



भारत सरकार/ Government of India
वित्त मंत्रालय/ Ministry of Finance
आयुक्त सीमा शुल्क एनएस-II का कार्यालय,
केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमा शुल्क
भवन
न्हावा शेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -400
707
OFFICE OF THE COMMISSIONER OF CUSTOMS,
NS-II
CENTRALIZED ADJUDICATION CELL,
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA
SHEVA,
DIST- RAIGAD, MAHARASHTRA-400707



द.प.सं./DIN: 20260278NT0000222C94

फ़ा.सं. /F. No.: CUS/ASS/MISC/48/2025-CEAC/JNCH

Date of Order: 05.02.2026

Date of Issue: 05.02.2026

जारीकर्ता/Passed By: **Shri Raghu Kiran B.,**
Commissioner of Customs (In-situ),
CEAC, NS-II, JNCH, Nhava Sheva.

मूल आदेश सं./Order-In-Original No.: 1583 /2025-26/ADC/CEAC/NS-II/JNCH

निर्यातक का नाम/ : मेसर्स भारत सिल्क (आयात निर्यात कोड: 3999001160)

Exporter's Name **M/s. Bharat Silks (IEC-3999001160)**

मूल आदेश

1. यह प्रति जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निः शुल्क दी जाती है।
2. इस आदेश के विरुद्ध अपील सीमाशुल्क अधिनियम 1962 की धारा 128 (1) के तहत इस आदेश की संसूचना की तारीख से साठ दिनों के भीतर सीमाशुल्क आयुक्त (अपील), जवाहरलाल नेहरू सीमाशुल्क भवन, शेवा, ता. उरण, जिला - रायगढ़ - 400 707, महाराष्ट्र को की जा सकती है। अपील दो प्रतियों में होनी चाहिए और सीमाशुल्क (अपील) नियमावली, 1982 के अनुसार फॉर्म सी.ए.-1 संलग्नक में की जानी चाहिए। अपील पर न्यायालय फीस के रूप में 2.00 रुपये मात्र का स्टॉप लगाया जायेगा और साथ में यह आदेश या इसकी एक प्रति लगायी जायेगी। यदि इस आदेश की प्रति संलग्न की जाती है तो इस पर न्यायालय फीस के रूप में 2.00 रुपये का स्टॉप भी लगाया जायेगा जैसा कि न्यायालय फीस अधिनियम 1870 की अनुसूची 1, मद 6 के अंतर्गत निर्धारित किया गया है।
3. इस निर्णय या आदेश के विरुद्ध अपील करने वाला व्यक्ति अपील अनिर्णीत रहने तक, शुल्क या शास्ति के संबंध में विवाद होने पर माँगे गये शुल्क के 7.5% का, अथवा केवल शास्ति के संबंध में विवाद होने पर शास्ति का भुगतान करेगा।

ORDER-IN-ORIGINAL

1. This copy is granted free of charge for the use of the person to whom it is issued.
2. An appeal against this order lies with the Commissioner of Customs (Appeal), Jawaharlal Nehru Custom House, Nhava Sheva, Tal: Uran, Dist.: Raigad, Maharashtra - 400707 under section 128(1) of the Customs Act, 1962 within sixty days from the date of communication of this order. The appeal should be in duplicate and should be filed in Form CA-1 Annexure on the Customs (Appeal) Rules, 1982. The Appeal should bear

a Court Fee stamp of Rs.1.50 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. 1.50 only as prescribed under Schedule 1, item 6 of the Court Fee Act, 1970.

3. Any person desirous of appealing against this decision or order shall, pending the appeal, make 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

On the basis of the dock's reasonable belief that the Exporter **M/s. Bharat Silks (IEC-3999001160)** having address **154, Bommasandra Industrial Area, Bangalore-560099** (hereinafter referred to as the 'Exporter') was attempting to export goods declared as 'Girls Frocks' (hereinafter called as 'the goods') vide Shipping Bills **Nos. 6069756 & 6046023, both dtd. 30.11.2024 (RUD-I)** by way of Mis-declaration/Mis-classification of goods, filed through their Customs Broker M/s. **Tripath Logistics Pvt. Ltd. (CHA License No: 11/2092)** (hereinafter referred to as the 'Customs Broker'), from Nhava Sheva Sea Port, SIIB (X), JNCH started investigation into the said consignment. The details of the said Shipping Bills are tabulated as below:

