his own request, additional time was granted and a personal hearing was scheduled on 07.04.2026; however, he failed to appear. In these circumstances, I find that there has been due and effective service of the Show Cause Notice and full compliance with the principles of natural justice.
- 4.51.** Moving forward to the next contention, I find that the noticee's denial of any connection with M/s Bison Enterprises is not borne out from the evidence available on record. Documents pertaining to M/s Bison Enterprises have been recovered from premises under the control of the noticee. Further, statements recorded under Section 108 of the Customs Act, 1962 establish that import documentation, coordination, and execution of customs clearance in respect of both M/s Bison Enterprises and M/s Universal Impex were handled by Shri Rajeev Sachadev. I find that the statement of Shri Amar Kothari clearly confirms that all documents and instructions were received exclusively from Shri Rajeev Sachadev and that no representative of M/s Bison Enterprises was ever involved in the import process. This is further corroborated by documentary and financial linkages on record. Accordingly, I find that the noticee exercised effective control over the import transactions carried out in the name of M/s Bison Enterprises.
- 4.52.** I have considered the contention of the Noticee Shri Rajeev Sachadev that his statement was not recorded during the course of investigation and find the same to be factually incorrect and misleading. Records clearly establish that the statement of Shri Rajeev Sachadev was duly recorded on 22.12.2023 under Section 108 of the Customs Act, 1962, wherein he was examined in detail and his responses were recorded with respect to the recovery of documents and his association with the entities under investigation. I further find that he has signed each and every page of the said statement, thereby affirming its contents. Therefore, the claim that no statement was recorded is contrary to the material available on record.
- 4.53.** I find that the objection raised by the Noticee Shri Rajeev Sachadev regarding reliance on statements as hearsay is misplaced. The statements relied upon have been recorded under Section 108 of the

Customs Act, 1962 and are based on direct knowledge of the persons involved in the transactions. These statements are corroborated by independent documentary evidence including recovery of documents and financial records. Accordingly, I find that the evidentiary value of such statements cannot be discarded.

- 4.54.** I find that the contention of the Noticee Shri Rajeev Sachadev regarding presence of his telephone number in records is also not acceptable. The said telephone number is not an isolated detail but is linked with KYC documents submitted by Shri Rajeev Sachadev and also with transport-related records, and corresponding banking transactions pertaining to M/s Bison Enterprises. This establishes a clear linkage and indicates involvement and control rather than a mere incidental reference.
- 4.55.** I have carefully considered the contention of the Noticee Shri Rajeev Sachadev that the documents pertaining to M/s Bison Enterprises recovered from the premises of M/s Nadiya Polymers belonged to Shri Viral Mehta, who was allegedly operating a consultancy from the said premises. I find that this contention is not borne out from the facts on record and is contrary to the evidentiary material available.
- 4.56.** I find that even if it is assumed that the premises were shared, the nature of documents recovered—namely core import documents such as Bills of Lading, transport records and transaction-related papers of M/s Bison Enterprises—are not in the nature of generic consultancy records but are primary commercial documents ordinarily maintained by the person who is directly handling and controlling the import transactions. The recovery of such documents, therefore, cannot be explained merely on the basis of a shared office arrangement.
- 4.57.** I further find that the contention of the Noticee is directly contradicted by the statements recorded under Section 108 of the Customs Act, 1962. Shri Amar Kothari has categorically stated that all documents relating to M/s Bison Enterprises were provided to him by Shri Rajeev Sachadev and that all instructions for customs clearance were received exclusively from him. This establishes that the documents were generated, handled, and controlled by the Noticee himself, and not by any third-party consultant.
- 4.58.** Further, I find that the evidentiary chain on record—comprising recovery of documents from premises under the control of the Noticee, linkage of his contact details with import-related records, financial transactions corresponding to such documents, and corroborative statements of persons involved in customs clearance—clearly establishes a direct nexus between the Noticee and the import activities of M/s Bison Enterprises. This nexus cannot be displaced by a general assertion of shared premises.
- 4.59.** I also find that the Noticee has failed to produce any evidence to substantiate that Shri Viral Mehta

was engaged in handling import transactions or maintaining statutory import documentation on behalf of M/s Bison Enterprises. In the absence of any such evidence, the explanation offered remains a mere assertion without any value.

