

	<p><b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, NS-I</b> सीमाशुल्क प्रधानआयुक्त का कार्यालय, एनएस-1 <b>CENTRALIZED ADJUDICATION CELL (NS-V), JAWAHARLAL NEHRU CUSTOM HOUSE,</b> केंद्रीकृत अधिनिर्णयन प्रकोष्ठ (एनएस-V), जवाहरलाल नेहरू सीमा-शुल्क भवन, <b>NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA 400707</b> न्हावाशेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -400707</p>
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**Date of Order:** 28.05.2026

आदेश की तिथि: 28.05.2026

**Date of Issue:** 29.05.2026

जारी किए जाने की तिथि: 29.05.2026

**DIN:** 20260578NW000000B10F

**F. No.** S/10-44/2025-26/Commr./Gr. II G/NS-I/CAC/JNCH

**Show Cause Notice No.** 221/2025-26/Commr./Gr. II G/NS-I/CAC/JNCH dated 03.06.2025

**Passed by:** Shri Yashodhan Wanage

पारितकर्ता: श्री यशोधन वनगे

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

प्रधानआयुक्त, सीमाशुल्क (एनएस-1), जेएनसीएच, न्हावाशेवा

**Order No.:** 48/2026-27 /Pr. Commr./NS-I /CAC /JNCH

आदेश सं. : 48/2026-27/प्र. आयुक्त/एनएस-1/ सीएसी/जेएनसीएच

**Name of Party/Noticees:** Shri Rajeev Ramesh Sachadev, M/s Universal Impex

पक्षकार (पार्टी)/ नोटिसी का नाम: श्री राजीव सचदेव, मेसर्स यूनिवर्सल इंपेक्स

**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 मूलप्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निः 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 सीमाशुल्क अधिनियम 1962 की धारा 129 (ए) के तहत इस आदेश के विरुद्ध सीईएसटीएटी, पश्चिमीप्रादेशिकन्यायपीठ (वेस्टरीजनलबेंच), ३४, पी. डी. मेलोरोड, मस्जिद (पूर्व), मुंबई- ४००००९को अपील कर सकता है, जो उक्तअधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

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

3. अपील दाखिल करने संबंधी मुख्यमुद्दे:-

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

फार्म - फार्मन. सीए३, चारप्रतियों 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.**

समयसीमा- इसआदेशकीसूचनाकीतारीखसे३महीनेकेभीतर

**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 lakh.**

(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( दसहजाररुपये—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 बैंक ड्राफ्ट, जो राष्ट्रीय कृत 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 संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, १९९२, सीमाशुल्क (अपील) नियम, १९८२ सीमाशुल्क, उत्पादन शुल्क एवं सेवाकर अपील अधिकरण (प्रक्रिया) नियम, १९८२का 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 उद्वृहीतशास्ति का ७.५ % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा किये जाने पर अपील सीमाशुल्क 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** M/s Universal Impex, a proprietorship firm of Shri Rajeev Ramesh Sachadev holder of IEC BOKPS8797B is having its registered premises at Unit No. 37, Ground Floor, Shankheshwar Industrial Estate, Pomanmori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208. The importer/noticee is registered under GST with GSTIN 27BOKPS8797B1Z7.
- 1.2** Intelligence developed by the Officers of Directorate of Revenue Intelligence, Mangalore Regional Unit, Mangalore (hereinafter referred to as ‘DRI’) indicated that M/s Universal Impex, Unit No. 37, Ground Floor, Shankheshwar Industrial Estate, Pomanmori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208, holders of IEC No. BOKPS8797B have imported PVC Resins falling under CTH 39041090/ 39049010 availing benefit of concessional rate of duty provided under Notification No. 018/ 2015 Cus. dated 01.04.2015 in pursuant to Advance Authorization scheme provided vide chapter 4 of Foreign Trade policy 2015-2020. Intelligence gathered indicated that M/s Universal Impex has not exported the manufactured goods using the imported inputs thereby they have violated the conditions prescribed in the Advance Authorization and Notification No. 018/2015 Cus. dated 01.04.2015 during the relevant period, thereby the importer has violated/ mis-used the provisions of Advance Authorization scheme in order to procure the inputs duty free. Further it is also noticed that in 2022, as per GST portal and DGFT portal, the company name is changed to M/s Nadiya Polymers and M/s Nadia Polymers is operating from new premise situated at 6<sup>th</sup> Floor 24 Kailash Darshan Kennedy Bridge Road, Above IDBI Bank Nana Chowk, Mumbai, Maharashtra – 400007.
- 1.3** The IEC details, Import and Advance License details of M/s Universal Impex 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
BOKPS8797B w.e.f. 06.11.2017	Universal Impex, Proprietorship	Unit No 37, Ground Floor, Shankheshwar Industrial Estate, Poman Mori, Bhiwandi Road, Vasai, Palghar	8104041677 universalimpe x009@gmail.c om	Merchant Cum Manufacturer Exporter	Rajeev R. Sachadev
BOKPS8797B w.e.f. 18.06.2022	Nadiya Polymers Proprietorship	6 <sup>th</sup> Floor 24 Kailash Darshan Kennedy Bridge Road, Above IDBI Bank Nana Chowk, Mumbai,	7039972567 nadiyapolymer s@gmail.com		

		Maharashtra – 400007		
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**IMPORT DETAILS: -**

Sl. No.	Port of import	CO O	Item Description	Quantity in Kgs	Assessable Value	Duty Forgone				
						BCD @ 10%	SCS @ 10%	ADD *	IGST	Total
1	INNSA1	A E	PVC Resin S65	247500	25937010	2593701	259370	0	5182215	8035286
2	INNSA1	A E	PVC Resin S65	247500	25937010	2593701	259370	0	5182215	8035286
3	INMUN1	C N	PVC Resin	130000	16253734	1625373	162537	1448380	3508204	6744496
4	INMUN1	C N	PVC Resin	130000	16253734	1625373	162537	1448380	3508204	6744496
			<b>Total</b>	<b>755000</b>	<b>84381488</b>	<b>8438148</b>	<b>843814</b>	<b>2896760</b>	<b>17380838</b>	<b>29559564</b>

**ADVANCE LICENSE DETAILS: -**

Sl. No.	License number	License code	BE No & Date	Debit quantity	Debit UQC	Debit value	Exempt Notn.	Port of Import
1	311000097	3	2740670, 12-02-21	247500	KGS	25937010	018/2015	INNSA1
2	311000051	3	2777121, 15-02-21	247500	KGS	25937010	018/2015	INNSA1
3	311002656	3	4587081, 06-07-21	130000	KGS	16253734	018/2015	INMUN1
4	311002656	3	4587084, 06-07-21	130000	KGS	16253734	018/2015	INMUN1
			<b>Total</b>	<b>755000</b>		<b>84381487</b>		

**SEARCH AND MAHAZAR**

- 1.4 Based on the said intelligence, investigation was initiated by way of search of the office premises of M/s Nadiya Polymers, 6<sup>th</sup> Floor, 24<sup>th</sup> Kailash Darshan, Kennedy Bridge, Above IDBI Bank, Nana Chowk, Mumbai 400007 and M/s Universal Impex, Office No. B-406, 4th floor, Merchants Centre, Plot No. 14D, Opp. Dana Bunder, Sector 19, Vashi, Navi Mumbai, Maharashtra – 400 703 on

13.12.2022 and at the factory premises of M/s Universal Impex, Unit No. 37, Ground floor, Shankheshwar Industrial Estate, Poman Mori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208 and residential premises Shri Rajeev R Sachadev, situated at No.703, FAM society Room, Building No.12, Near Balaji Garden, Sector No.11, Navi Mumbai, Thane, Maharashtra – 400 709 on 14.12.2022 in the presence of independent witnesses and drawing of mahazar proceedings. The details of the mahazar proceedings at the above firms are as under: -

**M/s Nadiya Polymers, 6<sup>th</sup> Floor, 24<sup>th</sup> Kailash Darshan, Kennedy Bridge, Above IDBI Bank, Nana Chowk, Mumbai 400007**

- 1.5 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 Hawai 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

Though the officers tried calling Shri Rajeev Sachadev on his mobile number 7039972567 during search on 13.12.2022 many times, he did not join the search proceedings. The screenshot of calls made to Shri Rajeev Ramesh Sachadev on 13.1.2022 is enclosed as Relied upon documents.

**M/s Universal Impex, Office No B-406, 4th floor, Merchants Centre, Plot No. 14D, Opp. Dana Bunder, Sector 19, Vashi, Navi Mumbai, Maharashtra – 400 703.**

- 1.6 Based on the search authorization bearing DIN No. 202212DDZ2000055205E dated 11.12.2022 issued by the Deputy Director, DRI, Mangalore Regional Unit, search was conducted at the above said premises on 13.12.2022. Upon reaching the said office located at the 4<sup>th</sup> floor the said office premise on whose door Universal Impex name plate was attached was found to be locked and a notice was found affixed on the office door mentioning that “if the office is closed kindly deliver the courier on the fifth-floor office No. B 516 between 11.30 am to 5.30 pm or kindly contact proprietor of Universal Impex Mr. Rajeev Sachadev (Mob. No. 8104041677)”. Then, the officers along with witnesses went to fifth floor and enquired at Room No. 516, which is found to be in the name of the firm Nexgenn Reality, who is said to be into property consultancy. It was informed by Shri Rajendra Ramdas Rapelli, one of the proprietors of the firm who was present there that they had arranged the Room No. B 406 to Shri Rajeev Ramesh Sachadev and provided the officers with a copy of the Rent Agreement dated 15.01.2022. It was also informed by Shri Rajendra Ramdas Rapelli that the said Rajeev Sachadev had asked them to collect any letter or courier which arrives in his name and that the same will be collected by him personally. The said Shri Rajendra Ramdas Rapelli also informed that Shri Rajeev Ramesh Sachadev used to come once in a while to his rented premises but they are not aware as to what activity he used to do there. On being asked Shri Rajendra Ramdas Rapelli informed that he has not observed any manufacturing activity in the said premises and he has not observed any movement of persons or any type of goods to and from the said office except that Shri Rajeev Ramesh Sachadev himself occupying the room once in a while. As there was no movement of goods to and from the said address it appeared that M/s Universal Impex is not conducting any manufacturing activity at the said location and also since there was no person related to M/s Universal Impex present at the premise and

there was/ is no activity happening at the premise and as the said premise is closed/ locked, no search proceedings have taken place and accordingly a NIL Mahazar was drawn.

**Factory premises of M/s Universal Impex, Unit No. 37, Ground floor, Shankheshwar Industrial Estate, Poman Mori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208**

- 1.7 Based on the search authorization bearing 202212DDZ2000000ABA1 dated 11.12.2022 issued by the Deputy Director, DRI, Mangalore Regional Unit, the officers visited the above said premises on 14.12.2022. Upon reaching the said premise, it was observed that the said location was an industrial estate where most of the sheds were found closed or appeared to be abandoned. On enquiry with the locals about the exact location of M/s Universal Impex to which they replied that they never heard of any such company or firm present in the said premises. The officers further informed the said persons that as per the records available with them, there is a firm called M/s Universal Impex located at Unit No. 37, Shankheshwar Industrial Estate, Pooman Mori, Vasai Palghar, Maharashtra. The said persons then replied that they have been working here since long time however, they never heard or came across any company or manufacturing unit named M/s Universal Impex. Further, upon request of the officers the said persons took the officers to Shed No. 37. No name board of M/s Universal Impex or another board showing the existence of M/s Universal Impex was present in the said premise. The said shed is one among many other sheds that are placed in a row. Shed No. 37 was found closed and appeared to be not in use for a long time. Further, on being asked if they have observed any movement of PVC Resin in the said premises to which the said persons replied in negative. The officers further enquired with the said persons if there is any person in relation to M/s Universal Impex is known to them visiting the said premises to which they replied in negative. The officers further enquired the persons present in the said premise if there is any manufacturing activity in the said location for which they informed that they have not observed any manufacturing activity in the said location/ premises. As there was no movement of goods or persons to and from the said address it appeared that M/s Universal Impex was not active at the said location and since there was no person related to M/s Universal Impex present at the premise and there was no activity happening at the premise and as the said premise was closed, no search proceedings have taken place. Accordingly, a mahazar was drawn.

**Residential premises of Shri Rajeev R Sachadev, situated at No.703, FAM society Room, Building No.12, Near Balaji Garden, Sector No.11, Navi Mumbai, Thane, Maharashtra – 400 709 on 14.12.2022**

- 1.8 Based on the authorization dated 14.12.2022 issued by the Deputy Director, Directorate of Revenue Intelligence, Mangalore Regional Unit search was conducted at the said premises on 14.12.2022 at Flat

No. 703 on whose door Rajeev R Sachadev name plate was attached. Mrs. Sheetal Sachadev was present at the said premises. The residence consisted of a hall, a kitchen, two washrooms and two bedrooms. During the search on verification of the papers/ documents found in the residence, it was found that none of the papers were relevant for the investigation. On being asked whether any storage devices are available in the house, Mrs. Sheetal Sachadev replied that they are not in a position to buy a laptop, that they do not have any vehicle also, that Sri Rajeev is employed with Shri Viral Mehta and works at an office in Nana Chowk on a monthly salary of Rs. 25000/- approx., that such employment is from last four years. On being asked, she further replied that Sri Rajeev called yesterday afternoon that he is going on business related trip to Kutch, that he carries travel kit along with; that he often goes to Kutch and she is not aware of any other place where he goes on business trip. She further stated that they lost Shri Rajeev Sachadev's father three years back; that they have a special son and such circumstances have led them to lead a life of struggle and Shri Rajeev Sachadev sustains the expenses with job work printing business of which she is actually the proprietor. She categorically informed that they have no idea of any business that is run by Shri Rajeev Sachadev. As no paper / documents relevant for investigation was found, a NIL mahazar was drawn.