Table- I

S/B No. and Date	Description of Goods	FOB (Rs.)	Scheme Code	Drawback (Rs.)	ROSCTL (Rs.)	IGST (Rs.)
6069756/ 30.11.2024	1. Girls Frock- Style No.102844-100% cotton printed fabric of 105GSM, with trim fabric of 100% polyester dyed fabric of 24GSM	1,13,63,401.06	60	3,34,678	5,03,568	LUT
	2. Girls Frock- Style No.102853-100% polyester yarn dyed boucle Fabric of 410GSM, with lining of 100% polyester dyed fabric of 65GSM		60			
	3. Girls Frock- Style No.103600-100% polyester printed fabric of 88GSM, with lining of 100% polyester dyed fabric of 65GSM		60			
6046023/ 30.11.2024	1. Girls Frock- Style No.102620-100% cotton printed fabric of 75GSM, with trim	97,91,454.38	60	2,47,432	4,94,312	LUT

100% polyester dyed fabric of 24GSM				
2. Girls Frock- Style No.102856-100% cotton printed fabric of 93GSM	64			
3. Girls Frock- Style No.102867-100% cotton printed fabric of 75GSM, with lining of 100% cotton dyed fabric of 108GSM	60			

2. The goods covered under the Shipping Bills were examined 100% under Panchanama on 28.12.2024(**RUD-II**) by the officer's of SIIB (X), JNCH, in the presence of authorized representative of the Customs Broker wherein it was found that in the Shipping Bills, the goods were found mis-declared in terms of declared description/classification as detailed in table-II. Thereafter, the goods were seized vide Seizure memo dtd. 28.12.2024 owing to mis-declaration. Further, Representative Sealed Samples (RSS) of the goods were also drawn in triplicate, in order to ascertain the nature, composition, correct classification and valuation of the goods. Also, an alert was inserted in ICES system suspending IGST and other export incentives of the Exporter.

Table-II:

S/B No. and Date	Description of Goods	Scheme Code	Decl. Qty.	Qty found as decl.	Qty. Found Mis-declared				
					Age-wise break-up of mis declared Qty				
					6-12M	12-18M	18-24M	2yr	
6069756/ 30.11.24	1. 100% cotton printed fabric of 105GSM, with trim fabric of 100% polyester dyed fabric of 24GSM	60	4196	2989	1207				
					234	283	277	413	
	2. 100% polyester yarn dyed boucle Fabric of 410GSM, with lining of 100% polyester dyed fabric of 65GSM	60	3880	2765	1115				
					217	271	243	384	
6046023/ 30.11.24	3. 100% polyester printed fabric of 88GSM, with lining of 100% polyester dyed fabric of 65GSM	60	1853	1539	314				
					41	64	68	141	
	1. 100% cotton printed fabric of 75GSM, with trim 100% polyester dyed fabric of 24GSM	60	3905	0	3905				
					0-3M	3-6M	6-12M	12-18M	18-24M
					572	722	926	956	729
6046023/ 30.11.24	2. 100% cotton printed fabric of 93GSM	64	2316	1899	417				
					56	89	96	176	
	3. 100% cotton printed fabric of 75GSM, with lining of 100% cotton dyed fabric of 108GSM	60	4661	3381	1280				
					243	301	280	456	

3. In order to ascertain the nature, composition and correct classification of the subject goods, the Representative Sealed Samples, drawn during the Panchanama, were sent to the DYCC Lab, JNCH in response of which DYCC lab, JNCH forwarded its reports (**RUD-III**) as below-

Table- III

S/B No. and Date	Description of Goods	DYCC Test Report	Date of the report	Inference of the report
6069756/ 30.11.2024	1. Girls Frock- Style No.102844-100% cotton printed fabric of 105GSM, with trim fabric of 100% polyester dyed fabric of 24GSM	Composition: Base & Lining Fabric is wholly made of Cotton Net Fabric is wholly made of Polyester	22.01.2025	As Declared
	2. Girls Frock- Style No.102853-100% polyester yarn dyed boucle Fabric of 410GSM, with lining of 100% polyester dyed fabric of 65GSM	Dyed base material & inner lining woven fabric is made of Polyester	16.01.2025	As Declared
	3. Girls Frock- Style No.103600-100% polyester printed fabric of 88GSM, with lining of 100% polyester dyed fabric of 65GSM	Base woven fabric & inner lining is wholly composed of Polyester	11.01.2025	As Declared
6046023/ 30.11.2024	1. Girls Frock- Style No.102620-100% cotton printed fabric of 75GSM, with trim 100% polyester dyed fabric of 24GSM	Composition: Base & Lining Fabric is made of Cotton Net Fabric is made of Polyester	31.01.2025	As Declared
	2. Girls Frock- Style No.102856-100% cotton printed fabric of 93GSM	Composition: Top Portion - wholly composed of Cotton Lower Portion - wholly composed of Cotton	28.01.2025	As Declared
	3. Girls Frock- Style No.102867-100% cotton printed fabric of 75GSM, with lining of 100% cotton dyed fabric of 108GSM	Printed woven fabric, dyed woven lining fabric & white woven lining fabric all are wholly composed of Cotton	16.01.2025	As Declared