- 4.60.** In view of the above, I find that the plea that the documents pertaining to M/s Bison Enterprises belonged to Shri Viral Mehta on account of a shared office arrangement is an afterthought, unsupported by evidence and contradicted by the material on record. The said contention is therefore rejected.
- 4.61.** I find that the contention that the Show Cause Notice is vague and lacks evidentiary basis is also not sustainable. The Show Cause Notice clearly sets out the import transactions, the violations of the conditions of Notification No. 18/2015-Cus, and the provisions of the Foreign Trade Policy 2015–20 read with the Handbook of Procedures, supported by documentary evidence, statements, and financial records. The findings recorded herein further establish a clear nexus between the evidence and the conclusions drawn.
- 4.62.** In view of the above, I find that the submissions made by Shri Rajeev Sachadev are in the nature of general denials and are not supported by any documentary evidence. On the contrary, the case against the Noticee Shri Rajeev Sachadev is established through a consistent chain of documentary evidence, corroborated statements, and financial linkages. Accordingly, I reject the submissions made by the Noticee.
- 4.63. Whether or not duty concession availed by them, under 3 Bills of Entry as detailed in para 12.1 and 12.2 of the Show Cause Notice should be denied and total Customs duty of Rs. 2,46,26,527/- (Rupees Two crores Forty-Six lakhs Twenty-Six thousand Five hundred and Twenty-Seven Only), forgone/ saved on the said imports along with applicable interest should be recovered from Shri Rajeev Sachadev in terms of conditions specified in the Notification No. 18/2015 -Cus dated 01.04.2015 and relevant paras of Foreign Trade Policy 2015-2020 and Hand Book of Procedures 2015-2020, the conditions specified in the Advance Authorization license issued to them and in terms of the bond furnished by them in this regard read with Section 143(3) of the Customs Act, 1962;**
- 4.64.** I now proceed to examine whether the duty concession availed under the three Bills of Entry, as detailed in para 12.1 and 12.2 of the Show Cause Notice, is liable to be denied and whether the Customs duty amounting to Rs. 2,46,26,527/- (Rupees Two Crores Forty-Six Lakhs Twenty-Six Thousand Five Hundred and Twenty-Seven Only), being the duty foregone at the time of import, is recoverable from Shri Rajeev Sachadev along with applicable interest.

- 4.65. I find that the exemption under Notification No. 18/2015-Cus is a conditional exemption, contingent upon fulfilment of export obligation and adherence to the provisions of the Foreign Trade Policy read with Handbook of Procedures. As already discussed, M/s Bison Enterprises has failed to fulfil these conditions. Consequently, the exemption becomes unavailable and the duty foregone at the time of import becomes recoverable.
- 4.66. I further find that Shri Rajeev Sachadev has already been held to be the beneficial owner and the de facto importer of the subject goods within the meaning of Section 2(3A) read with Section 2(26) of the Customs Act, 1962. Accordingly, the liability to discharge the duty foregone cannot be confined to the ostensible importing entity, but squarely rests upon Shri Rajeev Sachadev, who exercised effective control over the import transactions and derived benefit therefrom.
- 4.67. I find that the recovery of duty is intrinsic to the scheme of Notification No. 18/2015-Cus, which expressly mandates payment of duty upon non-fulfilment of its conditions. I further find that Condition (iv) of the said notification incorporates a self-contained recovery mechanism, requiring the importer to execute a bond at the time of clearance, undertaking to pay, on demand, the duty foregone along with interest at the rate of fifteen percent per annum from the date of clearance in the event of breach of conditions. Accordingly, I hold that the liability to pay interest arises under the notification and the bond executed thereunder.
- 4.68. I further find that the bond executed under Section 143 of the Customs Act, 1962 operates as a statutory and contractual safeguard to secure compliance with the conditions of exemption. Upon failure to fulfil the export obligation, the bond becomes enforceable for recovery of the duty foregone along with applicable interest.
- 4.69. In view of the above, I hold that the Customs duty amounting to Rs. 2,46,26,527/- along with applicable interest is recoverable from Shri Rajeev Sachadev, being the beneficial owner and de facto importer of the subject goods, and the bonds executed in this regard are liable to be enforced in accordance with law.

