



OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT-II)  
सीमा शुल्क आयुक्त का कार्यालय, आयात II  
ADJUDICATION CELL, NEW CUSTOM HOUSE, BALLARD ESTATE,  
MUMBAI - 400001.

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F. No.: GEN/ADJ/JC/269/2022-ADJN  
Order No.: 10/JC/MJ/ADJ/2025-26

Date of order: 08.08.2025  
Date of issue: 11.08.2025

Party: M/s. CLASSIC TRADING (IEC No. CDTPS8103A))

DIN: 20250877000000222F0E

Order passed by: Shri MANDEEP SINGH JALOTA  
Joint Commissioner of Customs (Import-II),  
New Custom House, Mumbai Zone-I

Order-In-Original

1. यह प्रति उस व्यक्ति के उपयोग के लिए निःशुल्क दी जाती है जिसे यह जारी की गई है। This copy is granted free of charge for the use of the person to whom it is issued.
2. इस आदेश के खिलाफ अपील इस आदेश के संचार की तारीख से 60 दिनों के भीतर और सीमाशुल्क अधिनियम, 1962 की धारा 128(1) के तहत सीमाशुल्क आयुक्त (अपील) नवीन सीमा शुल्क भवन, बलार्ड एस्टेट, मुंबई 400001 के समक्ष होगी। मांग किए गए शुल्क के 7.5% का भुगतान जहां शुल्क या शुल्क और जुर्माना विवाद में है या जुर्माना जहां अकेले दंडविवाद में है।  
An appeal against this order shall lie before the Commissioner of Customs (Appeals), New Custom House, Ballard Estate, Mumbai 400001 under Section 128(1) of the Customs Act, 1962 within 60 days from the date of communication of this order and on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute or penalty where penalty alone is in dispute.
3. अपील सीमा शुल्क नियम (अपील), 1982 में प्रदर्शित फॉर्म सी.ए 1-में दो प्रति में की जानी चाहिए। अपील रुपये- / 1.50 के न्यायालय फीस स्टॉप तथा इस आदेश या आदेश की प्रति के साथ संलग्न होनी चाहिए। यदि आदेश की प्रति संलग्न की जाती है तो इसमें भी न्यायालय फीस अधिनियम 1970 की अनुसूची 1 में प्रदर्शित रुपये -/1.50 की न्यायालय फीस स्टॉप भी होना चाहिए।  
The appeal should be in duplicate and should be filed in Form CA - 1 appeared in Custom (Appeals) Rule, 1982. The appeal should bear a court fee stamp of Rs. 1.50 paise paid only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a court fee stamp of Rs. 1.50 paise only as prescribed under Schedule 1, item 6 of the Court Fees Act, 1970.
4. इस निर्णय या आदेश के खिलाफ अपील करने वाला कोई भी व्यक्ति, अपील लंबित होने पर, सीमा शुल्क अधिनियम, 1962 की धारा 129ई के तहत उपरोक्त पैरा 2 के अनुसार राशि जमा करेगा, अपील के साथ इस तरह के भुगतान का प्रमाण प्रस्तुत करेगा, जिसमें विफल रहने पर अपील, सीमा शुल्क अधिनियम, 1962 की धारा 128(1) के प्रावधानों के साथ गैरअनुपालन के लिए - अपील को अस्वीकार करने के लिए उत्तरदायी है।

Any person appealing against this decision or order shall, pending the appeal, deposit the amount as per Para 2 above under Section 129E of the Customs Act, 1962 shall produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 128(1) of the Customs Act, 1962.

**Subject: - Afresh / Denovo adjudication in respect of Show cause notice no. 04/2021-22/ADC/Gr. 2G issued vide F. No. S/26-MISC-13/ 2021-22 Gr.-2G dated 14.03.2022 regarding import of Mobile and Toilet Accessories from China by mis-declaring as packaging material under Bill of Entry no. 3110609 dated 11.03.2021 by M/s Classic Trading (IEC CDTPS8103A) – reg.**

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

Intelligence was gathered that M/s. Classic Trading (IEC-CDTPS8103A) (hereinafter referred to as the importer) having office address as House No. 10/25/002, Shantibai Bhavan, Kaul Ali Road, Near Samashan Bhumi Airoli, Navi Mumbai, Thane, Maharashtra-400701 has imported Mobile and Toilet Accessories from China by mis-declaring the same as packaging material under Bill of Entry No.3110609 dated 11.03.2021 in Container No. KOCU4214007 with an intent to evade appropriate Customs duty. The said consignment was to be cleared by Customs Broker M/s. Continental Shipping Services (Registration No. AAFC9583GCH005). The said consignment in Container No. KOCU4214007, presented under Bill of Entry No. 3110609 dated 11.03.2021 was put on hold at the Manganese Ore Depot (MOD), situated at Reay Road, Mumbai vide email dated 12.03.2021 addressed to the D.C./A.C.in-charge of the SIIB(Imports), NCH, Ballard Estate, Mumbai.

