

	<p style="text-align: center;"><b>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा</b>  <b>OFFICE OF THE PRINCIPAL COMMISSIONER,</b>  <b>CUSTOM HOUSE, MUNDRA</b>          Port User Building (PUB), Mundra (Gujarat – 370421)          ई-मेल/ E-Mail: group5-mundra@gov.in</p>	
<b>A</b>	फा .सं/. <b>FILE NO.</b>	CUS/APR/MISC/2706/2024-Gr 5-6
<b>B</b>	मूल आदेश सं. <b>ORDER-IN-ORIGINAL NO.</b>	MCH/ADC/ZDC/135/2024-25
<b>C</b>	द्वारा पारित किया गया <b>PASSED BY</b>	Dipak Zala ADDITIONAL COMMISSIONER OF CUSTOMS, CUSTOM HOUSE, MUNDRA.
<b>D</b>	आदेश की तिथि <b>DATE OF ORDER</b>	18-07-2025
<b>E</b>	जारी करने की तिथि <b>DATE OF ISSUE</b>	18-07-2025
<b>F</b>	कारण बताओ नोटिस सं एवं तिथि . <b>SCN NUMBER &amp; DATE</b>	CUS/APR/MISC/2706/2024-Gr 5-6 dated 20.07.2024
<b>G</b>	नोटिसीपार्टी / आयातक/ <b>NOTICEE/ PARTY/ IMPORTER</b>	<b>M/s Defence Exhibition Organisation,</b> <b>(IEC-0100000096)</b> (Govt. Of. India, Ministry of Defence), Defence Pavilion, Pragati Maidan, New Delhi- 110001
<b>H</b>	डिन सं <b>DIN NUMBER</b>	<b>20250771MO0000555C6F</b>

1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**“सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009”**

**“The Commissioner of Customs (Appeals), Mundra, 4<sup>TH</sup> Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”**

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5 -/रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paise only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.
7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।  
An appeal against this order shall lie before the Commissioner (A) 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.

#### **BRIEF FACTS OF THE CASE**

**M/s Defence Exhibition Organisation**, (IEC-0100000096) having address at (Govt. Of. India, Ministry of Defence), Defence Pavilion, Pragati Maidan, New Delhi- 110001 (hereinafter referred as "the importer") had filed the Bill of Entry No. 6240674 dated 13.03.2012 for Defence Exhibition of the goods under Notification No. 157/90- Cus dated 28.03.1990, as amended and submitted RE Bond No. 2000252612 dated 19.03-2012 for Rs. 1,67,00,000/-.

**2.** As per department comments, Total Six ATA carnet certificate nos. (1) 48567/12 dated 02.02.2012, (2) 48576/12 dated 06.02.2012, (3) 48585/12 dated 07.02.2012, (4) 48588/12 dated 07.02.2012, (5) 48580/12 dated 07.02.2012 and (6) 48568/12 dated 02.02.2012 have been produced. All these carnets have been found duly certificated by the Chamber of Commerce of Isreal and Customs Authorities of Isreal. The importer also produced six certificates, all dated 28.02.2012 issued by Director, FICCI, New Delhi in support of their claim for the benefits of exemption notification.

3. Further, as per Notification No.157/90-Customs, dated the 28th March, 1990, the said goods shall be exported within time of six months from the date of importations. In the present case, the goods were imported vide Bill

of Entry No. 6240674 dated 13.03.2012. The importer, even after expiry of one year from the import of the said goods, the said importer had not submitted proof of re-exportation of the said goods to the satisfaction of the Deputy / Assistant Commissioner of Customs, therefore, consultative clarification letters F. No. CUS/APR/MISC/2706/2024-Gr 5-6 dated: 19.03.2024 and 18.06.2024 have been issued to the said importer informing that the re-export bond was still pending for closure, requesting to submit all the documents pertaining to re-export of the goods within prescribed time limit, failing which action under the provisions of the Customs Act, 1962 would be initiated. However, as per the available records, the said importer has not submitted the required documents and therefore the aforesaid Bonds have not been closed.

