अपर आयुक्त, सीमाशुल्क का कार्यालय
OFFICE OF THE ADDITIONAL COMMISSIONER OF CUSTOMS
सीमा शुल्क भवन, पुराने उच्च न्यायालय के सामने, नवरंगपुरा, अहमदाबाद – 380009.
Customs House, Opposite Old High Court, Navrangpura, Ahmedabad – 380009
Tel No. (079) 22865299, Email: aircargo-amd@gov.in

PREAMBLE

A	**फाइलसंख्या/File No.**	:	ACC/SIIB/INT/14/2026-ACC-AHMD-CUS
B	**SCN**		Waiver of SCN
C	**मूलआदेशसंख्या/Order- in – Original No.**	:	03/ADC/ACC/OIO/ Authentic Gold Trades Limited /26-27
D	**द्वारापारित/Passed by**	:	Lokesh Damor, Additional Commissioner of Customs, Customs House, Ahmedabad
E	**आदेशतिथि/ Date of Order**	:	20/04/2026
F	**जारीकरनेकीतारीख/Date of Issue**	:	20/04/2026
G	**नामऔरपता/Name and Address of Noticees**	:	M/s Authentic Gold Trades Limited,203, IInd Floor,H-4/58, Sukh Samriddhi, Ramesh Marg, Jaipur-302001(IEC No. 1309008809)
H	**DIN No.**	:	20260471MN000052045C

ORDER- IN- ORIGINAL

1. यह प्रति उस व्यक्ति के प्रयोग में लाये जाने के लिए नि:शुल्क दीजाएगी जिसके लिए इसे जारी किया गया है।
   This copy is granted free of charge for the use of the person to whom it is issued.

2. इस आदेश के विरूद्ध अपील सीमाशुल्क अधिनियम 1962 की धार 128(1) के तहत आदेश की संसूचना की तारीख से साठ दिन के भीतर ऐसे मामले जहां शुल्क या शुल्क और जुर्माना विवादित हैं या जुर्माना जहां सिर्फ जुर्माना ही विवादित है, की 7.5% राशि अदा करने पर सीमाशुल्क आयुक्त (अपील) चौथी मंज़िल, हडको भवन, ईश्वर भवन रोड, नवरंगपुरा, अहमदाबाद- 380009, के समक्ष की जा सकती है।
   An appeal against this order shall lie before the Commissioner of Customs (Appeals), 4th Floor, HUDCO Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad – 380009, under Section 128(1) of the Customs Act, 1962 within Sixty days from the date of communication of this order and on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute or penalty where penalty alone is in dispute.

3. अपील सीमाशुल्क (अपील) नियम 1982 में प्रदर्शित फॉर्मसी.ए.–I में दो प्रति में की जानी चाहिए।अपील रुपये 2/के न्यायालय फीस स्टांप तथा इस आदेश या आदेशकी प्रति के साथ संलग्न होनी चाहिए। यदि आदेश की प्रतिसंलग्न की जाती है तो इसमें भी न्यायालय फीस अधिनियम 1970 की अनुसूची 1 में प्रदर्शित रूपये 2/- की न्यायालय फीस स्टांप भी होना चाहिए।
   The appeal should be in duplicate and should be filed in Form CA – 1 appeared in Custom (Appeals) Rule, 1982. The appeal should bear a court fee stamp of Rs. 2/- paid only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a court fee stamp of Rs. 2/- only as prescribed under Schedule 1, item 6 of the Court Fees Act, 1970.

4. जो व्यक्ति इस निर्णय या आदेश के विरूद्ध अपील कर रहा हैं वह अपील को अनीर्णित रखेगा, और सीमाशुल्क अधिनियम,1962 की धारा की 129 ई के उपबंधों के अंतर्गत पैरा 2 के अनुसारधन राशि जमा कराएगा तथा अपील के समय उन भुगतान का प्रमाण प्रस्तुत करेगा, जिसके अनुपालनन किए जाने पर सीमाशुल्क अधिनियम 1962 के उपबंधों के अधीन अपील अस्वीकार कर दी जाएगी।
   Any person appealing against this decision or order shall, pending the appeal, deposit the amount as per Para 2 above under Section 129E of the Customs Act, 1962 shall 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 the Customs Act, 1962.

BRIEF FACTS OF THE CASE

Intelligence gathered by the Directorate of Revenue Intelligence, Zonal Unit Ahmedabad indicated that M/s Authentic Gold Trades Limited,203, IInd Floor,H-4/58, Sukh Samriddhi, Ramesh Marg, Jaipur-302001(IEC No. 1309008809) (hereinafter referred to as M/s Authentic), were importing silver jewellery studded with synthetic stones from Thailand by mis-classifying the said goods under CTI 71131144 /71131145 to circumvent the applicable policy restriction on imports of studded Silver Jewellery under CTI 71131149 as notified vide DGFT Not. No 34/2024-25 dated 24.09.2025. Consequently, they were also availing ineligible preferential duty benefits under the ASEAN–India Free Trade Agreement (AIFTA). Intelligence further indicated that one such consignment was being imported at Air Cargo Complex, Ahmedabad (INAMD4) under Bill of Entry No. 5978388 dated 28.11.2025. As per IGM No. 2927039 dated 28.11.2025, the goods covered under MAWB No. 23215934240 dated 25.11.2025 were declared as "Assorted Ornaments" However, upon filing Bill of Entry No. 5978388 dated 28.11.2025 before the Proper Officer under Section 46 of the Customs Act, 1962, M/s Authentic declared the goods as "Assorted 92.5% Silver Jewellery Studded with White and Colour Synthetic Stones" under CTI 71131145.It was seen that complete and true disclosures regarding the precise nature and kind of stones studded on the imported silver jewellery which is critical to determine the accurate classification of import goods i.e. studded silver jewellery were not made either at the time of filing of the Import General Manifest (IGM) or at the time of filing the Bill of Entry under the self-assessment scheme in terms of Section 46 read with Section 17 of the Customs Act, 1962.

2. Acting upon the said intelligence, the import consignment covered under the above said IGM/Bill of Entry was put on hold by the DRI, Ahmedabad Zonal Unitat Air Cargo Complex, Ahmedabad vide letter dated 02.12.2025**.** The details of the import consignment are as follows,

TABLE-1

IGM NO.	2927039
IGM Date	28.11.2025
MAWB No.& date	23215934240 dated 25.11.2025
Supplier Name	Pragmatic Metal Co Ltd, 68/21 Soi Sukhapiban 2 Yek 31, Dokmai Prawet, Bangkok, 10250 Thailand
Name of the consignee	M/s Authentic Gold Trades Limited, 203, IInd Floor, H-4/58, Sukh Samriddhi, Ramesh Marg, Jaipur-302001 (IEC No. 1309008809
Description of the goods declared as per IGM	Assorted Ornaments
Description of the goods declared as per Bill of Entry	Assorted 92.5% Silver Jewellery Studded with White and Colour Synthetic StonesCTI 71131145
Net Weight of the Goods	4,01,842 Grams
Value	Rs.7,40,16,511/-

3. Accordingly, the aforesaid consignment was examined by officers of DRI, Ahmedabad Zonal Unit under Panchnama proceedings dated 06.12.2025 drawn at Air Cargo Complex, Ahmedabad in presence of Customs House Broker of the Importer, and Expert Jewellery valuer. During examination of the goods arrived under Bill of Entry No 5978388 dated 28.11.2025, it was observed that gross weight and no of boxes were as per the packing list. It was further observed that Silver Jewellery was found to be studded with stones which appeared to be synthetic/imitation stones. For detailed evaluation and examination of the jewellery studding, representative samples on random basis were drawn from the import consignment as tabulated hereunder:

Table-2

Sr. No.	Name of Importer	BE No/Date	Sample jewellery described as	Sample Drawn From (03 pieces each for preparation of 03 samples)
01	Authentic Gold Trades Limited	5978388/ 28.11.2025	Studded Cuff Round Solid Bracelet, Studded Chain and Studded Rind	Studded Ring (Box No 15), Studded Cuff Round Solid Bracelet (Box No 4), Studded Cuff Round Solid Bracelet (Box no 15), Studded Chain (Box No 3), Studded Cuff Round Solid Bracelet (Box No 10)

4. During visual examination of the import consignments at the time of examination of goods under Panchnama proceedings, it was observed that the imported silver jewellery appeared to be studded with synthetic stones/imitation stones. It was further observed that stones on the bangles/handcuffs were loosely glued/pasted in the cavities, which easily came out from bangles on mere rubbing/scratching with thumb. In order to ascertain and confirm the exact nature and composition of the stones, representative samples drawn from the consignments were forwarded for scientific examination and testing to Indian Diamond Institute, Surat, a project laboratory of GJEPC. Accordingly, the Indian Diamond Institute examined the representative samples and submitted its test reports, namely Report No. IDI-DRI-03 dated 23.12.2025 (pertaining to Bill of Entry No. 5978388 dated 28.11.2025). The test report No. IDI-DRI-03 dated 23.12.2025 in respect of Bill of Entry No. 5978388 dated 28.11.2025 filed at ACC, Ahmedabad stated that the jewellery was studded with glass. Thus, the test reports received from the Indian Diamond Institute revealed that the imported silver jewellery was studded with glass (imitation stones). *The test reports confirmed that the imported silver jewellery did not contain any natural precious or semi-precious stones, and that there was no studding of diamonds, whether natural or synthetic, in any of the representative samples examined.*

5.1 The importer, in the Bills of Entry filed for the subject consignments, had declared that the imported silver jewellery was studded with synthetic stones. The test reports indicated that the imported jewellery was studded with glass which are imitation stones. The investigation further revealed that the various importers including IEC holder himself prior to the issuance of DGFT Notification No 34/2025-26 dated 24.09.2025, had imported identical or similar silver jewellery declared to be studded with synthetic stones from the same Thailand based overseas suppliers, but had declared the goods under CTI 71131149. This change in pattern confirms that the post-notification change in classification to CTI 71131145 from CTI 71131149 was not based on any change in product characteristics, but was adopted after the imposition of policy restriction, indicating a deliberate attempt to evade the said restriction. Since the DGFT Notification dated 24.09.2025 puts import restrictions specifically in respect of silver jewellery classifiable under two CTI's i.e. CTI 71131141 and CTI 71131149; incorrect declaration of import goods under CTI 7113 1145 appeared to have been adopted with an intent to circumvent the import restriction imposed on CTI 71131149, the correct classification of the goods restricted vide DGFT Notification 34/2025-26 dated 24.09.2025.