Whether or not the bonds executed by M/s Bison Enterprises before the Customs authorities for import of duty-free PVC resin under the above-mentioned Advance Authorizations binding themselves that in the event of failure to fulfil the export obligation and thereupon default in payment of Customs duty and applicable interest mentioned in the bonds as mentioned above should be enforced for recovery of the customs duties;

- 4.70. I find that the execution of bond under Section 143 of the Customs Act, 1962 is not a mere procedural formality, but a substantive legal undertaking furnished by the importer to secure compliance with the

conditions of the exemption notification and the Advance Authorization scheme. The bond embodies a binding commitment on the part of the importer that the conditions subject to which duty exemption has been availed shall be duly fulfilled, failing which the importer undertakes to pay, on demand, the Customs duty forgone along with applicable interest.

- 4.71. I further find that the terms of the bond executed by M/s Bison Enterprises specifically obligates the importer to fulfil the export obligation within the prescribed time and to utilize the imported goods strictly in accordance with the provisions of the Foreign Trade Policy and the conditions of Notification No. 18/2015-Cus dated 01.04.2015. The bond also clearly stipulates that, in the event of failure to comply with these conditions, the importer shall be liable to pay the duty together with interest, and the bond shall be enforceable for recovery of such dues.
- 4.72. On examination of the facts of the present case, I find that, as already discussed in detail, the conditions of the Advance Authorization scheme have not been fulfilled. I find that there is no evidence of utilization of the imported goods in the manufacture of export products, nor any proof of fulfilment of export obligation within the stipulated period. I further find that the imports were not undertaken by a genuine operational entity, and the entire arrangement has resulted in non-compliance with the essential conditions governing the exemption.
- 4.73. In view of the above, I find that the contingency contemplated under the bond—namely, failure to fulfil export obligation and consequent non-payment of duty—has clearly arisen. Once such failure is established, the bond becomes enforceable in terms of its conditions, and the Customs authorities are legally entitled to invoke the same for recovery of the duty forgone along with applicable interest.
- 4.74. I also find that the bond executed under Section 143 of the Customs Act, 1962 enables recovery of duty and interest. The bond acts as a security to ensure compliance with the conditions of the exemption Notification. In case of breach of such conditions, it enables recovery of the duty foregone along with applicable interest, thereby safeguarding Government revenue.
- 4.75. Accordingly, I hold that the bonds executed by M/s Bison Enterprises are liable to be enforced, and the Customs duty forgone along with applicable interest is recoverable in terms of the said bonds read with Section 143(3) of the Customs Act, 1962 and the conditions of Notification No. 18/2015-Cus dated 01.04.2015.

Whether or not penalty should be imposed on Shri Rajeev Sachadev under Section 112 or Section 114A of the Customs Act, 1962, for improper importation of goods availing exemption notification and without observance of the conditions set out in the notification as elaborated above resulting in nonpayment of duty, which rendered the goods liable to confiscation under

Section 111(d) and 111(o) of the Customs Act, 1962.