4. As per the provisions of Section 143 of the Customs Act, 1962, the said imported goods were allowed clearance by proper officer on execution of bond by the importer wherein the importer bounded themselves to discharge liability in certain manner, which they have failed to do so in as much as the re-imported goods covered under Notification No. 157/90-Customs, dated the 28th March, 1990 have not proof of re-exportation of the subject goods within prescribed time limit. Thus, the said importer appears to have not complied with the conditions of the said Notification, and undertaking given in the Re-export Bond.
5. Thus, it appears that the said importer is liable to pay duty forgone of **Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only)** as calculated under, on the said imported goods along with interest at the applicable rate on the imported goods in terms of conditions of the said Notification and conditions of the bond executed by the importer read with Section 143 of the Customs Act, 1962. The duty Calculation of the subject goods are as under:-

Sr. No.	BE NO	ItemNo	Item Description	Assess Value(Item)	BCD @10%	CVD@12%	Custom CESS @3%	Spl. Addl duty @4%	Total duty recoverable
		1	VIO MOCKUP P. ELM 2112 (DEFENCE EXHIBITION GOODS) -	1009106	100911	133202	7023	50010	291146
		2	AEW&C MOCK UP P.N. IL76 (DEFENCE EXHIBITION GOODS) -	504553	50455	66601	3512	25005	145573
		3	EHUD POD MODEL AIRCRAFT TRAINING MODEL FOR DISPLAY AND EXHIB - ITION ONLY (DEFENCE EXHIBITION GOODS)	504553	50455	66601	3512	25005	145573
		4	NCMI NAVAL TRAINING SYSTEM 6 P C FOR DEMONSTRATION ONLY (DEF - ENCE EXHIBITION GOODS)	252277	25228	33301	1756	12502	72787
		5	MOCK UP MODEL BOEING 767 (DEFENCE EXHIBITION GOODS) -	176594	17659	23310	1229	8752	50950
		6	LAHAT I20 MOCKUP G00680110501 S/N 009 (DEFENCE EXHIBITION GO - ODS)	252277	25228	33301	1756	12502	72787
		7	STAND FOR HAROP MOCKUP S/N 112 (DEFENCE EXHIBITION GOODS) -	1009106	100911	133202	7023	50010	291146
		8	SET OF FOUR LAHAT MOCKUP G90850392501 S/N 021022023024 (DEFE - NCE EXHIBITION GOODS)	504553	50455	66601	3512	25005	145573

1	6240674 dated 13.03.2012	9	MINI UNMANNED AIR VEHICLE BIRD EYE 400 S/N MALAT001(DEFENCE - EXHIBITION GOODS)	756830	75683	99902	5268	37507	218359
		10	MINI UNMANNED AIR VEHICLE BIRD EYE 650 S/N MALAT001(DEFENCE - EXHIBITION GOODS)	1009106	100911	133202	7023	50010	291146
		11	PLASMA 42 INCH - ORIGIN KOREA - ALL OTHR DTLS AS PER CARNET - NO. IL48588/12 (DEFENCE EXHIBITION GOODS)	6559190	655919	865813	45652	325063	1892447
		12	LCD SCREEN 32 INCH - ORIGIN KOREA - (ALL OTHR DETLS AS PER C ARNET NO. IL48588/12 (DEFENCE EXHIBITION GOODS)	181639	18164	23976	1264	9002	52406
		13	ACCESSORIES AND CABLES - (ALL OTHR DETLS AS PER CARNET NO. I - L48588/12 (DEFENCE EXHIBITION GOODS)	40364	4036	5328	281	2000	11646
		14	LCD SCREEN 24 INCH - ORIGIN KOREA - (ALL OTHR DETLS AS PER C ARNET NO. IL48588/12 (DEFENCE EXHIBITION GOODS)	343096	34310	45289	2388	17003	98990
		15	SPEAKER - ORIGIN CHINA - (ALL OTHR DETLS AS PER CARNET NO. I - L48588/12 (DEFENCE EXHIBITION GOODS)	10091	1009	1332	70	500	2911
		16	ACCESSORIES AND CABLES - (ALL OTHR DETLS AS PER CARNET NO. I - L48588/12 (DEFENCE EXHIBITION GOODS)	30273	3027	3996	211	1500	8734
Total duty recoverable									3792172

**LEGAL PROVISIONS IN RESPECT OF IMPORTED GOODS:**

6. The relevant provisions of the Customs Act, 1962 and the rules made there under are as follows: -

**(A) Section 143. Power to allow import or export on execution of bonds in certain cases. -**

- Where this Act or any other law requires anything to be done before a person can import or export any goods or clear any goods from the control of officers of customs and the 1 [Assistant Commissioner of Customs or Deputy Commissioner of Customs] is satisfied that having regard to the circumstances of the case, such thing cannot be done before such import, export or clearance without detriment to that person, the 1 [Assistant Commissioner of Customs or Deputy Commissioner of Customs] may, notwithstanding anything contained in this Act or such other law, grant leave for such import, export or clearance on the person executing a bond in such amount, with such surety or security and subject to such conditions as the 1 [Assistant Commissioner of Customs or Deputy Commissioner of Customs] approves, for the doing of that thing within such time after the import, export or clearance as may be specified in the bond.
- If the thing is done within the time specified in the bond, the 1 [Assistant Commissioner of Customs or Deputy Commissioner of Customs] shall cancel the bond as discharged in full and shall, on demand, deliver it, so cancelled, to the person who has executed or who is entitled to receive it; and in such a case that person shall not be liable to any penalty provided in this Act or, as the case may be,

in such other law for the contravention of the provisions thereof relating to the doing of that thing.