From the DYCC report, the goods were found as declared in terms of Composition. Further, certain items listed under the said Shipping Bill were also mis-declared with respect to their classification. The details of such mis-classification are provided in the table below:

Table-IV

S/B No. and Date	Description of Goods	Declared CTH, Drawback Sr. No & RoSCTL Sr. No	Re-determined CTH Drawback Sr. No. & RoSCTL Sr. No.
6069756/ 30.11.2024	1. Girls Frock- Style No.102844-100% cotton printed fabric of 105GSM, with trim fabric of 100% polyester dyed fabric of 24GSM	CTH- 62044290 DBK Sr. No. 62040301B @3% (Cap- Rs. 48.6 per piece) Rosctl Sr. No. 62040301B {State @ 3.6% (Cap- Rs. 37.4 per piece) & Centre @ 2.45% (Cap- Rs. 25.5 per piece)}	CTH- 62092000 DBK Sr. No. 620901 @2.5% (Cap- Rs. 17.4 per piece) Rosctl Sr. No. 620901 {State @ 2.25% (Cap- Rs. 8.9 per piece) & Centre @ 1.64%}

	2. Girls Frock- Style No.102853-100% polyester yarn dyed boucle Fabric of 410GSM, with lining of 100% polyester dyed fabric of 65GSM	CTH- 62044390 DBK Sr. No. 62040303B @2.9% (Cap- Rs. 40.2 per piece) Rosctl Sr. No. 62040303B {State @ 2.65% (Cap- Rs. 23.3 per piece) & Centre @ 2.1% (Cap- Rs. 18.5 per piece)}	CTH- 62093000 DBK Sr. No. 620903 @2.7% (Cap- Rs. 29.8 per piece) Rosctl Sr. No. 620903 {State @ 2.1% (Cap- Rs. 8.6 per piece) & Centre @ 1.7%}
	3. Girls Frock- Style No.103600-100% polyester printed fabric of 88GSM, with lining of 100% polyester dyed fabric of 65GSM	CTH- 62044390 DBK Sr. No. 62040303B @2.9%(Cap- Rs. 40.2 per piece) Rosctl Sr. No. 62040303B {State @ 2.65% (Cap- Rs. 23.3 per piece) & Centre @ 2.1% (Cap- Rs. 18.5 per piece)}	CTH- 62093000 DBK Sr. No. 620903 @2.7% (Cap- Rs. 29.8 per piece) Rosctl Sr. No. 620903 {State @ 2.1% (Cap- Rs. 8.6 per piece) & Centre @ 1.7%}
6046023/ 30.11.2024	1. Girls Frock- Style No.102620-100% cotton printed fabric of 75GSM, with trim 100% polyester dyed fabric of 24GSM	CTH- 62044290 DBK Sr. No. 62040301B @3% (Cap- Rs. 48.6 per piece) Rosctl Sr. No. 62040301B {State @ 3.6% (Cap- Rs. 37.4 per piece) & Centre @ 2.45% (Cap- Rs. 25.5 per piece)}	CTH- 62092000 DBK Sr. No. 620901 @2.5% (Cap- Rs. 17.4 per piece) Rosctl Sr. No. 620901 {State @ 2.25% (Cap- Rs. 8.9 per piece) & Centre @ 1.64%}
	2. Girls Frock- Style No.102856-100% cotton printed fabric of 93GSM	CTH- 62044290 DBK Sr. No. 62040301D @1.3% Rosctl Sr. No. 62040301D (State @ 1.37% & Centre @ 1.08%)	CTH- 62092000 No Export incentive for the mis-declared quantity as the goods are mis-declared under Special Advance Authorisation
	3. Girls Frock- Style No.102867-100% cotton printed fabric of 75GSM, with lining of 100% cotton dyed fabric of 108GSM	CTH- 62044290 DBK Sr. No. 62040301B @3% (Cap- Rs. 48.6 per piece) Rosctl Sr. No. 62040301B {State @ 3.6% (Cap- Rs. 37.4 per piece) & Centre @ 2.45% (Cap- Rs. 25.5 per piece)}	CTH- 62092000 DBK Sr. No. 620901 @2.5% (Cap- Rs. 17.4 per piece) Rosctl Sr. No. 620901 {State @ 2.25% (Cap- Rs. 8.9 per piece) & Centre @ 1.64%}

