CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
HYDERABAD

REGIONAL BENCH - COURT NO. – I

Customs Appeal No. 30067 of 2026
(Arising out of **Order-in-Appeal** No. VIZ-CUSTM-001-APP-33-2025-26 dated 12.12.2025 passed by Commissioner of Customs & Central Tax (Appeals), Guntur)

M/s Oswal Minerals Ltd., .. **APPELLANT**
1034, 2nd Floor, 1st Main Road,
Dr. Rajkumar Road, Rajaji Nagar,
4th Block, Bengaluru,
Karnataka – 560 010.

VERSUS

Commissioner of Customs .. **RESPONDENT**
Visakhapatnam– Customs
Customs House,
Port Area, Visakhapatnam,
Andhra Pradesh – 530 035.

APPEARANCE:
Shri Dr. L. Venkateswara Rao, Advocate for the Appellant.
Shri Kakarala Prasanth Kumar, Authorized Representative for the Respondent.

CORAM: HON'BLE Mr. A.K. JYOTISHI, MEMBER (TECHNICAL)
HON'BLE Mr. ANGAD PRASAD, MEMBER (JUDICIAL)

FINAL ORDER No. A/30441/2026

Date of Hearing: 30.06.2026
Date of Decision: 12.08.2026

[ORDER PER: ANGAD PRASAD]

The present appeal has been filed by M/s Oswal Minerals Ltd., (hereinafter referred to as appellant) against the Order-in-Appeal No. VIZ-CUSTM-001-APP-33-2025-26 dated 12.12.2025 (impugned order) passed by the Commissioner (Appeals), Customs, Visakhapatnam, whereby, the Order-in-Original dated 08.08.2024 passed by the Joint Commissioner of Customs has been upheld. By the said Order-in-Original, the Adjudicating Authority held that the imported goods, namely 5550 MT of Manganese Ore (Gabon Origin) imported under Warehouse Bill of Entry No. 9065422 dated 04.12.2023, were liable to confiscation under Section 111(j) of the Customs

Act, 1962. Since the goods had already been released provisionally under bond and bank guarantee, redemption fine of Rs. 80,00,000/- under section 125 of the Customs Act and penalty of Rs. 9,00,000/- under Section 112(a) of the Act were imposed upon appellant.

2. The Commissioner (Appeals), after examining the statutory provisions, evidence and rival submissions affirmed the findings of the Adjudicating Authority. Aggrieved by the said order, the appellant has preferred the present appeal before this Tribunal.

3. The fact in brief is that the appellant imported 5500 MT of Manganese Ore of Gabon Origin through Visakhapatnam Port and filed Warehouse Bill of Entry No. 9065422 dated 04.12.2023 seeking warehousing of the imported goods in Public Bonded Warehouse (PBWH) No. 05/2023 (Code-VTZ1U093). For the said purpose, the appellant executed a statutory warehouse bond under Section 59 of the Customs Act, 1962 and obtained permission from the proper Officer under Section 60 of the Act for removal of the goods from the Customs area solely for the purpose of depositing the same in the designated bonded warehouse.

4. The permission granted under Section 60 of the Customs Act was specific in nature. It authorised removal of the goods only from Customs area WQ-6 to the notified Public Bonded Warehouse mentioned in the Warehouse Bill of Entry. Such permission neither authorised storage at any other location nor permitted diversion of the imported goods to any private premises without obtaining further permission of the proper Officer or without compliance with the provisions governing ex-bond clearance.

5. Acting upon specific intelligence, officers of the Special Intelligence and Investigation Branch (SIIB) conducted investigation into the movement of

the imported goods. During investigation, it emerged that instead of being transported to the designated bonded warehouse, the imported cargo had been transported directly to an open private yard popularly known as “Dolphin Yard”, belonging to M/s Green Energy Resources, Visakhapatnam which admittedly was not the warehouse specified in the warehouse Bill of Entry.