3. ***If the thing is not done within the time specified in the bond, the 1 Assistant Commissioner of Customs or Deputy Commissioner of Customs] shall, without prejudice to any other action that may be taken under this Act or any other law for the time being in force, be entitled to proceed upon the bond in accordance with law.***

B. **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.

C. **Section 46(4)** 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 as may be prescribed].

**Section 46(4A)** The importer who presents a bill of entry shall ensure the following, namely :—

- a. the accuracy and completeness of the information given therein;
  - b. the authenticity and validity of any document supporting it; and
  - c. compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.]”
3. In the present case, it appears that the said importer has failed to discharge the conditions laid down under Notification No. 157/90-Cus dated 28.03.1990 inasmuch as they claimed the benefit of 157/90-Customs, dated the 28th March, 1990 the said importer has also not submitted documentary evidence pertaining to re-export of the said imported goods within prescribed time limit. Thus, the said importer appears to have not complied with the conditions of the said Notification, and undertaking given in the Re-export Bond. Thus, the said importer appears to have wrongly claimed and availed the benefit of the above-mentioned notification and therefore contravened the above said provisions with an intent to evade payment of Customs Duty leviable and payable on the import of subject goods. It appears that the said importer had contravened the provisions of sub-section (4) and (4A) of Section 46 of the Customs Act, 1962 in as much as while filing Bill of Entry, they had to ensure the accuracy and completeness of the information given therein for assessment of Customs duty. Therefore, the said importer appears liable to pay the Customs duty amounting to **Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and**

**Seventy Two Only)** in respect of the said imported goods along with interest at the applicable rate, in terms of the condition of Re-export Bond executed by the importer and Section 143 of the Customs Act, 1962 and also the Re-export Bond furnished by the importer is required to be enforced / appropriated for such recovery.

8. Whereas, as per clause (o) of Section 111 of the Customs Act, 1962, any goods exempted, subject to any condition, from duty or any prohibition in respect of

the import thereof under the Customs Act, 1962 or any other law for the time being in force, in respect of which the condition is not observed, shall be liable to confiscation. As the exemption under Notification No. 157/90-Customs, dated the 28th March, 1990 was granted to the said re-imported goods subject to the condition of their re- exportation within prescribed time limit, whereas the said condition has not been observed, therefore, the aforesaid goods appear liable for confiscation under Section 111(o) of the Customs Act, 1962. Therefore, the said re-imported goods totally valued at **Rs. 1,31,43,608/- (Rupees One Crore Thirty One Lakh Fourty Three Thousand Six Hundred and Eight Only)**, appear liable for confiscation under Section 111(o) of the Customs Act, 1962.

9. The aforesaid acts of omission and commission on the part of the said importer appear to have rendered them liable to penalty as provided under Section 112(a) / 114A of the Customs Act, 1962.
10. Therefore, SCN F. No. CUS/APR/MISC/2706/2024-Gr 5-6 dated 20.07.2024 was issued to **M/s Defence Exhibition Organisation**, (IEC-0100000096) having address at (Govt. Of. India, Ministry of Defence), Defence Pavilion, Pragati Maidan, New Delhi-110001 to show cause to the Additional Commissioner of Customs, having office at PUB Building, Custom House, Mundra as to why: -
  - i. The exemption under Notification No. 157/90-Customs, dated the 28th March, 1990, claimed and availed in respect of Bill of Entry No.6240674 dated 13.03.2012 should not be denied.
  - ii. The imported goods of declared Assessable value of **Rs. 1,31,43,608/- (Rupees One Crore Thirty One Lakh Fourty Three Thousand Six Hundred and Eight Only)**, should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962 read with conditions of Bond executed in terms of Section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990 as amended / applicable and why redemption fine should not be imposed in lieu of confiscation under Section 125 of the Customs Act, 1962;
  - iii. Duty forgone amount of Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only) along with applicable interest (from the date of clearance of goods to the date of payment of duty) should not be demanded and recovered in terms of conditions of Bond executed under section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990, as amended / applicable from them.
  - iv. Penalty should not be imposed on the importer under Section 112(a)/114A of the Customs Act, 1962 for the acts of omission and commission.
  - v. Re-export Bond furnished by the importer should not be enforced in terms of Section 143(3) of the Customs Act, 1962 for recovery of the duty, interest, penalty and Redemption Fine leviable on the importer, if any.