5.2 Prima Facie, CTI 7113 11 45 which covers jewellery studded with natural precious or semi-precious stones is a specific tariff entry wherein no goods other than jewellery having studding of natural precious or semi-precious stones can be classified. Also, as no specific tariff entry has been assigned to silver jewellery studded with synthetic stones and for silver jewellery studded with imitation stones (at 08-digit CTI level) such goods merit classification under residual entry i.e. 71131149 ‘others’.

5.3 Silver jewellery imported in contravention of the restrictions prescribed under DGFT Notification No. 34/2025-26 dated 24.09.2025 is deemed to be prohibited goods in terms of Section 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992. Accordingly, the said goods were found liable to confiscation under Section 111(d) of the Customs Act, 1962, and were accordingly placed under seizure under section 110 of the Customs Act, 1962 vide seizure memo issued under file ref no DRI/AZU/CI-2/Enq-66/INT-49/2025 Pt. III dated 07.01.2026 issued under CBIC DIN No 202601DDZ1000000B9B9.

6. <u>During investigation, Statements of following persons were recorded:</u>

6.1 Statement of Shri Keval Chand Jain, Aged 73 Years (Dob:07.08.1953), Employeeand authorized representative in M/s. Authentic Gold Trades Limitedand residing at A11, Khetri House, Vivekanand Colony, Chandpole, Jaipur-302001, was recorded under Section 108 of the Customs Act, 1962 on 23.12.2025, wherein he, inter alia, stated as under:

6.1.1: The company imported silver bangles studded with synthetic coloured stones under Bill of Entry No. 5978388 dated 28.11.2025 filed at Air Cargo Complex, Ahmedabad, having total gross weight of 401.842 kg, which is presently lying uncleared pursuant to action initiated by DRI.This was the first and only consignment of silver jewellery studded with synthetic stones imported by the company under FTA benefit after imposition of DGFT restrictions vide Notification No. 34/2024-25 dated 24.09.2025 on CTI’s 71131141 and 71131149.

6.1.2 That prior to the said restriction, the firm had imported four consignments of plain silver jewellery, primarily bangles/bracelets weighing approximately 60–100 grams each and small quantity of chains. In comparison, the present consignment comprised bangles weighing approximately 65–80 grams, wherein synthetic-coloured stones were affixed on flower designs, and additionally about 10–11 kg of chains and rings studded with synthetic stones were also imported. (This establishes that the basic nature, weight profile and design of the bangles remain substantially similar to earlier plain imports, except for addition of stones which were found to be loosely pasted on bangles/cuffs.)

6.1.3 That no independent laboratory testing of the studded stones was conducted by them and that the description “synthetic-coloured stones” was based solely on declaration of the overseas supplier. He also admitted that no specific name or category of synthetic stones was known to them and that the supplier had not specified the same in export documents or FORM-I.

6.1.4 That he himself had dealt with and finalized the purchase of the present consignment of silver jewellery studded with synthetic stones imported under Bill of Entry No. 5978388 dated 28.11.2025. He admitted that he was the person responsible from the company for finalizing procurement of the said consignment from the foreign supplier.

6.1.5 That he had specifically instructed the foreign supplier to set stones on the flower design of the silver jewellery by making drilling in the bangles and prior to export of the consignment, the supplier had shared photographs of the cargo, wherein the bangles were shown as studded with synthetic-coloured stones.

6.1.6 That prior to import of the impugned consignment, he had consulted his legal advisor, who, after examination of the documents, advised that the correct classification of silver jewellery studded with synthetic stones would fall under CTI 71131145. That he had also forwarded the import documents to his Customs Broker, Shri Vipul Modi, who, upon examination, confirmed that classification under CTI 71131145 was appropriate. That as per his understanding, there was no restriction on import of silver jewellery under CTI 71131145 and, accordingly, the company proceeded to import its first consignment of silver jewellery studded with synthetic stones under Bill of Entry No. 5978388 dated 28.11.2025 under the said CTI.

6.1.7 On being specifically asked to peruse Customs Tariff Chapter 71 and CTI 71131145, which reads "Studded with other precious and semi-precious stones", and to explain how silver jewellery studded with synthetic stones was declared under the said CTI in Bill of Entry No. 5978388 dated 28.11.2025, he stated that the classification was adopted on the basis of professional advice received from his legal consultant. He stated that, as per such advice, synthetic-coloured stones were understood to fall within the category of "semi-precious stones" and accordingly the goods were declared under CTI 71131145. He further stated that he does not possess technical expertise in tariff interpretation and that the classification was made relying upon the advice so received.

6.1.8 On being asked to refer to the Explanatory Notes to HS 2022 under Heading 7104 relating to "Synthetic or reconstructed precious or semi-precious stones" and to explain his understanding of the phrase "These stones are used for the same purposes as the natural precious or semi-precious stones of the two preceding headings", he stated that, from a plain reading, it appears that the stones covered under the two preceding headings, i.e., 7102 and 7103, pertain to natural stones. He further stated that although the word "natural" is not expressly mentioned in those headings, the term "synthetic" has been specifically used under CTH 7104 to distinguish such stones from natural stones. However, he stated that he does not possess technical expertise in tariff interpretation and would need to consult his legal advisor to derive the exact classification position in respect of natural and synthetic stones.

6.1.9 On being confronted that the correct classification of silver jewellery studded with synthetic stones falls under CTI 71131149 (residual entry) and that the said CTI has been placed under restriction by DGFT vide Notification No. 34/2024-25 dated 24.09.2025, and further that the goods appear to have been misclassified under CTI 71131145 to circumvent the policy restriction, he stated that, as per his understanding, the imported goods are silver jewellery studded with synthetic stones. He reiterated that, based on the advice of his legal consultant, the correct classification was conveyed to him as CTI 71131145 and that the goods were imported under the said CTI on that basis. He further stated that, to his knowledge, certain consignments of silver jewellery studded with synthetic stones had earlier been cleared under CTI 71131145 at Air Cargo Complex, Amritsar and Air Cargo Complex, Chennai, and accordingly he believed the adopted classification to be proper.

6.1.10 On being confronted that in earlier imports of plain silver bangles/bracelets the declared Regional Value Content (RVC) exceeding 35% on account of manufacturing cost, overheads and profit margin is already under examination for apparent artificial inflation, and further that the present consignment of studded silver bangles appears substantially similar in nature except for pasting/gluing of stones in cavities, Shri Keval Chand Jain stated that, in respect of earlier imports, the issue of RVC had been discussed with the overseas supplier, who informed that the RVC calculations and supporting documents were submitted to the competent authority in Thailand and that the Certificate of Origin was issued only after due examination and satisfaction regarding compliance with prescribed value addition norms. In respect of the present consignment of studded silver bangles, he stated that the goods are procured on a per-gram CIF price basis and that the importer does not negotiate or determine individual components such as manufacturing cost, overheads or profit margin forming part of the RVC computation. He further stated that the preparation, calculation and declaration of RVC are carried out entirely by the supplier and that the importer does not have control over or detailed knowledge of the break-up of such cost elements, and therefore he is not in a position to justify the individual components of value addition declared in the present consignment.

6.1.11 During examination proceedings of imported cargo on dated 06.12.2025, it was found that stones were merely glued/fixed into drilled cavities and could be dislodged by scratching with thumb. When confronted, Shri Jain admitted that in silver jewellery bezel or claw setting is generally not done and conceded that in some pieces the setting may not have been properly done. This indicates that the stones were not integrally “set” in the conventional jewellery-setting sense but were superficially affixed.

6.2 Statement of Shri Vipul R Modi S/o Ramesh Chandra Modi, Aged 59 Years (DOB: 21.05.1966), F Card Holder and Proprietor of CHA firm M/s. Vipul R Modi, A/FF/126, Shayona Centre, Naroda Road, Nr. Memco Cross Road, Ahmedabad-380025, was recorded on 28.01.2026 under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated as under:

6.2.1 On being asked about history of clearance work of studded silver jewellery he stated that clearance of silver jewellery studded with synthetic stones under AIFTA benefit commenced during 2024 and that initially such goods were filed for clearance under CTI 71131145. He stated that in respect of Bill of Entry No. 4626942 dated 21.07.2024 filed for M/s Kernel Enterprises Pvt. Ltd., the goods were declared as “silver jewellery studded with synthetic stones” under CTI 71131145 and were assessed accordingly. However, he was subsequently informed that the correct classification of silver jewellery studded with synthetic stones (including cubic zirconia) would fall under CTI 71131149 and thereafter he started filing such consignments under CTI 71131149 and continued the same practice till DGFT imposed restriction on CTI 71131149 vide Notification No. 34/2025-26 dated 24.09.2025.

6.2.2 On being asked whether his CHA firm had cleared any consignments of silver jewellery studded with synthetic stones after imposition of DGFT restriction on CTI 71131141 and 71131149 in September 2025, Shri Vipul R. Modi stated that after the restriction was imposed, no such consignments were filed or cleared during October 2025. However, during the second fortnight of November 2025, certain importers approached him informing that silver jewellery studded with synthetic stones was being cleared at Chennai Air Cargo Complex and that some consignments had also been filed at Air Cargo Complex, Amritsar under CTI 71131144 and 71131145. Based on such representations, the said importers requested him to file their consignments under these CTIs. Accordingly, three consignments of silver jewellery studded with synthetic stones were filed at Ahmedabad Air Cargo Complex under CTI 71131144/71131145, namely: (i) Bill of Entry No. 5973027 dated 28.11.2025 in the name of M/s WSLON World, declared under CTI 71131144, involving 90,934.71 grams with assessable value of Rs.1,78,72,530; (ii) Bill of Entry No. 5978384 dated 28.11.2025 in the name of M/s Achintya Impex Private Limited, declared under CTI 71131145, involving 1,14,129.90 grams with assessable value of Rs.2,14,71,235; and (iii) Bill of Entry No. 5978388 dated 28.11.2025 in the name of M/s Authentic Gold

Trades Limited, declared under CTI 71131145, involving 4,01,842.80 grams with assessable value of Rs.7,40,16,511. He further stated that all three consignments were put on hold on 02.12.2025 by DRI and subsequently placed under seizure.