4.76. I find that the Show Cause Notice proposes penal action against Shri Rajeev Sachadev under Section 112 and 114A of the Customs Act, 1962. The same are reproduced below:-

Section 112. Penalty for improper importation of goods, etc. — Any person,

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

b) who acquires possession of or is in any way concerned in carrying, removing, depositing, 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;

114A. Penalty for short-levy or non-levy of duty in certain cases.—

Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful 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 ⁹[sub-section (8) of section 28] shall, also be liable to pay a penalty equal to the duty or interest so determined:]

4.77. I find that the impugned goods were imported by availing the benefit of exemption under Notification No. 18/2015-Cus dated 01.04.2015 without fulfilment of the mandatory conditions prescribed therein, resulting in non-payment of applicable customs duty and rendering the goods liable to confiscation under Sections 111(d) and 111(o) of the Customs Act, 1962.

4.78. I further find that, as discussed in the foregoing paragraphs, Shri Rajeev Sachadev has been established as the beneficial owner and the person exercising effective control over the import

transactions carried out in the name of M/s Bison Enterprises. I find that the evidence on record demonstrates his direct involvement in the procurement of documents, coordination of customs clearance, financial transactions, and overall orchestration of the imports.

- 4.79. I find that the imports were effected under a scheme which mandates strict compliance with the “Actual User” condition and fulfilment of export obligation. However, I find that there has been a complete failure to utilize the imported goods for the intended purpose and to discharge the export obligation. I also find that the entity in whose name the imports were made lacked any functional existence, thereby indicating that the arrangement was structured only to import impugned goods without payment of duty by availing ineligible exemption.
- 4.80. In these circumstances, I find that the non-payment of duty is not a mere procedural lapse but is a consequence of deliberate acts involving suppression of material facts and misrepresentation regarding the nature of the importing entity and the intended use of the goods. I find that Section 114A of the Customs Act, 1962 provides for imposition of penalty in cases where duty has not been levied or has been short-levied by reason of collusion, wilful misstatement, or suppression of facts. In the present case, I find that the conditions necessary for invocation of Section 114A stand satisfied, inasmuch as the duty has not been paid due to wilful suppression and mis-declaration in relation to the fulfilment of conditions of the exemption notification. Furthermore, I find that the declaration of actual user and intention to fulfil export obligation at the time of import, despite absence of any manufacturing setup, amounts to wilful misstatement and suppression of material facts.
- 4.81. I further find that once the ingredients of Section 114A are established, the penalty under the said section is attracted against the person who is liable to pay duty. In view of my findings that Shri Rajeev Sachadev is the beneficial owner and de facto importer, I find that he is the person liable for the duty and consequently liable for penalty under Section 114A.
- 4.82. I also find that the proviso to Section 114A expressly provides that where penalty has been imposed under this section, no penalty shall be imposed under Section 112 or Section 114 of the Customs Act, 1962. Therefore, no separate penalty is imposable on Shri Rajeev Sachadev under Section 112 of the Customs Act, 1962.
- 4.83. Accordingly, I hold that Shri Rajeev Sachadev is liable for penalty under Section 114A of the Customs Act, 1962, for non-payment of duty by reason of wilful suppression and misstatement in respect of the subject imports.

Whether or not, penalty should be imposed on Shri Vijay Laxman More, Proprietor of M/s Bison Enterprises (as per records), for having lent his credentials to be misused under Section

112 and/or Section 114A of Customs Act, 1962.