- 1.9** As Shri Rajeev Ramesh Sachadev did not come during the searches conducted on 13.12.2022 and 14.12.2022, a summons was issued to him on 14.12.2022 for appearance on 27.12.2022 and the same was received by his wife Mrs. Sheetal Sachadev. Though Shri Rajeev Ramesh Sachadev, as per information provided by his wife during search of his residential premises on 14.12.2022, was not in Mumbai (has gone to Kutch), surprisingly it is noticed that vide his letter dated 15.12.2022 (next day itself) he has raised certain objections for the searches carried out and seizure of certain documents under mahazar by the officers. This office vide e mail letter dated 1.02.2023 requested Shri Rajeev Ramesh Sachadev to appear at mutual convenient date to answer/ clarify the doubts/ questions that have arisen in the matter and also to state his objections in his statement and also furnished scanned copies of mahazar. As there was no response from Shri Rajeev Sachadev, a second summons was issued to him on 17.05.2023 for appearance on 30.05.2023 for giving evidence and to produce the documents such as documents of duty payment, documents in support of his defence and any other documents relevant for investigation. Shri Rajeev Ramesh Sachadev vide his letter dated 23.05.2023 (received in this office on 5.6.2023) stated that he has met with an accident recently and that he is bed ridden for next 45 days and enclosed a medical certificate dated 26.05.2023 issued by a medical practitioner. He also stated that yet no reply has been sent to his letter dated 15.12.2022 by this office. He also stated that M/s Universal Impex and himself have no transactions including financial transactions at Belagavi/ Karnataka thus there is no "cause of action" at Belagavi as far as M/s

Universal Impex is concerned and DRI Sub Regional Unit at Belagavi does not have all India Jurisdiction as per 2002 DRI related notification and this is a settled matter in the Court of Law in Gujarat. In view of the above he informed that he is not able to attend the summons dated 17.05.2023.

### **FOLLOW UP ACTION**

**1.10** Based on the documents seized, it was learnt that M/s Universal Impex had an account bearing No.141428786 in M/s Kotak Mahindra Bank at Kalher Branch, Thane, Maharashtra. This office vide letter dated 22.06.2023 requested M/s Kotak Mahindra Bank to furnish the following: -

- a) KYC details of the above account holder
- b) Bank statement for the period from 1.4.2020 to 31.03.2021.
- c) The details of the deposits made (credited) in the said account for the above period (The name of the firm/ person depositing the amount, bank name, IFSC Code and account number and address of the branch from where the said amount has been deposited)

**1.11** On analysis of the bank statement of M/s Universal Impex maintained with M/s Kotak Mahindra Bank (Furnished by the Bank) it is noticed that whenever the amount was paid to overseas supplier M/s World FZ LLE, M/s Universal Impex, immediately before making such payments, would receive RTGS/ NEFT from various traders/ firms (which was in Lakhs). On checking the E way bill of M/s Universal Impex in the E way bill portal, there were no E Way bills raised from M/s Universal Impex 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). The relevant extract of the above bank statement substantiating the above point is as under: -

<b>Date</b>	<b>Narration</b>	<b>Chq/ Ref No</b>	<b>Withdrawal (Dr)</b>	<b>Deposit (Cr)</b>	<b>Balance (Cr)</b>
01-02-2021	OB			14187.28	14,187.28
04-02-2021	RTGS BDBLR52021020400001581 ADICON TRADING CO B	RTGSINW- 003631601 7		10,00,000. 00	1,014,187.2 8
04-02-2021	RTGS BDBLR52021020400001590 ADICON TRADING CO B	RTGSINW- 003631604 4		10,00,000. 00	2,014,187.2 8
04-02-2021	RTGS BDBLR52021020400001600 ADICON TRADING CO B	RTGSINW- 003631613 6		10,00,000. 00	3,014,187.2 8
04-02-2021	RTGS BDBLR52021020400001607	RTGSINW- 003631616		10,00,000. 00	4,014,187.2 8

	ADICON TRADING CO B	7			
04-02-2021	RTGS BDBLR52021020400001613 ADICON TRADING CO B	RTGSINW- 003631618 5		10,00,000.00	5,014,187.28
04-02-2021	RTGS YESBR52021020478118000 SANKALP TRADERS YES	RTGSINW- 003631749 8		50,00,000.00	10,014,187.28
08-02-2021	1435AIR210031816 CRE001 MS WORLD FZ LLE	TIP- 8053ab89- 889e-49	98,90,947.50		113,896.32
09-02-2021	RTGS ICICR42021020900510327 ELITE TRADERS ICIC0	RTGSINW- 003644087 2		10,00,000.00	1,111,305.95
09-02-2021	RTGS ICICR42021020900510490 ELITE TRADERS ICIC0	RTGSINW- 003644100 5		10,00,000.00	2,111,305.95
09-02-2021	RTGS ICICR42021020900510565 ELITE TRADERS ICIC0	RTGSINW- 003644119 4		10,00,000.00	3,111,305.95
09-02-2021	RTGS ICICR42021020900510653 ELITE TRADERS ICIC0	RTGSINW- 003644120 9		10,00,000.00	4,111,305.95
09-02-2021	RTGS ICICR42021020900510757 ELITE TRADERS ICIC0	RTGSINW- 003644128 3		10,00,000.00	5,111,305.95
09-02-2021	RTGS YESBR52021020978245050 MAHAVEERA ENTERPRIS	RTGSINW- 003644410 7		27,65,986.00	7,877,291.95
09-02-2021	RTGS YESBR52021020978244851 MAHAVEERA ENTERPRIS	RTGSINW- 003644443 9		22,34,014.00	10,111,305.95
09-02-2021	0655AIR210034137 CRE001 MS WORLD FZ LLE	TIP- d910ed23- 2a3a-4f	98,84,846.44		211,116.12
10-02-2021	RTGS YESBR52021021078284879 SANKALP TRADERS YES	RTGSINW- 003648304 3		10,00,000.00	1,205,700.85
11-02-2021	RTGS ICICR42021021100508236 ELITE TRADERS ICIC0	RTGSINW- 36506068		10,00,000.00	2,205,700.85
11-02-2021	RTGS ICICR42021021100508307 ELITE TRADERS ICIC0	RTGSINW- 003650618 3		10,00,000.00	3,205,700.85
11-02-2021	RTGS ICICR42021021100508409 ELITE TRADERS ICIC0	RTGSINW- 003650632 8		10,00,000.00	4,205,700.85
11-02-2021	RTGS ICICR42021021100508530	RTGSINW- 003650632		10,00,000.00	5,205,700.85

	ELITE TRADERS ICIC0	0			
11-02-2021	RTGS ICICR42021021100508468 ELITE TRADERS ICIC0	RTGSINW- 003650635 2		10,00,000.00	6,205,700.85
11-02-2021	RTGS ICICR42021021100508674 ELITE TRADERS ICIC0	RTGSINW- 003650648 3		10,00,000.00	7,205,700.85
11-02-2021	RTGS ICICR42021021100508353 ELITE TRADERS ICIC0	RTGSINW- 003650624 2		10,00,000.00	8,205,700.85
11-02-2021	RTGS ICICR42021021100508740 ELITE TRADERS ICIC0	RTGSINW- 003650650 6		10,00,000.00	9,205,700.85
11-02-2021	RTGS ICICR42021021100508862 ELITE TRADERS ICIC0	RTGSINW- 003650656 7		10,00,000.00	10,205,700.85
11-02-2021	RTGS ICICR42021021100508791 ELITE TRADERS ICIC0	RTGSINW- 003650660 2		10,00,000.00	11,205,700.85
11-02-2021	RTGS ICICR42021021100512320 ELITE TRADERS ICIC0	RTGSINW- 003651014 2		6,00,000.00	11,805,700.85
11-02-2021	Sent RTGS KKBKR52021021100713440/ WINWI N MARIT	9/00020025 5416	592,336.00		11,213,364.85
11-02-2021	0655AIR210036336 CRE001 MS WORLD FZ LLE	TIP- 982f9261- 23c3- 41	1,05,97,903.82		399,038.30
12-02-2021	RTGS ESFBR52021021250974002M AHALAKSHMI ENTERPR	RTGSINW- 003653737 4		12,00,000.00	1,596,320.68
12-02-2021	RTGS ESFBR52021021250974030M AHALAKSHMI ENTERPR	RTGSINW- 003653746 1		9,50,000.00	2,546,320.68
12-02-2021	RTGS UTKSR92021021210000026 LUXMI TRADERS UTKS0	RTGSINW- 003653810 9		3,50,000.00	2,896,320.68
12-02-2021	RTGS ESFBR52021021250974051 BALAJI TRADERS ESFB	RTGSINW- 003653800 1		7,10,000.00	3,606,320.68
12-02-2021	RTGS UTKSR92021021210000028 AMBIKA ENTERPRISES	RTGSINW- 003653865 2		2,90,000.00	3,896,320.68
12-02-2021	RTGS ESFBR52021021250974098 SIDDHNATH TRADERS	RTGSINW- 003653902 2		16,50,000.00	5,546,320.68
12-02-2021	RTGS ESFBR52021021250974123	RTGSINW- 003653930		14,00,000.00	6,946,320.68

	SIDHDNATH TRADERS	1			
12-02-2021	RTGS ESFBR52021021250974153 BALAJI TRADERS ESFB	RTGSINW- 003653970 5		4,50,000.0 0	7,396,320.6 8
12-02-2021	RTGS ESFBR52021021250974135 BALAJI TRADERS ESFB	RTGSINW- 003653980 2		12,00,000.00	8,596,320.6 8
12-02-2021	RTGS UTKSR92021021210000035 SARASWATI TRADING C	RTGSINW- 003653997 4		5,50,000.0 0	9,146,320.6 8
12-02-2021	RTGS UTKSR92021021210000064 LUXMI TRADERS UTKS0	RTGSINW- 003654298 2		9,00,000.0 0	10,046,320.6 68
12-02-2021	RTGS UTKSR92021021210000075 AMBIKA ENTERPRISES	RTGSINW- 003654522 8		8,00,000.0 0	10,846,320.6 68
12-02-2021	RTGS UTKSR92021021210000077 AMBIKA ENTERPRISES	RTGSINW- 003654542 0		3,00,000.0 0	11,146,320.6 68
12-02-2021	NEFT UTKSN21043100711 LUXMI TRADERS UTKS0001520	NEFTINW- 026845738 5		1,00,000.0 0	11,246,320.6 68
12-02-2021	0655AIR210037207 CRE001 MS WORLD FZ LLE	TIP- f88ad9c0- d185-4e	1,05,96,453.84		483,447.95
15-02-2021	RTGS ICICR42021021500510182 ELITE TRADERS790 52	RTGSINW- 003657831 6		10,00,000.00	1,480,730.5 9
15-02-2021	RTGS ICICR42021021500510342 ELITE TRADERS790 52	RTGSINW- 003657845 6		10,00,000.00	2,480,730.5 9
15-02-2021	RTGS ICICR42021021500510249 ELITE TRADERS790 52	RTGSINW- 003657855 8		10,00,000.00	3,480,730.5 9
15-02-2021	RTGS ICICR42021021500510412 ELITE TRADERS790 52	RTGSINW- 003657866 0		10,00,000.00	4,480,730.5 9
15-02-2021	RTGS ICICR42021021500510644 ELITE TRADERS790 52	RTGSINW- 003657879 0		10,00,000.00	5,480,730.5 9
15-02-2021	RTGS ICICR42021021500512713 ELITE TRADERS790 52	RTGSINW- 003658088 9		10,00,000.00	6,480,730.5 9
15-02-2021	RTGS ICICR42021021500512862 ELITE TRADERS790 52	RTGSINW- 003658088 6		10,00,000.00	7,480,730.5 9)
15-02-2021	RTGS ICICR42021021500512794	RTGSINW- 003658092		10,00,000.00	8,480,730.5 9

	ELITE TRADERS790 52	4			
15-02-2021	RTGS ICICR42021021500512977 ELITE TRADERS790 52	RTGSINW- 003658100 0		10,00,000.00	9,480,730.59)
15-02-2021	RTGS ICICR42021021500513055 ELITE TRADERS790 52	RTGSINW- 003658102 7		10,00,000.00	10,480,730.59
15-02-2021	RTGS ICICR42021021500513195 ELITE TRADERS790 52	RTGSINW- 003658131 1		3,00,000.00	10,780,730.59
16-02-2021	0655AIR210038537 CRE001 MS WORLD FZ LLE	TIP- 4ae5cf89- 8971-4c	1,02,08,800.00		506,088.50
18-02-2021	Sent RTGS KKBKR52021021800860262/S ARVE SHWAR L	18/0002012 59442	2,70,552.00		31,888.92
22-02-2021	RTGS PUNBR52021022218830096 SHRI KRISHNA INDUST	RTGSINW- 003677714 0		5,00,000.00	503,671.72
22-02-2021	Sent RTGS KKBKR52021022200789207/S ARVE SHWAR L	20/0002017 66143	351,286.00		152,385.72
23-02-2021	RTGS PUNBR52021022318877170 SHRI KRISHNA INDUST	RTGSINW- 36816972		5,00,000.00	576,425.72
23-02-2021	Sent RTGS KKBKR52021022300658695/ WINWI N MARIT	22/0002019 25781	440,907.00		135,518.72
24-03-2021	Chrg: NEFT On 16-Mar-2021 (Value Date: 22-MAR-21)	TBMS- 713974659	4.72		15,617.52

Hence, details of the depositors who have made RTGS/ NEFT transfer (Creditors) to M/s Universal Impex, were sought for from M/s Kotak Mahindra Bank along with KYC details and bank account details.