6.2.3 On being asked as to how the classification of the aforesaid import consignments was decided, Shri Vipul R. Modi stated that Mr. Yogesh of M/s Achintya Impex Private Limited and Mr. Manish of M/s WSLON approached him for clearance of their consignments at Ahmedabad Air Cargo Complex (AMD4). He stated that they provided copies of Bills of Entry which had been filed and cleared at Chennai Air Cargo Complex under CTI 71131144 for silver jewellery studded with synthetic stones. Since similar goods were reportedly being cleared under CTI 71131144 at Chennai, he agreed to file the consignments at Ahmedabad under the same CTI and accordingly prepared the checklist for clearance under CTI 71131144.He further stated that subsequently Mr. Yogesh again contacted him and requested change of classification to CTI 71131145, informing that similar goods were being cleared at Air Cargo Complex, Amritsar under CTI 71131145. Based on such information and direction, the CTI was changed to 71131145 and the respective Bills of Entry were filed under that heading.

6.2.4 On being confronted with the statement of Mr. Yogesh Kumar of M/s Achintya Impex Private Limited, wherein he claimed that the CTI for import of silver jewellery studded with synthetic stones under CTI 71131144/71131145 was advised by the Customs Broker, Shri Vipul R. Modi denied the said allegation. He stated that, in fact, it was Mr. Yogesh Kumar who had approached him with copies of Bills of Entry filed and cleared at Chennai Air Cargo Complex under CTI 71131144 (after DGFT restriction on CTI 71131149) and had requested him to clear the consignments under the same CTI i.e. CTI 71131144. He further stated that the subsequent change to CTI 71131145 for clearance of silver jewellery studded with synthetic stones (cubic zirconia) was also done on the directions of Mr. Yogesh Kumar. He additionally stated that M/s WSLON were also clearing similar goods under such CTIs at Chennai and had confirmed the same to him.

6.2.5 On being asked as to who decided the CTI of the goods filed under Bill of Entry No. 5978388 dated 28.11.2025 in respect of M/s Authentic Gold Trades Limited, Shri Vipul R. Modi stated that Shri Keval Chand Jain of M/s Authentic Gold Trades Limited instructed him to clear the goods under CTI 71131145 and accordingly the Bill of Entry was filed under the said tariff item.

6.2.6 On being asked about the correct classification of silver jewellery studded with synthetic stones, Shri Vipul R. Modi stated that, as per his understanding, such goods are correctly classifiable under CTI 71131149, since no specific 8-digit CTI is available for jewellery studded with synthetic stones and the said entry operates as a residual category. He further stated that prior to September 2025, all such consignments of silver jewellery studded with synthetic stones were filed and cleared under CTI 71131149, except for one Bill of Entry as earlier mentioned. He further explained that before 2023, there were only two broad categories for jewellery, i.e., plain and studded, and that classification based on the nature of stones was introduced after implementation of WCO HSN 2022 in India in 2023. He stated that after DGFT imposed restriction on CTI 71131149 in September 2025, his firm had stopped filing such consignments under that CTI. However, importers later submitted copies of Bills of Entry filed and cleared at Chennai and Amritsar under CTI 71131144 and 71131145 for similar goods. According to him, this created a bona fide belief that silver jewellery studded with synthetic stones could also be cleared under CTI 71131144/71131145.He further stated that it is a general practice in Customs to ascertain the assessment practice followed at other Air Cargo Complexes and that, since imports under CTI 71131149 had been stopped after restriction, they confirmed the prevailing practice at Amritsar and Chennai before adopting CTI's 71131144 or 71131145 for filing subsequent consignments of silver jewellery studded with synthetic stones.

6.2.7 On being confronted with the provisions of Rule 10(d) and 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018, regarding the duty of a Customs Broker to advise clients to comply with the provisions of the Customs Act and to exercise due diligence in ascertaining the correctness of information furnished for clearance of cargo, Shri Vipul R. Modi stated that he has always advised his clients to comply with the Customs Act and related regulations. He further stated that in the present case also, a checklist was prepared and forwarded to the respective importers for re-verification and confirmation of the classification, and that the Bills of Entry were filed only after receiving confirmation from the importers regarding the CTI adopted.

6.2.8 On being asked as to why silver jewellery studded with synthetic stones was classified under CTI 71131144 or 71131145, Shri Vipul R. Modi stated that the goods were declared under the said CTIs based on the assessment practice reportedly being followed at Air Cargo Complex, Chennai and Air Cargo Complex, Amritsar, where similar consignments were stated to have been filed and cleared under those tariff items.

6.2.9 On being confronted with the facts that samples drawn from Bill of Entry No. 5978388 dated 28.11.2025 of M/s Authentic Gold Trades Limited were tested by the Indian Diamond Institute and the stones studded on the bangles were found to be glass, Shri Vipul R. Modi stated that the said Bill of Entry, as well as the other two Bills of Entry, were filed on the basis of documents submitted by the respective importers and after receiving confirmation from them regarding the classification. He further stated that the goods were subject to assessment and examination and that, in case it was found during examination that the jewellery was studded with glass, the same could have been re-classified under the correct CTI 71131149. He additionally stated that while there may be some ambiguity in classification of jewellery studded with synthetic stones such as cubic zirconia—on the ground that cubic zirconia may be considered a synthetic semi-precious stone—there is no ambiguity in the case of jewellery studded with glass, and such goods would be classifiable under CTI 71131149 only.

6.3 The Director of M/s Authentic, Mr. Kannaiya More, was summoned for personal appearance on 21.01.2026 vide summons dated 16.01.2026 issued under CBIC DIN 202601DDZ1000000D2B2. However, he failed to appear in compliance with the said summons. Subsequently, Mr. Kannaiya More replied through email stating that the company had authorized Mr. Keval Chand Jain, who had earlier appeared before the investigating authority and tendered his statement, and further stated that the company would be bound by the statement given by Mr. Keval Chand Jain. He also requested for a few days' time for his personal appearance. Thereafter, Mr. Kannaiya More was again summoned vide summons dated 28.02.2026 issued under CBIC DIN 202602DDZ10000712537 directing him to appear in person on 09.03.2026. However, he again failed to appear in compliance with the said summons.

Finding of the Investigation:

7.1.1 Statement of Director/Authorized of Importer firm and representative of CHA Firm: The statements of the importer firm and the CHA firm, when read conjointly, clearly shows that the importer and the CHA both had substantial experience in importing precious commodities under Chapter 71 under the benefit of the ASEAN–India Free Trade Agreement (AIFTA) and werewell aware of the applicable tariff classifications and policy conditions. The importer has admitted that prior to the DGFT policy intervention, they were importing plain silver jewellery under CTI 71131141 and that such imports were stopped immediately upon issuance of the DGFT notification placing the said CTIs under the "Restricted" category. This conduct unequivocally demonstrates their clear understanding of the tariff structure and the direct impact of policy changes on importability of the studded silver jewellery. The subsequent shift in import pattern to silver jewellery studded with glass stones (imitation stones) and its reclassification under CTI 71131145 after the restriction on CTI 71131149, indicates a conscious and calculated alteration in classification rather than any bona fide interpretational ambiguity. Further, the importer's contention that the present consignment is their first import of studded silver jewellery appears to be a deliberate misstatement of facts. The prior import history under CTI 71131149 demonstrates that the importer had in fact imported studded silver jewellery declared as studded with synthetic stones under Bill of Entry No. 4149814 dated 28.08.2025 at Air Cargo Complex, Ahmedabad and thus he was fully aware of the nature, classification, and policy implications on import of such goods.

7.1.2 The plea of the importer that classification under CTI 71131145 was adopted solely on the advice of the Customs Broker (CHA) and legal consultant is not tenable in light of the statement of the CHA himself. The Customs Broker has categorically admitted that, prior to imposition of DGFT restriction, silver jewellery studded with synthetic stones was consistently being filed and cleared under CTI 71131149 as the residual entry, and that earlier instances of filing such goods under CTI 71131145 were discontinued after Customs pointed out that the correct classification was CTI 71131149. This admission clearly establishes that the CHA possessed a fair, informed and conscious understanding that jewellery studded with synthetic stones was correctly classifiable under CTI 71131149.In this background, the subsequent reversion to CTI 71131145 after DGFT placed restriction on CTI 71131149 cannot be viewed as a bona fide classification error. Rather, it evidences a conscious deviation from the earlier accepted classification practice, adopted only after the restrictive policy intervention, thereby indicating an attempt to circumvent the DGFT restriction. Further, the CHA has admitted that he was approached by importers who produced copies of Bills of Entry cleared at Air Cargo Complex, Chennai and Amritsar under CTI 71131144/71131145 and requested him to clear their consignments under the same CTIs at Ahmedabad. The fact that the CHA adopted such CTIs based merely on assessment practice reportedly followed at other ports, without independently verifying the correctness of classification in light of the Customs Tariff and applicable interpretative rules, demonstrates lack of due diligence and conscious departure from the previously acknowledged correct classification.

7.1.3 Out of Multiple Bills of Entries filed and processed by the CHA firmM/s Vipul R Modi at Air Cargo Complex, Ahmedabad prior to DGFT restriction; BE No 4355694 dated 07.09.2025 was taken up for examination for reference purpose. In the said BE filed at INAMD4, goods declared under CTI 71131149 have been described as '92.5 assorted silver jewellery products'. Further, in the invoice issued by foreign supplier M/s Elegant Thai Co Ltd. (Inv no. 052/2025 dated 05.09.2025) goods were described as '92.5 assorted studded silver jewellery products….' Further, FORM-I submitted with Certificate of Origin, the supplier of said goods i.e. M/s Elegant Thai Co Ltd declared that they have used synthetic stones of CTH 7104 in the studding of jewellery. This clearly reveals that jewellery of synthetic stone was getting cleared and processed under CTI 71131149 prior to DGFT restrictions. Whereas post restriction, this classification practice has been changed to new CTI's 71131144 or 71131145 being CTIs freely importable under the new import policy.