From the above **Table-IV**, it emerges that some of the goods declared as “**Girls Frock**” are found to be “**Babies Frock**” hence they were mis-declared & mis-classified thereby, the correct CTH & export incentives were re-determined accordingly.

4. Market Enquiry in the matter, was proposed as the same price was declared for the goods of all age groups, generating a reasonable doubt regarding the truth or accuracy of such value.

However, later on, it was noticed that the ‘Janie and Jack’ brand, is a well-established premium brand in the United States of America, for Children’s Ready-made garments which was earlier owned by GAP Inc. having its own website i.e. https://www.janieandjack.com/girls-clothing?lang=en_US. **On scrutiny of the website, it was observed that goods similar to the subject goods are sold at the same price irrespective of the age group** (screenshots of the website attached below). Further, it was also observed that price of the goods declared in the Shipping Bills is approximately 30-40% of the retail price of similar goods mentioned on their website.

Accordingly, it appeared that the declared value of the goods in the subject Shipping Bills was fair and the declared value of the subject goods was accepted under the provisions of Rule 3(1) of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 read with Section 14(1) of the Customs Act, 1962.

5. As the goods were Mis-declared in terms of Description & classification, the export incentives have been re-determined as follows:

Table-V

S/B No. and Date	Description of Goods	Total Qty Declared	Qty found as Mis-Declared	Declared DBK	Re-determined DBK	Declared Rosctl	Re-determined Rosctl
6069756/ 30.11.24	1. Girls Frock-Style No.102844- 100% cotton printed fabric of 105GSM, with trim fabric of 100% polyester dyed fabric of 24GSM	4196	1207	154170.27	130824.24	263928.40	222993.88
	2. Girls Frock-Style No.102853- 100% polyester yarn dyed boucle Fabric of 410GSM, with lining of 100% polyester dyed fabric of 65GSM	3880	1115	127272.27	123919	162184.00	146606.2
	3. Girls Frock-Style No.103600- 100% polyester printed fabric of 88GSM, with lining of 100% polyester dyed fabric of 65GSM	1853	314	53235.1	52614.28	77455.40	72318.74
6046023/ 30.11.24	1. Girls Frock-Style No.102620- 100% cotton printed fabric of 75GSM, with trim 100% polyester dyed fabric of 24GSM	3905	3905	84715.85	67947	170843.63	81067.8

2. Girls Frock-Style No.102856- 100% cotton printed fabric of 93GSM	2316	417	35414.6	29037.65	66742.89	54710.19
3. Girls Frock-Style No.102867- 100% cotton printed fabric of 75GSM, with lining of 100% cotton dyed fabric of 108GSM	4661	1280	127301.79	92341.87	256725.28	216726.71
TOTAL			5,82,109.88	4,96,684.04	9,97,879.6	7,94,423.52

6. As requested by the Exporter, a NOC dated 09.01.2025(RUD-IV) for provisional release of the subject goods for the purpose of Back to Town (BTT), was given by SIIB (X), JNCH to CEAC, JNCH and accordingly, provisional release of the subject goods, after submission of Bond of 100% of the value of the goods and Bank Guarantee of **Rs.10,00,000/- (Rupees Ten Lakh only)**, by the Exporter.

7. Statement of Shri Rajul Poddar, Senior Manager Import & Export, M/s. Bharat Silks was recorded by SIIB (X) under Section 108 of the Customs Act, 1962, wherein he stated, inter-alia, that firm M/s. Bharat Silks (IEC-3999001160) is a Two-star Export house and is engaged in the business of manufacturing of ready-made garments for sale in both domestic & overseas market. Further he accepted the mis-declaration for the aforesaid 02 Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 as they declared babies' garments under the description & CTH of Girls garments further he stated the reason that they were regularly exporting girls' frocks and this was their first shipment containing babies frocks. Since they were not aware of technical difference between the two, hence they declared all the goods under girls frock as per common parlance.

