सीमाशुल्क(अपील) आयुक्तकाकार्यालय,अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS(APPEALS), AHMEDABAD,
चौथी मंज़िल 4th Floor, हडको भवन HUDCO Bhawan, ईश्वर भुवन रोड़ IshwarBhuvan Road
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009
दूरभाषक्रमांक Tel. No. 079-26589281

DIN-20260171MN00008328B2

क	फ़ाइलसंख्या FILE NO.	S/49-13 to 16/CA-2/CUS/KDL/2024-25
ख	अपीलआदेशसंख्या ORDER-IN-APPEAL NO. (सीमाशुल्कअधिनियम, 1962 कीधारा 128ककेअंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) :	KDL-CUS-000-APP- 87 to 90 -25-26
ग	पारितकर्ता PASSED BY	Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	21.01.2026
ङ	उदभूतअपीलआदेशकीसं. वदिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	KDL/ADC/DPB/08/24-25 Dated 28.06.2024
च	अपीलआदेशजारीकरनेकीदिनांक ORDER- IN-APPEAL ISSUED ON:	21.01.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	The Deputy Commissioner of Customs (Adjudication), Office of the Commissioner of Customs, New Custom House, Near Balaji Temple, Kandla, Gujarat.

1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है.

	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क(	बैगेज़ के रूप में आयातित कोई माल.
(a)	any goods imported on baggage
(ख(	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग (	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
.3	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षणआवेदनदायरकरनेकेलिएसीमाशुल्कअधिनियम, 1962 (यथासंशोधित) मेंनिर्धारितफीसजोअन्यरसीद,फीस,दण्ड,जब्तीऔरविविधमदोंकेशीर्षकेअधीनआताहैमेंरु. 200/- (रूपएदोसौमात्र)यारु.1000/-(रूपएएकहज़ारमात्र),जैसाभीमामलाहो,सेसम्बन्धितभुगतानकेप्रमाणिकचलानटी.आर.6 कीदोप्रतियां. यदिशुल्क,मांगागयाब्याज,लगायागयादंडकीराशिऔररूपएएकलाखयाउससेकमहोतोऐसेफीसकेरूपमेंरु.200/- औरयदिएकलाखसेअधिकहोतोफीसकेरूपमेंरु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.
4.	मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :

	सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलियअधिकरण, पश्चिमी क्षेत्रीय पीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरी मंज़िल,बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2nd Floor, BahumaliBhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	**सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-**	
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -	
(क)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.**	
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;	
(ख)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए**	
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;	
(ग)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.**	
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees	
(घ)	इसआदेशकेविरुद्धअधिकरणकेसामने,मांगेगएशुल्कके %10 अदाकरनेपर,जहांशुल्कयाशुल्कएवंदंडविवादमेंहैं,यादंडके %10 अदाकरनेपर,जहांकेवलदंडविवादमेंहै,अपीलरखाजाएगा।	
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.	
6.	**उक्तअधिनियमकीधारा 129 (ए) केअन्तर्गतअपीलप्राधिकरणकेसमक्षदायरप्रत्येकआवेदनपत्र- (क) रोकआदेशकेलिएयागलतियोंकोसुधारनेकेलिएयाकिसीअन्यप्रयोजनकेलिएकिएगएअपील : - अथवा (ख) अपीलयाआवेदनपत्रकाप्रत्यावर्तनकेलिएदायरआवेदनकेसाथरुपयेपाँचसौकाशुल्कभीसंलग्नहोनेचाहिए.**	
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.	

ORDER IN APPEAL

The Deputy Commissioner of Customs (Adjudication), New Custom House, Kandla (hereinafter referred to as 'the appellant department') has filed the present appeals in terms of Section 129D (4) of the Customs Act, 1962 on the basis of Review Order No. 10/OIO/2024-25 dated 25.09.2024 issued by the Commissioner of Customs, Kandla challenging Order – In – Original No. KDL/ADC/DPB/08/2024-25 dated 28.06.2024 (hereinafter referred to as "the impugned Order") passed by the Additional Commissioner, Custom House, Kandla (hereinafter referred to as "the Adjudicating Authority") in case of M/s United Safeway India Pvt. Ltd, M/s Shiv Krupa Trading, M/s Shri Nathji Impex and M/s Balaji Traders.