6. Statements of various persons connected with the transaction, including warehouse personnel, representatives of the warehouse operator, employees of the appellant and transport personnel were recorded under Section 108 of the Customs Act. The Department also collected documentary evidence including transport challans, warehouse records, gate registers, electronic communication and other contemporaneous records regarding movement of the cargo.

7. On completion of investigation, a Show Cause Notice came to be issued alleging that the appellant had violated the provisions of Section 46 (4A), 59 and 60 of the Customs Act, 1962 read with the Warehouse Goods (Removal) Regulations, 2016 by diverting the imported goods to a non-bonded premises instead of depositing them in the notified Public Bonded Warehouse. Consequently, confiscation under Section 111(j) and penalty under Section 112(a) were proposed.

8. The Adjudicating Authority, after considering the reply, the oral submissions and the material available on record, concluded that the diversions stood established through independent documentary as well as oral evidence. It was further held that the acts of M/s Green Energy Resources, who had been engaged by the appellant for handling and warehousing operations were attributable to the appellant by virtue of

Section 147 of the Customs Act. Accordingly, the goods were held liable to confiscation under Section 111(j), redemption fine was imposed under Section 125 and penalty under Section 112(a) was imposed upon the appellant.

9. The appellant carried the matter in appeal before the Commissioner (Appeals). The Commissioner (Appeals), after independently examining the statutory provisions and the evidence on record, concurred with the Adjudicating Authority that the imported goods had admittedly not been deposited in the designated Public Bonded Warehouse and instead had been diverted to a Private Yard. The Appellate Authority further held that such diversion constituted clear violation of the warehousing provisions of the Customs Act and upheld the confiscation, redemption fine and penalty.

10. It is against the aforesaid Appellate order that the present appeal has been filed before this Tribunal.

11. Learned Counsel for the appellant assailed the impugned orders on facts as well as on law. It was contended that there was no deliberate intention on the part of the appellant to evade customs duty or to illegally clear the goods into the domestic market. According to the Learned Counsel, the imported cargo continued to remain under the effective control of the warehouse operator and there was neither any sale nor any diversion for a commercial utilisation.

12. It was further argued that the appellant had appointed M/s Green Energy Resources only as the warehouse operator and logistics service provider. If the warehouse operator, without the appellant's knowledge or consent, temporarily stacked cargo at any other location, the appellant could not automatically be saddled with penal consequences. According to the

appellant, the acts of the warehouse operator were independent acts for which the importer could not be held vicariously liable.

13. Learned Counsel further submitted that the investigation itself suffered from serious procedural irregularities. It was argued that the search had not been conducted by the Authorised Officer and that the alleged electronic evidence in the form of WhatsApp messages had not been collected in accordance with the Section 138C of the Customs Act. Consequently, such evidence according to the appellant, was inadmissible and incapable of forming the basis of confiscation or penalty. The appellant also relied upon various precedents including M/s Bisco Ltd., Vs Commissioner of Customs & Central Excise [2024 (3) TMI 1001 (SC)], Vamsee Overseas Marine Pvt Ltd., Vs Commissioner of Customs, Chennai [2009 (11) TMI 878 – CESTAT, Chennai] and other authorities, to contend that mere procedural irregularities relating to warehousing would not automatically render the goods liable to confiscation, particularly where there was no clandestine removal for whom consumption or deliberate evasion of customs duty.

14. Per contra, Learned AR for Revenue supported the findings recorded in the Order-in-Original as affirmed by the Commissioner (Appeals). It was submitted that the entire Warehousing Scheme under the Chapter IX of the Customs Act, 1962 proceeds on the fundamental premise that imported goods, after grant of permission under Section 60, must necessarily be deposited only in the warehouse specified by the proper Officer. The permission granted under Section 60 is neither general nor unconditional. It is a statutory provision restricted to the designated warehouse mentioned in the warehouse Bill of Entry. Any deviation therefrom, without prior permission of the proper Officer, amounts to violation of the provisions of the Act and Regulations framed thereunder.