2. The assessable value declared in the said Bill of Entry for the said consignment was Rs.46,37,140/- and applicable Customs Duty of Rs.17,37,536/- was paid on the said consignment of 933 cartons. As per the Bill of entry presented, there were total 933 cartons, wherein goods of the following item descriptions were declared:

**TABLE-A**

Sr. No.	Item Description (As declared in Bill of Entry No. 3110609 dated 11.03.2021)	CTH	Qty.	Value (Rs.)
<b>(For Mobile) (Other Than Reputed Brand)</b>				
1.	Plastic Back Cover	39261019	43831 Doz	4343380
2.	Charging Connector Pins	85299090	35Grs.	4802
3.	Plastic Frame Fittings	85299090	613 Doz.	56072
4.	Touch Pad	85299090	175 Doz.	32015
5.	Packing Material	39261019	1776 Grs.	162453
<b>Toilet Accessories (other than reputed brand)</b>				
1	Toilet Seat cover	39261019	42 Doz.	38418
			<b>Grand Total</b>	<b>46,37,140</b>

3. **Examination of Consignment:** The subject consignment was examined 100% under panchanama dated 18.03.2021, in the presence of Shri Manoj Kotecha, Power of Attorney holder and bearing G-Card No. 833/2020 of the Custom Broker firm Continental Shipping Services. During examination, the total number of cartons found were matching with the quantity declared in the Bill



of Entry. However, instead of the goods declared as 'Packaging material for mobile phones' in the Bill of Entry and packing list, 'Unbranded Tempered glass for mobiles' were found. Total 6,63,710 Pcs of the tempered glasses were found. Further un-declared items i.e. 94 Urinal Sensors were also found in the said consignment. Details of the actual items found during examination in terms of the markings as found on the packages and packing list are listed as below:

**TABLE-B**

Sr. No.	Item Description	No. of Cartons	Total Qty (Pcs)
1	Jass -Toilet Seat Cover	26	160
2	MK105-Plastic Sheet Screen Guard	12	23,150
3	Jass- Urinal Sensor	3	94
4	TOMS- Connector Pins along-with Packing Material	3	4,800
5	KBC- Touch Pad for mobiles	3	2,100
6	Maykoo- Mobile Frame Fittings	13	7,500
7	SPA- Plastic Back Cover	16	13,118
8	VT- Plastic Back Cover	52	26,000
9	MKCP- Plastic Back Cover	29	26,096
10	SPB- Plastic Back Cover	21	13,121
11	JORA- UV Curved Tempered Glass	14	7,000
12	GT- D+ AG Matte Tempered Glass	243	242,300
13	MG- G-tel Tempered Glass	331	317,220
14	IKREO- G-tel Tempered Glass	106	104,190
15	KM/RS- Plastic Sheet Screen Guard	61	90,600
	<b>Total</b>	<b>933</b>	

**4. Seizure of Goods:** Since the said consignment of Classic Trading covered under Bill of Entry No. 3110609 dated 11.03.2021 was attempted to be cleared by resorting to mis-declaration of the description, quantity as well as value of goods, the goods appeared to be liable for confiscation under Section 111(l) and 111(m) of the Customs Act, 1962, and therefore, the same were seized under Section 110 (1) of the Customs Act, 1962 vide Seizure Memorandum dated 25.03.2021.

**5. Statements of key persons recorded under Section 108 of the Customs Act, 1962:** During the course of investigation, statements of the following concerned persons were recorded under the provisions of Section 108 of the Customs Act, 1962:

- (i). Statement of Shri Tushar Laxman Sawant, Proprietor of Classic Trading was recorded on 30.03.2021;
- (ii). Statement of Shri Manoj Chandrakant Kotecha, Power of Attorney (POA) holder of Customs Broker firm, Continental Shipping Services was recorded on 30.03.2021;
- (iii). Statement of Shri Praful Manekji Shah, of Customs Broker firm, Continental Shipping Services was recorded on 30.03.2021;
- (iv). Statement of Shri Dawood Abbas Sati, Importer, was recorded on 01.04.2021 and 06.09.2021;
- (v). Statement of Mr. Nishant Rajan Bandre, Proprietor of Yesh Enterprises, the high sea seller,

recorded on 01.04.2021.

6. **Voluntary payments made:** During the course of investigation, the party had paid a voluntary amount of Rs. 42,32,633/- (Rs. Forty-two lakhs thirty-two thousand six hundred and thirty-three only) against the duty liability that would arise, vide the below mentioned demand drafts which was deposited to the account of Commissioner of Customs, Mumbai under the below mentioned TR6 Challan no., as tabulated below:

Sr. No.	Demand Draft No./Date	Amount (Rs.)	TR 6 Challan No.
1.	015998/19.03.2021	10,00,000/-	108/30.03.2021
2.	016001/22.03.2021	10,00,000/-	
3.	016003/22.03.2021	22,32,633/-	
	<b>Total</b>	<b>42,32,633/-</b>	

7. **Provisional Release of Goods:** The impugned goods imported under Bill of Entry No.3110609 dated 11.03.2021 of a declared value of Rs.46,37,140/- that were seized under Seizure Memorandum dated 25.03.2021 were offered for provisional release by the Commissioner of Customs (Import-II), New Customs House, Ballard Estate, Mumbai-400001 under letter F. No. CUS/APR/MISC/1964/2021-GR 2B dated 07.06.2021. However, the importer did not avail the offer of Provisional release offered to him.