**1.12** Based on the information obtained from M/s Kotak Mahindra Bank, details of the depositors who have made RTGS/ NEFT transfer (Creditors) to M/s Universal Impex, were sought for from their respective banks along with KYC details and bank account details. On perusal of the details furnished by the respective banks, it is noticed that in majority of the cases, the bank account has been opened by providing GSTIN Certificate for satisfying the KYC norms. The details of the traders/ firms who have made NEFT/ RTGS transfers is tabulated as under as on 31<sup>st</sup> March,2021:-

Sl. No.	Name of the Trader	GSTIN	Present Status	Bank details	Amount Transferred	Commodity dealt
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				Name of the bank	(approx)	as per E way bill / Regn.
1	Naveen Kumar - Adicon Trading Co.	07CCBPK9456R2ZQ	Active	Bandhan Bank Ltd., East Patel Nagar, New Delhi	50 Lakhs	Ferrous Waste, Iron & Steel, Sugar
2	Bhawana Jain - Mahaveer Enterprises	07AJBPJ7118G1ZF	Active	Yes Bank, Punjabi bagh	50 Lakhs	Wheat, Meslin, Millet, Rice, Dries Leguminous Vegetables,
3	Harish Kumar - Ambica Enterprises	07FTAPK4194P1Z1	Cancelled suo - moto	Utkarsh Small Finance Bank, Varanasi, UP	13.9 Lakhs	Raisins, Pistachio in Shell, Walnut in shell - Chapter 8 - Glucagon D, Vim bar, Al Waste and Scrap
4	Venketesh - Luxmi Traders	07BVBPV5487R1ZF /	Suspended	Utkarsh Small Finance Bank, Varanasi, UP	13.5 Lakhs	Raisins, Pistachio Kernels, inshell Almonds- Chapter 8 - Vegetable Saps and Extracts - Chapter 13
5	Tahasin - Saraswti Trading Co.	07BGNPT5077L1ZI	Cancelled suo - moto	Utkarsh Small Finance Bank, Varanasi, UP	5.5 Lakhs	MACH3 RAZORCRT4, Dettol, Bourn Vita, Caustic soda, Acid Black, Organic Surface-active agent, Fixing Agent
	Tahasin - Siddhnath Traders	07BGNPT5077L3ZG	Suspended		30.5 Lakhs	
6	Soniya Rajpal - Elite Traders	07CWXP2146D1Z5	Cancelled on Application of Taxpayer	ICICI Bank Ltd, Mumbai	259 Lakhs	Silicon Rubber scrap, Synthetic Rubber, plastic Granules
7	Gobind - Sankalp Traders	07CJWPG4301B2ZH	Cancelled on Application of Taxpayer	YES Bank Ltd, Delhi Kohat Enclave Branch, Pitampura	60 Lakhs	Granulated slag, semi- finished products of iron and steel etc
		07CJWPG4301B3ZG	Cancelled suo - moto			
8	Harish Kumar - Mahalakshmi Enterprises	07FLAPK3865D1Z6	Cancelled suo - moto		21.5 Lakhs	Synthetic organic/ inorganic tanning substances, Finishing agents, Veeners etc

**1.13** As can be seen from the above table, in many of the cases, the registration has been either cancelled or has been suspended except for entities mentioned at Sl. No.1 & 2. It was also seen that all of the entities listed in the table above are located in Delhi whereas M/s Universal Impex is located in

Mumbai and there are no E way bills for supplies, if any, made by M/s Universal Impex to the entities listed in the Table above located at Delhi which is about approximately 1400 Kms away. Further it is also seen that the said entities are dealing with different commodities as per E way Bill data/ Registration details when compared with that of M/s Universal Impex.

- 1.14** As per the bank statement of M/s Universal Impex, the amounts received from the traders mentioned in the table above have not been paid back to them by M/s Universal Impex and also as per GST data M/s Universal Impex, have not supplied any material/ goods to the above-mentioned traders which gives raise to suspicions as to what for and why the said amounts have been transferred.
- 1.15** As per the above table as the entities mentioned at Sl. No.1 and 2. i.e., Naveen Kumar –M/s Adicon Trading Co, Plot No 18/4, Kh. No. 173, Shyam Vihar PH 1 Block E Dinpur, Najafgarh Delhi 110043, having GSTIN 07CCBPK9456R2ZQ and Bhawana Jain - Mahaveer Enterprises, G-2, First Floor, Lawrence Road, Indl Area, Delhi, 110035 having GSTIN 07AJBPJ7118G1ZF were being shown as active as per GST portal, the officers visited the above said premises on 21.11.2023 and the incident report of the said visit is as under: -

**M/s Adicon Trading Prop: - Shri Naveen Kumar, Plot No.18/4, Kh. No.173, Shyam Vihar, PH 1, Block E, Dinpur, Najafgarh, Delhi – 110043.**

- 1.16** The said premises was found to be locked. It was seen that in the said premises, one firm by name “R S Enterprises, Manpower Supply, House Keeping, Horticulture” was housed and no sign of M/s Adicon Trading, was found. On enquiry with the present person Shri Rahul Khatri occupying the said premises over the phone number 9310447406 mentioned in the name board, it was learnt that he is in the said premises for the past 15 months and he is not aware of anything about M/s Adicon Trading or about Naveen Kumar, Proprietor of M/s Adicon Trading. The officers tried to contact the authorised person over the phone number 9717811624 mentioned in the GST registration details of M/s Adicon Trading but the call could not be connected even after repeated attempts. Local enquiries also revealed that they are not aware of such firm/ person operating/ operated from the said premises.

**M/s Mahaveer Enterprises, Prop: - Bhavana Jain, G-2, First Floor, Lawrence Road, Industrial Area, Delhi – 110035.**

- 1.17** In the said premises, it was seen that there were few small single rooms on the first floor of which few were occupied and few were abandoned/ locked. On enquiry with the persons who were present there, it was informed that they are not aware of M/s Mahaveer Enterprises and asked the officers to meet

Shri Neeraj Jain, Owner of the said building whose office is located at the ground floor of the said premises. On meeting Shri Neeraj Jain, who was available in his office situated at the ground floor of the said building, he informed that M/s Mahaveer Enterprises was located in the First Floor of the said premises but vacated in the year 2020-21 and he has no further information about their whereabouts. He also furnished a hand written letter intimating the same in this regard. The officers, tried to contact the authorised person over the phone number 9821448523 mentioned in the GST registration details of M/s Mahaveer Enterprises but the call could not be connected even after repeated attempts.

- 1.18** In view of the above, vide this office letters dated 08.12.2023, the jurisdictional GST authorities were requested to conduct necessary verification of the premises and to take appropriate action in the matter as per provisions of GST Act.

### **RECORDING OF STATEMENTS**

- 1.19** As Shri Rajeev Ramesh Sachadev did not respond to the two-summons issued to him, the officers again searched his residential premises at Building No. 12, Flat No. 703, FAM CHS Limited, Sector 11, Kopar Khairane, Navi Mumbai, 400709 on 22.12.2023 and a NIL Mahazar was drawn as no incriminating documents/ records were found. Shri Rajeev Ramesh Sachadev was present during the search and as requested by him his statement was recorded on 22.12.2023 after issue of summons at his residence wherein interalia he has stated as under: -

- (i) *that he had studied upto 12<sup>th</sup> std in English Medium; that he was into stationery printing like visiting cards, letter head, office stationery and packaging materials on job work basis i.e., getting the orders from the customers and getting the printing work done from the actual printers on job work and he used to retain certain margin for the same; that activity he has been carrying from his college days and still being continued; that he was also doing brokerage of Gum Arabic product along with his late father for some time; that he has two proprietary firms by name M/s Universal Impex and M/s Nadiya Polymers; that he has imported PVC Resins in both the said firms;*
- (ii) *that M/s Universal Impex was started in the year 2017 for import of PVC Resin; Its PAN No. was BOKPS8797B, IEC No. was BOKPS8797B and GSTIN 27BOKPS8797BIZ7; that its office was located at B – 406, Merchant’s Chamber, Plot No. 14 D, Opp. Dana Bunder, Sector 19, Vashi, Navi Mumbai – 400703; that he had also rented a premises at Shed No. 37, Ground Floor, Shankheswar Industrial Estate, Poman Mori, Bhiwandi Road, Vasai Palghar,*

*Maharashtra – 401208 for storage of imported PVC Resin, however he has not carried out any activity of either storage/ manufacture/ job work in the said premises; No Machineries were also installed in the said premises; he has done high sea sales of PVC resin from 2017-18 to 2020-21; During February, 2021 and July, 2021, he has imported 4 consignments of PVC resin in his firm M/s Universal Impex under advance license with a condition of re export of manufactured goods using the said imported goods; however, he could not fulfil the said condition of manufacture and export and sold the imported PVC Resin in the open market; he has bank account in Kotak Mahindra bank, Kalher Branch, Thane, Maharashtra and Account No. is 141428786; He used to look after all the bank transactions and have signed for all RTGS/ NEFT transactions/ cheques; He has looked after the entire affairs of the said firm including filing of Income Tax and GST returns/ raising of E Way Bill and all the OTP's related to the above returns comes to his mobile Number 7039972567; from October, 2021 onwards there are no sale/ purchase transactions in the said M/s Universal Impex;*

(iii) *On being shown the mahazar's drawn at the following addresses on the dates mentioned against them by the officers of DRI in respect of his residential premises and premises of M/s Universal Impex*

a. *Residence at Flat No. 703, Building No. 12, FAM CHS Society, Near Balaji Garden, Sector No.11, Navi Mumbai, Thane, Maharashtra 400709 on 14.12.2022;*

b. *M/s Universal Impex, B – 406, Merchant's Chamber, Plot No. 14 D, Opp. Dana Bunder, Sector 19, Vashi, Navi Mumbai – 400703 on 13.12.2022;*

c. *M/s Universal Impex, Shed No. 37, Ground Floor, Shankheswar Industrial Estate, Poman Mori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208 on 14.12.2022; he has stated that he has perused the above mahazar's and as a token of having seen the same, he has put his dated signatures on the copies of the said Mahazars and he agreed with the contents of the same;*

(iv) *he has perused the copy of Mahazar drawn at the premises of M/s Nadiya Polymers, situated at 6th Floor, 24 Kailash Darshan, Kennedy Bridge, Above IDBI Bank, NANA Chowk, Mumbai – 400007, by the officers of DRI on 13.12.2022 and put his dated signature on the same as a token of having seen the same; that he agreed with the contents of the said Mahazar; that he would like to state that his said firm has stopped operating from the said premises from March, 2023;*

- (v) *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;*
- (vi) *On being asked that when he already had a firm by name M/s Universal Impex what was the necessity for opening another firm by name M/s Nadiya Polymers he has stated that he has changed the name just like that without any specific reasons; however, all the credentials such as PAN Number, IEC No., GST No. remains the same;*
- (vii) *M/s Universal Impex have obtained Advance Authorization licenses for import of PVC resin from DGFT Mumbai; the details of the Advance Authorization obtained (from) by him are as under: -*

<b><i>Advance Authorization no. and date</i></b>	<b><i>Details of goods to be imported as per the Advance Authorization</i></b>	<b><i>Description of goods to be exported under the Advance Authorization</i></b>
<i>311000097 dated 11.12.2020</i>	<i>PVC Resin, Plasticizer, Stabilizer</i>	<i>PVC Flexible Sheet/ film</i>
<i>311000051 dated 07.12.2020</i>	<i>PVC Resin, Plasticizer, Stabilizer</i>	<i>PVC Flexible Sheet/ film</i>
<i>311002656 dated 19.03.2021</i>	<i>PVC Resin, Plasticizer, Stabilizer</i>	<i>PVC Flexible Sheet/ film</i>

- (viii) *the file containing the above Advance Authorization No. 311002656 had been taken by DRI officers during search of M/s Nadiya Polymers premises on 13.12.2022 and presently he does not have copies of the remaining two authorisation, he will produce the same within 15 days' time;*

- (ix) On being asked to explain as to the details of imports effected by M/s Universal Impex, under the above Advance Authorizations so far (and the procedure involved in it) he has stated that he has obtained the above-mentioned Advance Authorizations in the name of M/s Universal Impex from DGFT Mumbai during the year 2020/2021 respectively, for import of PVC Resin for the purpose of manufacture and exporting of PVC Film. He has imported the said goods through Mundra port/Nhava Sheva port during the year 2021 as detailed below: -

<b>Sl. No.</b>	<b>Bill of Entry No. and date</b>	<b>Description of the goods</b>	<b>Assessable value</b>	<b>Port of import</b>
1	2740670 dated 12.02.2021	PVC RESIN S65	25937010	INNSA1
2	2777121 dated 15.02.2021	PVC RESIN S65	25937010	INNSA1
3	4587081 dated 06.07.2021	PVC RESIN	16253734	INMUNI
4	4587084 dated 06.07.2021	PVC RESIN	16253734	INMUNI
			<b>84381487</b>	

- (x) It was observed from his import documents that in respect of his imports under Bills of Entry 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 Ganpat 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;
- (xi) On being asked that as per the Advance Authorization detailed above, he was supposed to import PVC Resin, Plasticizer and Stabilizer and whether he has imported Plasticizer and Stabilizer, if so, give details thereof, he has stated that he has imported only PVC Resin; the Plasticizer and Stabilizer have not been imported by him;

- (xii) *On being asked about the procedure followed by him in obtaining the said Advance Authorization he has stated that he have applied for the Advance Authorization through a consultant Shri Viral Mehta who shares office with him;*
- (xiii) *M/s Universal Impex is not having any manufacturing facility; No exports have been done by M/s Universal Impex out of the said imported goods; the imported goods have been cleared as such in the local market; that M/s Universal Impex had not fulfilled export obligations in respect of the imports under the above Advance Authorization;*
- (xiv) *On being asked whether there is any specific reason for import of PVC resin under Advance Authorization he has stated that he thought of using the benefit of duty-free import of PVC resin and intended to manufacture and export the same;*
- (xv) *On being asked to provide a brief note on the manufacturing activities under taken in respect of imported PVC resin from the stage of import to final product manufacturing till export of the said goods for fulfilling export obligation under the above Advance Authorizations he has stated that no manufacturing activity has been taken in respect of the imported goods, as there was no manufacturing facility available in his registered premises; that he also stated that, he has not purchased any machinery for manufacture with regard to import of PVC Resin;*
- (xvi) *On being asked to provide the details of foreign exchange remittances for the above purchases, he has stated that the details were available in his bank account held with M/s Kotak Mahindra Bank;*
- (xvii) *On being asked whether he has submitted any bank guarantee at the time of import, if so, please provide the details of bank guarantee submitted to the customs authorities at the time of import of PVC Resin under above Advance Authorizations he has stated that at present he didn't recollect the same, however he will revert back within 15 days;*
- (xviii) *On being asked as to for what purpose the imported goods have been utilized? Whether it has been used for the manufacture of export goods or has been cleared as such without any manufacturing he has stated that the imported goods have been cleared in the local market without utilising the same for manufacture of export goods; that the imported goods were not*

*stored in any godown and on its import the said imported goods were cleared in the local market; that he didn't remember to whom the said imported goods were cleared locally, their address and other details; He also didn't know under which E way Bill, Invoices the said imported goods were cleared and Mode of payment received from the customers; He would produce the said details within 15 days' time;*