7.1.4 In the instant import, representative samples drawn from the consignment covered under Bill of Entry No. 5978388 dated 28.11.2025 were forwarded for testing to the Indian Diamond Institute. The test report conclusively established that the stones affixed on the silver bangles were glass, which are in the nature of imitation stones and not synthetic precious or synthetic semi-precious stones. Thus, even the claim of the importer that the jewellery was studded with "synthetic stones" is factually incorrect and not borne out by scientific examination. Since glass stones fall within the category of imitation materials and not within the ambit of precious or semi-precious stones (whether natural or synthetic), the impugned goods do not merit classification under CTI 71131145, as claimed by importer. In view of the confirmed presence of glass (imitation) stone studding, the goods are correctly classifiable under the residual entry CTI 71131149.

7.2 Import analysis (Post and Pre restrictions on CTI 71131149 by DGFT) of Silver Jewellery studded from Thailand Based Supplier Firm M/s Pragmatic Metal Co Ltd, 68/21 Soi Sukhapiban 2 Yek 31, DokmaiPrawet, Bangkok, 10250 Thailand:

7.2.1 Further examination of the export pattern of the Thailand-based supplier, namely M/s Pragmatic Metal Co Ltd (who had supplied goods to importer in the instant case), in respect of supplies made to various Indian importers, revealed that the said supplier had been regularly exporting silver jewellery and other goods falling under various CTIs of Chapter 71, accompanied by Certificates of Origin issued under the ASEAN–India Free Trade Agreement (AIFTA). Thus, said supplier firm of instant consignment of Importer firm appears to have requisite knowledge on the CTI and Customs procedures/ policy restriction under Indian Law. Further, the Thailand based supplier had exported such consignments under benefit of AIFTA where COO were forwarded supported by Form-I declarations forming part of the AIFTA documentation. It is observed that even prior to the issuance of DGFT Notification No. 34/2025-26 dated 24.09.2025, the said supplier was exporting silver jewellery studded with synthetic stones to India. The Form-I documents accompanying such pre-restriction consignments clearly reflected that the stones used in the jewellery were synthetic in nature and classifiable under CTH 7104. These consignments, imported prior to the DGFT restriction, were declared and assessed under CTI 71131149, being the residual tariff entry applicable to silver jewellery not elsewhere specified. However, post issuance of the DGFT Notification dated 24.09.2025 placing CTI 71131149 under the "Restricted" category, although there was no change in the product description, composition, or manufacturing process of the goods supplied by the foreign exporter, a critical shift occurred in the classification adopted at the time of import into India. Identical goods, i.e., silver jewellery studded with synthetic stones/imitation stones (glass) or mixed stones, began to be declared under CTI's 71131144/71131145 instead of correct CTI 71131149.

7.2.2 The continuity in product characteristics, as evidenced from supplier invoices and Form-I declarations both prior to and after the DGFT restriction, coupled with the change in CTI declaration only after the restriction came into force, clearly establishes that the alteration in classification was not occasioned by any factual or technical change in the goods. Rather, the sequence of events indicates that the change in classification to CTI 71131144/71131145 was adopted with the sole objective of circumventing the policy restriction imposed on CTI 71131149 vide DGFT Notification No. 34/2025-26 dated 24.09.2025, while continuing to avail preferential tariff benefit under AIFTA. In the instant case, the import documents supplied by foreign supplier has declared stones used in studding as 'synthetic stone' of heading 7104. However, during testing of the stones; same were found to be glass (imitation stones). Further, although, synthetic or reconstructed stones of heading 7104 are different from imitation stones (glass stones) of heading 7018; silver jewellery studded with either synthetic stones or in the instant case with imitation stones is correctly classifiable under CTI 71131149 being the residual entry as no specific heading is available at 08digitCTI for silver jewellery studded with imitation stones (glass stones) under CTSH 711311.

7.2.3 Out of the multiple Bills of Entry filed in respect of supplies made by the same foreign supplier prior to the DGFT restriction, Bill of Entry No. 2582858 dated 11.06.2025 filed at ACC Amritsar (INATQ4) in respect of goods supplied by M/s Pragmatic Metal Co. Ltd. has been examined. Under the said Bill of Entry, the goods were described as "ASSORTED 92.5% SILVER JEWELLERY STUDDED" and were cleared under CTI 71131149. The consignment was assessed and cleared for home consumption under the tariff entry 71131149. Although the Bill of Entry description did not expressly specify the precise nature of the stones used in studding, scrutiny of the accompanying commercial Invoice No. GCK/PO/006 dated 10.06.2025 reveals that the jewellery was studded with white and coloured synthetic stones. Further, the Form-I submitted along with the Certificate of Origin also confirmed that the stones used in the jewellery were synthetic stones. Above facts establish that even prior to issuance of DGFT Notification No. 34/2025-26 dated 24.09.2025, identical goods, i.e., silver jewellery studded with synthetic stones supplied by the same foreign supplier, were being correctly declared and cleared under CTI 71131149. Further, in the instant case, although the supplier firm has declared in the export documents and Form-I that the jewellery was studded with synthetic stones, examination and test report obtained from the Indian Diamond Institute conclusively established that the stones affixed on the jewellery were glass, i.e., imitation stones. Thus, the declaration of "synthetic stones" in the export documents is not borne out by physical examination and scientific testing. This not only renders the declaration factually incorrect but further strengthens the conclusion that the goods merit classification under CTI 71131149 as residual entry. Accordingly, the subsequent change in classification to CTI 71131145, without any substantive change in the nature or composition of the goods and in the face of scientific confirmation of imitation (glass) stone studding, clearly indicates a deliberate and conscious post-notification shift in tariff declaration aimed at circumventing the restriction imposed on CTI 71131149.

7.2.4 It is further observed that the claim of the importer that the instant consignment of silver jewellery having stone studding is their first such import, and that they had never imported similar jewellery prior to the DGFT restriction imposed on CTI's 71131141 and 71131149, is factually incorrect. Records reveal that M/s Authentic had earlier imported a consignment vide Bill of Entry No. 4149814 dated 28.08.2025 at Air Cargo Complex, Ahmedabad, wherein part of the goods were classified under CTI 71131149. As per the declaration filed at the time of import, the goods were described as "ASSORTED 92.5% SILVER JEWELLERY STUDDED WITH WHITE AND COLOUR SYNTHETIC STONES PRODUCTS." The description clearly establishes that the jewellery imported earlier was studded with synthetic stones and was substantially similar in nature to the goods involved in the present case. In view of the above, the importer's contention that the present consignment is their first import of studded silver jewellery appears to be a deliberate misstatement of facts. The prior import history under CTI 71131149 demonstrates that the importer was fully aware of the nature, classification, and policy implications of such goods. Therefore, the plea of absence of mens rea on the ground of inexperience is untenable and appears to be an attempt to evade the consequences of deliberate misclassification in order to circumvent the prevailing import restrictions.

7.3 Examination of the import consignment under the relevant Chapter Notes to Chapter 71, the Explanatory Notes to the Harmonized System, and the General Rules for the Interpretation of the Import Tariff (GIRs):

7.3.1 Examination of the goods is essential since the DGFT has modified the import policy in respect of only 02 CTI'sunder CTSH 711311, from 'free' to 'Restricted' vide notification dated 24.09.2025.

7.3.2 The relevant extract of the notification No. 34/2025-26 dated 24.09.2025 is as under:

Table-III

ITC (HS) Code	Description Policy	Existing Import Policy	Revised Import Policy
7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.		
711311	- Of precious metal, whether or not plated or clad with precious metal:- - Of silver, whether or not plated or clad with other precious metal		
71131141	---Other Jewellery:--- Unstudded	Free	Restricted
71131149	--- Other Jewellery: ---- Other	Free	Restricted

7.3.3 As can be seen, restriction has been prescribed in respect of silver jewellery classified under CTI 71131141 and CTI 71131149, both defined at the eight-digit level of the HSN code while other CTIs under the same CTSH 711311 continue to be freely importable. Further, since the DGFT Notification dated 24.09.2025 puts import restrictions in respect of silver jewellery classifiable under CTI 71131141 and CTI 71131149, both of which are defined at the eight-digit level of the Customs Tariff, whereas other CTIs falling under the same CTSH 711311 continue to remain freely importable, it becomes essential to examine the relevant Chapter Notes to Chapter 71, the Explanatory Notes to the Harmonized System, and the General Rules for the Interpretation of the Import Tariff (GIRs), in order to fully understand the scope and applicability of the tariff entries under CTH 7113, and to correctly determine the appropriate classification of the imported silver jewellery studded with synthetic stones or mixed stones (synthetic stones and glass).

7.3.4. In terms of Chapter Note 1(a) to Section XIV read with Chapter Note 9 to Chapter 71 of the First Schedule to the Customs Tariff Act, articles of jewellery made of precious metal and combined or set with natural, cultured, or synthetic stones fall within the ambit of Chapter 71. For ease of reference, the relevant Notes are reproduced below:

Chapter Note 1:

Subject to Note 1(a) to Section VI and except as provided below, all articles consisting wholly or partly:

(a) of natural or cultured pearls or of precious or semi-precious stones (natural, synthetic or reconstructed); or

(b) of precious metal or of metal clad with precious metal,

are to be classified in this Chapter.

Chapter Note 9:

For the purposes of heading 7113, the expression "articles of jewellery" means:

(a) any small objects of personal adornment (for example, rings, bracelets, necklaces, brooches, ear-rings, watch-chains, fobs, pendants, tie-pins, cuff-links, dress-studs, religious or other medals and insignia); and

(b) articles of personal use of a kind normally carried in the pocket, in the handbag or on the person (for example, cigar or cigarette cases, snuff boxes, cachou or pill boxes, powder boxes, chain purses or prayer beads).