8. **Analysis of evidences:** The scrutiny of the import documents on record, the examination of consignment and statements recorded of concerned persons, the following was revealed:

(i) On going through the documents like Bill of Entry, Invoice and Packing List, it was observed that the consignment imported under Bill of Entry No.3110609 dated 11.03.2021 was imported by M/s. Classic Trading after purchase on high sea sales from M/s. Yesh Enterprises (IEC No. DZHPB7169G). Therefore, the invoice and packing list of the Chinese supplier were in the name of M/s. Yesh Enterprises.

(ii) Classic Trading was found to be a dummy IEC as the so called Proprietor of the firm, Mr. Tushar Laxman Sawant, appeared to be lured into providing his documents such as Aadhar Card, Pan Card against payment of Rs. 5000/-. The said documents were then used to register an IEC in the name of Classic Trading and a bank account of the said firm was opened in the Bombay Mercantile Co-op Bank branch at Sandhurst Road Station. On being questioned Mr. Tushar Sawant in his statement recorded on 30.03.2021 under Section 108 of the Customs Act, 1962 stated that he was not aware of the existence of the firm until DRI held the consignment and was called by Mr. Dawood on 18.03.2021. He was introduced to Mr. Dawood Abbas Sati by one of his friend Mr. Sonu. He further stated that Mr. Dawood Abbas Sati in late December, 2020 introduced him to Mr. Praful Shah regarding job opening and then asked him to sign a few documents in terms of applying for the said job opening. He had no knowledge about Customs or any documents related to import/export. In light of the above, it appeared that the Importer Exporter Code (IEC) in the name of Classic Trading is a dummy IEC.

(iii) Further, enquiries made in respect of the IEC in the name of Yesh Enterprises, used as the high sea seller also revealed that the said IEC is a dummy IEC as the Proprietor was lured into sharing his documents on the pretext that a company would be registered in his name to conduct trading business of garments and he was paid an amount of Rs.2000/- for sharing his documents.



(iv) Statements of Mr. Dawood Abbas Sati recorded on 01.04.2021 and 06.09.2021 under Section 108 of the Customs Act, 1962, revealed that he was the actual importer of the goods imported under the Bill of Entry No.3110609 dated 11.03.2021 using the IEC of Classic Trading. He worked as a consolidator/aggregator of miscellaneous items like mobile accessories in Crawford Market on commission basis. He was introduced to Mr. Tushar Sawant by one Mr. Yasin Quereshi, who also does brokerage jobs in the Crawford Market. He admitted that he introduced Mr. Tushar Sawant to Mr. Praful Shah of Continental Shipping Services in the context of getting him (Tushar) a job and convincing him to sign the KYC documents.

(v) From the statement of Mr Praful Shah, employee of Continental Shipping Services recorded under the provisions of Section 108 of the Customs Act, 1962, he had met Mr. Tushar Sawant, Proprietor of Classic Trading who was introduced to him by Mr Dawood Abbas Sati, an old friend. He had got the KYC documents signed at Belapur station sometime during the month of December 2020. This was the second consignment of Classic Trading handled by Continental Shipping Services. The earlier consignment was in the month January 2021 and the items declared were hardware items.

(vi) From the statement of Mr. Manoj Chandrakant Kotecha, the Power of Attorney (POA) holder of Customs Broker firm, Continental Shipping Services in his statement recorded on 30.03.2021, it was learnt that Mr. Praful Shah was known to him for a long period and he was the one who introduced him to Continental Shipping Services. Since he was a G-Card Holder, the Power of Attorney for the said Customs Broker firm to function at Mumbai was made in his name. He stated that Mr. Praful Shah was the one who brought business of Classic Trading and he was the one who had done the KYC of the said customer.

(vii) As discussed above, examination of the Container No. KOCU4214007 revealed that goods which were declared as 'Packaging material for mobile phones' were found to be "tempered glass for mobile phones". A total quantity of 6,63,710 Pieces of tempered glasses were found. In addition to mis-declared tempered glasses for mobiles, un-declared and un-manifested items i.e. 94 Pieces of Urinal Sensors, were also found during examination. Further, discrepancies were also found in the total number of declared pieces of Toilet Seat Covers, Mobile frame fittings, connector pins, Plastic back covers etc.