15. It was argued that the facts leading to the present proceedings are not in serious dispute. The Warehouse Bill of Entry specifically mentioned Public Bonded Warehouse No. 05/2023 (Code VIZ1U093) as the destination warehouse. The appellant had executed the warehousing bond under Section 59 undertaking to comply with all provisions of the Customs Act and the Regulations. Nevertheless, instead of transporting the imported cargo to the notified bonded warehouse, the goods were admittedly transported and stacked in Dolphin Yard, a private open yard belonging to M/s Green Energy Resources, which was never approved as the warehouse specified in the Warehouse Bill of Entry.

16. Learned AR further submitted that the investigation was based not merely upon intelligence but upon overwhelming documentary and oral evidence. Statements of the warehouse keeper, yard supervisor, employees of the appellant, representatives of M/s Green Energy Resources and other connected persons were recorded under Section 108 of the Customs Act. These statements consistently establish that the goods were never physically received in the designated Public Bonded Warehouse but were transported directly from Customs area WQ-6 to Dolphin Yard. These statements are further corroborated by transport challans, gate records, warehouse documents, contemporaneous correspondence and WhatsApp communications recorded during investigation.

17. It was further contended that the appellant itself was fully aware of the diversion of the imported goods. The statements of the appellant’s officials recorded during investigation clearly disclose that the officers of the appellant had knowledge regarding the location where the goods were being stacked, the WhatsApp communications exchanged amongst the officials of the appellant and M/s Green Energy Resources further establish that the

decision to store the goods at Dolphin Yard was not an independent act of the warehouse operator but was undertaken with the knowledge and concurrence of the appellant. The concurrent finings recorded by both the Lower Authorities, therefore, cannot be characterised as based on conjucture or surmises.

18. Learned AR submitted that the appellant's attempt to shift the entire responsibility upon M/s Green Energy Resources deserves outright rejection. M/s Green Energy Resources had admittedly been appointed by the appellant for undertaking handling, transportation and warehousing activities on its behalf. Such acts were clearly performed in the capacity of an authorised agent. Consequently, Section 147 of the Customs Act squarely applies. The legal fiction created under Section 147 specifically provides that any act done by an agent shall, unless the contrary is proved, be deemed to have been done with the knowledge and consent of the owner or importer. The appellant has failed to produce any cogent evidence rebutting this statutory presumption.

19. The Revenue further argued that the contention regarding defects in the search proceedings is wholly mis-conceived. Even assuming, though not admitting, that there were any procedural irregularities in authorisation of the search, the same cannot nullify the substantive evidence collected during investigation. The confiscation proceedings are founded upon independent documentary evidence, statements recorded under Section 108 and physical verification regarding non-deposition of the goods in the notified warehouse. Such evidence remains unaffected by the appellant's challenge to the manner in which the search was conducted.

20. Likewise, the objection regarding admissibility of WhatsApp messages under Section 138C was stated to be devoid of merit. According to the Revenue, the electronic evidence is only corroborative in nature. The principal evidence consist of the undisputed fact that the goods were never deposited in the designated bonded warehouse and the consistent statements of the concerned persons recorded under Section 108 of the Customs Act. Even, if the electronic evidence is excluded from consideration, the remaining evidence is more than sufficient to establish the contravention alleged in the Show Cause Notice.

21. Learned AR further submits that the appellant has wrongly relied upon the decisions in Vamsee Overseas Marine Pvt Ltd., and M/s Bisco Ltd., supra. The factual matrix of those cases is entirely different. In those matters, the Competent Customs Authorities had either granted permission for the storage arrangement or the dispute related to storage even approved premises. In the present case, however, the goods were admittedly diverted to a completely different private yard which was neither approved nor notified as the designated bonded warehouse. Thus, those decisions have no application to the present controversy.