*(xix) On being asked does he agree that the goods imported duty free by M/s Universal Impex was diverted/ transferred in violation of conditions prescribed in Advance Authorization scheme he has stated that he agreed and actually, he had intended to export the goods but could not do it;*

*(xx) He agreed that he has violated the condition that as per para 4.16 of Foreign Trade policy 2015-2020, "Advance Authorization and/or material imported under Advance Authorization shall be subject to 'actual user' condition; The same shall not be transferable even after completion of export obligation';*

*(xxi) He has not maintained any separate account as per para 4.51 of foreign trade policy/Hand book of procedures with regard to use of imported goods in the manufacture of goods intended for export as no manufacture of the said imported goods have taken place;*

*(xxii) He was aware of the following conditions and he agreed that he has violated the following conditions; As stated earlier by him he has not exported any goods manufactured out of the said imported goods within the timeline prescribed as the said imported goods have been diverted by him in local market;*

- Authorization Holder shall export/supply the product as per the quantity and value specified in the Table at Sl. No. 1 within a period prescribed under paragraph 4.22 of the Foreign Trade policy 2015-2020.*
- The export obligation shall be fulfilled by the Authorization Holder as per the terms and conditions specified in the Foreign Trade Policy 2015-20 and the Handbook of Procedures 2015-20 and other guidelines issued by the Director General of Foreign Trade from time to time. (As per which period of export obligation under Advance Authorization shall be 18 months from the date of issue of the authorization).*

- *Authorisation Holder shall deliver or cause to deliver to the Authorisation issuing Office, within 2 months from the date of expiry of the Export Obligation period stated above, documents as prescribed under paragraph 4.44 and 4.46 of Handbook of Procedures 2015-2020, as amended, from time to time, as evidence of fulfilment of export obligation imposed on this authorisation. In case of bonafide default, provisions of Paragraph 4.49 of the Handbook of Procedures 2015-2020 as amended, from time to time, shall apply. Failure to fulfil the export obligation in the manner as prescribed in the Handbook of Procedures 2015-2020 shall attract penal proceedings under the provisions of Foreign Trade (Development Regulation) Act, 1992.*
- *The exempt goods imported against the authorization shall only be utilized in accordance with the provisions of paragraph 4.16 of the Foreign Trade Policy;*
- *Authorisation Holder shall abide by the instructions contained in Paragraph 4.21 of the Handbook of Procedures 2015-20, as the case may be, for maintenance of a true and proper account of consumption and utilization of inputs and furnish returns to the concerned Regional Authority.*
- *Authorisation holder shall comply with the provisions of paragraph 4.10 and paragraph 4.35 of the Handbook of Procedures 2015-2020, as amended from time to time, with regard to transfer of any material from one unit of the authorisation holder to any other unit of the authorisation holder included in the IEC or to the supporting manufacturer/jobber.*

(xxiii) *On being asked to peruse the following conditions referred in the Notification No. 018/2015 -customs dated 01.04.2015 issued by the Government of India, Ministry of Finance, New Delhi regarding import of materials under Advance Authorization and offer comments;*

Conditions:

- I. *that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods...*

**II.** *that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the export of period allowed for fulfillment of export obligation;*

**III.** *that the said authorization shall not be transferred and the said materials shall not be transferred or sold; he has stated that he has perused the above notification and he agreed that he has not fulfilled the above conditions mentioned in the said Notification;*

(xxiv) *He agreed that the goods imported duty free by Universal Impex was diverted/ transferred in violation of conditions prescribed in Advance Authorization scheme;*

(xxv) *He could not attend for the summons dated 14.12.2022 as he was out of station (he had gone to Kutch) and he could not attend for the summons dated 17.05.2023 as he had a fracture in his right shoulder;*

(xxvi) *On perusal of his bank account held with M/s Kotak Mahindra Ltd, it was seen that whenever he needs to make the payment to his overseas supplier, he has received money from certain persons/ firms whom he has not made any supplies as per E way Bill data, who were also found to be non-existing/ whose GST registrations were found to be cancelled/ suspended; On being asked to comment he has stated that whenever, he needed finances for making payment to his overseas suppliers, he would orally request Shri Viral Mehta who was sharing office with him and he would arrange for the same; He didn't know anything about the persons/ firms who had transferred money to his bank account; As no goods had been supplied to them by his firm, no E way Bills have been raised to them; In this regard he would get clarification from Shri Viral Mehta and revert back within 15 days;*

(xxvii) *On being asked that from his bank accounts it was seen that he has not received any money with regard to sale of imported goods locally he has stated that as money has been arranged for making payments to overseas suppliers by Shri Viral Mehta, the imported goods had been cleared on his instructions in the local market;*

(xxviii) *On being asked that he was not in the line of import and export, how did he get into this line that too specifically import of PVC Resins and how did he contact his overs seas supplier*

*who supplied PVC Resin, who arranged for shipment, Customs House Agent etc related to import of PVC resin he has stated that as stated by him earlier, he was in the printing line business and it was on the advice and complete guidance of Shri Viral Mehta, who has only contacted the overseas supplier, arranged for shipment and CHA services, the business of M/s Universal Impex has been conducted;*

(xxix) *He didn't have any movable or immovable asset in his name; However, the house he was presently residing i.e., Building No. 12, Flat No. 703, FAM CHS Limited, Sector 11, Kopar Khairane, Navi Mumbai, 400709 was in the name of his late father Shri Ramesh Shyamji Sachadev, Mother Smt. Savithri Ramesh Sachadev and his wife Smt. Sheetal R Sachadev;*

**1.20** Shri Rajeev Ramesh Sachadev vide his affidavit dated 27.12.2023 retracted his statement given before the DRI officers on 22.12.2023. However, vide this office letter dated 02.01.2024, he was informed by DD, DRI, MRU that his retraction statement is not valid and that his claim that he was coerced and subjected to threats in order to sign a certain pre typed statement prepared by the officers is baseless and not acceptable and that it appears that retraction of the statement is just an afterthought and allegation is being made with an intention to delay/ avoid submission of the documents/ information sought for in the matter. Further vide this office letter dated 12.01.2024, he was asked by this office to submit the following documents pertaining to M/s Universal Impex.

- 1. All documents submitted to DGFT for obtaining Advance Authorization along with copies of Advance Authorization.*
- 2. All documents pertaining to import of M/s Universal Impex such as purchase order placed on the supplier, Supplier Invoice, Advance Authorization License utilised for import, Bill of Entry with all relevant documents etc.*
- 3. All documents relating to export of goods in respect of M/s Universal Impex including Shipping Bills, Export Invoices, Packing List of exported goods, Purchase orders placed by the overseas buyer.*
- 4. All invoices / E way Bills for clearance of the imported goods issued by your firm.*

5. *Details of the bank guarantee submitted to Customs at the time of import of goods utilising Advance Authorization.*
6. *Bank statement of M/s Universal Impex held with M/s Kotak Mahindra Bank till date.*
7. *Details of the persons/ firms (Their GST number, contact Number and Address, etc) who have transferred money to your account along with details of the goods sold by you to them, if any.*
8. *Details of the persons/ firms/ entities (their GST number, contact Number and Address, etc) to whom the imported goods have been supplied by you.*

**1.21** Shri Rajeev Ramesh Sachadev failed to submit the required documents as sought for vide this office letter dated 12.01.2024. Instead of submitting the documents called for and cooperating in the investigation, Shri Rajeev R Sachadev vide his letter dated 14.01.2024 has filed his reply reproduced as under: -

*“First and for most I draw you'd attention to my retraction of my statement through my advocates. Your reference to my statement in your said letter is of no consequences. Rejection of my retraction by your respected DD is also of no consequence to me as I stand by my retraction and reasons there is.*

*I further draw your attention to my earlier correspondence and queries you have failed to reply till date with regards to your illegal investigation Without jurisdiction territorial as well as under customs act with regards to Advance Authorization issued to my proprietary firm M/s Universal Impex by DGFT Mumbai under FTP and governed by FTDR ACT under aige's of commerce ministry of India.*

*I once again request you to stop fishing in waters of not your jurisdiction and oblige.*

*You are further requested to return all my files and documents seized by you illegally immediately”.*

**1.22** Further, Shri Rajeev Ramesh Sachadev through his counsel Sabeena Mahadik forwarded writ petition bearing No.1331/2024 dated 29.01.2024 filed at the Bombay High Court to set aside the investigation being carried out on the following grounds: -

- (i) Investigating Officer does not have All India jurisdiction to investigate offences without territorial nexus - Has initiated investigation without jurisdiction - officer exercising

jurisdiction in the State of Karnataka, does not have any powers or jurisdiction to investigate the matters beyond their jurisdiction i.e. in state of Maharashtra.

- (ii) Entire matter falls under the FTDR Act, Foreign Trade Policy and the Customs Act has no jurisdiction until the said licenses are cancelled by the DGFT and bond given by the license holder to the President of India is invoked through a proper procedure.
- (iii) DRI has no jurisdiction to act under Section 108 of the Customs Act.
- (iv) DRI is not the "proper officer" under the Customs Act. thus, DRI no jurisdiction to initiate the investigation under the Customs Act

**1.23** Investigating team has filed reply to Writ Petition No. 1331/2024 dated 29.01.2024, the subject matter was pending for hearing. During the interval, the Hon'ble Supreme Court's reviewed its 2021 judgment in Canon India Private Limited [2021 (3) TMI 384] dated 09.03.2021 vide Review Petition No. 400/2021 dated 07.11.2024, upheld DRI's jurisdiction, the validity of Section 28(11) of the Customs Act, and Section 97 of the Finance Act, 2022. Therefore, the writ petition No.1331/2024 dated 29.01.2024 filed by Shri Rajeev Ramesh Sachadev at Hon'ble Bombay High Court becomes moot.

### **SUMMONS ISSUED AND OTHER COMMUNICATIONS**

**1.24** As Shri Rajeev Ramesh Sachadev had taken the name of Shri Viral K Mehta in his statement dated 22.12.2023 as the person under whose guidance he has carried out his business and the one who has arranged for the finances and contacted overseas suppliers and CHA, he was issued summons dated 08.01.2024 for appearance on 24.01.2024. However, vide his letter dated 12.01.2024 Shri Viral Mehta has stated that being chronic heart patient has retracted travel and thus will not be possible to travel to Belagavi to attend the summons. He also stated that he does not recognise M/s Universal Impex and M/s Bison Enterprises and hence it is out of question being in possession of any documents and hence unable to help in the matter. He also stated that he does not recognise the DRI officer's jurisdiction under Section 108 of the Customs Act and DRI's all India Jurisdiction. In response, this office vide letter dated 16.01.2024 a fresh summons was issued for his appearance at Mumbai DRI office on 30.01.2024 considering his health condition. In response Shri Viral K Mehta vide his letter dated 23.01.2024 has stated that he declined to attend the summons on such date in Mumbai DRI Office as he is in the process of certain heart related investigation and may have to go through some procedure soon; that he is a heart patient with 5 stents and 6 angioplasty procedures in last 20 years and has been strictly advised not to take any kind of stress at all hence he will not be attending the said summons in

Mumbai too. He reiterated that he does not recognise the 2 firms and has asked this office to provide specific input with evidence about his involvement with the said firms otherwise has requested not to bother him in the matter again. He also has stated that he does part time consultancy in Customs and DGFT matters and considering that he is well versed with customs act, laws and judgments has stated that he does not recognise DRI jurisdiction under Customs Act, DRI officers as Proper Officers including amendments in the Finance Bill 2022 as these issues are subjudice in Hon'ble Supreme Court. Hence, he will not attend summons.

- 1.25** In view of the above, a summons dated 7.3.2024 for appearance on 21.03.2024 at DRI Office, Mumbai along with a letter dated 7.3.2024 intimating that, considering his health condition he is once again requested to appear at DRI Office Mumbai, on 21.03.2024, to answer/ clarify/ explain the questions/ doubts that have arisen in the matter of investigation initiated by this office against M/s Universal Impex, Mumbai, a proprietorship firm of Shri Rajeev Ramesh Sachadev, that if he has any genuine issue with the date, he can write back to this office on his available date and this office will consider such request. It was also stated in the said letter that further, necessary medical assistance, if required, will also be arranged at DRI Office, Mumbai and the officers of DRI, Belagavi are willing to come to DRI Office, Mumbai to record his statement, considering his health considerations on humanitarian ground. It was also informed that he is also allowed to bring any personal assistant with him while recording his statement to take care of his personal needs. In spite of the above considerations shown, Shri Viral Mehta vide his letter dated 12.03.2024 received in this office on 18.03.2024 has again stated that he does not recognise the companies/ firm this office was referring to and that he being a chronic heart patient with recent procedures cannot be stressed with irrelevant issues which do not concern him and he cannot help the department in the absence of disclosing of any specific evidence against him; that if department want to ask the questions through video conference then he will be ready after 30-45 days citing that he is on heavy medication and is absolutely in no position to take unnecessary stress of DRI due to his health condition; that authority of DRI, Sub regional Unit to issue summons under Section 108 is questionable; that he is sure that without having concrete evidence he should not be bothered and if the department still wants then he has asked the department to contact him for video conference after 45 days.

- 1.26** Meanwhile summons dated 08.01.2024 was issued to the CHA's involved in import of the subject goods M/s Purushotam Chatrabuj Thackar, Mumbai and M/s O.K. Cargo Craft Pvt Ltd., Mumbai. The said summons was returned back 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.

- 1.27** 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 the importers i.e., M/s Universal Impex and M/s Bison Enterprises have been received from Amar Kothari for the clearance work and he had only forward document to Sunil Joisher of M/s OK Cargo for clearance.
- 1.28** 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 dated 19.08.2024 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 whatsapp 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 Shri Rajeev Ramesh Sachadev proprietor of M/s Universal Impex; they had met via one common friend near Rajeev Ramesh Sachadev residence at Address 12, 704, FAM Society, Koparkhairne, Vashi, Navi Mumbai and Contact No. is 9136045687. 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.
- 1.29** Meanwhile, vide this office letter dated 3.3.2024, the Additional Director General of Foreign Trade, Mumbai (Local DGFT authority) was apprised about misuse of the Advance License by M/s Universal Impex and also requested to take necessary action in the matter. Further as M/s Universal Impex was still being shown as active as per GST portal, jurisdictional GST authorities, both centre and state, were apprised of the nonexistence of M/s Universal Impex at the registered address at Unit No. 37, Ground Floor, Shankeshwar Industrial Estate, Poman Mori, Bhiwandi road, Vasai – 401208 and to conduct necessary verification of the said firm's premises and to take up appropriate action in the matter as per provisions of GST Act, 2017.