(viii). As per examination 10 unique items were found in the consignment. A detailed comparative table of the items declared and actually found are tabulated in the Table D below:

**TABLE D**

Sr. No.	Item Description	Qty. as per Bill of Entry	Qty in Pcs Declared in Bill of Entry	Qty Found during examination	Difference in Qty. (Actual - Declared)
1	Jass -Toilet Seat Cover	42 Dz	504	160	(344 less)
2	Plastic Sheet Screen Guard	Not declared	-	1,13,750	1,13,750
3	Urinal Sensor	Not declared	-	94	94
4	Connector Pins along-with Packing Material	35 Gr	5,040	4,800	(240 less)

5	Touch Pad for mobiles	175 Dz	2,100	2,100	-
6	Mobile Frame Fittings	613 Dz	7,356	7,500	144
7	Plastic Back Cover	43831 Dz	5,25,972	78,335	(4,47,637 less)
8	UV Curved Tempered Glass	Not declared	0	7,000	7,000
9	Matte Tempered Glass	Not declared	0	2,42,300	2,42,300
10	Tempered Glass	Not declared	0	4,21,410	4,21,410

(ix) The goods being unbranded Chinese products, market survey to ascertain the wholesale/retail sale price of each of the item using the samples drawn during the examination of the goods under panchanama dated 18.03.2021 was conducted in the presence of both the persons of the Customs Broker firm Continental Shipping Services namely Mr. Manoj Kotecha and Mr. Praful Shah and the actual importer Mr. Dawood Abbas Sati. The price references for similar products were taken from three shops as no single shop had all the relatable items. As the goods are unbranded mobile accessories the price was influenced on the quantity of items to be purchased and also differed in terms of wholesale and retail purchases. Accordingly, the lowest retail prices quoted by the shops surveyed were recorded and detailed in a visit report dated 23.11.2021. Further, in case of toilet seat and urinal sensors, enquiries were made at sanitary ware shops and accordingly price range of the two said products of Chinese make was ascertained. Details of prices quoted for retail quantity is as listed in the Table F below:

**TABLE F**

Sr. No.	Item Description	Prices Quoted for Retail Quantity (Rs.)
1	Toilet Seat Cover	275
2	Plastic Sheet Screen Guard	5
3	Urinal Sensor	3500
4	Connector Pins along-with Packing Material	20
5	Touch Pad for mobiles	80
6	Mobile Frame Fittings	80
7	Plastic Back Cover	35
8	UV Curved Tempered Glass	65
9	AG Matte Tempered Glass	55
10	Tempered Glass	9

## **9. Redetermination of Assessable Value:**

**9.1** In view of the said mis-declaration with respect to the description and quantity of the impugned goods, the said import invoice appeared to be false, irrelevant and unreliable. The declared Assessable Value of Rs.46,37,140/- in the Bill of Entry No.3110609 dated 11.03.2021 filed in the name of Classic Trading, was not the true transaction value in terms of Rule 3(1) of the CVR, 2007 read with the provisions of Section 14(1) of the Customs Act, 1962 and appeared to be liable for rejection in terms of the provisions of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as the CVR, 2007) read with the provisions of Section 14(1) of the Customs Act, 1962.



**9.2** In order to re-determine the value of the mis-declared consignments, the provisions of CVR, 2007 are resorted to. As per the provisions of Rule 3 of the CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through Rule 4 to 9 of the CVR, 2007. Rule 4 of CVR, 2007 provides for determination of the transaction value on the basis of identical goods sold for export to India and imported at or about the same time as the goods being valued. However, in the instant case, the transaction value of identical goods is not available. Hence, the value of the said consignments cannot be determined under Rule 4 of the CVR, 2007.

**9.3.** Rule 5 of the CVR, 2007 provides for determination of the transaction value on the basis of similar goods sold for export to India at or about the same time as the goods being valued. However, the transaction value of similar goods is not available in the present case. Therefore, Rule 5 of the CVR, 2007 too cannot be applied for determination of value of the said consignment.

**9.4.** Rule 6 per se does not provide a method for determining the value, but guides saying that, “If the value of imported goods cannot be determined under the provisions of rules 3, 4 and 5, the value shall be determined under the provisions of rule 7 or, when the value cannot be determined under that rule, under rule 8”.

**9.5.** Rule 7 of the CVR, 2007 provides for ‘deductive value’ i.e. the value is to be determined on the basis of valuation of the identical goods or similar imported goods sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, subject to deductions stipulated under the rule. However, as the goods are unbranded and it is difficult to identify data available for import of ‘identical’ or ‘similar’ goods in India, the value of the said consignment cannot be determined as per the said Rule 7 of the CVR, 2007.

**9.6.** Rule 8 of the CVR, 2007, provides for the computed method taking into consideration the cost or value of materials and fabrication or processing involved in the imported goods. As the same are not available, the value of the said consignment cannot be re-determined under Rule 8 of the CVR, 2007.