These articles may be combined or set, for example, with natural or cultured pearls, ***precious or semi-precious stones****,* ***synthetic or reconstructed precious or semi-precious stones****, tortoise shell, mother-of-pearl, ivory, natural or reconstituted amber, jet or coral*

7.3.5.1 Further, the Explanatory Notes Version 2022 to the HS, distinguish between natural precious, semi-precious, and synthetic or reconstructed stones. Relevant extracts of Explanatory notes are reproduced below:

GENERAL (Chapter-71)

This Chapter includes:

(1) In headings 71.01 to 71.04, natural or cultured pearls, diamonds, other precious or semi-precious stones (natural, synthetic or reconstructed), unworked or worked, but not mounted, set or strung; also, in heading 71.05, certain waste resulting from the working of these stones.

Thus, Chapter heading 7101 to 7104 cover natural and synthetic or re-constructed precious and semi-precious stones.

7.3.5.2 CTH 7102 is assigned to diamonds and CTH 7103 is assigned to precious stones (other than diamonds) and semi-precious stones. The relevant part of notes to the above CTHs is as under:

71.02 - Diamonds, whether or not worked, but not mounted or set

71.03- Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport

CTH 7104 is assigned to synthetic or reconstructed precious and semi precious stones. Also, this chapter covers both synthetic or reconstructed diamonds and synthetic or reconstructed preciousstones(other than diamonds) and semi-precious stones. The relevant notes to the CTH 7104 are as under:

71.04- Synthetic or reconstructed precious or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport

7104.10 - Piezo-electric quartz

- Other, unworked or simply sawn or roughly shaped :

7104.21– Diamonds

710421 10 --- Industrial

714021 20 --- Non Industrial

710429 00 -- Other

- Other :

710491 -- Diamonds

710491 10 --- Industrial

710491 20 --- Non Industrial

710499 99 -- Other

These stones are used for the same purposes as the natural precious or semi-precious stones of the two preceding headings.

7.3.5.3 Thus, although CTH 7102 and 7103 do not explicitly use the word *"natural",* when read with CTH 7104, it emerges that natural stones (Covered under Headings 7102/7103) are distinguished explicitly from synthetic/reconstructed stones (Heading 7104). Hence, evidently the terms "precious stones" and "semi-precious stones" in tariff entries refer only to natural varieties unless specifically stated otherwise.

7.3.5.4. The subsequent eight-digit breakup under CTSH 711311 (6 digit) providing distinct classification entries for silver jewellery at CTI level (8 digits), is reproduced below.

(i) CTI 7113 11 41- Unstuddedjewellery,

(ii) CTI 7113 11 42- Jewellery studded with pearls,

(iii) CTI 7113 11 43- Jewellery studded with diamonds of heading 7102,

(iv) CTI 7113 11 44- Jewellery studded with diamonds of heading 7104,

(v) CTI 7113 11 45- Jewellery studded with other precious and semi-precious stones,

(vi) CTI 7113 11 49- Others

7.3.5.5 As can be seen:

(i) CTI 7113 11 41 is for unstuddedjewellery

(ii) CTI 7113 11 42 covers jewellery studded with pearls

(iii) CTI 7113 11 43 covers only jewellery studded with diamonds of Chapter Heading 7102 (Diamonds of heading 7102 are natural diamonds).

(iv) CTI 7113 11 44 covers only jewellery studded with diamonds of Chapter Heading 7104 (Diamonds of heading 7014 are synthetic/reconstructed diamonds).

(v) CTI 7113 11 45 covers jewellery studded with (natural) precious or semi-precious stones. It is to be noted that the word 'natural' is not used under the CTI.

(vi) However, none of the above entries explicitly cover jewellery fitted with synthetic stones other than diamonds.

(vii) Also, none of the above entries covered jewellery fitted with glass (imitation stone).

7.3.5.6 Although there is specific entry at 6 and 8 digit level for synthetic /reconstructed precious &semi-precious stones (other than diamonds), being covered under CTH 7104, there is no corresponding specific entry at 8 digit level (CTI) for silver jewellery mounted with such synthetic/reconstructed precious &semi-precious stones under CTSH 711311, despite silver jewellery studded with synthetic/reconstructed diamonds being explicitly cover under CTI 71131144. Similarly silver jewellery studded with glass (imitation stones) also has no specific entry at 08-digit level under CTSH 711311.

7.3.5.7 Explanatory Notes to CTH 7102, CTH 7103 and CTH 7104 read together imply that any reference in tariff to diamonds and other precious, semi precious stones refers to these stones in natural varieties. Mutatis Mutandis at the 8 digit level, it is inferred that CTI 7113 1145 covers only Jewellery studded with natural precious and semi precious stones.

7.3.6 Thus, in the absence of a specific tariff entry at CTI (8 digit) level for silver jewellery studded with synthetic stones, and applying the General Rules for Interpretation of Import Tariff (GRI 1 and GRI 6), such goods appropriately merit classification under the residuary entry CTI 7113 11 49 – "Other", which encompasses articles of silver jewellery not elsewhere specified.

7.3.7 Similarly, the specific tariff entry at the 8-digit level CTI 7113 11 44 is exclusively meant for silver jewellery studded with diamonds falling under CTH 7104, i.e., synthetic or reconstructed diamonds only. This entry does not cover silver jewellery studded with any other type of stones. Consequently, no jewellery studded with stones other than synthetic/reconstructed diamonds of CTH 7104 can be imported or classified under CTI 7113 11 44. Similarly, the specific tariff entry at the 8-digit level CTI 7113 11 45 is exclusively meant for silver jewellery studded with precious and semi precious stones, i.e., natural stones only. This entry does not cover silver jewellery studded with any other type of stones. Consequently, no jewellery studded with stones other than (natural) precious and semi precious stones (other than diamonds) can be imported or classified under CTI 7113 11 45.

7.3.8. Prior to the imposition of DGFT restrictions on two CTI's under CTSH 7113 11 i.e. CTI 7113 1141 and CTI 7113 1149, various importers now under similar investigation were classifying jewellery studded with synthetic stones under CTI 7113 11 49. Only after restriction was notified, did they begin declaring identical goods under CTI 7113 11 44/7113 11 45, which appears to be a deliberate attempt to circumvent the new policy restriction. Export data of silver jewellery from India also corroborates that such goods are correctly classified under CTI 7113 11 49.

7.3.9. Accordingly, the correct classification of the goods under import—silver jewellery fitted/studded with synthetic, reconstructed, or imitation stones—is CTI 7113 11 49. The declaration of such goods under CTI 7113 11 44 or CTI 7113 11 45 is, therefore, incorrect and appears to have been adopted with an intent to circumvent the import restrictions imposed on CTI 7113 11 49 vide DGFT Notification No. 34/2025-26 dated 24.09.2025.

7.4: Examination of the subsequent submission of the importer M/s Authentic:

7.4.1 M/s Authentic Gold Trades Limited, vide their letter dated 21.01.2026 addressed to the Assistant Commissioner, Air Cargo Complex, Ahmedabad, have requested permission for re-export of the goods covered under Bill of Entry No. 5978388 dated 28.11.2025, which are presently under hold. Along with the said letter, they submitted a detailed application seeking re-export of the impugned consignment. In the enclosed application, the importer stated that they had imported silver jewellery studded with stones and that the consignment is under hold due to certain objections raised by the investigating agency. They further represented that they are small businessmen and are not in a position to bear further financial losses, and therefore requested that permission may be granted for re-export of the goods.

7.4.2 The said representation was carefully examined. It was observed that the importer did not furnish any technical or tariff-based justification substantiating their claimed classification under CTI 71131145, nor has any contemporaneous documentary evidence been produced to demonstrate a bona fide basis for adopting this classification. The importers attempt is to reduce a substantive issue to a mere interpretational dispute thus conveniently disregarding the legal consequence that goods falling under a restricted tariff item, when imported without a valid licence, attract. In terms of the provisions of Section 11 of the Customs Act, 1962 read with Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992, such goods are liable to confiscation under Section 111(d) of the Customs Act, 1962.

7.4.3 The request of the importer for re-export of the seized goods has been examined in light of the law laid down by the Hon'ble Supreme Court in *Union of India vs. Raj Grow Impex LLP*, 2021 (377) E.L.T. 145 (S.C.). In the said judgment, the Hon'ble Apex Court has categorically held that goods imported in contravention of notifications issued under Section 3 of the Foreign Trade (Development and Regulation) Act, 1992 are to be treated as "prohibited goods" by virtue of Section 3(3) of the FTDR Act read with Section 11 of the Customs Act, 1962, and that Customs authorities are empowered to initiate action including confiscation under Section 111(d) of the Customs Act, 1962. It was further emphasized that policy restrictions cannot be diluted through interpretational devices and that consequences prescribed under the Customs Act must follow where import is contrary to valid policy conditions. In the present case, the importer has imported silver jewellery studded with synthetic stones under CTI 71131145 and not under CTI 71131149, which is presently restricted for import as per DGFT notification. Thus, the request for re-export is inherently linked to the determination of correct classification. If the goods are held to be classifiable under CTI 71131149, the import would attract the penal provisions applicable to restricted/prohibited goods. Even in *Raj Grow Impex LLP*, re-export was permitted only subject to payment of applicable redemption fine and penalties as determined under the Customs Act.

8. Classification of Goods:

8.1 The importer, M/s Authentic Gold Trades Limited., declared the impugned goods as "Assorted 92.5% Silver Jewellery Studded With White and Colour Synthetic Stones" under CTI 71131145 at the time of filing of Bill of Entry No. 5978388 dated 28.11.2025, Further during his statement the importer claimed that the jewellery, being studded with synthetic stones without specifying type and nature of stone, merited classification under the said tariff item. However, examination of the goods, statements recorded under Section 108 of the Customs Act, 1962, and the test report issued by the Indian Diamond Institute, Surat, conclusively establish that the jewellery is studded exclusively with glass stones (imitation stones) classifiable under CTH 7018 (Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass small wares..). It is undisputed that no natural precious or semi-precious stones or diamonds (natural or synthetic) are present in the jewellery.

8.2 As per the scheme of classification under Chapter 71 of the First Schedule to the Customs Tariff Act, 1975, classification is to be determined in accordance with the General Rules for Interpretation (GRI). Heading 7113 covers "Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal." The eight-digit tariff items under CTSH 711311 are structured on the basis of the nature of studding, where specific Tariff Entry (CTIs) exist for jewellery studded with particular categories of stones. In the present case, the stones used are imitation stones (glass stones) classifiable under Heading 7018. There is no specific tariff item under CTSH 711311 that expressly and exclusively covers silver jewellery studded with imitation stones falling under CTH 7018 (as determined during testing) as well as synthetic stones falling under CTH 7104(as claimed in import documents) except for diamonds of heading 7104. In such circumstances, by application of GRI 1 read with GRI 6, the goods are appropriately classifiable under the residual tariff item, i.e., CTI 71131149 ("Other"), which covers silver jewellery not elsewhere specified or included.