7.1 Further, he stated that the fabric from which the subject goods have been made was imported and they wanted to claim drawback under Brand rate Fixation but due to some mis-communication with their Customs Broker the CB filed the Shipping Bill under regular drawback scheme. As they generally export their goods under Advance Authorization and this shipment was also meant to be exported under the same but due to the delay in getting the Advance authorization they imported the Fabric by paying the import duty and thought that they will apply for brand rate fixation as done in the past. Further, the drawback incentives are usually higher in brand rate fixation vis-à-vis the All India Industry rate for

the regular drawback scheme therefore, there was no such ill-intention for mis-declaration in order to claim higher export incentives.

7.2 Further, he stated that this was their first order for babies garments as earlier they used to export only Girls Frocks and in the past shipping bills wherever open examination was conducted no discrepancy was found. This is a bona-fide error on their part which they accept. Further, he stated that they majorly import their goods from Bengaluru & he accepted examination done under Panchanama dated 28.12.2024. Moreover, he admitted that they did not inform their CB about the mis-declaration as they themselves were not aware about it.

8. Statement of Shri Arun Ganpat Kumbhare, the authorized representative (G Card Holder) of the Customs Broker firm M/s Tripath Logistics Pvt. Ltd. (CHA License No: 11/2092) was recorded by SIIB (X) on 07.08.2025 under Section 108 of the Customs Act, 1962, wherein he stated, inter-alia, that he has been working in the CB firm for the last 09 years. Further, he stated that they have taken KYC documents of the Exporter like IEC, GST no., Bank Statement etc. and also stated the obligations of the Customs Broker but they did not visit the premise of the Exporter.

8.1 Further, he stated that they had filed the aforesaid Shipping Bill No. 6069756 & 6046023 both dtd. 30.11.2024, on behalf of the Exporter M/s Bharat Silks (IEC-3999001160) & the exporter submitted invoice, packing list & Special Advance Authorization to their office for filing the said shipping bill on behalf of exporter. He also agreed with the mis-declaration.

8.2 Moreover, he stated that they have filed the shipping bill as per the documents provided by the exporter & in the documents only Girls frocks of different composition were mentioned and they filed the shipping bill accordingly. They were not aware of the mis-declaration they only came to know about the same after examination of the goods by SIIB (X).

8.3 Further, the Exporter is their old & trusted client from the past few years and in the previous shipments which were opened & examined no discrepancy was found so they relied upon the documents provided by the exporter and filed the shipping bill accordingly and there was no reason to doubt or think otherwise.

9. The past data of the Shipping Bills, filed by the exporter was retrieved from ICES 1.5 system and it was seen that BRC has been realized for all the shipping bills filed by the exporter for which the LEO has been granted w.e.f 01.04.2021 and the statutory period of 09(nine) months has been completed. As the BRC has been realized for the above-mentioned shipping bills within the period of 09 (Nine) months, therefore, no export incentive appears recoverable.

10. The principle that "ignorance of law is no excuse" (ignorantia juris non excusat) is a well-established maxim in Indian jurisprudence, particularly in customs and excise / GST matters. It holds that unawareness or ignorance of statutory provisions under the Customs Act, 1962, cannot mitigate or condone violations, including penalties under Sections 112, 114A, or 114. Bombay High Court Judgement in the case of Ajay Melwani vs The State of Maharashtra, 2024, wherein, it is pronounced that **"Ignorance of law is no excuse for breaking it' is one of the essential principles of jurisprudence. The rationale behind this principle is that if ignorance was an excuse, every person who is charged for any offence or involved in a crime would merely claim that he was unaware of the law in question in order to avoid liability, even though he was well aware of the consequences of breaking the law. The law enforcement machinery shall come to a grinding halt if ignorance is accepted as a defence. It can also lead to mishandling of law on the part of law breakers and this can never be the intention of Legislature to protect the law breakers by providing a shield of ignorance. The Supreme Court in its decision in the case of State of Bengal v. Administrator, Howrah sns 2-apl-578-2021-J.doc Municipality and Ors.2 held that the Assistant Divisional Manager of the Company-Appellant to not be an illiterate person or so ignorant person who could not calculate the period of limitation and such appeals filed by such companies daily."**

11. **Relevant provisions of law applicable in this case:**

11.1 **Customs Act, 1962:**

Section 50: Entry of goods for exportation-

(1) The Exporter of any goods shall make entry thereof by presenting [electronically] [on the customs automated system] to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export [in such form and manner as may be prescribed]:

Provided that the [Principal Commissioner of Customs or Commissioner of Customs] may, in cases where it is not feasible to make entry by presenting electronically [on the customs automated system], allow an entry to be presented in any other manner.]

