आयुक्त, सीमा शुल्क का कार्यालय,
OFFICE OF THE COMMISSIONER OF CUSTOMS
न्यू कस्टम हाउस, बालाजी मंदिर के पास, न्यू कांडला-370210
NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE, NEW KANDLA-370210
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Through E-office/Email/DAK **Date: 29-10-2026**

ORDER UNDER SECTION 110A OF THE CUSTOMS ACT, 1962

(Provisional Release of Seized Goods)

SUBJECT- Order under Section 110A of the Customs Act, 1962 pursuant to the request dated 14.10.2026 of M/s Suraj Impex for provisional release of goods seized vide Seizure Memo dated 25.11.2025.

BRIEF FACTS:-

1 . M/s Suraj Impex (GSTIN: 07AAGPG6900K1ZR), having IEC No. 0516000476, imported "PVC Coated Fabrics" classifiable under CTH 59031090 from China and filed Z Bill of Entry No. 5358334 dated 28.10.2025 filed at Kandla SEZ in container No. CAAU7733360, declaring 1,710 packages (26,200 kg / 74,898 SQM), an assessable value of ₹5,37,455/- and duty of ₹1,51,025/-. On examination under Panchnama dated 08.11.2025 at M/s The Variety Impex, Kandla SEZ, the goods were found to be three types of fabrics totaling 1,47,004 SQM. As per the CRCL test reports, these are classifiable under CTH 59039090 (Type 1), CTH 59032090 (Type 2, PU coated, attracting ADD under Notification No. 14/2022-Cus (ADD)) and CTH 59031090 (Type 3). The goods were seized vide Seizure Memo dated 25.11.2025 and handed over under Supratnama of the same date, and the period under Section 110(2) was extended on 22.05.2026. Accordingly, the **Show Cause Notice F. No. GEN/ADJ/ADC/1534/2026 dated 30.09.2026 has been issued**. The SCN proposes:

- Re-determination of the assessable value at ₹30,26,196/- on the basis of the CE report;
- Total Custom duty of ₹12,03,110/- involved in the imported goods.
- Confiscation under Section 111(f), (l) & (m) of the Customs Act, 1962; and
- Penalty under Section 112(a)(ii) of the Customs Act, 1962.

REQUEST FOR PROVISIONAL RELEASE OF GOODS:-

2. M/s Suraj Impex vide letters dated: 14.10.2026 requested provisional release of the seized goods and undertook to execute Bond and furnish Bank Guarantee as deemed fit by the Department and also agreed to pay duty, fine and penalty as may be adjudged.

STATUTORY FRAMEWORK

3. Section 110A of the Customs Act, 1962 provides that any goods seized under Section 110 may, pending adjudication, be released provisionally to the importer "on taking a bond from him in the proper form with such security and conditions as the adjudicating authority may require." Section 110A is reproduced below for ease of reference:-

110A. Provisional release of goods, documents and things seized [or bank account provisionally attached] pending adjudication-

Any goods, documents or things seized 16[or bank account provisionally attached] under section 110, may, pending the order of the [adjudicating authority], be released to the owner [or the bank account holder] on taking a bond from him in the proper form with such security and conditions as the [adjudicating authority] may require.]

DISCUSSION AND FINDINGS

4. I proceed to examine the merits of the request made by M/s Suraj Impex for provisional release of the seized goods under Section 110A of the Customs Act, 1962. The issue for consideration is whether the seized goods are fit for provisional release pending adjudication and, if so, the terms and conditions necessary to ensure that such release does not prejudice the ongoing proceedings or adversely affect the interests of Government revenue.

5. I have carefully examined the facts and circumstances of the case, the material available on record, the request dated 14.10.2026 submitted by the importer, the relevant provisions of the Customs Act, 1962, and CBIC Circular No. 35/2017-Cus dated 16.08.2017, governing the provisional release of seized goods. I find that the power to grant provisional release under Section 110A of the Customs Act, 1962 is discretionary and is required to be exercised judiciously, subject to appropriate safeguards and conditions commensurate with the nature and gravity of the alleged contraventions and the potential revenue implications.

6. In view of above, Section 110A provides for provisional release of the goods, however safeguard of Government revenue/duty is also essential alongwith applicable interest. Further, it is found that the goods were mis-declared in terms of quantity and valuation of the imported goods which may lead to the imposition of applicable penalties under various sections of the Customs Act, 1962 upon adjudication.

The Importer vide its letter 14.10.2026 have expressed their willingness to execute Bond and furnish Bank Guarantee as deemed fit, for the provisional release of the imported goods. Further, the adjudicating authority is the proper officer who ultimately decides the case by way of adjudication in terms of Section 122A of the Customs Act, 1962. It is therefore imperative that such authority safeguards the interests of revenue, including recovery of any differential duty, interest, fine, or penalty that may be imposed upon adjudication.

7. Further, it is found that the seized goods are not prohibited goods and the SCN in the matter is already been issued. The execution of bond equivalent to the estimated assessable value of the imported goods and furnishing Bank Guarantee equivalent to the estimated differential duty, alongwith suitable security towards probable redemption fine, penalty /penalties likely to be imposed upon the importer, would be required to safeguard the Government revenue. Therefore, I find it appropriate to allow provisional release of the seized goods of pending adjudication subject to appropriate conditions.