2. Facts of the case, in brief, are that, M/s United Safeway India Pvt. Ltd. (hereinafter referred to as the SEZ Unit) is a unit located in Kandla Special Economic Zone (KASEZ), Gandhidham, and was granted Letter of Approval (LOA) dated 02.02.2021 by the Development Commissioner, Kandla SEZ, for undertaking authorised operations of warehousing and trading services under the provisions of the SEZ Act, 2005 and the SEZ Rules, 2006. The LOA was amended from time to time by the Unit Approval Committee for inclusion of additional items.

2.1 During August 2023, the SEZ Unit filed multiple Bills of Entry for import of goods described as "Hot Rolled Pipes" for warehousing purposes on behalf of various DTA clients, namely M/s Shiv Krupa Trading, M/s Balaji Traders and M/s Shri Nathji Impex (hereinafter referred to as the DTA Importers). The total declared assessable value of the imported goods was ₹7,07,53,725/-, with declared countries of origin as China and UAE in different Bills of Entry.

2.2 On examination of the goods by Customs officers, it was observed that the imported goods were in fact stainless steel seamless pipes and tubes of circular cross-section, mostly below 6 NPS, and not merely "hot rolled pipes" as declared. It was further noticed that the goods were appropriately classifiable under CTH 7304 49 00, whereas the same had been declared under the residuary heading CTH 7304 90 00.

2.3 It was also observed that certain consignments were declared as originating from UAE, whereas the corresponding commercial invoices and subsequent clarification from the SEZ Unit indicated that the actual country of origin was China. Since stainless steel seamless pipes originating from China were subject to anti-dumping duty under Notification No. 31/2022-Cus (ADD) dated 20.12.2022, non-declaration of ADD was also alleged.

2.4 Further, the Department alleged that the imported goods were covered under the Steel and Steel Products (Quality Control) Order, 2020, requiring mandatory BIS compliance, and that no BIS marking or test certificates were found on the goods at the time of examination. It was alleged that mis-classification under CTH 7304 90 00 was adopted to evade BIS compliance.

2.5 On the above grounds, the goods were seized under a panchnama dated 10.10.2023 as being liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962. Show Cause Notices were issued to the SEZ Unit and the DTA importers proposing re-classification of the goods, confiscation, imposition of penalties under Sections 112, 114A and 114AA, and enforcement of the Bond-cum-Legal Undertaking executed by the SEZ Unit.

2.6 The goods were provisionally released on execution of bond and bank guarantee, subject to the condition that the goods would be exported and not cleared into DTA.

2.7 The SEZ Unit and the DTA importers waived personal hearing and submitted that the goods had been imported solely for export purposes, that the entire quantity had been exported in accordance with the conditions of provisional release, and requested release of the fixed deposits furnished as security.

2.8 Vide the impugned Order-in-Original, the Adjudicating Authority rejected the declared description and classification of the imported goods as "Hot Rolled Pipes" under CTH 7304 9000 and ordered re-classification as "Hot Rolled Seamless Steel Pipes" under CTH 7304 4900 in respect of all noticees. The goods imported by M/s Balaji Traders (₹1,82,63,762/-), M/s Shiv Krupa Trading (₹2,61,39,044/-) and M/s Shri Nathji Impex (₹2,63,50,919/-) were ordered to be confiscated under Sections 111(d) and 111(m) of the Customs Act, 1962, with option of redemption on payment of fines of ₹1,80,000/-, ₹2,50,000/- and ₹2,50,000/- respectively, along with penalties of ₹5,000/- each under Section 112(a)(ii) and ₹1,00,000/- each under Section 114AA, while penalty under Section 114A was dropped and enforcement of the respective fixed deposits was ordered; further, in the case of M/s United Safeway India Pvt. Ltd. (SEZ Unit), penalties of ₹5,000/- under Section 112(a)(ii) and ₹1,00,000/- under Section 114AA were imposed, with enforcement of the Bond-cum-Legal Undertaking..