22. It was further argued that Section 111(j) of the Customs Act is couched in clear and unambiguous language. Once dutiable goods are removed from the Customs area or warehouse contrary to the permission granted by the proper Officer, the statutory consequence of confiscation automatically follows. The Legislature has intentionally employed mandatory language under Section 111(j), leaving little scope for importing equitable considerations once the factual contravention stands established.

23. Learned AR also supported the imposition of redemption fine under Section 125. Merely because the goods had earlier been released provisionally under bond and bank guarantee, does not denude the Adjudicating Authority of its statutory power to impose redemption fine once the goods are held liable to confiscation. This proposition stands concluded by the judgment of the Hon'ble Supreme Court in the case of Western Components Ltd., Vs Commissioner of Customs, New Delhi [2000 (115) ELT 278 (SC)], wherein, it has been categorically held that redemption fine remains imposable notwithstanding provisional release of the goods.

24. As regards penalty under Section 112(a), it was submitted that the said provision is attracted against any person who, by any act, or omission, renders imported goods liable to confiscation under Section 111 of the Customs Act. The appellant, having consciously failed to ensure that the goods were deposited in the warehouse specified in the warehouse Bill of Entry, clearly omitted to perform the statutory obligation cast upon it under Section 59 and 60 of the Act. The omission directly resulted in the goods becoming liable to confiscation. Consequently, penalty under section 112(a) has been rightly imposed.

25. Learned AR finally submitted that both the Adjudicating Authority and the Commissioner (Appeals) have undertaken an elaborate examination of the evidence and have concurrently recorded findings of the fact regarding illegal diversion of goods, applicability of Section 147 and consequent confiscation under section 111(j). These are pure findings of fact based upon appreciation of the evidence and do not suffer from perversity or legal infirmity warranting interference by this Tribunal. Accordingly, it was prayed that appeal be dismissed.

26. Having carefully considered the rival submissions, examining the records of the case and perused the impugned orders, the following issues arise for determination:

(i) Whether the diversion of the imported goods from the designated Public Bonded Warehouse to a Private Yard amounts to contravention of Sections 59 and 60 of the Customs Act, 1962 read with the Warehouse Goods (Removal) Regulations, 2016 ?

(ii) Whether said contravention renders the goods liable to confiscation under Section 111(j) of the Customs Act ?

(iii) Whether the appellant can escape liability by contending that the diversion was solely the act of its warehouse operator or whether Section 147 fastens responsibility upon the importer ?

(iv) Whether the objections regarding the legality of the search and admissibility of electronic evidence vitiate the proceedings ?

(v) Whether the redemption fine imposed under Section 125 and the penalty imposed under Section 112(a) are legally sustainable ?

27. Before adverting to the rival contentions, it would be appropriate to examine the statutory scheme governing warehousing of imported goods under the Customs Act, 1962. Chapter IX of the Act creates a self-contained code regulating warehousing of imported goods. Under Section 59, an importer seeking to warehouse imported goods are required to execute a bond undertaking, inter alia, that the goods shall be duly deposited in the warehouse approved by the proper Officer and that all provisions of the Act and the rules and regulations made thereunder shall be faithfully complied with. Section 60 empowers the proper Officer, upon satisfaction that the

statutory requirements have been fulfilled, to permit deposit of the goods in the warehouse specified for that purpose. Thus, the permission contemplated under Section 60 is neither unconditional nor general in nature. It is a statutory permission confined to the warehouse specified by the proper Officer.

28. The Warehouse Goods (Removal) Regulations, 2016 also reinforce this Statutory Scheme. These regulations envisage that imported goods removed from the Customs area under a warehouse permission shall be transported directly to the warehouse authorised by the proper Officer. The object behind the statutory provisions is to ensure uninterrupted customs control over imported goods until such time as they are either cleared for home consumption on payment of duty or exported in accordance with law. Any diversion of such goods outside the approved warehousing chain strikes at the very foundation of customs contemplated under the Act.