- 4.84.** I find that the Show Cause Notice proposes imposition of penalty upon Shri Vijay Laxman More, who is reflected as the proprietor of M/s Bison Enterprises, on the allegation that he lent his credentials for carrying out the impugned import transactions. I find that the role attributed to Shri Vijay Laxman More requires careful examination in light of the evidence available on record, particularly to determine whether he had any knowledge of the import activities undertaken in his name, or whether he was actively or knowingly involved in such transactions.
- 4.85.** On perusal of the records, I find that Shri Vijay Laxman More, in his statement recorded under Section 108 of the Customs Act, 1962, has categorically denied any knowledge of M/s Bison Enterprises and the import transactions carried out in its name. He has stated that he is engaged in wage employment and has no connection with the said firm or its activities. I further find that there is no material on record to indicate that he was involved in the financial transactions, handling of import documentation, or coordination of customs clearance. On the contrary, the evidence brought on record clearly establishes that the entire import operation, including documentation, financial dealings, and execution of clearance, was handled and controlled by Shri Rajeev Sachadev. The investigation thus reveals that M/s Bison Enterprises lacked independent existence and was merely used as a front entity, with Shri Vijay Laxman More being projected as proprietor without any demonstrable role in the actual conduct of business.
- 4.86.** I find that the mahazar drawn at the residential premises of Shri Vijay Laxman More on 15.12.2022, read in conjunction with his statement recorded on the same date, clearly establishes that he lacked the financial capacity, business infrastructure, and operational wherewithal necessary to undertake import activities of the scale involved in the present case. I find that his modest educational background, engagement in wage employment, and absence of any supporting evidence of independent business operations further reinforce this position. The totality of these circumstances leads to the conclusion that the firm M/s Bison Enterprises was not being genuinely operated by him, but was merely used as a façade, with Shri Vijay Laxman More acting only as a name-lender without any real or substantive role in the import transactions.
- 4.87.** In view of the above findings, I now examine the liability of Shri Vijay Laxman More to penalty under Section 112 and/or Section 114A of the Customs Act, 1962. I find that, although he has been shown as the proprietor of M/s Bison Enterprises in official records, the evidence on record consistently demonstrates that he neither exercised control over the import transactions nor derived any apparent benefit therefrom. I find that the entire import operation, including documentation, financial arrangements, and customs clearance, was handled by Shri Rajeev Sachadev, who has

already been held to be the beneficial owner and the person liable to pay duty. I further find that there is no material on record to establish that Shri Vijay Laxman More had knowledge of the misuse of his credentials or that he had consciously participated in or abetted the improper importation of goods.

- 4.88.** I find that the provisions of Section 114A are attracted only in cases where duty has not been levied or has been short-levied by reason of collusion, wilful misstatement, or suppression of facts, and such penalty is imposable on the person who is liable to pay duty. In the present case, Shri Vijay Laxman More has neither been established as the person liable to pay duty nor is there any evidence of wilful suppression or misstatement attributable to him. Accordingly, I hold that penalty under Section 114A is not imposable upon him.
- 4.89.** I further find that penalty under Section 112 requires the existence of knowledge or reason to believe that the goods were liable to confiscation, or active involvement in or abetment of the acts leading to such liability. In the present case, I find that the evidence on record does not establish that Shri Vijay Laxman More had any such knowledge or that he consciously lent his credentials for misuse. The material on record indicates, at best, that his identity was used by others without any demonstrable participation on his part. In the absence of evidence establishing mens rea or conscious involvement, I find that the essential ingredients for imposition of penalty under Section 112 are not satisfied.
- 4.90.** In view of the foregoing, I hold that neither penalty under Section 112 nor under Section 114A of the Customs Act, 1962 is imposable upon Shri Vijay Laxman More. Accordingly, the proceedings against him are liable to be dropped.

5. ORDER

- 5.1.** In view of the foregoing discussion and findings, I pass the following order:
- (i) I hold that Shri Rajeev Sachadev is the beneficial owner and, consequently, the importer within the meaning of Section 2(3A) read with Section 2(26) of the Customs Act, 1962, in respect of the subject imports made in the name of M/s Bison Enterprises under Advance Authorization.
- (ii) I order confiscation of the goods i.e. 5,42,000 kgs of imported PVC Resin valued at ₹5,70,67,001/- (Rupees Five Crore Seventy Lakhs Sixty-Seven Thousand and One only), imported in the name of M/s Bison Enterprises under Advance Authorization Nos. 311001325 dated 28.01.2021 and 311000366 dated 24.12.2020, under 3 Bills of Entry through Nhava Sheva and Mundra Ports, under Section 111(d) and Section 111(o) of the Customs Act, 1962, for being imported under exemption Notification No. 18/2015-Cus dated 01.04.2015 without observing various conditions laid down under the said Notification as well as for contraventions of the provisions of the Foreign Trade Policy 2015–2020 read with the Handbook of Procedures.