(2) The Exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents.

(3) The Exporter who presents a shipping bill or bill of export under this section 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.

Section 113: Confiscation of goods attempted to be improperly exported, etc.-

(i) Any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under section 77, shall be liable to confiscation;

(ia) Any goods entered for exportation under claim for drawback which do not correspond in any material particular with any information furnished by the Exporter or manufacturer under this Act in relation to the fixation of the rate of drawback under Section 75, shall be liable to confiscation.

(ja) Any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force;

Section 114: Penalty for attempt to export goods improperly, etc.-

(iii) Any person 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 113, or abets the doing or omission of such an act, shall be liable, in the case of any other goods, to a penalty not exceeding the value of the goods as declared by the Exporter or the value as determined under this Act, whichever is the greater;

11.2 Foreign Trade (Development and Regulation) Act, 1992:

Section 11: (1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made there under and the foreign trade policy for the time being in force.

11.3 Foreign Trade (Regulation) Rules, 1993:

Rule 11: On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.

12. On the basis of the above investigation it appears that, the Exporter M/s. Bharat Silks (IEC-3999001160) having address 154, Bommasandra Industrial Area, Bangalore-560099, have filed Shipping Bills Nos. 6069756 & 6046023 both dtd. 30.11.2024, having total

declared FOB of Rs. **2,11,54,855.44/-** (Rupees Two Crore Eleven lakh fifty-four thousand Eight hundred fifty-five & forty-four paise only) through their Customs Broker M/s. Tripath Logistics Pvt. Ltd. (CHA License No: 11/2092), for export of goods declared as 'Girls Frock', under Chapter 62 claiming Drawback and RoSCTL under Export Promotion Scheme Code '60' and '64' and since the said goods were mis-declared in terms of description & classification, therefore the goods covered under Shipping Bills No.6069756 & 6046023 both dtd. 30.11.2024, have become liable for confiscation under Section 113(i), 113(ia) and 113(ja) of the Customs Act, 1962.

13. From the above it also appears that the declared Drawback of both the aforementioned shipping bills of Rs. **5,82,110/-** (Rupees Five Lakh Eighty-two Thousand One hundred ten only) has become liable for rejection on account of mis-declarations and needs to re-determined as Rs. **4,96,684/-** (Rupees Four lakh Ninety-six thousand six hundred eighty-four only) and the declared RoSCTL of Rs. **9,97,880/-** (Rupees Nine lakh ninety-seven thousand eight hundred eighty only) has also become liable for rejection on account of those mis-declarations and needs to be re-determined as Rs. **7,94,424** (Seven lakh ninety-four thousand four hundred twenty-four) as mentioned in 'Table-V' above.

14. It also appears that since the subject goods have become liable for confiscation on account of mis-declarations, the Exporter M/s Bharat by virtue of these acts of commission and omission have also become liable for penal action under Section 114(iii) of the Customs Act 1962.

15. The Bond of 100% of the value of the goods and Bank Guarantee of Rs.10,00,000/- (Rupees Ten Lakh only) covered under Shipping Bills No.6069756 & 6046023 both dtd. 30.11.2024 submitted at the time of provisional release of the goods, appears to have become liable for appropriation towards recoverable dues, applicable fine and penalty.

16. The exporter M/s Bharat Silks vide their letter dt. 16.01.2026 requested for waiver of Show Cause Notice in writing as the provisions of Sections 50, 113 and 114 of the Customs Act 1962 had been explained to them orally and also submitted that they now know that their goods covered under the subject 2 Shipping Bills may have become liable for confiscation under provisions of Section 113 of the Customs Act, 1962 and that on account of these contraventions which have made the subject goods liable for confiscation they may also have become liable for penal action in terms of provisions of Section 114 of the Customs Act, 1962. They have further informed vide the said letter that they do not want any personal hearing either.