Hence, the value of the consignment needs to be determined under the provisions of Rule 9 of the CVR, 2007. Rule 9 of the CVR, 2007 provides as under:

**9.7.** Rule 9 (Residual method) of the Customs Valuation Rules, 2007.

*“Residual method. — (1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India.....”*

**9.8** Accordingly, the assessable value of all goods including those that were mis-declared, un-manifested was determined by conducting market survey and after allowing 60% abatement on the market price of the goods. The market survey was conducted on 23.11.2021, as discussed at Para 7.6 above. On the basis of the market survey conducted the value of the goods are determined as detailed in the table below:

**TABLE-G**

Sr. No.	Item Description	Actual CTH	Quantity (Pcs.)	Market retail value (per Pcs) (Rs.)	Per piece value after 60% abatement (Rs.)	Assesable Value as per Market

						<b>Rates (Rs.)</b>
1	Toilet Seat Cover	39261019	160	275	110	17,600
2	Plastic Sheet Screen Guard	39269099	1,13,750	5	2	2,27,500
3	Urinal Sensor	90328910	94	3,500	1,400	1,31,600
4	Connector Pins along-with Packing Material	84299090	4,800	20	8	38,400
5	Touch Pad for mobiles	85299090	2,100	80	32	67,200
6	Mobile Frame Fittings	85299090	7,500	80	32	2,40,000
7	Plastic Back Cover	39261019	78,335	35	14	10,96,690
8	UV Curved Tempered Glass	70072190	7,000	65	26	1,82,000
9	Matte Tempered Glass	70072190	2,42,300	55	22	53,30,600
10	Tempered Glass	70072190	4,21,410	9	3.6	15,17,076
						88,48,666/-

Therefore, the total assessable value of the goods imported under Bill of Entry No.3110609 dated 11.03.2021 was re-determined to be **Rs. 88,48,666/- (Rs. Eighty Eight Lakhs Forty Eight Thousand Six Hundred and Sixty Six Only).**

**10. Quantification of Duty:**

Consequently, the amount of differential duty i.e. duty not levied and not paid on account of the above stated mis-declaration, non-declaration was calculated as per Table below:

**TABLE-H**

Sr. No.	Item Description	CTI Actual	Qty. (Pcs)	Market Value as per survey (Rs.)	Assessable Value (Re-determined) (Rs.)	Duty payable					
						BCD Amount Payable (Rs.)	SWS Amount Payable (Rs.)	IGST Amount Payable (Rs.)	Total Duty Payable (Rs.)	Total Duty Paid (Rs.)	Diff. Duty (Rs.)
1	2	3	4	5	6	7	8	9	10	11	12
1	Toilet Seat Cover	39261019	160	110	17,600	2,640	264	3,691	6,595		
2	Plastic Sheet Screen Guard	39269099	1,13,750	2	2,27,500	34,125	3,413	47,707	85,244		
3	Urinal Sensor	90328910	94	1,400	1,31,600	13,160	1,316	26,294	40,770		
4	Connector Pins along-with Packing Material	85299090	4,800	8	38,400	5,760	576	8,052	14,388		
5	Touch Pad for mobiles	85299090	2,100	32	67,200	10,080	1,008	14,092	25,180		
6	Mobile Frame Fittings	85299090	7,500	32	2,40,000	36,000	3,600	50,328	89,928		
7	Plastic Back Cover	39261019	78,335	14	10,96,690	1,64,504	16,450	2,29,976	4,10,930		
8	UV Curved	39269099	7,000	26	1,82,000	27,300	2,730	38,165	68,195		



	Tempered Glass										
9	Matte Tempered Glass	39269099	2,42,300	22	53,30,600	7,99,590	79,959	11,17,827	19,97,376		
10	Tempered Glass	39269099	4,21,410	4	15,17,076	2,27,561	22,756	3,18,131	5,68,448		
					<b>88,48,666/-</b>			<b>Total</b>	<b>33,07,054</b>	<b>17,37,536</b>	<b>15,69,518</b>

The differential duty worked out to be Rs.15,69,518/- (Rs. Fifteen Lakhs Sixty Nine Thousand Five Hundred and Eighteen Only).

**11.1** Detailed investigation in the said matter revealed that the IEC of Classic Trading was a dummy IEC and the documents of the proprietor of the said firm, Mr. Tushar Sawant, were fraudulently used to make the said IEC. The actual owner of the goods is Mr. Dawood Abbas Sati, who worked as an aggregator/consolidator to procure goods as per orders received by him. Mr. Praful Shah of Customs Broker firm Continental Shipping Services appears to have knowingly facilitated the import of mis-declared goods; that false declarations were submitted in respect of goods imported using IEC of Classic Trading to deceive the customs authorities; the goods covered under Bill of Entry so filed got assessed to lower duty on the basis of mis-declared, un-declared items and hence quantity and value of goods; that for the reasons cited in detail in foregoing paras, the declared value of Rs. 46,37,140/- appeared to be liable for rejection in terms of the provisions of Rule 12 of the CVR, 2007 read with Section 14 (1) of the Customs Act, 1962 and re-determined as Rs.88,48,666/- in terms of provisions of Rule 3 and Rule 9 of CVR, 2007, as applicable, read with Section 14(1) of the Customs Act, 1962, as tabulated in Table G of the said SCN.