For this purpose, execution of a bond equivalent to the full re-determined value of the seized goods, together with a bank guarantee securing the estimated differential duty, the likely redemption fine and the likely penalty, is considered necessary, subject to the applicable provisions and guidelines contained in CBIC Circular No. 35/2017-Cus dated 16.08.2017. These safeguards are intended to secure the potential financial liability arising from the proceedings and to ensure that provisional release does not frustrate the purpose of the subsequent adjudication.

8. I further observe that provisional release is only an interim measure and does not mean that the declared particulars, valuation or classification of the goods have been accepted, or that the liability of the importer has been finally determined. The release shall remain subject to the outcome of the adjudication proceedings and shall not confer any immunity upon the importer from any duty, interest, fine, penalty or other liability that may lawfully arise. The importer shall also remain bound to cooperate with the Department and comply with all lawful directions issued during the investigation and adjudication.

Considering the facts and circumstances of the issued involved and keeping in mind that the adjudication of the matter may take some time, I find that provisional release of the seized goods is permissible, subject to the importer fulfilling the conditions specified below. The conditions are considered necessary to strike a reasonable balance between the request for provisional release and the paramount requirement of safeguarding Government revenue.

9. In view of the foregoing discussion, I Pass the following Order:-

ORDER

In exercise of powers conferred under Section 110A of the Customs Act, 1962, I hereby order provisional release of the seized goods imported vide Bill of Entry No. 5358334 dated 28.10.2025, subject to fulfillment of the following conditions by M/s Suraj Impex:-

i. Execution of Bond a bond for the full re-determined value of the seized goods, i.e. **Rs. 30,26,196/-** (Rupees Thirty Lakh Twenty-Six Thousand One Hundred Ninety-Six only).
ii. Furnishing of Bank Guarantee amounting to R s . **16,26,041/-** (Rupees Sixteen lakh twenty-Six thousand and fifty One only), towards securing the estimated differential duty, likely redemption fine and likely penalty, in accordance with the applicable provisions of the Customs Act, 1962 and CBIC Circular No. 35/2017-Cus dated 16.08.2017. The said amount comprises the following components, as presently estimated:

- Differential duty as per aforesaid SCN: ₹12,03,110/-
- Estimated redemption fine: ₹3,02,619/- i.e 10% of the re-determined value of the seized goods.
- Estimated penalty: ₹1,20,312/- i.e 10% of the duty in the aforesaid SCN.

The Bank Guarantee should contain a clause binding the issuing bank to keep it renewed and valid till final adjudication of the case or until its release by the competent authority. The importer shall ensure timely renewal of the bank guarantee to maintain its validity. In case of failure to renew the guarantee or comply with the secured obligations, the Department may invoke and encash the bank guarantee in terms of Circular No. 35/2017-Cus dated:16.08.2017 and relevant provisions of law for the time being in force.

iii. The importer shall furnish a written undertaking to discharge the customs duty, interest, redemption fine, penalty and any other amount that may be lawfully determined by the competent authority in the adjudication proceedings, subject to the applicable statutory provisions.

iv. The importer shall not dispute the identity, quantity and nature of the goods at the time of adjudication proceedings as recorded in the SCN.

v. The importer shall cooperate with the Department and produce the goods/documents as and when required by the Department during the course of further proceedings in accordance with law. The importer shall preserve all relevant documents and records pertaining to the goods and shall not suppress, alter or destroy any material relevant to the proceedings.

vi. The provisional release ordered herein is purely interim in nature and shall be without prejudice to the merits of the case. It shall neither be construed as acceptance of the declared particulars nor as a finding on the allegations contained in the show cause notice issued.

vii. In the event of failure to comply with any material condition of this order, the Department shall be at liberty to initiate appropriate action in accordance with the Customs Act, 1962 and other applicable laws, including enforcement of the bond and invocation of the bank guarantee, subject to the terms of the relevant instruments and applicable law without prejudice to any other remedy available to the Department.

10. On fulfillment of the above conditions, the seized goods shall be released provisionally to M/s Suraj Impex pending adjudication proceedings under the Customs Act, 1962. It is further ordered that the goods shall be released only upon due verification of the genuineness, validity and enforceability of the Bank Guarantee and upon acceptance of the Bond by the proper officer, as and when the same are submitted by the importer.

11. This provisional release shall be without prejudice to any action that may be initiated under the provisions of the Customs Act, 1962 or any other law for the time being in force.

(Rakesh Kumar Jain)
Additional Commissioner
Custom House, Kandla

Digitally signed by
Rakesh Kumar Jain
Date: 29-10-2026
14:00:45

Copy to:

1. M/s Suraj Impex, (Importer)
Kh No. 38/23/1, G.F. Choudhary Chakki,
Lal Dora Village, Prahladpur Banger, North West,
Delhi-110042.

2. Assistant Commissioner, SIIB, Kandla.
3. EDI Section, Kandla SEZ.