3 Aggrieved by the said Order-in-Original, the Appellant Department has filed the present appeals and mainly contended as under:

- The Department submits that the impugned Order-in-Original No. KDL/ADC/DPB/08/2024-25 dated 28.06.2024 has been passed without

proper appreciation of the merits of the case and by adopting an unduly lenient approach. The Adjudicating Authority has failed to impose redemption fine and penalties on the DTA importers and the SEZ Unit commensurate with the gravity of the offence, despite clear findings of deliberate mis-declaration.

- In the present case, in respect of nine Bills of Entry filed during August 2023, the importer/DTA clients and the SEZ Unit have deliberately mis-declared the description and classification of the imported goods, and in certain Bills of Entry have also mis-declared the country of origin, with the clear intention to evade anti-dumping duty, bypass BIS compliance under the Steel Quality Control Order, 2020 and evade differential customs duty. These mis-declarations were unearthed during examination of the goods.
- Such acts are in blatant violation of Sections 46(4A) and 17 of the Customs Act, 1962, which mandate true, correct and accurate declaration and self-assessment by the importer, read with Rule 75 of the SEZ Rules, 2006 requiring inward and outward movement of goods to be based on self-declaration. Further, in terms of Section 30 of the SEZ Act, 2005, goods removed or attempted to be removed into DTA are liable to customs duties including anti-dumping duty, which was sought to be evaded in the present case.
- The Adjudicating Authority has himself categorically recorded findings that the SEZ Unit and the DTA clients mis-declared the description, classification and country of origin of the goods and attempted to import stainless steel seamless pipes classifiable under CTH 7304 4900, subject to anti-dumping duty under Notification No. 31/2022-ADD dated 20.12.2022, without BIS marking as mandated under the Steel Quality Control Order, 2020, thereby rendering the goods liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962.
- Having held the goods liable to confiscation, the Adjudicating Authority has nevertheless imposed redemption fine which is approximately 1% of the value of the confiscated goods, which is abysmally low, arbitrary and wholly disproportionate to the offence committed. No justification or reasoning has been provided for imposition of such nominal redemption fine, which is contrary to settled legal principles that redemption fine must wipe out the margin of profit and act as a deterrent.
- The penalties imposed under Section 112(a)(ii) of the Customs Act, 1962 on the DTA importers as well as the SEZ Unit are equally insignificant and not commensurate with the serious violations committed, despite the clear finding that their acts rendered the goods liable to confiscation under Section 111 of the Act.

- The Adjudicating Authority has further erred in refraining from imposing penalty under Section 114A of the Customs Act, 1962, even though the case squarely involves wilful mis-declaration and suppression of material facts leading to non-levy of applicable anti-dumping duty, as discussed in the body of the impugned order itself.
- Though penalty has been imposed under Section 114AA of the Customs Act, 1962, the same is negligible in comparison to the value of the mis-declared goods. Section 114AA permits imposition of penalty up to five times the value of the goods, whereas in the present case, against total mis-declared goods valued at ₹7,07,53,725/-, an aggregate penalty of merely ₹4,00,000/- has been imposed, which completely defeats the deterrent intent of the penal provisions.
- The impugned order thus suffers from non-application of mind and an unjustifiably lenient approach, which, if allowed to stand, would encourage recurrence of such unlawful practices by importers and SEZ units instead of deterring them.
- In view of the above, the Department submits that the impugned Order-in-Original is not legal or proper to the extent of quantum of redemption fine and penalties and therefore deserves to be set aside, with enhancement of redemption fine and imposition of appropriate penalties under Sections 112, 114A and 114AA of the Customs Act, 1962.