#### **RECORD OF PERSONAL HEARING**

11. The personal hearing dates scheduled on 30.06.2025, 10.07.2025 and 17.07.2025 were informed to the importer in pursuit of following the principal of natural justice. However, no one appeared for personal hearing, neither any submission on the in the matter was received from them. Therefore, the case has been taken up for finalization based on the documents available on the records.

## **DISCUSSION & FINDING**

**12.** I have carefully gone through the case records and applicable provisions of Law. I proceed to decide the case on the basis of facts and documentary evidences available on records. The main issues before me are to decide whether-

- i. The exemption under Notification No. 157/90-Customs, dated the 28th March, 1990, claimed and availed in respect of Bill of Entry No.6240674 dated 13.03.2012 should not be denied.
- ii. The imported goods of declared Assessable value of **Rs. 1,31,43,608/- (Rupees One Crore Thirty One Lakh Fourty Three Thousand Six Hundred and Eight Only)**, should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962 read with conditions of Bond executed in terms of Section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990 as amended / applicable and why redemption fine should not be imposed in lieu of confiscation under Section 125 of the Customs Act, 1962;
- iii. Duty forgone amount of Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only) along with applicable interest (from the date of clearance of goods to the date of payment of duty) should not be demanded and recovered in terms of conditions of Bond executed under section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990, as amended / applicable from them.
- iv. Penalty should not be imposed on the importer under Section 112(a)/114A of the Customs Act, 1962 for the acts of omission and commission.
- v. Re-export Bond furnished by the importer should not be enforced in terms of Section 143(3) of the Customs Act, 1962 for recovery of the duty, interest, penalty and Redemption Fine leviable on the importer, if any.

**13.** I find that **M/s Defence Exhibition Organisation**, (IEC-0100000096) having address at (Govt. Of. India, Ministry of Defence), Defence Pavilion, Pragati Maidan, New Delhi- 110001 (hereinafter referred as "the importer") had filed the Bill of Entry No. 6240674 dated 13.03.2012 for Defence Exhibition of the goods under Notification No. 157/90- Cus dated 28.03.1990, as amended and submitted RE Bond No. 2000252612 dated 19.03-2012 for Rs. 1,67,00,000/-.

**14.** I find that As per department comments, Total Six ATA carnet certificate nos. (1) 48567/12 dated 02.02.2012, (2) 48576/12 dated 06.02.2012, (3) 48585/12 dated 07.02.2012, (4) 48588/12 dated 07.02.2012, (5) 48580/12 dated 07.02.2012 and (6) 48568/12 dated 02.02.2012 have been produced. All these carnets have been found duly certificated by the Chamber of Commerce of Isreal and Customs Authorities of Isreal. The importer also produced six certificates, all dated 28.02.2012 issued by Director, FICCI, New Delhi in support of their claim for the benefits of exemption notification.

**15.** I find that as per Notification No.157/90-Customs, dated the 28th March, 1990, the said goods shall be exported within time of six months from the date of importations. In the present case, the goods were imported vide Bill of Entry No. 6240674 dated 13.03.2012. The importer, even after expiry of one

year from the import of the said goods, the said importer had not submitted proof of re-exportation of the said goods to the satisfaction of the Deputy / Assistant Commissioner of Customs, Therefore, consultative clarification letters F. No. CUS/APR/MISC/2706/2024-Gr 5-6 dated: -19.03.2024 and 18.06.2024 have been issued to the said importer informing that the re-export bond was still pending for closure, requesting to submit all the documents pertaining to re-export of the goods within prescribed time limit, failing which action under the provisions of the Customs Act, 1962 would be initiated. However, as per the available records, the said importer has not submitted the required documents and therefore the aforesaid Bonds have not been closed.

**16.** I find that As per the provisions of Section 143 of the Customs Act, 1962, the said imported goods were allowed clearance by proper officer on execution of bond by the importer wherein the importer bounded themselves to discharge liability in certain manner, which they have failed to do so in as much as the re-imported goods covered under Notification No. 157/90-Customs, dated the 28th March, 1990 have not proof of re-exportation of the subject goods within prescribed time limit. Thus, the said importer has not complied with the conditions of the said Notification, and undertaking given in the Re-export Bond.