**1.30** Statement of Shri Amar Kothari was recorded on 07.11.2024 wherein inter alia he has stated as under:-

- (i) 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 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 held 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 came 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 was residing in the same society where Shri Rajeev Ramesh Sachadev, proprietor of M/s Universal Impex resides;
- (xi) He has interacted and met Shri Rajeev Ramesh 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 Ramesh 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 Ramesh 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 Ramesh 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 Bills 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 Ramesh Sachadev at his society; he doesn't remember the amount of remuneration paid by Shri Rajeev Ramesh Sachadev;
- (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 Ramesh 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 Ramesh 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 Ramesh 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 Authorization with actual manufacture condition he has stated that initially when he met Shri Rajeev Ramesh 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 Ramesh Sachadev for the last 2-3 years.

### SCRUTINY AND ANALYSIS OF EVIDENCES:

**1.31** From the data retrieved and documents recovered/ received during investigation, it was found that M/s Universal Impex 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 bonds executed at the customs port are tabulated in Table A and B as under.

**Table A: -**

Registered Custom House	Registration Number	Registration Date	Notification	Bond Number	Bond Value	Exp OE Date	Quantity In Kgs	FOB Val IR
INNSA1	31100265	19.03.2021	018/ 2015	200188177	110000000	19.09.2022	749626	861880

	6			9				87
INNSA1	31100009 7	11.12.2020	018/ 2015	200181448 4	62500000	11.06.2022	450000	372775 74
INNSA1	31100005 1	07.12.2020	018/ 2015	200181041 2	35000000	07.06.2022	300000	325695 84

**Table B: -**

Port of import	BE Number & Date	Item Description	CTH	Quantity In Kgs	Assessable Value	Duty Amt	Exempt. Notn.	Licence Number
INNSA1	2740670, 12.02.2021	PVC Resin S65	3904109 0	24750 0	2593701 0	51822 15	018/ 2015	311000097
INNSA1	2777121, 15.02.2021	PVC Resin S65	3904109 0	24750 0	2593701 0	51822 15	018/ 2015	311000051
INMUN1	4587081, 06.07.2021	PVC Resin	3904901 0	13000 0	1625373 4	32474 96	018/ 2015	311002656
INMUN1	4587084, 06.07.2021	PVC Resin	3904109 0	13000 0	1625373 4	35082 05	018/ 2015	311002656
				75500 0	8438148 8	1712013 0		

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

**1.32** Advance Authorizations are issued by the Directorate General of Foreign Trade (DGFT) to importers for 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.

**1.33** M/s Universal Impex had imported PVC Resin falling under Customs Tariff Heading 39041090/39049010 vide 4 Bills of Entry (2740670 dated 12-02-2021, 2777121 dated 15-02-2021, 4587081 dated 06-07-2021 and 4587084 dated 06-07-2021) without payment of duty of Customs under Advance Authorization Nos. 0311000051 dated 07.12.2020, 0311000097 dated 11-12-2020 and 0311002656 dated 19.03.2021. The importer has availed benefit of exemption extended by Notification No. 018/2015 dated 01.04.2015, as amended.

- 1.34** The Advance Authorization Nos. 0311000051, 0311000097 and 0311002656 were issued on 07.12.2020, 11.12.2020 and 19.03.2021 respectively and they were valid for 18 months i.e., up to 07.06.2022, 11.06.2022 and 19.09.2022 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 as above.
- 1.35** As per para 4.16 of Foreign Trade Policy, Actual User Condition for Advance Authorization, Advance Authorization and/ or material imported under Advance Authorization shall be subject to 'Actual User' condition. The same shall not be transferable even after completion of export obligation. However, Authorisation holder will have option to dispose of product manufactured out of duty-free input once export obligation is completed.
- 1.36** As per Condition Sheet of Advance Authorization, relating to transfer of materials:
1. Authorisation Holder shall export/ supply the product(s) as per the quantity (ies) and value(s) specified in the Table-A of the Show Cause Notice within a period prescribed under Paragraph 4.22 of the Foreign Trade policy 2015-2020.
  6. The exempt goods imported against the authorisation shall only be utilised 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 Authorisation.
- 1.37** 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.
- 1.38** In his statement dated 22.12.2023, Shri Rajeev Ramesh Sachadev proprietor of M/s Universal Impex answering a specific question has stated as under

*Q.14: Please provide the details of exports done by M/s Universal Impex, out of the imported goods.*

*Ans: No exports have been done by M/s Universal Impex out of the said imported goods. The imported goods have been cleared as such in the local market.*

*Q 15: Whether M/s Universal Impex fulfilled export obligations in respect of their imports under the above Advance Authorization? If so, please give the details.*

*Ans: As stated by me earlier, M/s Universal Impex have not fulfilled export obligations in respect of the imports under the above Advance Authorization.*

*Q.15: Is there any specific reason for import of PVC resin under Advance Authorization?*

*Ans: I thought of using the benefit of duty-free import of PVC resin and intended to manufacture and export the same.*

*Q. 16: Please provide a brief note on the manufacturing activities under taken in respect of imported PVC resin from the stage of import to final product manufacturing till export of the said goods for fulfilling export obligation under the above Advance Authorizations.*

*Ans: No manufacturing activity has been taken in respect of the imported goods, as there was no manufacturing facility available in our registered premises. I also state that, I have not purchased any machinery for manufacture with regard to import of PVC Resin.*

*Q. 17: Please provide the details of foreign exchange remittances for the above purchases.*

*Ans: The details are available in my bank account held with M/s Kotak Mahindra Bank mentioned above.*

*Q 18: Whether you have submitted any bank guarantee at the time of import, if so, please provide the details of bank guarantee submitted to the customs authorities at the time of import of PVC Resin under above Advance Authorizations.*

*Ans: At present I do not recollect the same, however I will revert back to you within 15 days.*

*Q. 19: For what purpose the imported goods have been utilized. Whether it has been used for the manufacture of export goods or has been cleared as such without any manufacturing. Pl give details.*

*Ans: The imported goods have been cleared in the local market without utilising 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. I don't remember to whom the said imported goods were cleared locally, their address and other details. I also don't know under which E way Bill, Invoices the said imported goods were cleared and Mode of payment received from the customers. I will produce the said details within 15 days' time.*

*Q. 20: Do you agree that the goods imported duty free by M/s Universal Impex was diverted/transferred in violation of conditions prescribed in Advance Authorization scheme.*

*Ans: - Yes. I agree. Actually, I had intended to export the goods but could not do it.*

*Q.21: As per para 4.16 of Foreign Trade policy 2015-2020, "Advance Authorization and /or material imported under Advance Authorization shall be subject to 'actual user' condition. The same shall not be transferable even after completion of export obligation'. However, you have violated the said conditions. Pl comment.*

*Ans: Yes, I agree that the above condition has been violated.*

*Q. 22: As per para 4.51 of foreign trade policy/ Hand book of procedures separate account has to be maintained with regard to use of imported goods in the manufacture of goods intended for export. Whether you have maintained such accounts.*

*Ans: No. I have not maintained any separate account as no manufacture of the said imported goods have taken place.*

*Q. 23: Are you aware that the following conditions have been prescribed in the condition sheet of the said authorisation. If so, please offer your comments.*

*Condition Sheet:*

*(i) Authorization Holder shall export/supply the product as per the quantity and value specified in the Table at Sl. No. 1 within a period prescribed under paragraph 4.22 of the Foreign Trade policy 2015-2020.*

*(ii) The export obligation shall be fulfilled by the Authorization Holder as per the terms and conditions specified in the Foreign Trade Policy 2015-20 and the Handbook of Procedures 2015-20 and other guidelines issued by the Director General of Foreign Trade from time to time. (As per which period of export obligation under Advance Authorization shall be 18 months from the date of issue of the authorization).*

(iii) *Authorisation Holder shall deliver or cause to deliver to the Authorisation issuing Office, within 2 months from the date of expiry of the Export Obligation period stated above, documents as prescribed under paragraph 4.44 and 4.46 of Handbook of Procedures 2015-2020, as amended, from time to time, as evidence of fulfilment of export obligation imposed on this authorisation. In case of bonafide default, provisions of Paragraph 4.49 of the Handbook of Procedures 2015-2020 as amended, from time to time, shall apply. Failure to fulfil the export obligation in the manner as prescribed in the Handbook of Procedures 2015-20 shall attract penal proceedings under the provisions of Foreign Trade (Development Regulation) Act, 1992.*

(iv) *The exempt goods imported against the authorization shall only be utilized in accordance with the provisions of paragraph 4.16 of the Foreign Trade Policy;*

(v) *Authorisation Holder shall abide by the instructions contained in Paragraph 4.21 of the Handbook of Procedures 2015-20, as the case may be, for maintenance of a true and proper account of consumption and utilization of inputs and furnish returns to the concerned Regional Authority.*

(vi) *Authorisation holder shall comply with the provisions of paragraph 4.10 and paragraph 4.35 of the Handbook of Procedures 2015-2020, as amended from time to time, with regard to transfer of any material from one unit of the authorisation holder to any other unit of the authorisation holder included in the IEC or to the supporting manufacturer/jobber.*

*Ans: Yes. I am aware of the above conditions and I agree that I have violated the above conditions. As stated earlier by me I have not exported any goods manufactured out of the said imported goods within the timeline prescribed as the said imported goods have been diverted by me in local market.*

*Q. 24: Now please peruse the following conditions referred in the Notification No. 018/2015 - customs dated 01.04.2015 issued by the Government of India, Ministry of Finance, New Delhi regarding import of materials under Advance Authorization and offer your comments.*

*Conditions:*

(i) *that in respect of imports made before the discharge of export obligation in full, the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the*

*imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods...*

*(ii) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the export of period allowed for fulfilment of export obligation.*

*(iii) that the said authorization shall not be transferred and the said materials shall not be transferred or sold.*

*Ans: I have perused the above notification and I agree that I have not fulfilled the above conditions mentioned in the said Notification.*

*Q. 25: Do you agree that the goods imported duty free by Universal Impex was diverted/ transferred in violation of conditions prescribed in Advance Authorization scheme.*

*Ans: Yes. I agree.*

**1.39** 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.

**1.40** On perusal of the GST returns filed, as per GST portal and also as per the documents recovered during search of the premises of M/s Nadiya Polymers as mentioned in the mahazar dated 13.12.2022, it was seen that they have filed NIL GSTR 3B returns indicating no transactions have taken place for the period from 2019-20 to 2022-23. The imported goods have not also been found in the registered premises (as M/s Universal Impex was not found to be operating/ existing from the registered premises) implying fraudulent diversion of imported goods and non-adherence to “Actual User Condition” specified in the advance license.

- 1.41** As per E way Bill portal, No E way bills have been raised for clearance of imported duty free raw materials or finished goods from the registered premises implying fraudulent diversion of imported goods (in the absence of manufacturing premises and facility for manufacture). Further, as per bank statements, even though there are NIL GSTR 3B returns, the importer has received money from various local entities which is 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.
- 1.42** On scrutiny of some of the transactions from where the money has been received to the importers bank account and linking them to the GSTIN, it was noticed that the entities which have made the payments are found to be non-existent/ have closed their operations as per GST portal indicating that the entire exercise has been done to facilitate clandestine diversion of imported duty-free raw material in the local market resulting in misuse of the Advance Authorization scheme.
- 1.43** From the bank account of M/s Universal Impex it was 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 Universal Impex. Further there are no outward E way bills from M/s Universal Impex 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 non-receipt of amounts from the foreign buyers, it is clearly evident that the goods imported by M/s Universal Impex 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 Universal Impex 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.
- 1.44** 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 Universal Impex, hence it appeared that they are liable to pay the entire duty foregone amount/ duty saved amount in their import using Advance Authorization No. 0311000051, 0311000097 and 0311002656 under the above mentioned 4 Bills of Entry along with interest as per the extant legal provisions.

**Issue of non-fulfilment of export obligation:**

- 1.45** 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 Authorisation, 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 Hand book Procedures and para (ix) of the Notification No. 018/2015- Cus, makes 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.
- 1.46** In his statement dated 22.12.2023, Shri Rajeev Ramesh Sachadev had accepted following facts;
- (i) M/s Universal Impex is not having any manufacturing facility and he has not purchased any machinery for manufacture with regard to import of PVC Resin.
  - (ii) No exports have been done by M/s Universal Impex out of the imported goods and the imported goods have been cleared as such in the local market without utilising 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 Universal Impex have not fulfilled export obligations in respect of the imports under the Advance Authorization
- 1.47** And also, as per bank statement, no foreign inward remittances have been received by M/s Universal Impex, indicating that there are no exports which 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.
- 1.48** It appeared that in view of the discussions in earlier paras, the importers have 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.
- 1.49** 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.

- 1.50** As the importers failed to comply with the conditions stipulated, it appeared that the above Bonds executed for the differential duty by M/s Universal Impex, in respect of the imports of goods covered under 4 Bills of Entry be enforced against the differential duty payable by them.
- 1.51** 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. 2,95,59,563/-.
- 1.52** 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.
- 1.53** 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.

- 1.54** The importer has executed the Bonds bearing Numbers 2001881779, 2001814484 dt.11/12/2022 and 2001810412 dated 7.12.2022 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 needs to be enforced as per Section 143(3) of the Customs Act, 1962. Further, importer has not executed the Bank Guarantee as the importer has availed exemption as per para (d) of Circular 58/2004 dated 21.10.2004.