However, I give an option of redemption in lieu of confiscation under Section 125 of the Customs Act, 1962 to Shri Rajeev Sachadev, being the beneficial owner upon payment of redemption fine of Rs. 1,20,00,000/- (Rupees One Crore and Twenty Lakhs only)

- (iii) I deny duty concession availed under Notification No. 18/2015-Cus dated 01.04.2015 in respect of the said imports made under the 3 Bills of Entry as detailed in para 12.1 and 12.2 of the Show Cause Notice, and I confirm demand and order recovery of Customs duty amounting to ₹2,46,26,527/- (Rupees Two Crores Forty-Six Lakhs Twenty-Six Thousand Five Hundred and Twenty-Seven only) alongwith applicable interest from Shri Rajeev Sachadev, being the beneficial owner and importer, in terms of the provisions of the said notification, the Foreign Trade Policy 2015–2020, the Handbook of Procedures, the conditions of the Advance Authorizations, and the bond executed under Section 143(3) of the Customs Act, 1962.
- (iv) I order enforcement of the bonds executed by M/s Bison Enterprises before the customs authorities for import of duty-free PVC resin under Advance Authorization Nos. 311001325 dated 28.01.2021 and 311000366 dated 24.12.2020 binding themselves that in the event of failure to fulfil the export obligation and thereupon default in payment of Customs duty and applicable interest mentioned in the said bonds, for recovery of the customs duties;
- (v) I impose penalty of ₹2,46,26,527/- (Rupees Two Crores Forty-Six Lakhs Twenty-Six Thousand Five Hundred and Twenty-Seven only) along with applicable interest on Shri Rajeev Sachadev under Section 114A of the Customs Act, 1962, for improper importation of goods availing exemption notification and without observance of the conditions set out in the notification as elaborated above resulting in nonpayment of duty, which rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962. In terms of the proviso to Section 114A, no separate penalty is imposed on him under Section 112(a) of the Customs Act, 1962.
- (vi) I hold that no penalty is imposable on Shri Vijay Laxman More under Section 112 or Section 114A of the Customs Act, 1962, and accordingly, the proceedings against him are dropped.

This order is issued without prejudice to any other action that may be taken in respect of the goods in question and/or the persons/ firms concerned, covered or not covered by this show cause notice, under the provisions of Customs Act, 1962, and/or any other law for the time being in force in the Republic of India.

(यशोधन अरविंद वनगे /Yashodhan Arvind Wanage)

प्रधान आयुक्त, सीमाशुल्क/ Pr. Commissioner of Customs
एनएस-1, जेएनसीएच / NS-I, JNCH

To,

1. M/s Rajeev Sachadev No.703 (M/s Bison Enterprises, AXYPM5970A),
FAM society Room, Building No.12,
Near Balaji Garden, Sector No.11,
Navi Mumbai, Thane, Maharashtra400 709

2. Shri Vijay Laxman More, M/s Bison Enterprises (Proprietor),
House No 413, Dhusiya Chawl,
Anand Shiphata Road, Near Metro Junction,
Kalyan East 421306,

Copy to:

- i. The Addl. Commissioner of Customs, Group I & I A, JNCH
- ii. AC/DC, A-3 Circle, Audit, JNCH
- iii. AC/DC, Chief Commissioner's Office, JNCH
- iv. AC/DC, Centralized Revenue Recovery Cell, JNCH
- v. Superintendent (P), CHS Section, JNCH – For display on JNCH Notice Board.
- vi. Office Copy.