DISCUSSIONS AND FINDINGS

- i.** I have carefully gone through the facts of the case, statements, evidences put forth by the Department, relevant legal provisions and therefore proceed to decide the case.
- ii.** I have to determine whether goods covered by Shipping Bills Nos. 6069756 & 6046023, both dtd. 30.11.2024 filed by Customs Broker M/s. Tripath Logistics Pvt. Ltd. (CHA

License No: 11/2092) on behalf the Exporter M/s. Bharat Silks (IEC-3999001160) have become liable for confiscation in terms of provisions of Section 113 (i), 113 (ia) and 113 (ja) of the Customs Act, 1962 and whether on account of that M/s Bharat Silks have become liable for penal action in terms of provisions of Section 114 (iii) of the Customs Act, 1962. Therefore, I proceed further to determine these issues.

iii. **Liability of the goods towards confiscation in terms of provisions of Section 113 (i) of the Customs Act, 1962:**

I find that, on examination and further investigation, the goods covered under Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024, were found mis-declared in terms of quantity and declared description and consequently classification also. It appears that, the goods were attempted to be exported in violation of Section 50(2) and 50 (3) of the Customs Act, 1962 read with Section 11(1) of Foreign Trade (Development & Regulation) Act 1992 & Rule 11 of Foreign Trade (Regulation) Rules 1993, as Exporter had furnished wrong declaration in those two Shipping Bills. These mis-declarations of quantity, description and classification have contravened the provisions of Section 113 (i) of the Customs Act 1962, read with Section 50(2) and 50 (3) of the Customs Act, 1962 read with Section 11(1) of Foreign Trade (Development & Regulation) Act 1992 & Rule 11 of Foreign Trade (Regulation) Rules 1993. I therefore hold that the subject goods covered by Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 attempted to be exported by Exporter M/s. Bharat Silks (IEC-3999001160) have become liable for confiscation in terms of provisions of Section 113 (i) of the Customs Act, 1962.

Liability of the goods towards confiscation in terms of provisions of Section 113 (ia) of the Customs Act, 1962:

I find that examination and further investigation of the goods covered under Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 has clearly established that the subject goods were mis-declared with respect to quantity, description and classification. It is, therefore, evident that it was on account of these mis-declarations of Quantity, Description and Classification that the exporter M/s. Bharat Silks (IEC-3999001160) were attempting to claim and avail ineligible excess drawback. These mis-declarations of quantity, description and classification, which lead to ineligible excess claim for drawback, have contravened the provisions of Section 113 (ia) of the Customs Act 1962, read with Section 50(2) and 50 (3) of the Customs Act, 1962 read with Section 11(1) of Foreign Trade (Development & Regulation) Act 1992 & Rule 11 of Foreign Trade (Regulation) Rules 1993. I, therefore, hold that the subject goods covered by Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 attempted to be exported by Exporter M/s. Bharat Silks (IEC-3999001160) have also become liable for confiscation in terms of provisions of Section 113 (ia) of the Customs Act, 1962.

Liability of the goods towards confiscation in terms of provisions of Section 113

(ja) of the Customs Act, 1962:

I find that examination and further investigation of the goods covered under Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 has clearly established that the subject goods were mis-declared with respect to quantity, description and classification. It is, therefore, evident that it was on account of these mis-declarations of Quantity, Description and Classification that the exporter M/s. Bharat Silks (IEC-3999001160) were attempting to claim and avail ineligible excess incentives of RoSCTL. These mis-declarations of quantity, description and classification, which lead to claim of ineligible excess incentives of RoSCTL, have contravened the provisions of Section 113 (ja) of the Customs Act 1962, read with Section 50(2) and 50 (3) of the Customs Act, 1962 read with Section 11(1) of Foreign Trade (Development & Regulation) Act 1992 & Rule 11 of Foreign Trade (Regulation) Rules 1993. I, therefore, hold that the subject goods covered by Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 attempted to be exported by Exporter M/s. Bharat Silks (IEC-3999001160) have also become liable for confiscation in terms of provisions of Section 113 (ja) of the Customs Act, 1962.