29. In the present case, it is an admitted position that Warehouse Bill of Entry No. 9065422 dated 04.12.2023 specifically mentioned Public Bonded Warehouse No. 05/2023 (Code – VTZ1U093) as the destination warehouse. The appellant is executed the statutory bond and obtained permission under Section 60 on that basis. It is equally undisputed that the imported goods were not deposited in the said bonded warehouse immediately upon their removal from the Customs area. Instead, the entire cargo was transported to Dolphin Yard, which admittedly was not the warehouse specified in the warehousing permission.

30. The principal defence of the appellant is that the diversion was not at its instance but was independent act of M/s Green Energy Resources, who had been engaged for handling and warehousing operations. We are unable

to accept this contention for more than one reason. Firstly, M/s Green Energy Resources was admittedly pointed out by the appellant for undertaking transportation, handling and warehousing of the imported cargo. These activities were undertaken by the said concern while acting within the scope of the authority entrusted to it by the appellant. The statutory responsibility to ensure compliance with the warehousing provisions continued to remain upon the importer. An importer cannot avoid statutory obligations merely be delegating operational activities to an agent or contractor. Secondly, Section 147 of the Customs Act creates a statutory fiction, whereby, every act done by an agent acting on behalf of owner or importer, is deemed to have been done with the knowledge and consent of such owner or importer unless the contrary is established. The burden of rebutting the statutory presumption squarely lies upon the importer. Except making a bald assertion that the warehouse operator independently diverted the goods, the appellant has not produced any contemporaneous correspondence, written instructions or other material to demonstrate that the acts of the warehouse operator were beyond the scope of its authority or contrary to the appellant's express directions.

31. On the contrary, both the Adjudicating Authority and the Commissioner (Appeals) have referred to the statements recorded under Section 108 and the contemporaneous communications exchanged between the concerned persons. These materials indicate that the movement and storage of the cargo at Dolphin Yard were known to the persons connected with the appellant. We do not find any material on record to dislodge the concurrent factual findings recorded by the authorities below.

32. Learned Counsel argued that the statements recorded under Section 108 were either retracted or could not be relied upon without independent

corroboration. We have carefully examined those contentions. It is well settled that statements recorded under Section 108 of the Customs Act constitute substantive evidence and are admissible in adjudication proceedings. Although prudence requires that such statements should ordinarily receive corroboration where disputed. In the present case, the statements are not the sole basis of the impugned orders. They stand corroborated by transported documents, gate records, warehouse records and the admitted fact that the imported goods were never deposited in the designated bonded warehouse merely after their removal from the Customs area.

33. We also find no merit in the appellant's challenge regarding legality of the storage proceedings. The principal allegation in the Show Cause Notice is not founded merely upon the search conducted at Dolphin Yard. The case of the Department rests upon the admitted movement of the imported goods, documentary records relating to transportation, the statements recorded during investigation and the physical verification of the place where the goods were actually stored. Even assuming, for the sake of argument, that there was some procedural irregularity in the authorisation of the search, the same would not ipso facto invalidate the entire adjudication proceedings particularly when the contravention stands independently established by other reliable evidence available on record.

34. Similar is the position regarding the objection raised with reference to whatsApp communications and Section 138C of the Customs Act. The impugned orders do not rest exclusively upon electronic evidence. The electronic communications have merely been relied upon as corroborative material supporting the documentary and oral evidence. Therefore, even without placing decisive reliance upon the electronic communications, the

remaining evidence is sufficient to establish that the imported goods were diverted from the notified Public Bonded Warehouse to unauthorised private yard.

35. The next question requiring consideration is whether such diversion attracts Section 111(j) of the Customs Act. Section 111(j) provides for confiscation of goods removed or admitted to be removed contrary to the permission granted by the proper Officer or otherwise then in accordance with the provisions of the Act. The Legislative intent behind this provision is to ensure that imported goods remain under Customs control until they are dealt with strictly in accordance with the law. Where permission under Section 60 authorises removal only to a specified bonded warehouse, transportation of the goods to altogether different and unauthorised premises clearly amounts to removal contrary to the permission granted by the proper Officer.

