CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI

REGIONAL BENCH - COURT No. III

Virtual Hearing

(1) Customs Appeal No. 41778 of 2017

[Arising out of Order-in-Original No.290/2017-AIR dated 12.05.2017 passed by Principal Commissioner of Customs, (Chennai-VII), New Custom House, Meenambakkam, Chennai 600 027.]

Shri Chetan A. Mehta **.... Appellant**
701, Kamalaashish Tower,
Mahavir Nagar, Dahanukarwadi,
Kandivli (W),
Mumbai 400 067.

VERSUS

The Principal Commissioner of Customs ... Respondent
Chennai VII Commissionerate,
New Custom House,
Meenambakkam,
Chennai 600 027

WITH

(2) Customs Appeal No.41936 of 2017

[Arising out of Order-in-Original No.290/2017-AIR dated 12.05.2017 passed by Principal Commissioner of Customs, (Chennai-VII), New Custom House, Meenambakkam, Chennai 600 027.]

Shri Ketal Gangar **... Appellant**
A-101, Yesh Krupa,
Chikkuwadi, Borivilli (W)
Mumbai 400 092.

VERSUS

The Principal Commissioner of Customs ... Respondent
Chennai VII Commissionerate,
New Custom House,
Meenambakkam,
Chennai 600 027.

AND

(3) Customs Appeal No.40654 of 2018

[Arising out of Order-in-Original No.290/2017-AIR dated 12.05.2017 passed by Principal Commissioner of Customs, (Chennai-VII), New Custom House, Meenambakkam, Chennai 600 027.]

Shri Chirag Jayant Shah **... Appellant**
No.B-702,
Flrence, LC. Extension, Kanderpada,
Dahisar West,
Mumbai-68

VERSUS

The Principal Commissioner of Customs ... Respondent
Chennai VII Commissionerate,
New Custom House,
Meenambakkam,
Chennai 600 027.

APPEARANCE :

Shri J.C. Patel, Advocate for (Sl.No.1)
Ms. B. Amritha, Advocate (for Sl.No.2)
None (for Sl.No.3)
For the Appellants

Shri M. Selvakumar, Authorized Representative
for the Respondent

CORAM :

HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)

FINAL ORDER Nos.40834-40836/2026

DATE OF HEARING : 12.02.2026
DATE OF DECISION : 29.06.2026

Per: Shri P. Dinesha

These Appeals are filed against the common Order-in-Original dated 12.05.2017 passed by the Principal Commissioner of Customs, Chennai-VII; brief and relevant facts as could be gathered from the impugned order are that there was intelligence input that branded glass chatons were imported by some unscrupulous persons / importers in the guise of “Artificial Stones” / “Imitation Stones” etc. by grossly misdeclaring the description as well as its value, besides clearing the consignments in different names using fictitious and non-existing Import Export Codes (IECs) or merely existed only on papers through Air Cargo Complex and also through Seaport, Chennai to serve the purpose of perpetrators of duty evasion. Further, it appeared that one such IEC viz., M/s. Star Impex, Mumbai in whose name, glass chatons were imported by misusing their IEC, which tanamounted to contravention of various provisions of FTP, FTDR Act, 1992 and Rules made thereunder, besides provisions of the Customs Act, 1962 and hence, Bills of Entry filed at Air Cargo Complex, Chennai in the name of M/s. Star Impex have been taken up for investigation by CZU-DRI. It was alleged to have found that 13 consignments of glass chatons were imported and cleared through ACC, Chennai. The goods were described as 'imitation stones China' and the country of origin was declared as 'China'. Though the Bills of Entry filed in the name of M/s.Star Impex, three consignments were appeared to be imported by S/Shri Ketal Gangar (2nd Appellant), Chetan Ajitrai Mehta (1st Appellant) and Kazim Ali Jafar Ali (co-noticee) by misusing the IEC of M/s.Star Impex, Mumbai with the help of persons like Shri Chirag Jayant Shah (3rd Appellant) and Shri Rajesh Jhaver (co-noticee). The remaining 10 consignments appeared to be belonging to 'Bachan' as unearthed in the course of a parallel investigation and hence, the issue in respect of three consignments was taken up for adjudication. The Revenue was also under the apprehension that the unit price declared was not reflected in the actual/correct import price and hence, in the factual background as narrated, a common Show Cause Notice dated 30.03.2014 came to be issued *inter alia* proposing to demand differential duty and various penalties. After considering the reply and the arguments advanced during personal hearing, the Principal Commissioner of Customs *vide* impugned Order-in-Original No.290/2017 dated 12.05.2017 however, confirmed the proposed demands and penalties. Though the impugned order is passed against the eight co-noticees, it is ascertained that only these Appellants have preferred these Appeals separately.