Liability of M/s. Bharat Silks towards penal action in terms provisions of section 114 (iii) of the Customs Act, 1962:

From the above discussions and findings it is evident that M/s. Bharat Silks (IEC-3999001160) have mis-declared the goods covered under Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024 with respect to quantity, description and classification. Further, it has also been established that these mi-declarations with respect to quantity, description and classification have made the subject goods liable for confiscation in terms of provisions of Sections 113 (i), 113 (ia), and 113 (ja) of the Custos Act, 1962. Therefore, it is evident that these acts of omission and commission of mis-declaration on the part of the exporter M/s. Bharat Silks (IEC-3999001160) which have rendered the subject goods liable to confiscation in terms of provisions of Sections 113 (i), 113 (ia), and 113 (ja) of the Custos Act, 1962, have made the exporter M/s. Bharat Silks (IEC-3999001160) liable for penal action in terms of provisions of Section 114 (iii) of the Customs Act, 1962. I, therefore, hold that M/s. Bharat Silks (IEC-3999001160) by virtue of their acts of mis-declaration, which have rendered the subject goods liable for confiscation, have made themselves liable for penal action in terms of provisions of Section 114 (iii) of the Customs Act, 1962.

However, I find that M/s. Bharat Silks (IEC-3999001160) are a Two Star Export House and investigation also indicates that this is the first time that a mis-declaration with respect to description has been found in their case. Further, I find that there has been no mis-declaration with respect to value of the subject goods. I also find that remittances for all their past exports have been received within the stipulated period. I

also notice that the goods were taken back to town on provisional release on the strength of a Bond and BG, and as such no incentives are admissible to them.

ORDER

In view of the above discussions and findings, I pass the following order,

- i)** I order confiscation of goods pertaining to the exporter M/s. Bharat Silks (IEC-3999001160) covered by Shipping Bill No. 6069756 & 6046023 both dtd. 30.11.2024 having FOB value of Rs. 1,13,63,401.06/- and 97,91,454.38/- respectively under the provisions of Sections 113(i), 113(ia) & 113(ja) of the Customs Act, 1962. However, since the goods were already allowed to be taken back to town on provisional release on the strength of a Bond and BG, I impose a redemption fine of Rs. 2,00,000/- (Rupees Two Lakh only) in terms of provisions of Section 125(1) read with Section 125(3) of the Customs Act, 1962 in lieu of confiscation of the subject goods.
- ii)** I impose a penalty of Rs. 1,00,000/- (Rupees One Lakh only) under Section 114(iii), of the Customs Act, 1962 on the exporter M/s Bharat Silks (IEC-3999001160) for their acts of omission and commission to fraudulently attempt to export subject goods and thus rendering the subject goods liable for confiscation.
- iii)** As the goods were already allowed to be taken back to town, I deny and reject the export incentives to the tune of Rs. 15,79,989.48/- (Drawback Rs. 5,82,109.88/- and RoSCTL Rs. 9,97,879.6/-), subsequently re-determined to Drawback amount of Rs. 4,96,684.04/- and RoSCTL amount of Rs. 7,94,423.52/- in respect of Shipping Bills No. 6069756 & 6046023 both dtd. 30.11.2024, under Rules 17 of the Customs, Central Excise Duties and Service Tax Drawback Rule, 2017, read with the Section 75 of the Customs Act, 1962 & 75A (2) of the Customs Act, 1962 read with Section 28AA and Section 28AAA.
- iv)** This order is issued without prejudice to any other action that may be taken in respect of the goods in question and/or against the persons concerned or any other person, if found involved, under the provisions of the Customs Act, 1962, and/or any other law for the time being in force in the Republic of India.


05/02/26

(BATCHALI RAGHU KIRAN)
COMMISSIONER OF CUSTOMS (In-situ)
CEAC, NS-II, JNCH

To,
M/s. Bharat Silks (IEC-3999001160), 154, Bommasandra Industrial Area, Bangalore-560099

M/s. Tripath Logistics Pvt. Ltd. (CHA License No: 11/2092)

Unit No. 9 & 50, Adarsh Indl. Estate, Sahar Road, Chakala, Andheri (E), Mumbai - 400 099.

- Copy to: 1. DC/AC, SIIB(X), JNCH, Nhava Sheva
2. DC/CHS, for Notice Board
3. Office copy
4. DC, CAC, JNCH

ANNEXURE-A

Sr. No.	RUDs
I.	Copy of Shipping Bills No.6069756 & 6046023 both dtd. 30.11.2024
II.	Panchanama dated 28.12.2024
III.	DYCC Test Reports
IV.	NOC for Provisional Release dated 09.01.2025
V.	Statement of Shri. Rajul Poddar (AR of Exporter) dtd. 27.06.2025
VI.	Statement of Shri. Arun Ganpat Kumbhare (AR of Customs Broker) dtd. 07.08.2025