**SUPPRESSION OF FACTS: -**

- 1.55** In the instant case, M/s Universal Impex had 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 Universal Impex 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 Universal Impex have not fulfilled export obligations in respect of the imports under the Advance Authorization. These facts have been clearly admitted by Shri Rajeev Ramesh Sachadev in his statement dated 22.12.2023. Thus M/s Universal Impex 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.
- 1.56** Further, the importer has changed their company name to M/s Nadiya Polymers operating from address 6th Floor 24 Kailash Darshan Kennedy Bridge Road, Above IDBI Bank Nana Chowk, Mumbai, Maharashtra – 400007 with the same PAN and GSTIN. When asked about reason for the same proprietor Shri Rajeev Ramesh Sachadev has not given any valid reason, it appeared Shri Rajeev Ramesh Sachadev deliberately changed the company name to mislead authorities. Further, it was observed by the Officers during the investigation that other address M/s Universal Impex, Unit No. 37, Ground floor, Shankheshwar Industrial Estate, Pom Vasai - 401208 was not operational and people in the vicinity had neither heard of M/s Universal Impex nor seen any movement of PVC resin or any manufacturing activity.

- 1.57** The importer initially abstained himself from the investigation by not appearing for several summons/ letters issued to him for more than one year and finally when he was traced, during recording of his statement even though he promised to furnish all the documents have so far not furnished any of the documents sought for in connection with import of raw materials and its usage. Further the said documents were not available during the search of the office premises or his residential premises indicating that the documents have been purposefully hidden from the department by the importer, who is actively involved in import and fraudulent diversion of imported raw materials. Further the importer did not provide answers to all the crucial questions posed to him during recording of his statement, which were relevant to the ongoing investigation. During the recording of statement, it appeared that the importer did not divulge the information he had, was evasive and was not able to give simple answers as to whom the said imported goods were cleared, under which E way Bill, Invoices the said imported goods were cleared and Mode of payment received from the customers, how he contacted the overseas supplier who supplied PVC Resin, who arranged for shipment, Customs House Agent etc. The importer instead of cooperating with the department by furnishing the documents called for and paying the applicable duties has approached the Hon'ble Court of Mumbai by filing writ petition with an intention to delay/ derail the investigation being conducted by the department.
- 1.58** 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.
- 1.59** Until the investigation was taken up by DRI, Mangalore, the importers M/s Universal Impex 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 Universal Impex 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.

**1.60** On being asked by this office, M/s Kotak Mahindra Bank submitted the account details of M/s Universal Impex having Account Number 1414128786 for further period from 1.4.2021 to 23.03.2024 vide their email dated 23.03.2024. On perusal of the said statement, it was seen that they have adopted the same modus as adopted by them in the earlier period i.e., whenever they wanted to make payments to their overseas supplier, they have received money from unrelated parties to whom M/s Universal Impex have not supplied any material. Further it is also observed that there are no inward remittances towards exports made by them confirming that the imported PVC resin has been diverted in the local market in violation of the conditions of the advance licence issued by DGFT and Notification No. 18/2015.

**1.61** In view of the above facts accepted by him, his statement that he thought of using the benefit of duty-free import of PVC resin and intended to manufacture and export the same is not bonafide, far from truth and an afterthought and does not match with the sequence of events.

### **CONFISCATION OF GOODS AND PENALTY**

**1.62** Whereas it appeared that M/s Universal Impex 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., 7,55,000 Kgs of PVC Resin valued at Rs.8,43,81,488/- imported by M/s Universal Impex by utilising the Advance Authorization Nos. 0311000051 dated 07.12.2020, 0311000097 dated 11.12.2020 and 0311002656 dated 19.03.2021 under 4 Bills of Entry 2740670 dated 12-02-2021,

2777121 dated15-02-2021, 4587081 dated06-07-2021 and 4587084 dated06-07-2021, are liable to confiscation under Section 111(o) of the Customs Act, 1962. 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.

**1.63** Whereas it appeared that M/s Universal Impex, the manufacturer exporter 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 Universal Impex 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 Universal Impex have rendered the goods imported duty free liable for confiscation under 111(o) of the Customs Act, 1962. Further, M/s Universal Impex appeared liable for penalty under Section 112/ Section 114A of the Customs Act, 1962, in relation to the said goods.

**1.64** Thus, in view of the conditions of the notifications and bonds executed, M/s Universal Impex was 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 Universal Impex 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 SHRI RAJEEV RAMESH SACHADEV, PROPRIETOR M/S UNIVERSAL IMPEX IN DUTY EVASION:**

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

- He is into the business of stationery printing like visiting cards, letter head, office stationery and packaging materials on job work basis i.e., getting the orders from the customers and getting the printing work done from the actual printers on job work and he used to retain certain margin for the same
- He has changed the name of firm M/s Universal Impex to M/s Nadiya Polymers just like that without any specific reasons. However, all the credentials such as PAN Number, IEC No., GST No. remains the same.
- As stated by Shri Rajeev Ramesh Sachadev he has applied for the Advance Authorization through a consultant Shri Viral Mehta who shares office with him.
- No manufacturing activity has been taken 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.
- The imported goods have been cleared in the local market without utilising 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.
- No exports have been done 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.

- 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.
- As stated by Shri Rajeev Ramesh 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 Ramesh Sachadev has not produced any document in this effect as stated by him in his statement.
- He has only coordinated in person with Shri Amar Kothari of M/s Kotak Forwarders by submitting the requisite documents for customs clearance and making payments to him for the customs clearance of the imported goods.

**1.66** From the above, it appeared that Shri Rajeev Ramesh Sachadev, proprietor of M/s Universal Impex, is responsible for the import of 'PVC resin' under the Advance Authorization scheme. He is aware of the procedures related to import under concessional rate of duty under the Advance Authorization scheme. He knows they have not fulfilled the export obligation as stipulated in the Advance Authorization read with relevant notification and foreign trade policy. He was aware of the transfer and selling of goods in local market. Further, Shri Rajeev Ramesh Sachadev directly dealing with the imports for his firm who is well aware of the procedures related to Advance Authorization, has not made any sincere efforts to ascertain the status of non-fulfilment of export obligation to DGFT and has taken the stand that he has acted as per the direction of Shri Viral Mehta, consultant, does not auger well for the position he holds. At no point of time, did he make any effort to bring to the notice of the concerned authorities about their inability to fulfil the export obligation and take necessary corrective measures towards payment of duties. His deliberate actions in omitting to abide by the provisions of the Foreign Trade Policy read with Handbook of Procedures, with an intent to evade the customs duties resulted loss of govt revenue due to non-payment of Customs duties. Therefore, it appeared, Shri Rajeev Ramesh Sachadev, proprietor of M/s Universal Impex and the person involved in the decision taking in their firm, 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.

### **Quantification of the Duties Involved**

**1.67** As per the Bills of Entry obtained during search and submitted by CHA and Customs portal data, M/s Universal Impex have imported PVC resin under the following 4 Bills of Entry and the details of assessable value and duties involved, Year of import and port of import mentioned in the said 4 Bills of Entry is as under.

Sl. No.	Port of import	CO O	Item Description	Quantity in Kgs	Assessable Value	DUTY PAYABLE				
						BCD @ 10%	SCS @ 10%	ADD *	IGST	Total
1	INNSAI	A E	PVC Resin S65	247500	25937010	2593701	2593700	0	5182215	8035286
2	INNSAI	A E	PVC Resin S65	247500	25937010	2593701	2593700	0	5182215	8035286
<b>Total</b>				<b>495000</b>	<b>51874020</b>	<b>5187402</b>	<b>5187400</b>	<b>0</b>	<b>10364430</b>	<b>16070572</b>
3	INMUNI	C N	PVC Resin	130000	16253734	1625373	1625377	1448380	3508204	6744496
4	INMUNI	C N	PVC Resin	130000	16253734	1625373	1625377	1448380	3508204	6744496
<b>Total</b>				<b>260000</b>	<b>32507468</b>	<b>3250746</b>	<b>3250744</b>	<b>2896760</b>	<b>7016408</b>	<b>13488992</b>
<b>Grand Total</b>				<b>755000</b>	<b>84381488</b>	<b>8438148</b>	<b>8438144</b>	<b>2896760</b>	<b>17380838</b>	<b>29559564</b>

Anti-Dumping Duty @\$147.96 per MT as per Notfn. No. 32/2019 Customs (ADD) dated 10.08.2019.

**1.68** As can be seen from the table above, M/s Universal Impex during the period 2020-21 have imported from Nhava Sheva Port, Mumbai and the total duties involved works out to Rs. 1,60,70,572/- whereas during the period 2021-22, they have imported from Mundra Port and the total duties involved works out to Rs. 1,34,88,992/-. As can be seen from the table above, the total duty involved in all the 4 Bills of Entry is Rs. 2,95,59,564/-. As can be seen from the table above, in respect of the imports at Mundra Port, duty calculation has been done considering the Anti-Dumping Duty @ \$147.96 per MT at the \$ rates mentioned in the Bills of Entry as per Notification No. 32/2019 Customs (ADD) dated 10.08.2019 and the same have been considered while demanding the total duties of customs.

#### SUMMARY OF THE INVESTIGATION:

**1.69** From the facts and discussions herein above, it appeared that: -

- i. M/s Universal Impex 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 Universal Impex had imported PVC Resin falling under Customs Tariff Heading 39041090/ 39049010 vide 4 Bills of Entry without payment of duty of Customs under Advance Authorization license.
- iii. The Advance Authorizations issued to M/s Universal Impex were valid for 18 months from the date of issue. However, M/s Universal Impex 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 factory address of M/s Universal Impex, at Unit No. 37, Ground floor, Shankheshwar Industrial Estate, Pom Vasai - 401208 was not operational and people in the vicinity had neither heard of M/s Universal Impex nor seen any movement of PVC resin or any manufacturing activity.
- v. 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 No. 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.
- vi. 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 Authorisation both in terms of value and quantity within the specified period as specified in the Authorisation 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.

- vii. 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 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.
- viii. 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.
- ix. 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 appeared to have rendered the goods liable to confiscation under Section 111(o) of the Customs Act, 1962. Further, these acts appeared to have made M/s Universal Impex liable for penalty under Section 112(a)/ 112(b) or Section 114A of the Customs Act, 1962.

**1.70** It appeared from the above discussion that consequent to duty evasion as detailed above, M/s Universal Impex, Prop. Shri Rajeev Ramesh Sachadev 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 i.e., 7,55,000 kgs of imported PVC Resin liable for confiscation under Section 111(d) and 111(o) of the Customs Act 1962;
- ii. rendered themselves liable to pay a total differential Customs duty of Rs. 2,95,59,563/- (Rupees Two crores Ninety-Five lakhs Fifty-Nine thousand Five hundred and Sixty-Three Only) on the goods imported by them (including the Anti-dumping duty as detailed in para 11.1 and 11.2 above), appeared liable to be recovered from them in terms of bonds bearing

Number 2001881779, 2001814484 and 2001810412 (pertaining to Advance Authorizations bearing Numbers 311002656 dated 19.03.2021, 311000097 dated 11.12.2020 and 311000051 dated 07.12.2020 respectively) executed by them under Section 143(3) of the Customs Act, 1962 read with Section 5(1) of the IGST Act;

- iii. rendered themselves liable to pay interest, at the appropriate rate, on the differential duty as above, in terms of bond executed by them Section under 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.

**1.71** In view of the above, M/s Universal Impex (IEC BOKPS8797B), a proprietary firm of Shri Rajeev Ramesh Sachadev, having their registered address at Unit No. 37, Ground floor, Shankheshwar Industrial Estate, Pomamori, Bhiwandi Road, Vasai Palghar, Maharashtra – 401208 having office at # 24,6<sup>th</sup> Floor, Kailash Darshan, Kennedy Bridge Road, Above IDBI Bank Nana Chowk, Mumbai, Maharashtra – 400007 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 were 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. the goods i.e., 495000 kgs of imported PVC Resin valued at Rs. 51874020/- imported in the name of M/s Universal Impex by utilising the Advance Authorization No. {311000097} dated 11-12-2020 and {311000051} dated 07-12-2020 under 2 Bills of Entry i.e., 2740670 dated 12-02-2021 and 2777121 dated 15-02-2021 through Nhava Sheva Port should not be held liable for 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 Handbook of Procedures 2015-2020;

- ii. the goods i.e., 260000 Kgs of imported PVC Resin valued at Rs. 32507468/- imported in the name of M/s Universal Impex, by utilising the Advance Authorization No. {311002656} dated 19-03-2021 under 2 Bills of Entry i.e., 4587081 dated 06-07-2021 and 4587084 dated 06-07-2021 through Mundra Port should not be held liable for 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 Handbook of Procedures 2015-2020;
- iii. duty concession availed by them, under 4 Bills of Entry as detailed above should not be denied and total Customs duty of Rs. 2,95,59,564/- (Rupees Two crores ninety five lakhs fifty nine thousand five hundred and sixty four only), forgone/ saved on the said imports, should not be demanded and 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 Handbook of Procedures 2015-2020, the conditions specified in the Advance Authorization license issued to them and in terms of the bond furnished by them read with Section 143(3) of the Customs Act, 1962;
- iv. the Bonds executed by them, against the consignments imported duty free under Advance Authorizations should not be enforced in terms of Notification No. 18/2015-Customs dated 01.04.2015 read with Section 143(3) of Customs Act, 1962;
- v. penalty should not be imposed on them under Section 112(a)/ 112(b) 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 non-payment of duty, which rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.

## **2. WRITTEN SUBMISSION OF THE NOTICEE**

**2.1.** Shri Rajeev Ramesh Sachadev has made following submissions vide letter dated 23.04.2026: -

**2.2.** I have filed Writ Petition No. 1331 of 2024 before the Hon'ble Bombay High Court challenging the jurisdiction of the DRI. The Respondents (DRI) have filed their reply, and the matter is presently

pending adjudication and is sub judice. A scanned copy of the Writ Petition is annexed herewith for your kind reference.

- 2.3. The outcome of the said Writ Petition will have a direct and substantial bearing on the validity and maintainability of the present proceedings. Reliance is placed on the judgment of the Hon'ble Bombay High Court in Kishor Rajput v. Preeti Rajput, 2007 SCC OnLine Bom 102, wherein it was observed:

*“Normally, when this Court is seized of the matter, it is expected of the subordinate courts to stay their hands away... as a matter of propriety... the learned Judge ought to have stayed his hands away and waited till further orders...”*

- 2.4. In light of the above, it is respectfully submitted that continuation of the present proceedings during the pendency of the aforesaid Writ Petition would be inappropriate.
- 2.5. The said submissions were re-iterated by Shri Rajeev Ramesh Sachadev vide letter dated 06.05.2026.