36. The submissions of the appellant that Section 111(j) contemplates only clandestine removal or diversion for home consumption cannot be accepted. The language employed by the Legislature does not restrict the provision only to cases involving clandestine clearance. The decisive factor is whether the movement of the goods conforms to the permission granted under the Act. In the present case, the admitted non-deposition of the imported cargo in the notified Bonded Warehouse constitutes a clear breach of the statutory permission granted under Section 60 of the Customs Act 1962.

37. The Learned Counsel has placed reliance upon the decisions in M/s Bisco Ltd., Vamsee Overseas Marine Pvt Ltd., supra, and other judgments. We have carefully gone through the said authorities. Though decisions turned upon their own peculiar factual backgrounds and the statutory

provisions applicable therein. None of them lays down the proposition that an importer can lawfully divert warehoused goods to an unauthorised private premises without obtaining prior permission from the proper Officer. To that extent, the said decisions are clearly distinguishable and do not advance the appellant's case.

38. The appellant has also questioned the legality of the confiscation on the ground that there was neither any intention to evade customs duty nor any clandestine clearance of the imported goods into the domestic market. According to the appellant, the goods continued to remain intact and were available for verification by the Customs Authorities. We are unable to accept these submission. Liability to confiscation under Section 111(j) does not depend upon proof of actual evasion of duty or clandestine sale of the imported goods. The provision is attracted once the statutory conditions governing removal and warehousing are violated. The Customs Act envisages strict regulating control over warehouse goods and any unauthorised diversion from the approved warehousing chain constitutes an independent contravention irrespective of whether duty evasion has actually occurred.

39. The Scheme of the Chapter IX of the Customs Act clearly demonstrates that warehousing is a statutory concession granted to an importer. Such concession is subject to strict compliance with the conditions imposed under the Act. Once an importer elects to avail the warehousing facility, he is bound by the obligations arising under Section 59 and 60 and cannot uni-laterally alter the place of storage merely on grounds of commercial convenience or operational difficulty. Acceptance of the appellant's contention would defeat the entire statutory mechanism designed to ensure

continuous customs supervision over imported goods until their lawful clearance.

40. The contention that Dolphin Yard was under the control of the same warehouse operator and, therefore, the goods substantially remained under its custody also deserves to be rejected. Customs law does not recognise the concept of "substantial compliance" in matters concerning warehousing. What the statute requires is deposit of the imported goods in the warehouse specifically approved and licensed under the Customs Act. Storage of warehouse goods in any premises other than the approved bonded warehouse cannot be treated as compliance merely because both premises were under the management of the same operator.

41. We also find no merit in the appellant's submission that the Department was required to establish mens rea before invoking Section 111(j) of the Customs Act, 1962. Confiscation proceedings under Chapter XIV of the Customs Act are civil proceedings intended to enforce the statutory obligations. Where the statute itself provides that goods removed contrary to the permission granted by the proper Officer shall be liable to confiscation, the existence or absence of a deliberate intention to evade duty is not the decisive consideration. The admitted factual contravention is sufficient to attract the statutory consequences.

42. We shall now deal with the challenge to the redemption fine imposed under Section 125 of the Customs Act, 1962. The appellant has argued that since the goods had already been released provisionally under bond and bank guarantee, redemption fine could not thereafter be imposed. This contention, no longer survives in view of the authoritative pronouncements of the Hon'ble Supreme Court in the case of Western Components Ltd., Vs

Commissioner of Customs, New Delhi [2000 (115) ELT 278 (SC)], wherein, it has been categorically held that provisional release of confiscable goods does not extinguish the jurisdiction of the Adjudicating Authority to order confiscation and impose redemption fine. Execution of bond at the time of provisional release merely secures production of the goods or recovery of the value thereof and does not oblitrate the statutory consequences flowing from confiscation.