**17.** I find that importer is liable to pay duty forgone of **Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only)** as calculated under, on the said imported goods along with interest at the applicable rate on the imported goods in terms of conditions of the said Notification and conditions of the bond executed by the importer read with Section 143 of the Customs Act, 1962.

**18.** I find that the importer has failed to discharge the conditions laid down under Notification No. 157/90-Cus dated 28.03.1990 inasmuch as they claimed the benefit of 157/90-Customs, dated the 28th March, 1990 the said importer has also not submitted documentary evidence pertaining to re-export of the said imported goods within prescribed time limit. Thus, the said importer has not complied with the conditions of the said Notification, and undertaking given in the Re-export Bond. Thus, the said importer has wrongly claimed and availed the benefit of the above-mentioned notification and therefore contravened the above said provisions with an intent to evade payment of Customs Duty leviable and payable on the import of subject goods. I find that the said importer had contravened the provisions of sub-section (4) and (4A) of Section 46 of the Customs Act, 1962 in as much as while filing Bill of Entry, they had to ensure the accuracy and completeness of the information given therein for assessment of Customs duty. Therefore, the said importer is liable to pay the Customs duty amounting to **Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only)** in respect of the said imported goods along with interest at the applicable rate, in terms of the condition of Re-export Bond executed by the importer and Section 143 of the Customs Act, 1962 and also the Re-export Bond furnished by the importer is required to be enforced / appropriated for such recovery.



**19.** I find that as per clause (o) of Section 111 of the Customs Act, 1962, any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under the Customs Act, 1962 or any other law for the time being in force, in respect of which the condition is not observed, shall be liable to confiscation. As the exemption under Notification No. 157/90-Customs, dated the 28th March, 1990 was granted to the said re-imported goods subject to the condition of their re- exportation within prescribed time limit, whereas the said condition has not been observed, therefore, the aforesaid goods are liable for confiscation under Section 111(o) of the Customs Act, 1962. Therefore, the said re-imported goods totally valued at **Rs. 1,31,43,608/- (Rupees One Crore Thirty One Lakh Fourty Three Thousand Six Hundred and Eight Only)**, are liable for confiscation under Section 111(o) of the Customs Act, 1962. I find that the aforesaid acts of omission and commission on the part of the said importer have rendered them liable to penalty as provided under Section 112(a) / 114A of the Customs Act, 1962.

**20.** Section 111. Confiscation of improperly imported goods, etc. –

*The following goods brought from a place outside India shall be liable to confiscation: -*

*(a) --*

--

*(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;*

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;*

**21.** In view of the foregoing discussion and findings, I pass the following order:

**ORDER**

- i. I order to reject the exemption under Notification No. 157/90-Customs, dated the 28th March, 1990, claimed and availed in respect of Bill of Entry No.6240674 dated 13.03.2012.
- ii. I order for confiscation of the goods of declared Assessable value of Rs. **1,31,43,608/- (Rupees One Crore Thirty One Lakh Forty Three Thousand Six Hundred and Eight Only)** under Section 111(o) of the Customs Act, 1962 read with conditions of Bond executed in terms of section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990 as amended / applicable. I impose a Redemption Fine of **Rs.13,00,000 /- (Rs. Thirteen Lakhs Only)** under section 125 of the Customs Act, 1962.
- iii. I order to demand and recover the Duty forgone amount of **Rs 37,92,172/- (Rupees Thirty Seven Lakh Ninety Two Thousand One Hundred and Seventy Two Only)** along with applicable interest in terms of Bond executed under Section 143 of the Customs Act, 1962 read with Notification No. 157/90- Customs, dated the 28th March, 1990 as amended / applicable.
- iv. I order to impose penalty of **Rs. 3,50,000/- (Rs. Three Lakh Fifty Thousand only)** under Section 112(a)(ii) of Customs Act, 1962.
- v. I order to enforce the Re-export Bond furnished by the importer under Section 143(3) of the Customs Act, 1962 for recovery of the duty, interest, penalty and Redemption Fine.

**22.** This order is issued without prejudice to any other action which may be contemplated against the importer or any other person under provisions of the Customs Act, 1962 and rules/regulations framed thereunder or any other law for the time being in force in the Republic of India.

**(DIPAK ZALA)**

ADDITIONAL COMMISSIONER OF CUSTOMS  
CUSTOMS HOUSE, MUNDRA

**To,**

**M/s Defence Exhibition Organisation,** (IEC-0100000096)  
(Govt. Of. India, Ministry of Defence), Defence Pavilion,  
Pragati Maidan, New Delhi-110001

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