CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL CHANDIGARH

REGIONAL BENCH - COURT NO. I

Customs Appeal No. 60137 of 2026

[Arising out of Provisional Release Order No. 02/2026-27 dated 14.05.2026 passed by the Commissioner of Customs, Ludhiana]

Ventura Global Inc **......Appellant**
Through proprietor Sh. Anand Goel
401, 4th Floor, Plot No.223, Industrial
Area, Ludhiana, Punjab-141003

VERSUS

Commissioner of Customs, Ludhiana **......Respondent**
Customs House, ICD-GRFL Complex,
G.T. Road, Sahnewal, Ludhiana,
Punjab-141120

WITH

Customs Appeal No. 60143 of 2026

[Arising out of Provisional Release Order No. 03/2026-27 dated 26.05.2026 passed by the Commissioner of Customs, Ludhiana]

Ventura Global Inc **......Appellant**
Through proprietor Sh. Anand Goel
401, 4th Floor, Plot No.223, Industrial
Area, Ludhiana, Punjab-141003

VERSUS

Commissioner of Customs, Ludhiana **......Respondent**
Customs House, ICD-GRFL Complex,
G.T. Road, Sahnewal, Ludhiana,
Punjab-141120

APPEARANCE:

Shri Saurabh Kapoor, Ms. Muskaan Gupta and Shri Vivek Sharma,
Advocates for the Appellant

Shri Anurag Kumar, Authorized Representative for the Respondent

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO.60433-60434/2026

DATE OF HEARING: 01.07.2026
DATE OF DECISION: 15.07.2026

P. ANJANI KUMAR:

Ventura Global Inc. imported consignments of white refined sugar, falling under CTI 1701 9990, under DFIA licenses, and filed bills of entry at ICD CONCOR, Ludhiana. On the basis of an information received, the officers of Directorate of Revenue Intelligence (DRI) initiated investigation into the imports under the suspicion that the appellants imported 'beet sugar' thereby misusing the licenses; the officers seized the goods on 30.03.2026 to 02.04.2006; the following are the details of the bills of entry:

Table-A

Sr. No.	BoE No. and Date	Description of the goods declared	Port Code	Quantity In kgs	Declared Assessable Value (in Rs.)	Differential Duty
1.	8259145 24.03.2026	White Sugar	INQR6	7,27,000	3,27,52,440.50	3,60,27,684.55
2.	7939270 07.03.2026	White Sugar	INLDH 6	1,86,050.00	82,60,620.00	90,86,682.00
3.	6754937 07.01.2026	White Sugar	INLDH 6	6,300.00	3,06,613.44	3,37,274.78
4.	6772270 08.01.2026	White Sugar	INLDH 6	1,15,850.00	56,27,761.30	61,90,537.43
5.	6545045 26.12.2025	White Sugar	INLDH 6	1,26,400.00	61,70,690.00	67,87,759.00
				Total	**5,31,18,125.24**	**5,84,29,937.76**

Table-A

Sr. No.	BoE No. and Date	Description of the goods declared	Port Code	Quantity In kgs	Declared Assessable Value (in Rs.)	Differential Duty
1.	8924331 27.04.2026	White Sugar	INLDH 6	4,80,000	2,32,86,240	2,56,14,864

The importer-appellant requested, vide letters dated 24.04.2026, 29.04.2026 and 06.05.2026, for provisional release of the seized goods. Commissioner of Customs, Ludhiana vide impugned orders No.02/2026-27 dated 14.05.2026 and 03/2026-27 dated 26.05.2026 permitted provisional release subject to submission of a Bank Guarantee for Rs.9,71,71,689/- and Rs.5,35,58,352/- respectively as security covering future liabilities towards duty, penalty and fine etc. This order is challenged by the appellant-importer vide these appeals.

2. Shri Saurabh Kapoor, learned counsel for the appellant, submits that there is no basis for the allegation of the Revenue as the goods are yet to be chemically examined to establish the nature of the goods; the conditions put forth for provisional release are very harsh and unreasonable; appellants have already deposited an amount of Rs.2,50,00,000/- on 28.03.2026 and Rs. 50 Lakhs on 27.04.2026; the deposit constitutes more than 30% of the differential duty. He submits that learned Commissioner has relied on Circular No.35/2017 dated 16.08.2017; however, the said circular has been struck down, by the Hon'ble Delhi High Court, in the case of Its My Name Pvt. Ltd. – 2021 (375) ELT 545 (Del.); the same was relied by the Hon'ble Court in the case of S.K. Overseas – (2024) 15 CENTAX 150 (Del.) (388). He submits that the Bank Guarantee fixed without jurisdiction as differential duty, redemption fine and penalty are mere contingent liabilities which arise only after adjudication of the case; the Bank Guarantee fixed is disproportionate looking into the fact that the differential duty, if at all payable, comes to only Rs.19,21,114.80/-. He relies on the case of Navshakti Industries Pvt. Ltd. – 2011 (267) ELT 483 (Del.) [affirmed by