2. Heard Shri J.C. Patel, ld. Advocate for the 1st Appellant-Shri Chetan A. Mehta [Appeal No. C/41778/2017] and Ms. B. Amritha ld. Advocate for the 2nd Appellant-Shri Ketal Gangar [Appeal No. C/41936/2017] and none appeared for 3rd Appellant-Shri Chirag Jayant Shah [Appeal No. C/40654/2018]; and Shri M. Selvakumar, ld. Departmental Representative for the Revenue; we have heard the rival contentions and considered the Grounds of Appeal, written submissions and case law relied upon in support by the rival parties.

3. It is the case of the ld. Advocates, at the outset, that the impugned order has been passed fastening the duty liability 'jointly and / or severally' and hence, in view of following decisions / orders the impugned demand cannot sustain :

(i) **Danavarshini Exports (P) Ltd. & Others Vs Commissioner of Customs, Chennai-VII**
[2025 (12) TMI 1205 CESTAT Chennai]

(ii) **J.K. Pharma Vs CC (Imports) Mumbai**
[2004 9166) ELT 407 (Tri.-Mumbai]

(iii) **Rajesh Kumar Agarwal Vs CCE Delhi**
[2015 (321) ELT 313 (Tri.-Del)]

(iv) **Thar Dry Port Vs CC Jodhpur**
[2017 (358) ELT 1214 (Tri.-Del)

(v) **Gurpreet Singh and Ors. Vs CC**
[2015 (3) TMI 246-CESTAT MUM]

4. We have carefully considered the primary contention of the ld. Advocates and the decisions / orders relied upon; we find that the ratio laid down in the above decided cases are that no demand of duty could be fastened on various persons on 'joint and or several' basis and, considering the fact that genuine demand should not get wiped out, the courts in the aforesaid cases have remanded the Appeals after setting aside the impugned orders therein, for *de novo* adjudication and to ascertain the actual defaulter and fix duty liability on such person.

5. In view of the above ratio, we are also of the view that no loss or damage could be caused to either of the parties if the impugned order is set aside in so far as the present Appellants are concerned, remanded to the file of Adjudicating Authority, with a direction that the Adjudicating Authority shall pass a *de novo* speaking order in the light of the directions contained in the above orders, i.e., to consider all relevant documentary evidences as made available and

arrive at a factual finding as to the role of each of these persons and then demand duty / penalty as the case may be, if the situation so warrants.

6. In view of the above, we set aside the impugned order and allow these Appeals by way of remand as indicated above. All the contentions are left open. Considering that these Appeals are filed in 2017 for the alleged imports in the year 2010, we deem it appropriate to direct the Adjudicating Authority to pass a *de novo* speaking order in accordance with law within a period of 60 days from the date of receipt of this order and the Appellants are also directed not to seek unnecessary adjournments, rather cooperate with the Adjudicating Authority to enable him to pass a *de novo* order within the period indicated above.

The Appeals are disposed of by way of remand to the Adjudicating Authority with the above directions.

(Order pronounced in open court on 29.06.2026)

sd/- sd/-

(VASA SESHAGIRI RAO) **(P. DINESHA)**
Member (Technical) Member (Judicial)

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