**11.2** Mr. Dawood Abbas Sati, the beneficial importer, in collusion with Mr. Praful Shah of Continental Shipping Services, appeared to have conspired to import the goods by mis-declaring/mis-stating and suppressing the item description and quantity of the imported goods thereby mis-declaring the value of the goods imported leading to evasion of appropriate customs duties. Hence, the Customs duty of Rs.33,07,054/- so calculated at Table –H of the SCN, appeared to be liable for payment in terms of Section 28 (4) of the Customs Act, 1962. Since the importer has already paid Customs duty of Rs. 17,37,536/- on the declared value of Rs. 46,37,140/-, the differential Customs Duty of Rs.15,69,518/- appears to be liable for payment under Section 28(4) of the Customs Act, 1962, alongwith interest under Section 28AA (1) of the Customs Act, 1962.

**11.3** Further, in view of the intentional mis-declaration and thereby suppression of value of the imported goods, the goods imported under Bill of Entry No.3110609 dated 11.03.2021, of re-determined value of Rs. **88,48,666/-** appeared liable for confiscation under Section 111(l) and (m) of the Customs Act, 1962. Further, by their various acts of commission and omission, which have rendered the goods liable for confiscation, it appeared that, Classic Trading, through its beneficial owner Mr. Dawood Abbas Sati, are liable to penalty under Section 112 (a) of the Customs Act, 1962. Moreover, Classic Trading was also liable to penalty under Section 114AA of the Customs Act, 1962, for having intentionally made or used false and incorrect declarations /statements/documents to evade payment of legitimate Customs duty as discussed in the foregoing paras. Moreover, as it appeared that the duty in the said Bill of Entry has been evaded by resorting to wilful mis-statement and



suppression of facts, as discussed in foregoing paras, Classic Trading also appeared to be liable to penalty under Section 114A alongwith Section 112(b) of the Customs Act, 1962.

**11.4** Mr. Dawood Abbas Sati, the beneficial owner in terms of Section 2(26) of the Customs Act, 1962, using the dummy IEC created in the name of Classic Trading imported the goods under Bill of Entry No. 3110609 dated 11.03.2021 by mis-declaring the actual goods i.e. tempered glasses for mobile as packaging material and suppressing the fact that goods such as urinal sensors were also imported colluded with Mr. Praful Shah and got Mr. Tushar Sawant to sign the KYC documents luring him with job prospects and petty sum of Rs. 5000/-. Mr. Dawood Abbas Sati being the person responsible for causing the above stated imports of goods appears to have done acts, or had omitted to do acts and had abetted the commission and omission of the said acts, which appear to have rendered the said goods liable to confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962, rendered himself liable to penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962 in relation to the said goods imported under Bill of Entry No.3110609dated 11.03.2021. It appeared that, Mr. Dawood Sati, in relation to the goods always knew or had reason to believe that the documents and the declarations submitted under the respective Bill of Entry were false or incorrect in their material particulars. Despite this position, Mr. Dawood Sati, knowingly had made false or incorrect declarations under the above stated Bill of Entry. Consequently, Mr. Dawood Sati appeared to have also rendered himself liable to penalty under Section 114AA of the Customs Act, 1962 in relation to the said goods.

**11.5** Mr. Praful Shah, employee of Continental Shipping Services appeared to be the person responsible for procuring the clearance job related to Classic Trading. He aided and abetted the import of consignment under Bill of Entry No. 3110609 dated 11.03.2021 knowing or having reason to believe that the said goods were liable to confiscation under the provisions of Section 111(l) and Section 111(m) of the Customs Act, 1962, rendering himself liable to penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962 and penalty under Section 114AA of the Customs Act, 1962 in relation to the said goods.

**11.6** Mr. Manoj Kotecha, Power of Attorney holder of the Customs Broker Firm- Continental Shipping Services and G-card holder bearing No.833/2020 appeared to have delegated his responsibility of verifying the credentials of the Importer as required under the Customs Brokers Licensing Regulations, 2018 to Mr. Praful Shah who abetted with the actual importer to import consignment under Bill of Entry No. 3110609 dated 11.03.2021, making the goods imported under Bill of Entry No. 3110609 dated 11.03.2021 liable to confiscation under the provisions of Section 111(l) and Section 111(m) of the Customs Act, 1962, and hence has rendered himself liable to penalty under Section 112 (a) of the Customs Act, 1962 and penalty under Section 114AA of the Customs Act, 1962.

**12.1** The SCN in the subject matter was issued on 14.03.2022, calling upon **Shri Dawood Abbas Sati**, to show cause to the Adjudicating Authority i.e. the Joint Commissioner of Customs/Additional Commissioner of Customs (Imports-II), Mumbai Zone-I, New Custom House as to why:

(i) the declared value of Rs. **46,37,140/-CIF** in respect of the said consignment imported and cleared in the name of Classic Trading, Mumbai should not be rejected under the provisions of Rule 12 of



the Customs Valuation Rules, 2007 read with provisions of Section 14(1) of the Customs Act, 1962 and the value of the aforesaid consignment, should not be re-determined as Rs.88,48,666 /-CIF as detailed in Column 5 and 6 of Table H above under the provisions of Rule 3 and Rule 9 of the CVR, 2007, as applicable, read with section 14(1) of the Customs Act, 1962;