www.taxcode.in

the Hon'ble Supreme Court – 2011 (269) ELT A146 (SC)] wherein provisional release of goods was permitted on submission of Bank Guarantee of 30%. He further submits that this Bench has taken a similar view in the case of M/s Goyal Impex and Industries Ltd. vide Final Order No.60053/2026 dated 16.01.2026. He also relies on S.K. Overseas – (2024) 15 CENTAX 150 (Del.) and Shanus Impex – (2024) 15 CENTAX 129 (Del.).

3. Shri Anurag Kumar, learned AR for the Department reiterates the findings of the impugned order. He submits that the nature of offence is serious and justifies stringent conditions to safeguard revenue. He submits that learned Commissioner has rightfully exercised the discretion available to him in terms of Section 110A of the Customs Act, 1962; the impugned order is in conformity with Circular No.35/2017 dated 16.08.2017. He submits that the Bank Guarantees were fixed looking into the amount of differential duty, equal penalty imposable under Section 114A and the redemption fine. Learned AR further submits that the appellant's plea to treat the differential duty deposited in one case towards the Bank Guarantee in both cases, is not acceptable. He submits that the ratio of the cases of Its My Name (supra) and Shanus Impex (supra) is not applicable as the facts are different and Hon'ble High Court has struck down Para 2 of the Circular and not Paras 2.1 & 2.2; the impugned order followed Paras 2.1 & 2.2. He relies on T.L Verma & Co. Pvt. Ltd. – 2010 (251) ELT A116 (SC)/ 2009 (234) ELT 203 (P & H)

4. Heard both sides and perused the records of the case. Brief issue involved in the case is to see whether the conditions for provisional release of the imported 'beet sugar', alleged to have been mis-declared as

'cane sugar' are reasonable fair and justified in the facts and circumstances of the case. Learned counsel for the appellants submits that as of now, no conclusive test report has been obtained by the investigating agency and to that extent, the alleged mis-declaration remains a mere suspicion. We find that a serious allegation such as mis-declaration cannot be made without a preliminary report or evidence to suggest that there was mis-declaration. We find that Courts and this Tribunal have been consistently holding that the conditions of provisional release should not tantamount to a virtual denial. Hon'ble Delhi High Court in the case of Shreehari Ananta Overseas Pvt Ltd (2025) 34 Centax 89 (Del.), directed revenue to consider provisional release of restricted goods (roasted areca nuts which were not released even in the face of inconsistent CRCL laboratory reports) strictly for industrial purposes, following an undertaking by the importer that the goods would not be used for human consumption.

5. This Bench held in the case of S.K. Overseas (Supra) as follows:

> 26. In view of the above, we find that while the adjudicating authority is well within his right to impose conditions for provisional release of the goods, the said conditions should not be so impracticable and harsh so as to kill the importer's business itself as held by various decisions as above. It has to be borne in mind that no two cases can be identical and a single fact can differentiate one case from the other. Therefore, any decision following the other cases would lead to disastrous results. Therefore, a considered decision needs to be taken based on the facts and circumstances of the case before hand. The appellants claim that there are certain inadequacies in the investigation, sampling, testing and the valuation of the goods as pointed out by the appellant. We find that the peculiar facts of the case are that:

- the goods are not per se prohibited; the importer is not a flyby night operator; they are in the business for more than 30 years and were importing regularly at the Port in question and in other Ports;
- the Appellant had imported similar goods on an earlier occasion vide Bill of Entry No. 9387015 dated 23.11.2023 and CRCL New Delhi refused to conduct testing claiming lack of facility for conducting tests especially "FITR Analysis"; the said consignments have been cleared after getting the same tested from Textile Committee; In the instant case, the opinion of Textile Committee has not been taken;
- CRCL has not addressed all the queries raised by the importer and have not tested all the parameters as per Indian or International standards;
- The Academic and Professional competence of the Chartered Engineer to evaluate the goods and the source of the methodology he adopted are forthcoming.
- Revenue seeks to assess most of the impugned goods on per square meter basis. However, for the purposes of Bond, BG, they consider the total value.
- appellant's averment that the impugned goods cannot be actually sold in the market at the value arrived at by the Revenue cannot be discarded.
- The adjudicating authority himself finds that the investigation is in progress.