43. In the present case, the imported goods were admittedly released provisionally subject to execution of bond and furnishing of bank guarantee. Such provisional release cannot be construed as a waiver of Department's right to adjudicate the confiscability of the goods. Consequently, once the goods were rightly held liable to confiscation under Section 111(j), the Adjudicating Authority was fully competent to exercise the discretion vested under Section 125 by permitting redemption of the goods upon payment of fine.

44. We also do not find the quantum of redemption fine to be arbitrary or dis-proportionate. The Adjudicating Authority has considered the assessable value of the imported goods, the nature of the contravention and the surrounding circumstances before imposing redemption fine of Rs. 80,000,00/-. The Commissioner (Appeals) has independently examined the issue and has concurred with the said finding. The appellant has not placed any material before us to demonstrate that the discretion exercised by the Authorities below suffers from arbitrariness or perversity warranting interference by the Tribunal.

45. The next issue relates to the penalty imposed under Section 112(a) of the Customs Act. Section 112(a) provides for imposition of penalty upon any

person who, by any act or omission, renders imported goods liable to confiscation under Section 111 of the Act. The expression "does or omits to do any act" occurring under Section 112(a) is of wide amplitude and covers not only positive acts but also failure to discharge statutory obligations imposed under the Act.

46. In the present case, the appellant, being the importer, was under a statutory obligation to ensure that the imported goods were transported and deposited in the designated Public Bonded Warehouse in accordance with the permission granted under Section 60. The admitted failure to ensure compliance with this statutory obligation directly resulted in the goods becoming liable to confiscation under Section 111(j). The omission on the part of the appellant, therefore, squarely attracts the provisions of Section 112(a) of the Customs Act.

47. We are equally unable to accept the appellant's plea that penalty cannot be imposed because the actual physical diversion was carried out by M/s Green Energy Resources. As already noticed, Section 147 creates a statutory deeming fiction whereby, the acts of authorised agent are attributable to the importer unless the importer establishes that such acts were wholly beyond the scope fo authority and without his knowledge or consent. No convincing material has been produced before us to rebut this statutory presumption. On the contrary, the evidence discussed by the Adjudicating Authority and the Commissioner (Appeals) establishes continuous involvement of the persons representing the appellant in the movement and storage of the imported goods.

48. We have also examined the decisions relied upon by the appellant regarding principal-agent liability and the admissibility of evidence. None of

the cited authorities lays down a proposition that would exonerate an importer from the statutory responsibilities cast upon him under the Customs act in the fact of the present case. Conversely, the decisions relied upon by the Revenue correctly emphasise the statutory obligations under the Customs Act cannot be diluted by contractual arrangements entered into between the importer and its service providers. We, therefore, find no reason to differ from the concurrent findings recorded by the authorities below.

49. It is settled principle that where two authorities have concurrently recorded findings of fact based upon appreciation of oral and documentary evidence, the Appellate Tribunal would not ordinarily interfere unless such findings are shown to be perverse, unsupported by evidence or contrary to law. Having independently examined the entire record, we find that the findings recorded by the Adjudicating Authority, as affirmed by the Commissioner (Appeals) are supported by adequate evidence and are in consonance with the statutory provisions governing warehousing of imported goods. No perversity or legal infirmity has been demonstrated by the appellant warranting interference.

50. In view of the foregoing discussion, we hold that the diversion of the imported goods from the notified Public Bonded Warehouse to Dolphin Yard constituted a clear violation of Section 59 and 60 of the Customs Act read with Warehouse Goods (Removal) Regulations 2016. Such contravention rightly attracted confiscation under Section 111(j). The redemption fine imposed under Section 125 and the penalty imposed under Section 112(a) are also legally sustainable. The impugned Order-in-Appeal does not suffer from any factual or legal infirmity calling for interference by this Tribunal.

51. In view of the above discussion, appeal is liable to be dismissed and dismissed.

(Pronounced in the open court on 12.08.2026)

(A.K. JYOTISHI)
MEMBER (TECHNICAL)

(ANGAD PRASAD)
MEMBER (JUDICIAL)

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