8.3. This interpretation is further corroborated by the past practice of the importers importing silver jewellery studded with synthetic stones under claim of similar FTA benefit and their Customs House Agent, who have admitted that, prior to issuance of DGFT Notification No. 34/2025-26 dated 24.09.2025, silver jewellery studded with synthetic stones was consistently being declared and cleared under CTI 71131149.Similarly, silver jewellery studded with imitation stones also does not have any specific tariff entry at 08 digit CTI level and thus deserves to be classified under residual entry 71131149 under CTSH 711311 (silver jewellery).It is further observed that CHA on same port of import i.e. INAMD4 has cleared numerous consignments of silver jewellery studded with synthetic stones under CTI 71131149 prior of DGFT restrictions. The subsequent change in classification to CTI 71131145 occurred only after CTI 71131149 was placed under the "Restricted" category. Accordingly, the declaration of the impugned goods under CTI 71131145 is legally untenable and inconsistent with the structure of Chapter 71 and the applicable Rules for Interpretation. The correct and proper classification of the goods is under CTI 71131149, rendering the subject import restricted in terms of the policy prescribed vide DGFT Notification No. 34/2025-26 dated 24.09.2025.

9. Confiscation of goods:-

9.1 Accordingly, as evident from the statement of Importer, statement of CHA, export analysis of Thailand Based supplier firm; Chapter Notes, explanatory notes to Chapter 71; Import and export trends of silver and gold jewellery studded with synthetic stones; the correct classification of the goods under import—silver jewellery fitted/studded with synthetic, reconstructed, or imitation stones—is CTI 7113 11 49. The declaration of such goods under CTI 7113 11 45 is, therefore, incorrect and appears to have been adopted with an intent to circumvent the import restrictions imposed on CTI 7113 11 49 vide DGFT Notification No. 34/2025-26 dated 24.09.2025.

9.2 It is pertinent to note that Notification No. 34/2025-26 dated 24.09.2025 has been issued by DGFT under Section 3 and Section 5 of Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 1.02 and 2.01 of Foreign Trade Policy 2023.

***3. Powers to make provisions relating to imports and exports**.—*

(1) -------
(2) -------

(3) All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962)and all the provisions of that Act shall have effect accordingly.

(4) -----

9.3. Thus, it clearly transpires that silver jewellery imported in contravention of the restrictions prescribed under DGFT Notification No. 34/2025-26 dated 24.09.2025 is deemed to be prohibited goods in terms of Section 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992. It further transpires that the Importer and the CHA firm handling their goods deliberately and knowingly mis-declared goods under CTI 71131145 with clear intent to circumvent policy restriction placed on correct CTI 71131149.Accordingly, the said goods are liable to confiscation under Section 111(d) of the Customs Act, 1962, inasmuch the same have been imported into India by Mis-classifying the same under CTI 71131145 whereas correct classification of silver jewellery studded with synthetic stones, reconstructed stones, imitation stones and mixed stones is under CTI 71131149 which is restricted for import under DGFT Notification dated 24.09.2025.

10. Legal Provisions relating to the case:

10.1 Section 17. Assessment of duty. -

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(2) The proper officer may verify the entries made under section 46 or section50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

***Provided** that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.*

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re- assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

***Explanation.** - For the removal of doubts, it is hereby declared that in cases where an importer has entered any imported goods under section 46 or an exporter has entered any export goods under section 50 before the date on which the Finance Bill, 2011 receives the assent of the President, such imported goods or export goods shall continue to be governed by the provisions of section 17 as it stood immediately before the date on which such assent is received.]*

10.2 Sub-section (4) of Section 46 of the Customs Act, 1962,

specifies that, *the importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods.*

10.3 Section 3 in The Foreign Trade (Development and Regulation) Act, 1992

Powers to make provisions relating to imports and exports:—

(1)The Central Government may, by Order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating imports and increasing exports.

(2)The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods or services or technology:

Provided that the provisions of this sub-section shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefits under the foreign trade policy or is dealing with specified services or specified technologies.

(3)All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.

(4) Without prejudice to anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods shall be prohibited for import or export except, as may be required under this Act, or rules or orders made thereunder.

10.4 Section 5 in The Foreign Trade (Development and Regulation) Act, 1992

Section 5: The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy:

Provided that the Central Government may direct that, in respect of the Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations, as may be specified by it by notification in the Official Gazette.

10.5 Notification No. 34/2025-26 dated 24.09.2025 has been issued by DGFT under Section 3 and Section 5 of Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 1.02 and 2.01 of Foreign Trade Policy 2023.

10.6 ***SECTION 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;

10.7 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;*

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

10.8 Section 114 AA of the Customs Act, 1962 read as –

Penalty for use of false and incorrect material. -

If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

11. Role and Culpability of Various persons

11.1 Role and Culpability of M/s. Authentic Gold Trades Limited.

11.1.1 M/s. Authentic Gold Trades Limited, in the Bill of Entry 5978388 dated 28.11.2025, filed for the subject consignments, had declared the imported silver jewellery as "Assorted 92.5% Silver Jewellery Studded with White and Color Synthetic Stones". The test reports indicated that the imported jewellery was studded with glass which are imitation stones. The investigation further revealed that the importer M/s. Authentic Gold Trades Limited, prior to the issuance of DGFT Notification No 34/2025-26 dated 24.09.2025 imported identical or similar silver jewellery declared to be studded with synthetic stones from the same Thailand based overseas suppliers, but had declared the goods under CTI 71131149. This change in pattern confirms that the post-notification change in classification to CTI 71131145 from CTI 71131149 was not based on any change in product characteristics, but was adopted after the imposition of policy restriction, indicating a deliberate attempt to evade the said restriction. Since the DGFT Notification dated 24.09.2025 puts import restrictions specifically in respect of silver jewellery classifiable under two CTI's i.e. CTI 71131141 and CTI 71131149; the importer appeared to have adopted the classification of the subject consignment under CTI 7113 1145 with an intent to circumvent the import restriction imposed on CTI 71131149.

11.1.2 As discussed in forgoing paras, CTI 7113 1145 covers jewellery studded with natural precious or semi-precious stones, whereas the subject goods were found to be studded with glass (imitation stones). Accordingly, the subject consignment does not merit classification under CTI 7113 1145 but instead merits classification under CTI 7113 1149. Thus, the said imported goods have been mis-declared and wrongly classified. In view of the same, the subject silver jewellery imported in contravention of the restriction prescribed under DGFT Notification No. 34/2025-26 dated 24.09.2025, are deemed to be prohibited goods in terms of Section 11 of the Customs Act, 1962, read with Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992. Accordingly, the acts and omissions on the part of M/s. Authentic Gold Trades have rendered the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962 and thus, they have also rendered themselves liable to penalty under Section 112(a) and Section 112(b) of the Customs Act, 1962.

11.2 Role and Culpability of Shri Keval Chand Jain, Employee and Authorized person of M/s Authentic Gold Trades Limited

11.2.1 Shri Keval Chand Jain, Employee and Authorized person of M/s Authentic Gold Trades Limited, has emerged as the key person responsible for imports in causing the deliberate misclassification for circumvention of policy restrictions in the present case. Being the authorized person of the importer, he was the one who was dealing with imports of the firm and was dealing with foreign supplier, CHA/CHB (Customs House Broker); he was fully aware of the nature, description, and classification of the imported goods as well as the applicable provisions of the Customs Tariff and Foreign Trade Policy. He admitted that prior to issuance of DGFT Notification No. 34/2025-26 dated 24.09.2025, his firm was importing silver jewellery(plain) under CTI 71131141 which was stopped due to policy restriction of

CTI. He further admitted that after CTI's71131141 & 71131149 were placed under the "Restricted" category, his firm started importing studded jewellery under the CTI 71131145; and present consignment was their first import after DGFT restrictions. Customs House Agent of the importer firm Mr. Vipul R Modi, also confirmed during his statement that Shri Kevel Chand Jainwas the person acting on behalf of the importer and that he (Shri Keval Chand Jain) decided the import classification. Also, the claim that that present consignment was their first import is also factually incorrect and appears to have been made only to supress information regarding earlier import of goods under CTI 71131149.

11.2.2 During his statement, he claimed that the imported jewellery was studded exclusively with synthetic stones and that no natural precious or semi-precious stones were used in the imported jewellery.Despite the knowledge, he chose to declare the goods under CTI 71131145 in order to avoid the restriction applicable to CTI 71131149 and to continue availing preferential duty benefits under AIFTA. Also,in Bill of entry filed by importer, description of the goods was carefully chosen as 'studded with synthetic stones' in order to conceal true nature of stones. Also, import documents too were carefully crafted in order to conceal nature of stone studding being done on such jewellery, thus description in Bill of Entry and supporting import invoice, packing list were carefully designed in such a manner to never reveal true nature of stones during assessment.

11.2.3 During testing of the imported consignment, it was revealed that the stones affixed on the jewellery were glass stones (imitation stones). However, during the course of his statement, when specifically questioned regarding the nature of stones used in the jewellery, the importer stated that, to his knowledge, synthetic stones had been used. The said statement appears to have been made with the intention of not disclosing the true and correct nature of the stones used in the jewellery.In view of the test findings, the claim of the importer that the stones used in the studding were synthetic stones is factually incorrect, as the laboratory examination established that the stones were in fact imitation (glass) stones. This discrepancy further demonstrates deliberate misdeclaration regarding the description and classification of the goods.

11.2.4 His plea that the classification was adopted on the advice of the Legal Consultant or Customs House Agent is not supported by any contemporaneous documentary evidence and appears to be an afterthought. Also, both the importer's CHA and as also the foreign supplier were found to have cleared multiple consignments of jewellery studded with synthetic stones under CTI 71131149 prior to DGFT restriction. The abrupt change in classification post-DGFT restriction demonstrates conscious and calculated intent to evade policy restrictions.