27. In view of the above, we find that the interest of justice and also the interest of Revenue will be safeguarded by seeking a bond for the full value of the goods and Bank Guarantee to the extent of 30% of the duty estimated. We further find that the other conditions for the provisional release, as ordered by the Commissioner of Customs, need not be interfered with. Accordingly, the appeal is partly allowed subject the appellant complying with the above directions, the goods shall be released within a period of two weeks.

6. We also find that co-ordinate Bench of the Tribunal at Ahmedabad held, in the case of Shreeji Agro Commodity Pvt. Ltd. Vide Final Order No.10031/2026 dated 21.01.2026 that:

> 4.1 At this stage, issue pertains to challenge to conditions of provisional release of goods under section 110A of the Customs Act, for which I find that issue is directly dealt with in decision in case of Commissioner of Customs, ICD vs. Navshakti Industries Pvt. Ltd., 2011 (5) TMI 149- Supreme Court wherein Hon'ble Supreme Court modified the Hon'ble High Court's Order and directed the respondents to furnish bank guarantee of 30% of the differential duty to the satisfaction of the Commissioner of Customs for the release of goods in question. Relevant extract has been reproduced hereunder for ease of reference:
>
>> "Having considered the facts and circumstances of the case and also taking notice of the fact that the goods in question are newsprint which is perishable in nature, we issue a direction that the goods of the respondents shall be cleared by the appellants herein on the respondents' furnishing a bank guarantee of 30% of the differential duty to the satisfaction of the Commissioner of Customs. The goods shall be released in terms of this order immediately on furnishing of the aforesaid bank guarantee and satisfaction of the concerned Commissioner of Customs. We also direct the Commissioner of Customs to hear the adjudication proceeding pending before him as early as possible, preferably within a period of three months, from the date of receipt of a copy of this order."
>>
>> (Emphasis Supplied)
>
> 4.2 The above decision is followed by Hon'ble High Court of Gujarat in case of M/s. Printwell Offset vs. Union of India, 2016 (3) TMI 988- (Gujarat High Court) wherein the Hon'ble High Court referred to the decision of Navshakti Industries (supra) by the Hon'ble Supreme Court and held that the condition of furnishing guarantee for the full duty amount is required to be modified by directing the Appellant to furnish a bank guarantee only to the extent of 30% of duty amount. Relevant extract is reproduced hereunder for ease of reference:

> "6. Under the circumstances, without entering into the merits of the contentions of the rival parties, the court is of the view that the interests of justice would be served if the order of provisional release of the seized goods as contained in the communication dated 9.2. 2016 is modified to the following extent:
>
> (i) The first condition which requires the petitioner to furnish a bond for the full value of the goods is required to be sustained
>
> (ii) The second condition which requires the petitioner to furnish bank guarantee for full duty amount is required to be modified by directing the petitioner to furnish a bank guarantee to the extent of 30% of the duty amount in line with the decision of the Supreme Court in Commissioner of Customs, ICD, TKD, New Delhi v. Navshakti Industries Pvt. Ltd. (supra)."
>
> (Emphasis Supplied)

7. In view of the above and in view of the fact that the investigating agency has not come to a definitive conclusion, by way of any test report, that the goods are mis-declared and are liable for confiscation, we find that putting stringent conditions for provisional release is not fair and justified. One should also take into account that the goods are not *per se* prohibited; that the appellant-importer is a regular importer and no test report has confirmed the impugned goods to be 'beet sugar'. We find that the appellants have already deposited about Rs.3 crores in respect of the consignments imported by them. Courts and the Tribunals have been consistently holding that Bank Guarantee or Security to the extent of 30% of the differential duty would suffice in such cases. We are of the considered opinion that the amount of Rs.3 crores deposited by the appellant-importer, being more than 30% of the differential duty, should

suffice for the Bank Guarantee. Accordingly, we modify the impugned orders and order that:

(i) the requirement of furnishing Bank Guarantee/ Security is set aside

(ii) the importer-appellant shall, however, furnish a Bond as per the impugned orders.

(ii) the impugned goods shall be provisionally released to the appellant-importer within one a week of furnishing the Bond as above.

(Order pronounced in the open court on 15/07/2026)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

PK