### **3. RECORD OF PERSONAL HEARING:**

- 3.1. Opportunities for personal hearing were granted by the Adjudicating Authority to the Noticees M/s Universal Impex and Shri Rajeev Ramesh Sachadev on 24.04.2026, 07.05.2026 and 18.05.2026. However, despite the grant of multiple opportunities, the Noticees did not appear for the personal hearing before the Adjudicating Authority.

### **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, in adherence to the principles of natural justice, opportunities for personal hearing were granted to the Noticees, namely M/s Universal Impex and Shri Rajeev Ramesh Sachadev, on three occasions i.e. 24.04.2026, 07.05.2026 and 18.05.2026. However, the Noticees failed to appear for the scheduled personal hearings. I note that Shri Rajeev Ramesh Sachadev has filed written submissions vide letters dated 23.04.2026 and 06.05.2026, which have been taken on record and duly considered while deciding the case on merits.
- 4.2. It is observed that Shri Rajeev Ramesh Sachadev vide letter dated 23.04.2026 has contended that Writ Petition No. 1331 of 2024 filed by him challenging the jurisdiction of DRI is pending before the

Hon'ble Bombay High Court and, therefore, continuation of the present adjudication proceedings would be inappropriate. Reliance has also been placed on the judgment of the Hon'ble Bombay High Court in *Kishor Rajput v. Preeti Rajput* to contend that subordinate authorities ought to stay their hands during pendency of proceedings before a superior court.

- 4.3.** I am unable to accept the said contention. On perusal of the case status available on the official website of the Hon'ble Bombay High Court, I find that the said writ petition is still at the pre-admission stage and has not yet been admitted for final hearing. Mere pendency of a writ petition challenging jurisdiction particularly when the writ petition has not even been admitted for final hearing does not automatically operate as a stay on statutory adjudication proceedings unless there exists a specific interim order restraining continuation of such proceedings. I find that no material has been placed on record to show that the Hon'ble Bombay High Court has granted any stay or injunction against continuation of investigation or adjudication in the present matter. In the absence of any such restraining order, there exists no legal bar on proceeding with adjudication in accordance with law.
- 4.4.** I further find that the judgment relied upon by the noticee was rendered in the peculiar facts of that case and cannot be construed to mean that every adjudicating authority must invariably halt statutory proceedings merely because a writ petition is pending before a superior court. In the present case, the proceedings arise from independent statutory powers conferred under the Customs Act, 1962 and the adjudicating authority remains duty-bound to decide the Show Cause Notice in a time bound manner unless specifically restrained by a competent court.
- 4.5.** I also find that the principal challenge raised by Shri Rajeev Ramesh Sachadev pertains to the jurisdiction of DRI officers under the Customs Act, 1962. In this regard, it is observed that the legal position regarding jurisdiction of DRI officers has subsequently evolved through legislative amendments and judicial consideration following the judgment in *Canon India Pvt. Ltd.*, including examination of the validity and scope of Section 28(11) of the Customs Act, 1962. Therefore, the objection raised by the noticee cannot, by itself, operate as a bar to continuation of adjudication proceedings in the absence of any restraining order by the competent court.
- 4.6.** Further, I find that the imports in the present case were effected through customs ports falling within the territorial jurisdiction of Customs formations and the investigation relates to alleged misuse of exemption under Notification No. 18/2015-Cus dated 01.04.2015 involving non-fulfilment of conditions attached to duty-free imports. Such matters squarely fall within the domain of the Customs Act, 1962 and are amenable to investigation and adjudication by the competent customs

authorities.

4.7. Accordingly, I find no merit in the contention of Shri Rajeev Ramesh Sachadev that the present proceedings should be deferred merely on account of pendency of Writ Petition No. 1331 of 2024 before the Hon'ble Bombay High Court. I therefore proceed to adjudicate the present Show Cause Notice on merits on the basis of the material available on record.

4.8. 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 PVC Resin i.e. 4,95,000 kgs valued at Rs. 5,18,74,020/- (Rupees Five Crore Eighteen Lakhs Seventy-Four Thousand Twenty only) imported in the name of M/s Universal Impex by utilizing the Advance Authorization Nos. 311000097 dated 11.12.2020 and 311000051 dated 07.12.2020 under 2 Bills of Entry i.e. 2740670 dated 12.02.2021 and 2777121 dated 15.02.2021 through Nhava Sheva Port and 2,60,000 kgs valued at Rs. 3,25,07,468/- (Rupees Three Crore Twenty-Five Lakh Seven Thousand Four Hundred Sixty-Eight only) imported by utilizing the Advance Authorization Nos. 311002656 dated 19.03.2021 under 2 Bills of Entry i.e. 4587081 and 4587084 both dated 06.07.2021 imported through 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 Handbook of Procedures 2015-2020;
- B. Whether or not duty concession availed by them, under 4 Bills of Entry as detailed above should be denied and total Customs duty of ₹ 2,95,59,564/- (Rupees Two Crore Ninety-Five Lakhs Fifty-Nine Thousand Five Hundred Sixty-Four only) forgone/ saved on the said imports should be demanded and recovered from them alongwith 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 Handbook 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;
- C. Whether or not the bonds executed by them against the consignments imported duty-free under Advance Authorizations should be enforced in terms of Notification No. 18/2015-Cus dated 01.04.2015 read with Section 143 (3) of the Customs Act, 1962;

D. Whether or not penalty should be imposed on them under Section 112 (a)/112(b) 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.

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 PVC Resin i.e. 4,95,000 kgs valued at Rs. 5,18,74,020/- (Rupees Five Crore Eighteen Lakhs Seventy-Four Thousand Twenty only) imported in the name of M/s Universal Impex by utilizing the Advance Authorization Nos. 311000097 dated 11.12.2020 and 311000051 dated 07.12.2020 under 2 Bills of Entry i.e. 2740670 dated 12.02.2021 and 2777121 dated 15.02.2021 through Nhava Sheva Port and 2,60,000 kgs valued at Rs. 3,25,07,468/- (Rupees Three Crore Twenty-Five Lakh Seven Thousand Four Hundred Sixty-Eight only) imported by utilizing the Advance Authorization Nos. 311002656 dated 19.03.2021 under 2 Bills of Entry i.e. 4587081 and 4587084 both dated 06.07.2021 imported through 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 Handbook of Procedures 2015-2020;**

4.9. 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;

**4.10.** 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.

**4.11.** On examination of the records, it is observed that the following Advance Authorization were issued to M/s Universal Impex with a validity period of 18 months,-

Sl. No.	Advance Authorization Nos.	Issue Date	Valid Upto
1	0311000051	07.12.2020	07.06.2022
2	0311000097	11.12.2020	11.06.2022
3	0311002656	19.03.2021	19.09.2022

**4.12.** Within this time-bound framework, M/s Universal Impex 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.

**4.13.** 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 prohibits trading, transfer, or diversion of duty-free imported goods except in the manner specifically permitted under the Foreign Trade Policy.

**4.14.** 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.

- 4.15.** 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.
- 4.16.** 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.
- 4.17.** 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.
- 4.18.** 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 Universal Impex has adhered to, or deviated from, these conditions.
- 4.19.** I find that, during the course of investigation, the declared place of business of M/s Universal Impex at Vasai, Palghar was physically verified by the officers and was found to be non-operational. No business activity whatsoever was being carried out at the said premises at the time of verification. Enquiries conducted in the vicinity further revealed that no person was aware of the existence or functioning of M/s Universal Impex, nor was any movement of PVC resin or any manufacturing activity ever noticed at the said location. In view of these findings, I hold that the declared premises of the importer did not have any functional existence as a manufacturing or business establishment.

- 4.20.** I further find that the office premises of M/s Universal Impex at Vashi, Navi Mumbai was also found locked during the search proceedings. Enquiries conducted at the adjoining premises revealed that the said office had merely been taken on rent by Shri Rajeev Ramesh Sachadev and that no manufacturing or commercial activity was being carried out therefrom. It was also informed that Shri Rajeev Ramesh Sachadev used to visit the premises only occasionally and no movement of goods or persons connected with any manufacturing activity was ever noticed.
- 4.21.** I also find that the search conducted at the premises of M/s Nadiya Polymers, Nana Chowk, Mumbai resulted only in recovery of certain files and documents relating to M/s Universal Impex. No evidence of manufacturing activity or utilization of imported PVC Resin was found at the said premises. Further, the residential premises of Shri Rajeev Ramesh Sachadev also did not yield any records of manufacturing activity, accounting records of consumption of imported material, or any evidence indicating fulfilment of export obligation.
- 4.22.** In view of the cumulative findings emerging from the searches conducted at all the above premises, I find that no manufacturing facility, plant and machinery, labour, or supporting infrastructure necessary for production of the declared export goods was found at the said premises. No documentary evidence has been produced to establish existence of any alternative manufacturing arrangement, whether on job work basis or otherwise. In the absence of any such facility or arrangement, I find that the importer lacked the capacity to undertake manufacturing activity, thereby rendering compliance with the ‘actual user’ condition and fulfilment of export obligation under the Advance Authorization Scheme impossible.
- 4.23.** 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.
- 4.24.** 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.
- 4.25.** 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.

- 4.26.** 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–July 2021, involving duty-free goods valued at more than ₹8.4 crore. However, it is observed that M/s Universal Impex had filed NIL GSTR-3B returns for the period from 2019-20 to 2022-23, indicating that no outward supply, manufacturing activity, or business transactions had taken place during the relevant period. Further, no export documents, shipping bills, e-BRCs, records of production, consumption registers, or any evidence of fulfilment of export obligation were produced either during investigation or during the adjudication proceedings. The searches conducted at the factory premises, office premises, and other connected locations also did not reveal existence of any manufacturing setup or export activity. In these circumstances, I find that there was complete absence of manufacturing and export operations, thereby conclusively establishing failure to fulfil the export obligation prescribed under the Advance Authorization Scheme within the stipulated period.
- 4.27.** The absence of exports is further corroborated by the financial trail. Examination of the bank statements of M/s Universal Impex, maintained with Kotak Mahindra Bank, Kalher Branch, Thane, 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.
- 4.28.** I further find that, instead of any realization of export proceeds against fulfilment of export obligation, substantial funds were credited into the bank accounts of M/s Universal Impex from various domestic entities through RTGS/NEFT transfers immediately prior to outward remittances being made to overseas suppliers towards import payments for the impugned consignments. Thus, the import payments appear to have been financed through funds received from domestic entities rather than through any business proceeds arising from export activity.
- 4.29.** On examination of the E-Way Bill portal, it is observed that no E-Way Bills had been generated by M/s Universal Impex in respect of supplies made to such domestic entities, despite the transaction values being far above the statutory threshold of ₹50,000/- prescribed for mandatory generation of E-Way Bills. Further, no invoices, transport documents, delivery challans, lorry receipts, stock

registers, or any other records evidencing movement or supply of goods to such entities have been produced either during investigation or during the adjudication proceedings. In the absence of any corresponding documentary trail of lawful trade transactions, the receipt of substantial funds from such entities remains unexplained and is inconsistent with the declared export-oriented activities under the Advance Authorization Scheme.

- 4.30.** I further find that many of these entities were either found to be non-existent or were having cancelled/suspended GST registrations. The non-genuineness of these entities is further established by physical verification. In respect of M/s Adicon Trading (Prop. Shri Naveen Kumar), the premises were found locked and occupied by an unrelated firm, and no person in the vicinity had any knowledge of its existence. Similarly, in the case of M/s Mahaveer Enterprises (Prop. Smt. Bhawana Jain), the firm had vacated the premises during 2020–21, as confirmed by the building owner, and its present whereabouts are unknown. Attempts to contact the authorised persons in both cases were unsuccessful. It is also observed that such entities were located in geographically distant places such as Delhi and Varanasi, yet there is complete absence of evidence regarding transportation or delivery of goods to those locations. Moreover, scrutiny of their GST registration particulars revealed that they were engaged in commodities unrelated to PVC Resin or plastic raw materials. At the same time, the GST returns filed by M/s Universal Impex do not disclose any corresponding outward taxable supplies to such entities.
- 4.31.** The bank statements further reveal that the funds received from these domestic entities were not returned but were substantially utilized for making remittances to overseas suppliers towards import payments. When these financial transactions are examined in conjunction with the absence of manufacturing activity, absence of export proceeds, non-fulfilment of export obligation, non-existence of transport and sales records, and the non-operational status of the declared business premises, a clear pattern emerges indicating that the imported duty-free PVC Resin was not utilized for manufacture and export under the Advance Authorization Scheme. Rather, the cumulative evidence unequivocally establishes diversion of the imported duty-free goods into the domestic market in contravention of the conditions of Notification No. 18/2015-Cus dated 01.04.2015 and the provisions of the Foreign Trade Policy, 2015-20.
- 4.32.** I further find that the conclusions drawn herein are not based on any isolated or singular piece of evidence but arise from a consistent and corroborative evidentiary pattern emerging from multiple independent sources, namely customs import records, GST returns, E-way bill data, banking transactions, and field verifications. All these independent data points converge towards a single inescapable inference that the duty-free imported goods were not utilized for the intended purpose

under the Advance Authorization scheme but were diverted into the domestic market in violation of the conditions of the exemption notification.