4. A communication dated 23.04.2025, enclosing a copy of the appeal memorandum, was issued to the SEZ Unit and DTA Importers seeking their comments on the matter. In adherence to the principles of audi alteram partem, personal hearings were scheduled on 27.10.2025, 11.11.2025, 18.11.2025 and 26.11.2025. However, the SEZ Unit and the DTA Importers neither filed any cross-objections nor appeared for the personal hearings. Accordingly, the matter is being adjudicated ex parte on the basis of the available records and documents on file.

5. I have carefully gone through the impugned Order, appeal filed by the appellant department and the relevant documents in the present case. The issue to be decided in the present appeal is whether:

I. Redemption fine imposed by the adjudicating authority under Section 125 of the Customs Act, 1962 in lieu of confiscation of goods is correct or otherwise.

II. Penalty imposed by the adjudicating authority on the SEZ Unit and the DTA Importers under Section 112 (a) (ii) and Section 114(aa) of the Customs Act, 1962 is correct or otherwise.

III. Non imposition of penalty under Section 114 (a) of the Customs Act, 1962 is correct or otherwise.

6.1 On perusal of the records, it is observed that the DTA Importers had imported goods declared as "Hot Rolled Pipes" under CTH 7304 9000 through an SEZ unit, whereas on examination the goods were found to be stainless steel seamless pipes correctly classifiable under CTH 7304 4900. The Adjudicating Authority has recorded findings of mis-declaration of description, classification and, in certain consignments, country of origin, as well as non-compliance with BIS requirements under the Steel Quality Control Order, 2020, rendering the goods liable to confiscation under Sections 111(d) and 111(m) of the Customs Act, 1962. While confiscation of the goods has been ordered and penalties have been imposed under Sections 112(a)(ii) and 114AA, the Adjudicating Authority has refrained from imposing penalty under Section 114A. The present dispute primarily relates to the correctness and adequacy of the quantum of redemption fine and penalties imposed in the impugned Order-in-Original.

6.2 Now, as regards to redemption fine imposed by the adjudicating authority under Section 125 of the Customs Act, 1962 in lieu of confiscation of goods, it is the contention of the appellant department that having held the goods liable to confiscation, the Adjudicating Authority has nevertheless imposed redemption fine which is approximately 1% of the value of the confiscated goods, which is abysmally low, arbitrary and wholly disproportionate to the offence committed. No justification or reasoning has been provided for imposition of such nominal redemption fine, which is contrary to settled legal principles that redemption fine must wipe out the margin of profit and act as a deterrent.

6.3 I have carefully perused Section 125(1) of the Customs Act, 1962 and the same is reproduced as under:

> **Section 125. Option to pay fine in lieu of confiscation. –**
>
> *(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 1 [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation* ***such fine as the said officer thinks fit****:*

I find that Section 125(1) of the Customs Act, 1962 clearly stipulates that the adjudicating authority is fully empowered to exercise its discretion while deciding the quantum of redemption fine imposable. The wordings "***such fine as the said officer thinks fit***" gives full liberty to the adjudicating authority while deciding the quantum of the redemption fine under Section 125(1) of the Customs Act, 1962 and there is no binding upon the adjudicating authority. It

is crucial to understand the intent behind the discretion provided in such provisions, as it allows for flexibility in addressing cases where technical or procedural violations occur, such as mis-declarations or documentation errors. The discretion ensures that the authorities can apply a fair and balanced approach, considering the circumstances of each case.

6.4 In the present case, it is an admitted and undisputed fact on record that the impugned goods were permitted to be re-exported by the competent authority, subject to fulfillment of the prescribed conditions. The very grant of such permission for re-export demonstrates that the Department adopted a fair, reasonable, and balanced approach in dealing with the matter, after due consideration of the facts and circumstances of the case. It is further well settled that the object of imposing redemption fine is not punitive but is intended to neutralize or eliminate any undue economic advantage or profit that may have accrued to the importer on account of improper importation. However, in the present case, the goods in question were re-exported, thereby completely extinguishing any possibility of the importer deriving any commercial benefit or profit from the said goods. Since the redemption fine imposed by the adjudicating authority in this case is in full compliance with the provisions of Section 125(1) of the Customs Act, 1962, I find no grounds to interfere with the adjudicating authority's discretion. The authority has exercised its discretion within the framework of the law, ensuring that the redemption fine is appropriate to the circumstances of the case. Therefore, the decision rendered appears to be in accordance with legal provisions, and there is no reason to question or alter it.