11.2.5 Accordingly, the acts and omissions on the part of Shei Keval Chand Jain have rendered the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962. By his active role in the decision-making, declaration, and attempted clearance of the restricted goods, he has rendered himself liable to penalty under Section 112(a) and Section 112(b) of the Customs Act, 1962.

11.2.6 It also emerges that that Shri Keval Chand Jain was well aware of the fact that the subject imported jewellery was studded with glass stones (imitation stones), not with synthetic stones. Despite the knowledge, he chose to declare the goods under CTI 71131145 in order to avoid the restriction applicable to CTI 71131149. While filing Bill of Entry in respect of subject imported goods, he chose incorrect description of imported goods as 'silver jewellery studded with synthetic stones' in order to conceal true nature and type of stones. Also, import documents too were carefully crafted in order to conceal nature and type of stone studding being done on such jewellery.Thus, the description in Bill of Entry and supporting import invoice, packing list were carefully designed in such a manner to never reveal the true nature of stones during assessment. It, thus, appears that Shri Keval Chand Jain is liable for penal action under Section 114AA of Customs Act, 1962, as he knowingly or intentionally made, signed or used, or caused to be made, signed or used, declaration, statement or document which were false or incorrect.

11.3 Role and Culpability of Shri Vipul R Modi, F-Card Holder and Proprietor of CHA firm M/s. Vipul R Modi.

11.3.1 Shri Vipul R Modi, F-Card Holder of M/s Vipul R Modi, appears to be the key operational person responsible for filing and processing the Bills of Entry at Air Cargo Complex, Ahmedabad on behalf of the M/s Authentic Gold Trades Limited. He admitted that prior to issuance of DGFT Notification No. 34/2025-26 dated 24.09.2025, silver jewellery studded with synthetic stones was predominantly being declared and cleared under CTI 71131149, and that earlier consignment filed under CTI 71131145 were discontinued after Customs authorities pointed out that the correct classification for such studded jewellery was CTI 71131149.

11.3.2 Despite having prior knowledge and experience regarding the correct classification of silver jewellery studded with synthetic stones, Shri Vipul R Modi involved himself in filing Bills of Entry under CTI 71131145 by declaring jewellery having studding of synthetic stones after CTI 71131149 was placed under the "Restricted" category.Being a licensed Customs Broker representative dealing regularly with imports under Chapter 71 and AIFTA benefits, he was expected to exercise due diligence and ensure correct classification in terms of Regulation 10 of the Customs Broker Licensing Regulations. However, instead of adhering to the earlier accepted classification practice, he consciously adopted a different CTI for identical goods post restriction on request of the importer without carrying out due diligence on import classification.

11.3.3 His contention that he relied upon Bills of Entry filed and cleared at Air Cargo Complex, Chennai and Amritsar under CTI 71131144/71131145 does not absolve him of his statutory responsibilities. As a licensed Customs Broker, he was obliged to independently verify the correct classification in accordance with the Customs Tariff and General Interpretative Rules, rather than mechanically following practices allegedly prevailing at other ports.

11.3.4 Accordingly, the acts and omissions on the part of Shri Vipul R Modi, F Card Holder have rendered the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962. By knowingly filing Bills of Entry containing incorrect classification and material particulars, and by facilitating attempted clearance of restricted goods without valid licence, he has rendered himself liable to penalty under Section 112(a) and Section 112(b) of the Customs Act, 1962.

11.3.5 It also emerges that that Shri Vipul R. Modi was well aware of the fact that the subject imported jewellery was studded with glass stones (imitation stones), not with synthetic stones. Despite the knowledge, he chose to declare the goods under CTI 71131145 in order to avoid the restriction applicable to CTI 71131149. While filing Bill of Entry in respect of subject imported goods, he chose incorrect description of imported goods as 'silver jewellery studded with synthetic stones' in order to conceal true nature and type of stones. Also, import documents too were carefully crafted in order to conceal nature and type of stone studding being done on such jewellery.Thus, the description in Bill of Entry and supporting import invoice, packing list were carefully designed in such a manner to never reveal the true nature of stones during assessment. It, thus, appears that Shri Vipul R. Modi is liable for penal action under Section 114AA of Customs Act, 1962, as he knowingly or intentionally made, signed or used, or caused to be made, signed or used, declaration, statement or document which were false or incorrect.

12. Conclusion:

In view of the foregoing facts, findings, statements recorded under Section 108 of the Customs Act, 1962, examination reports, scientific test report of Indian Diamond Institute, and analysis of classification under Chapter 71 read with GIR, it appears that:

12.1. The declared classification of the imported goods, namely *"Assorted 92.5% Silver Jewellery Studded with White and Coloured Synthetic Stones"*, imported vide Bill of Entry No. 5978388 dated 28.11.2025, having a net weight of 4,01,842 grams and an assessable value of ₹7,40,16,511/-, appears not correct. The appropriate classification of the said goods appears to be under CTI 71131149, in terms of the findings discussed in Paras 7 and 8 above.

12.2 The said goods appear liable for confiscation under Section 111(d) of the Customs Act, 1962, as they have been imported in contravention of DGFT Notification No. 34/2025-26 dated 24.09.2025, by way of misclassification under CTI 71131145 instead of the correct classification under CTI 71131149, which is subject to import restrictions.

12.3 M/s Authentic Gold Trades Limited appears to have deliberately misclassified the goods and attempted clearance of restricted items without a valid import licence, thereby rendering themselves liable to penalty under Sections 112(a) and 112(b) of the Customs Act, 1962.

12.4 Shri Keval Chand Jain, Employee and Authorized Representative of M/s Authentic Gold Trades Limited, appears to have knowingly and deliberately misclassified the goods and attempted clearance of restricted goods without a valid import licence, thereby rendering himself liable to penalty under Sections 112(a) and 112(b) of the Customs Act, 1962.

12.5 Shri Keval Chand Jain, Employee and Authorized Representative of M/s Authentic Gold Trades Limited, also appears to have knowingly or intentionally made, signed, or used declarations, statements, and documents (including Bills of Entry, invoices, and supporting import documents) that were false or incorrect in material particulars, thereby rendering himself liable to penalty under Section 114AA of the Customs Act, 1962.

12.6 Shri Vipul R. Modi, F-Card Holder and Proprietor of CHA firm M/s Vipul R. Modi, appears to have been involved in the deliberate misclassification of the goods and attempted clearance of restricted goods without a valid import licence, thereby rendering himself liable to penalty under Sections 112(a) and 112(b) of the Customs Act, 1962.

12.7 Shri Vipul R. Modi, F-Card Holder and Proprietor of CHA firm M/s Vipul R. Modi, also appears to have knowingly or intentionally made, signed, or used declarations, statements, and documents (including Bills of Entry, invoices, and supporting import documents) that were false or incorrect in material particulars, thereby rendering himself liable to penalty under Section 114AA of the Customs Act, 1962.

13. RECORD OF PERSONAL HEARING AND SUBMISSIONS

13.1 . M/s Authentic Gold Trades Limited, vide their letter (undated) received through email on 09.04.2026, have submitted that they, along with Shri Keval Chand Jain, Employee and Authorized Representative of the said firm, do not wish to be issued a Show Cause Notice, as the same may lead to further delay in the clearance and disposal of the matter.

13.2. The importer has further stated that they are ready and willing to fully comply with any redemption fine and penalty, as may be imposed by the Customs authorities, for the purpose of re-export of the goods. They have also conveyed their willingness to comply with any penalty that may be imposed upon their employee, Shri Keval Chand Jain, who was handling import and accounts-related responsibilities on behalf of the firm.

13.3. A Personal Hearing through virtual mode was scheduled on 15.04.2026 at 16:00 hrs. Shri Keval Chand Jain, Authorized Representative of M/s Authentic Gold Trades Limited, appeared on behalf of the importer as well as in his personal capacity. During the hearing, he reiterated their request for expeditious re-export of the goods and requested that the matter be decided on merits.

13.4. Shri Vipul R. Modi, F-Card Holder and Proprietor of the CHA firm M/s Vipul R. Modi, also appeared for the Personal Hearing on 15.04.2026. He submitted that the import-related documents were received from the importer, based on which the checklist was prepared and duly approved by the importer. The Bill of Entry was filed on the basis of the documents provided by the importer, and he stated that he had not physically examined the goods. He further requested permission to submit a written submission by the same evening.

13.5. Shri Vipul R. Modi, F-Card Holder and Proprietor of the CHA firm M/s Vipul R. Modi, vide his letter dated 15.04.2026, submitted certain documents in support of his defence. He enclosed a copy of Board Instruction No. 20/2024-Customs dated 03.09.2024, along with copies of the following Orders-in-Original (O-i-Os): O-i-O No. MUN-CUSTM-000-COM-12-23-24 dated 04.09.2023 issued by Mundra Customs; O-i-O No. 182/ADC/ACC/OIO/Tata Capital/2024-25 dated 21.03.2025; and O-i-O No. AHM-CUSTM-000-Pr. Commr.-19&20-2024-25 dated 19.06.2024, both issued by Ahmedabad Customs, for reliance in support of his submissions.

13.6. In view of the voluntary submissions made by the noticees, including the waiver of issuance of Show Cause Notice and participation in the Personal Hearing, the present proceedings are being finalized on the basis of the available records.

Discussion and Findings

14.1. I have carefully gone through the records of the case, the intelligence gathered by DRI, panchnama dated 06.12.2025, the test report of the Indian Diamond Institute, Surat, statements recorded under Section 108 of the Customs Act, 1962, import and export documents, submissions made by the importer, and the applicable legal provisions under the Customs Act, 1962, Customs Tariff Act, 1975, and Foreign Trade (Development and Regulation) Act, 1992.

14.2 The primary issue for determination in the present case is whether the impugned goods, declared as "Assorted 92.5% Silver Jewellery Studded with White and Colour Synthetic Stones" under CTI 71131145, are correctly classifiable under the said tariff entry or merit classification under CTI 71131149, and whether such classification has been deliberately altered to circumvent the import restrictions imposed vide DGFT Notification No. 34/2025-26 dated 24.09.2025.