- 4.33.** The above evidentiary void regarding non-maintenance and non-production of statutory records is further reinforced by the categorical admissions of Shri Rajeev Ramesh Sachadev, proprietor of M/s Universal Impex, in his statement recorded under Section 108 of the Customs Act, 1962 on 22.12.2023. He has unequivocally admitted that (i) M/s Universal Impex had no manufacturing facility, machinery, or infrastructure; (ii) no manufacturing activity was ever undertaken; (iii) no exports were made against the Advance Authorisations; and (iv) the imported PVC resin was sold in the domestic market as such.
- 4.34.** I note that Shri Rajeev Ramesh Sachadev has subsequently sought to retract the statement recorded under Section 108 of the Customs Act, 1962. However, I find that the said retraction does not diminish the evidentiary value of the statement for several reasons. Firstly, the retraction is not accompanied by any credible evidence establishing that the statement was obtained under coercion, threat, inducement, or duress. Secondly, the retraction is in the nature of a bald denial and does not specifically disprove the factual admissions made in the statement. Thirdly, and most importantly, the admissions contained in the statement stand independently corroborated by the documentary and circumstantial evidence gathered during investigation, including the non-functional status of the declared premises, absence of manufacturing infrastructure, NIL GST returns, absence of exports, non-maintenance of statutory records, absence of E-Way Bills and transport documents, and the financial trail indicating diversion of imported goods into the domestic market.
- 4.35.** I further find that despite sufficient opportunities granted during investigation as well as adjudication proceedings, Shri Rajeev Ramesh Sachadev has not produced any contemporaneous documentary evidence such as production records, job-work agreements, electricity consumption records, labour records, export documents, stock registers, transport documents, or any other material capable of disproving the admissions made in the statement or substantiating lawful utilization of the imported goods under the Advance Authorization Scheme. In these circumstances, I hold that the subsequent retraction is merely an afterthought intended to evade legal consequences and does not discredit the otherwise voluntary and corroborated statement recorded under Section 108 of the Customs Act, 1962.
- 4.36.** 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. In such circumstances, once the department has established a chain of facts indicating non-fulfilment of conditions and diversion of duty-free imported goods, the burden shifts upon the noticee to demonstrate lawful utilization of the goods in accordance with the scheme. In the present case, this burden has not been discharged.

**4.37.** In such circumstances, I find that M/s Universal Impex does not exhibit the characteristics of a genuine manufacturing exporter but is a non-functional and non-operational arrangement, created solely to avail duty exemption without adhering to the conditions governing the same. The arrangement bears all the attributes of a façade created to give an appearance of legitimacy to transactions that were, in substance, intended solely for wrongful availment of exemption benefits. 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.

**4.38.** 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 remains imposable even where the goods, though not physically available, had been cleared subject to execution of bond and subsequent fulfilment of statutory conditions.

**4.39.** 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 Supreme 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".*

- 4.40.** In the present case, I find that M/s Universal Impex imported the impugned goods under the Advance Authorization Scheme by availing exemption under Notification No. 18/2015-Cus dated 01.04.2015 and the goods were allowed clearance upon execution of bonds undertaking fulfilment of export obligation and compliance with the conditions of the notification and Foreign Trade Policy. The investigation has conclusively established that the importer failed to fulfil the export obligation, did not undertake any manufacturing activity, and diverted the imported duty-free goods into the domestic market in violation of the conditions subject to which the exemption was granted. Thus, the very basis on which the goods were permitted clearance stood violated, rendering the goods liable to confiscation under Sections 111(d) and 111(o) of the Customs Act, 1962.
- 4.41.** I further find that the goods are no longer physically available for seizure or confiscation as the same have already been diverted and disposed of in the domestic market. However, mere non-availability of goods does not extinguish the liability to redemption fine where the goods had originally been cleared under bond and subsequently found liable to confiscation. The goods had attained clearance only by virtue of conditional exemption and execution of statutory bonds, and therefore subsequent non-availability of goods does not defeat the jurisdiction to impose redemption fine. The execution of bond preserves the jurisdiction and authority of Customs to enforce the consequences flowing from breach of conditions attached to the exemption notification.
- 4.42.** Accordingly, in view of the ratio laid down by the Hon'ble Supreme Court in Weston Components Ltd. (supra), and considering that the goods were released under bond subject to fulfilment of statutory obligations which admittedly remained unfulfilled, I hold that imposition of redemption fine under Section 125 of the Customs Act, 1962 in lieu of confiscation is legally sustainable and warranted in the facts and circumstances of the present case.

**Whether or not duty concession availed by them, under 4 Bills of Entry as detailed above should be denied and total Customs duty of ₹ 2,95,59,564/- (Rupees Two Crore Ninety-Five Lakhs Fifty-Nine Thousand Five Hundred Sixty-Four only) forgone/ saved on the said imports should be demanded and recovered from them alongwith 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 Handbook 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;**

- 4.43.** I now proceed to examine whether the duty concession availed under the 04 Bills of Entry, as

detailed in para 1.3 of the Show Cause Notice, is liable to be denied and whether the Customs duty amounting to ₹ 2,95,59,564/- (Rupees Two Crore Ninety-Five Lakhs Fifty-Nine Thousand Five Hundred Sixty-Four only) being the duty foregone at the time of import, is recoverable along with applicable interest.

- 4.44.** I find that the exemption availed by M/s Universal Impex under Notification No. 18/2015-Cus dated 01.04.2015 was not absolute but conditional in nature, subject to strict compliance with the provisions of the Foreign Trade Policy 2015–20, the Handbook of Procedures, and the conditions stipulated in the Advance Authorisations. The benefit of duty-free import was available only on fulfilment of export obligation, actual use of imported inputs in manufacture of export goods, maintenance of prescribed records, and compliance with all procedural and substantive requirements of the scheme.
- 4.45.** As already discussed in the preceding paragraphs, the investigation has conclusively established that M/s Universal Impex neither possessed any manufacturing facility nor undertook any manufacturing activity; no exports were effected against the Advance Authorisations; no statutory records relating to manufacture, consumption, or export were maintained; and the imported duty-free PVC Resin was diverted into the domestic market as such. Thus, the importer has fundamentally violated the very conditions subject to which the exemption under Notification No. 18/2015-Cus was granted. Consequently, the exemption becomes inadmissible and the duty foregone at the time of import becomes recoverable.
- 4.46.** I further find that Notification No. 18/2015-Cus itself contains a specific and self-contained mechanism for recovery of duty in cases of non-fulfilment of conditions. Condition (iv) of the notification mandates execution of bond at the time of importation undertaking payment, on demand, of the duty leviable on the imported goods together with applicable interest in the event of breach of the conditions of the notification or failure to fulfil export obligation. Therefore, the liability to repay the duty foregone flows directly from the terms of the exemption notification and the bond executed thereunder.
- 4.47.** I also find that the bonds executed by M/s Universal Impex under Section 143 of the Customs Act, 1962 constitute statutory undertakings securing compliance with the conditions of exemption. Once breach of the conditions governing the Advance Authorization Scheme stood established, the bonds became enforceable for recovery of the duty foregone together with applicable interest.
- 4.48.** In view of the foregoing findings, I hold that M/s Universal Impex is not entitled to the benefit of exemption under Notification No. 18/2015-Cus dated 01.04.2015 in respect of the imports covered

under the four Bills of Entry detailed in the Show Cause Notice. Accordingly, I hold that Customs duty amounting to ₹ 2,95,59,564/- (Rupees Two Crore Ninety-Five Lakhs Fifty-Nine Thousand Five Hundred Sixty-Four only), being the duty foregone on the impugned imports, is liable to be demanded and recovered from them along with applicable interest in terms of the said notification, the bonds executed thereunder, and Section 143(3) of the Customs Act, 1962.

**Whether or not the bonds executed by them against the consignments imported duty-free under Advance Authorizations should be enforced in terms of Notification No. 18/2015-Cus dated 01.04.2015 read with Section 143 (3) of the Customs Act, 1962;**

- 4.49. 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.
- 4.50. I further find that the terms of the bond executed by M/s Universal Impex specifically obligate 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.
- 4.51. 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.
- 4.52. 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.
- 4.53. I also find that the bonds executed under Section 143 of the Customs Act, 1962 enable 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.

**4.54.** Accordingly, I hold that the bonds executed by M/s Universal Impex 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 them under Section 112 (a)/112(b) 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 non-payment of duty, which rendered the goods liable to confiscation under Section 111(d) and 111(o) of the Customs Act, 1962.**

**4.55.** I find that the Show Cause Notice proposes penal action under Section 112(a)/ 112(b) 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 <sup>9</sup>[sub-section (8) of section 28] shall, also be liable to pay a penalty equal to the duty or interest so determined:]*

- 4.56.** 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.
- 4.57.** 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 avail ineligible exemption.
- 4.58.** I find that Shri Rajeev Ramesh Sachadev, being the proprietor of M/s Universal Impex, was directly responsible for undertaking the impugned imports, execution of bonds, availing exemption benefits, and handling the subsequent transactions relating to the imported goods. The material available on record, including the statements recorded under Section 108 of the Customs Act, 1962, financial trail, search proceedings, and absence of any genuine manufacturing or export activity, clearly establish his active involvement and knowledge regarding the diversion of duty-free imported goods into the domestic market.
- 4.59.** I further find that the non-payment of duty in the present case is not the result of any procedural lapse or technical infraction but is a direct consequence of deliberate misrepresentation and suppression of material facts. At the time of import, the importer represented itself to be an actual user importer intending to utilize the imported goods in manufacture of export products and fulfil the prescribed export obligation under the Advance Authorization Scheme. However, as discussed hereinabove, there existed no manufacturing facility, no production activity, and no export whatsoever. I therefore find that the declarations made for availing exemption have been found to be false and misleading in view of the facts subsequently established during investigation and constituted wilful misstatement and suppression of material facts with intent to avail inadmissible duty exemption.

- 4.60.** In view of the above, I find that the essential ingredients for invocation of Section 114A of the Customs Act, 1962 stand fully satisfied in the present case, inasmuch as the duty has remained unpaid by reason of wilful misstatement and suppression of material facts.
- 4.61.** I find that M/s Universal Impex is a proprietorship concern of Shri Rajeev Ramesh Sachadev and does not possess a legal existence separate from its proprietor. Therefore, the duty determined against M/s Universal Impex is recoverable from Shri Rajeev Ramesh Sachadev as proprietor of the said concern. Consequently, Shri Rajeev Ramesh Sachadev, being the person liable to pay such duty, is also liable to penalty under Section 114A of the Customs Act, 1962. In view of the foregoing findings, I hold that Shri Rajeev Ramesh Sachadev is liable to penalty under Section 114A of the Customs Act, 1962.
- 4.62.** I also find that the proviso to Section 114A expressly stipulates that where penalty has been imposed under Section 114A, no separate penalty shall be imposed under Section 112 or Section 114 of the Customs Act, 1962 in respect of the same acts or omissions.

## **5. ORDER**

- 5.1.** In view of the foregoing discussion and findings, I pass the following order:
- (i) I order confiscation of the goods i.e. 4,95,000 kgs of imported PVC Resin valued at Rs. 5,18,74,020/- (Rupees Five Crore Eighteen Lakhs Seventy-Four Thousand Twenty only) imported in the name of M/s Universal Impex by utilizing the Advance Authorization Nos. 311000097 dated 11.12.2020 and 311000051 dated 07.12.2020 under 2 Bills of Entry i.e. 2740670 dated 12.02.2021 and 2777121 dated 15.02.2021 through Nhava Sheva Port 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 Handbook of Procedures 2015-2020. However, in lieu of confiscation, I impose a redemption fine of Rs. 1,00,00,000/- (Rupees One Crore only) on M/s. Universal Impex, a proprietorship concern of Shri Rajeev Ramesh Sachadev, and consequently on Shri Rajeev Ramesh Sachadev, proprietor thereof under Section 125 of the Customs Act, 1962.
- (ii) I order confiscation of the goods i.e. 2,60,000 kgs of imported PVC resin valued at Rs. 3,25,07,468/- (Rupees Three Crore Twenty-Five Lakhs Seven Thousand Four Hundred Sixty-Eight only) imported in the name of M/s Universal Impex by utilizing the Advance

Authorization Nos. 311002656 dated 19.03.2021 under 2 Bills of Entry i.e. 4587081 and 4587084 both dated 06.07.2021 imported through Mundra Port, 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 Handbook of Procedures 2015-2020. However, in lieu of confiscation, I impose redemption fine of Rs. 65,00,000/- (Rupees Sixty-five Lakhs only) on M/s. Universal Impex, a proprietorship concern of Shri Rajeev Ramesh Sachadev, and consequently on Shri Rajeev Ramesh Sachadev, proprietor thereof under Section 125 of the Customs Act, 1962.

- (iii) I deny benefit of exemption/duty concession availed under 4 Bills of Entry as detailed in para 1.3 of the Show Cause Notice.
- (iv) I confirm demand and order recovery of Customs duty amounting to ₹2,95,59,564/- (Rupees Two Crores Ninety-Five Lakhs Fifty-Nine Thousand Five Hundred and Sixty-Four only) alongwith applicable interest thereon from M/s Universal Impex, a proprietorship concern of Shri Rajeev Ramesh Sachadev, and consequently from Shri Rajeev Ramesh Sachadev, proprietor thereof in terms of conditions specified in the Notification No. 18/2015-Customs dated 01.04.2015 and relevant paras of the Foreign Trade Policy 2015–2020, the Handbook of Procedures 2015-20, the conditions specified in the Advance Authorizations, and the bond executed under Section 143(3) of the Customs Act, 1962.
- (v) I order enforcement of the bonds executed by M/s Universal Impex against the consignments imported duty-free under Advance Authorization in terms of Notification No. 18/2015-Customs dated 01.04.2015 read with Section 143 (3) of the Customs Act, 1962.
- (vi) I impose penalty of ₹ 2,95,59,564/- (Rupees Two crores Ninety Five lakhs Fifty Nine Thousand Five Hundred and Sixty-Four only), alongwith applicable interest on M/s Universal Impex, a proprietorship concern of Shri Rajeev Ramesh Sachadev, and consequently on Shri Rajeev Ramesh Sachadev, proprietor thereof 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 non-payment 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)/112(b) of the Customs Act, 1962.

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

एन एस-1, जेएनसीएच / NS-I, JNCH

To:

1. Shri Rajeev Ramesh Sachadev (M/s Universal Impex, IEC BOKPS8797B),  
No.703, FAM society Room, Building No.12,  
Near Balaji Garden, Sector No.11,  
Navi Mumbai, Thane, Maharashtra – 400 709
2. M/s Universal Impex,  
6<sup>th</sup> Floor, 24<sup>th</sup> Kailash Darshan, Kennedy Bridge Road  
Above IDBI Bank Nana Chowk,  
Mumbai, Maharashtra – 400007.
3. M/s Universal Impex, Office No B-406,  
4th floor, Merchants Centre, Plot No. 14D,  
Opp. Dana Bunder, Sector 19, Vashi,  
Navi Mumbai, Maharashtra – 400 703.

Copy to:

- i. The Addl. Commissioner of Customs, Group II (G), JNCH

- ii. Additional Director General, DRI, Mangalore Regional Unit, Mangalore
- 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