6.5 Further, with regard to the penalty imposed by the Adjudicating Authority on the respondent under Section 114AA of the Customs Act, 1962, the appellant department contends that though penalty has been imposed under Section 114AA of the Customs Act, 1962, the same is negligible in comparison to the value of the mis-declared goods. Section 114AA permits imposition of penalty up to five times the value of the goods, whereas in the present case, against total mis-declared goods valued at ₹7,07,53,725/-, an aggregate penalty of merely ₹4,00,000/- has been imposed, which completely defeats the deterrent intent of the penal provisions.

6.6 I have carefully perused Section 114 (AA) of the Customs Act, 1962 and the same are reproduced as under:

SECTION 114 (AA). 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 for penalty not exceeding five times the value of goods;

A plain reading of Section 114(AA) of the Customs Act, 1962 makes it evident that it prescribes only the maximum permissible penalty, without stipulating any statutory minimum. The legislative scheme therefore confers wide discretion upon the adjudicating authority to determine the quantum of penalty, provided it remains within the upper limit prescribed under the Act. This discretion is to be exercised judiciously, having regard to the facts and circumstances of the case. In the present matter, I find that the penalties imposed by the Adjudicating Authority under Sections 114(AA) are well within the statutory framework and have been levied after due consideration of the material on record. Accordingly, there is no justification to interfere with, question, or modify the penalty imposed under these provisions.

6.7 Furthermore, as regards to imposition of penalty under Section 112 (a)(ii) of the Customs Act, 1962, it is the contention of the Appellant Department that the penalties imposed under Section 112(a)(ii) of the Customs Act, 1962 on the DTA importers as well as the SEZ Unit are equally insignificant and not commensurate with the serious violations committed, despite the clear finding that their acts rendered the goods liable to confiscation under Section 111 of the Act.

6.8 I have carefully gone through Section 112 (a)(ii) of the Customs Act, 1962 and I am of the considered opinion that the penalty imposed by the Adjudicating authority under Section 112 (a)(ii) ibid is well within the ambit of Section 112(a)(ii) ibid and therefore does not warrant any interference.

6.9 Further, as regards to Penalty under Section 114 A of the Customs Act, 1962, it is observed that the Adjudicating Authority has rendered well-reasoned findings at para 18.2 of the impugned Order and I concur with the findings of the Adjudicating Authority in this regard.

7. In view of the aforementioned findings, the appeals filed by the appellant department are hereby rejected.

सत्यापित/ATTESTED
अधीक्षक/SUPRERINTENDENT
सीमा शुल्क (अपील्स), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD

(Amit Gupta)
Commissioner of Customs(Appeals)
Ahmedabad

Date: **21.01.2026**
F.No. S/49-13 to 16/CA-2/CUS/KDL/2024-25
By Registered Post A.D.

5724

To,

1. The Deputy Commissioner (Adjudication),
   Office of the Commissioner of Customs, New Custom House, Near Balaji Temple, Kandla, Gujarat.

2. M/s Shiv Krupa Trading, Plot No. 586, Shop No. 15, Police Station Road, Ward 12/B, Gandhidham-370201.

3. Shri Nathji Impex , Plot No. 37-38, DC-3, Rambaugh Road, Adipur, Kutch-370202.
4. Balaji Traders, Plot No. 77, Ward-5B Adipur Taluka , Gandhidham, Kutch Gujarat- 370205.

5. M/s United Safeway India Pvt. Ltd., Plot No. 210, Riddhi Siddhi Arcade , Plot No. 13, Sector 08, Gandhidham, Gujarat-370201.

Copy to: -

1. The Chief Commissioner of Customs Gujarat, Customs House, Ahmedabad.
2. The Commissioner of Customs, Customs House, Kandla.
3. The Additional Commissioner of Customs, Customs House, Kandla.
4. Guard File.