14.3 At the outset, I find that the physical examination of the goods, as recorded in the panchnama proceedings, revealed that the stones affixed on the jewellery were loosely pasted and could be easily dislodged. The representative samples drawn from the consignment were subjected to scientific testing at the Indian Diamond Institute, Surat, which conclusively established that the stones were glass (imitation stones) and not natural, synthetic, or reconstructed precious or semi-precious stones. This scientific finding is conclusive and overrides the description declared in the Bill of Entry and import documents.

14.4 I further find that the importer has declared the goods under CTI 71131145, which specifically covers jewellery studded with precious or semi-precious stones. A harmonious reading of Chapter 71, along with the Explanatory Notes to headings 7102, 7103, and 7104, indicates that the expression "precious or semi-precious stones" in the tariff context refers to natural stones, unless specifically extended to synthetic or reconstructed stones. Even otherwise, the present goods are not studded with synthetic stones but with glass (imitation stones), which fall under CTH 7018. Therefore, the impugned goods do not satisfy the scope of CTI 71131145.

14.5 I also find that there is no specific tariff entry under CTSH 711311 for silver jewellery studded with glass or imitation stones, nor is there any specific entry for jewellery studded with synthetic stones (other than diamonds covered under CTI 71131144). In such a situation, the classification is to be determined by applying Rule 1 and Rule 6 of the General Rules for Interpretation (GRI), which clearly lead to classification under the residual entry CTI 71131149 ("Others"), covering jewellery not elsewhere specified.

14.6 The conduct of the importer and the Customs Broker assumes significance in the present case. From the statements recorded, it is evident that prior to issuance of DGFT Notification dated 24.09.2025, identical or similar goods, including jewellery studded with synthetic stones, were consistently being classified and cleared under CTI 71131149. It is only after the said entry was placed under the "Restricted" category that the classification of identical goods was altered to CTI 71131144/71131145.

14.7 This sudden and unexplained shift in classification, without any corresponding change in the nature, composition, or characteristics of the goods, clearly establishes that the reclassification was not based on any bona fide interpretational issue but was a deliberate and calculated attempt to circumvent the import restriction imposed on CTI 71131149. The reliance placed by the importer on advice of legal consultant or CHA does not absolve them of their statutory responsibility, particularly when the importer had prior experience and knowledge of the correct classification.

14.8 I further note that the importer has incorrectly claimed that this was their first import of studded silver jewellery. Records reveal prior imports of similar goods under CTI 71131149. This misstatement, coupled with the incorrect declaration of "synthetic stones" instead of actual glass stones, indicates suppression of material facts and deliberate misdeclaration.

14.9 The argument of the importer that classification was adopted based on prevailing practices at other ports is also not tenable. Classification under the Customs Tariff is governed by statutory provisions and interpretative rules, and cannot be determined based on practices followed elsewhere, particularly when such practices are themselves inconsistent with law.

14.10 In view of the above findings, I hold that the impugned goods are correctly classifiable under CTI 71131149 and not under CTI 71131145 as declared by the importer. Since CTI 71131149 was placed under the "Restricted" category vide DGFT Notification No. 34/2025-26 dated 24.09.2025, the import of the said goods without a valid licence is in contravention of the provisions of the Foreign Trade Policy.

14.11 By virtue of Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992, such restricted goods are deemed to be prohibited goods under Section 11 of the Customs Act, 1962. Accordingly, the impugned goods are liable to confiscation under Section 111(d) of the Customs Act, 1962.

14.12 I also find that the importer has made incorrect declarations regarding the nature of stones and classification of goods in the Bill of Entry, which amounts to misdeclaration under Section 46 of the Customs Act, 1962. Further, the deliberate misclassification with intent to evade policy restriction renders them liable to penal action under Section 112(a) of the Customs Act, 1962.

15. Penalty on Shri Keval Chand Jain (Employee & Authorized Representative)

15.1 I find that Shri Keval Chand Jain was the key person responsible for handling the imports, finalizing procurement, and coordinating with the foreign supplier as well as the Customs Broker, and he has himself admitted that he finalized the purchase of the impugned goods, instructed the supplier regarding studding of stones, and was fully aware of the nature of the goods and the import process.

15.2 I further find that, despite possessing such knowledge and responsibility, he declared the goods as studded with "synthetic stones" without proper verification, adopted classification under CTI 71131145 despite prior knowledge that similar goods had earlier been classified under CTI 71131149, and continued with the import even after the imposition of policy restrictions on CTI 71131149.

15.3 I hold that the plea taken by him that the classification was adopted based on advice of a legal consultant or Customs Broker is not acceptable, inasmuch as no documentary evidence of such advice has been produced, he was an experienced person handling imports, and the prior practice of classification under CTI 71131149 was within his knowledge.

15.4 I also find that his statement claiming this to be the first import of studded jewellery is factually incorrect, which indicates deliberate misstatement and suppression of material facts.

15.5 In view of the above, I hold that Shri Keval Chand Jain actively participated in the misdeclaration and misclassification of the goods, played a central role in attempting to circumvent the applicable import restrictions, and knowingly dealt with goods which were liable to confiscation under the provisions of the Customs Act, 1962.

15.6 Accordingly, I hold that Shri Keval Chand Jain is liable to penalty under Section 112(a) of the Customs Act, 1962 for his direct role in acts rendering the goods liable to confiscation under 111(d) of the Customs Act, 1962.

15.7 Insofar as Section 114AA of the Customs Act, 1962 is concerned, I find that the essential ingredients of "knowledge" and "intent" to use false or incorrect documents are not conclusively established in the present case and no independent evidence has been brought on record to show that the same were fabricated or manipulated by Shri Keval Chand Jain with intent to mislead. Accordingly, I find that the allegations are not supported by sufficient evidence to establish intentional falsification of documents, and therefore, penal action under Section 114AA of the Customs Act, 1962 appears not sustainable.

16. Penalty on Shri Vipul R Modi (Customs Broker / F-Card Holder)

16.1 I find that Shri Vipul R Modi, being a licensed Customs Broker and F-card holder, was responsible for filing the Bills of Entry and for ensuring compliance with the provisions of the Customs Act, 1962 and the Customs Broker Licensing Regulations (CBLR), 2018.

16.2 I find that in terms of CBIC Instruction No. 20/2024-Customs dated 03.09.2024, Customs Brokers should not be routinely implicated as co-noticees in such interpretational disputes unless there is clear evidence establishing abetment, which is absent in the present case.

16.3 It is observed that Shri Vipul R. Modi, in his capacity as Customs Broker, filed the Bills of Entry based on documents and declarations provided by the importer, and the same were processed after due approval from the importer, without any independent role in determining the nature or composition of the goods. The role of the Customs Broker is limited to facilitation of import procedures on the basis of documents furnished, and the primary responsibility for correctness of declaration rests with the importer.

16.4 No cogent evidence has been brought on record to establish that Shri Vipul R. Modi had actively connived with the importer to evade restrictions or duty, and therefore, the essential ingredient of mens rea or abetment is not satisfied. The allegations against him are largely based on presumptions without any substantive proof of intentional wrongdoing. Further, it is noted that in similar cases, as relied upon by Shri Vipul R. Modi, adjudicating authorities have consistently held that where Customs Brokers act on the basis of documents provided by the importer and no evidence of connivance is forthcoming, penal provisions under Sections 112 and 114AA of the Customs Act, 1962 are not invocable.

16.5 In view of the above, it is held that the present case being one of interpretational dispute, coupled with absence of any evidence of abetment or deliberate act on the part of Shri Vipul R. Modi, his role remains confined to that of a facilitator acting in good faith on the basis of importer-supplied documents, and therefore, penal liability cannot be fastened upon him.

Order

17. In view of the above findings, I hereby pass the following order:

I. I order to reject the declared classification of the impugned goods, namely "Assorted 92.5% Silver Jewellery studded with stones" covered under Bill of Entry No. 5978388 dated 28.11.2025, classified under CTI 71131145 and hold that the same are correctly classifiable under CTI 71131149, instead of CTI 71131145 as declared by the importer.

II. I order confiscation of the said goods covered under the aforesaid Bill of Entry No. 5978388 dated 28.11.2025 under Section 111(d) of the Customs Act, 1962. However, in terms of Section 125 of the Customs Act, 1962, I grant the importer an option to redeem the confiscated goods on payment of a redemption fine of Rs. 10,00,000/- (Rupees Ten Lakh Only) subject to the condition that the goods shall be re-exported only.

III. I impose a penalty of Rs. 8,00,000/- (Rupees Eight Lakh Only) on M/s Authentic Gold Trades Limited under Section 112(a)(i) of the Customs Act, 1962.

IV. I impose a penalty of Rs. 2,00,000/-(Rupees Two Lakh Only) on Shri Keval Chand Jain under Section 112(a)(i) of the Customs Act, 1962 for his active role in misdeclaration, misclassification, and import of restricted goods. However, I refrain from imposing penalty on Shri Keval Chand Jain, under Section 114AA of the Customs Act, 1962 for the reasons as discussed at Para 15 above.

V. I hereby refrain from imposing penalty upon Shri Vipul R. Modi, Customs Broker (F-Card Holder), in view of the reasons recorded and discussed in Paragraph 16 above.

VI. I further order that the request for re-export of the goods shall be allowed only upon payment of the applicable redemption fine and penalties as imposed above.

18. This Order is issued without prejudice to any other action that may be taken against the importer or any other person or imported goods under the provisions of the Customs Act, 1962 and rules / regulations made there under or any other law for the time being in force in India.

Digitally signed by
Lokesh Damor
Date: 20-04-2026
15:51:17

(Lokesh Damor)
Additional Commissioner of Customs
Customs House, Ahmedabad

To,

M/s Authentic Gold Trades Limited (IEC No. 1309008809**),**

203, IInd Floor,H-4/58, Sukh Samriddhi,

Ramesh Marg, Jaipur-302001

Copy to:

(i) The Commissioner of Customs, Ahmedabad. (Kind Attn : RRA Section)

(ii) The Astt. Commissioner of Customs, Air Cargo Complex, Ahmedabad.

(iii) The Dy. Director, DRI, Ahmedabad Zonal unit

(iii) Master File.