(ii) differential duty amounting to **Rs.15,69,518/-** as detailed in Column 12 of the **Table-H** above, which had not been paid due to collusion, willful mis-statement and suppression of facts, should not be paid by them, under the provisions of Section 28(4) of the Customs Act, 1962;

(iii) interest in terms of Section 28AA(1) of the Customs Act, 1962 at the rate fixed under Section 28AA (2) of the Customs Act, 1962, should not be paid by them;

(iv) goods with declared total transaction value of Rs. 46,37,140/- CIF and having re-determined Transaction Value of Rs. 88,48,666/- as shown in column 6 of the Table-H, which were examined and seized, should not be held liable to confiscation under Section 111(l) and Section 111(m) of the Customs Act, 1962;

(v) the voluntary deposit of Rs. 42,32,633/- (Rupees Forty Two Lakhs Thirty Two Thousand Six Hundred and Thirty Three Only) made by Mr. Dawood Abbas Sati during investigation should not be appropriated against the aforesaid demand of duty and interest or penalty for goods imported under Bill of Entry No. 3110609 dated 11.03.2021 filed in the name of Classic Trading;

(vi) penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962 should not be imposed on him and

(vii) penalty under Section 114AA of the Customs Act, 1962, should not be imposed on him.

**12.2** Further, **Mr. Tushar Sawant**, was called upon to show cause to the Joint Commissioner of Customs/Additional Commissioner of Customs (Imports-II), Mumbai as to why penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962 should not be imposed on him in relation to goods imported under the aforesaid Bill of Entry filed by Classic Trading.

**12.3** Further, **Mr. Praful Shah** and **Mr. Manoj Kotecha** were called upon to show cause, in writing, to the Joint Commissioner of Customs/Additional Commissioner of Customs (Imports-II), Mumbai as to why:

(i) penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962 should not be imposed them and

(ii) penalty under Section 114AA of the Customs Act, 1962, should not be imposed on them.

#### **FIRST ROUND OF ADJUDICATION:**

**13.** The Original Adjudicating Authority vide Order in Original No. 42/JC/RV/ADJ/2022-23 dated 07.06.2022 passed the following order:

**13.1** *I reject the declared assessable value of Rs 46,37,140/- in respect of consignment imported by M/s. Classic Trading vide bill of entry no. 310609 dated 11.03.2021 under Rule 12 of the Customs Valuation Rules (Determination of Price of Imported goods), 2007 and re-determine the same to Rs. 88,48,666/- under Rule 9 of the Customs Valuation Rules (Determination of Price of Imported goods), 2007 read with Section 14(1) of the Customs Act, 1962.*

**13.2** *I Confirm the demand of the differential duty from Mr. Dawood Abbas Sati amounting to Rs.15,69,518/- as detailed in Table-H above, under Section 28(4) of the Customs Act, 1962 along with applicable interest under section 28AA of the Customs Act, 1962.*

**13.3** *I order for confiscation of the impugned goods imported vide bill of entry no. 3110609 dated 11.03.2021 having re-determined value of Rs. 88,48,666/- under section 111(l) and section 111(m) of the Customs Act, 1962. However, I give an option to Mr. Dawood Abbas Sati to*



redeem the said goods on payment of fine of Rs. 2,50,000/- under section 125(1) of the Customs Act, 1962.

**13.4** I impose penalty of Rs. 1,00,000/- on Mr. Dawood Abbas Sati under 112(a) of the Customs Act, 1962.

**13.5** I impose penalty of Rs. 1,00,000/- on Mr. Dawood Abbas Sati under 114AA of the Customs Act, 1962.

**13.6** I order for appropriation of duty demanded along with applicable interest, fine and penalty on Mr. Dawood Abbas Sati from deposit of Rs. 42,32,633/- voluntarily made by him during the course of investigation.

**13.7** I impose penalty of Rs. 50,000/- on Shri Tushar Sawant under 112(a) of the Customs Act, 1962.

**13.8** I impose penalty of Rs. 75,000/- on Shri Praful Shah under 112(a) of the Customs Act, 1962.

**13.9** I impose penalty of Rs. 75,000/- on Shri Praful Shah under 114AA of the Customs Act, 1962.

**13.10** I refrain from imposing penalty on Shri Manoj Kotecha under Section 112(a) and Section 114AA of the Customs Act, 1962."

#### **REVIEW & APPEAL:**

14. The Reviewing Authority reviewed the aforesaid Order-in-Original vide Review Order no. 01/2022 dated 13.07.2022 and accordingly, on direction of the Reviewing Authority, appeal was filed by the Assistant Commissioner, of Customs, Group 2G, Import-II, NCH before the Commissioner (Appeals). **The Commissioner (Appeals), Mumbai Customs Zone-I vide Order No. MUM-CUS-MA-IMP-25/2023-24 NCH dated 28.04.2023** allowed the said appeal filed by the department and set aside the OIO No. 42/JC/RV/ADJ/2022-23 dated 07.06.2022 and remanded the case back to the Original Adjudicating Authority for issuing fresh adjudication order and made the following observations in respect of said OIO dated 07.06.2022. The observations of the Commissioner of Customs (Appeal) in the said order are as under:

*"(i). I drop penalty under section 112(a) and hold that Shri Dawood Abbas Sati is liable to be penalised under section 114A of the Customs Act, 1962.*

*(ii). Penalty of Rs. 1,00,000/- on Mr. Dawood Abbas Sati under section 114AA of the Customs Act, 1962 should be enhanced.*

*(iii). I sustain the decision of the appellant/department to impose penalty under section 112(a) and/or 112(b) alongwith penalty under section 114AA of the Customs Act, 1962 on Shri Manoj Kotecha, Power of Attorney holder of the Customs Broker M/s. Continental Shipping Services.*

*(iv). The quantum of penalties under section 112(a) and section 114AA imposed upon Shri Praful Shah being shipping agent or Customs Broker, falls to short and should be reconsidered and same should be enhanced.*

*(v). Penalty should be imposed on Shri Tushar Sawant under section 112(a) and/or 112(b) of the Customs Act, 1962 and penalty of Rs. 50,000/- imposed on Shri Sawant under section 112(a) should be enhanced considering the maximum imposable limit 10% duty evasion of Rs. 15,69,518/-*

*(vi). Imposed redemption fine does not commensurate as per legal provisions. Hence, RF should be enhanced."*

#### **PERSONAL HEARING AND SUBMISSIONS FOR AFRESH/DENOVO OF ADJUDICATION:**

15. The said Order in Appeal dated 28.04.2023 passed by the Commissioner of Customs (Appeals) NCH was accepted by the Committee of Commissioners of Customs on 15.05.2023. Accordingly, personal hearing was granted to the all noticees on 14.08.2023 & 24.08.2023 for fresh adjudication of the case.

16. Shri Sanjay Singhal, Advocate, the holder of the Vakalatnama dated 03.08.2023 for all noticees, appeared for the scheduled personal hearing. He re-iterated written submission and



requested that the case may be decided on the basis of reply to SCN dated 16.08.2023. He further stated that he had nothing further to add in the said matter.

**Summary of the submissions dated 16.08.2023:**

Shri Sanjay Singhal, Advocate vide letter dated 16.08.2023 has given his written submissions in respect of Show Cause Notice No. 04/2022-23 dated 14.03.2022 on behalf of the Noticee Mr. Manoj C. Kotecha, the Power of Attorney Holder of CB firm, Continental Shipping Services as under:

**(i). Valuation of goods is improper:** Shri Sanjay Singhal, Advocate has submitted that no purchase appear to have been made and it was all on the basis of oral inquiries that the prices have been tabulated by the officers; that the price is influenced by the quantity to be purchased which means that there is a substantive difference between the retail price ascertained and the whole price of such goods when sold in quantities such as 4 lakh pieces, 2 lakh pieces, 1 lakh pieces etc.; that he quoted para 8.2 & 8.3 of said SCN that the price of identical goods and similar goods is not available; In view of the above, he has submitted that the assessable value of goods is improper.

**(ii)(a). Duty demand is not sustainable:** He has submitted that the duty demand amounting to Rs.15,69,518/- has been made in terms of the calculations made in Table H above; that it may be seen from Sr. No. 8,9 & 10 the goods tempered glass have been classified under heading 39269099 and duty demand calculated accordingly, whereas in Table G of the SCN, these same items have been classified under heading 70072190. Therefore, it is not clear as to whether the duty demand has been made under heading 70072190 or 39269099.

**(ii)(b).** Further it was submitted that the demand of duty has been made under section 28(4) of the Customs Act, 1962; that bill of entry was put on hold before the clearance of the goods from Customs and therefore no demand of duty can be made under section 28 of Customs Act, 1962. Section 28 is applicable only when there is non-levy of duty or not paid or short levy or short payment of duty.

**(iii) Confiscation under section 111(l) and 111(m) of the Customs Act, 1962:** He has submitted that after deducting the duty element from the total ascertained price, the real expenses towards the customs clearance charges, marketing, transport, wholesaler profit and retailer profit have also not been deducted therefrom and hence the real margin is very low especially after the proposed enhancement of value in the notice and this is the reason that the earlier adjudicating authority has imposed a reasonable fine on the goods.

**(iv)(a). Penalty under section 112(a) and/or 112(b) of the Customs Act, 1962:** He has submitted that the notice proposes penalty under section 112(a) and/or section 112(b) of the Customs Act, 1962; that section 112(a) deals with direct role in enabling the confiscation of imported goods whereas section 112(b) deal with indirect role in the confiscation of goods or dealing with such goods; that the authors of the notice are not clear as to which section is imposable, no penalty can be imposed under any of the sub section.

**(iv) (b).** Hon'ble tribunal in the case of Rajesh Kr Soni Vs CC [2019 (370) ELT 1583] held that when the adjudication officer is not certain as to which of the provisions of penalty under section

112(a) or 112(b) is applicable, he cannot be presumed to have examined the allegation and gravity candidly in a quasi-judicial manner as expected of.

(iv)(c). Hon'ble Tribunal, in the case of Sudesh Kumar Arora Vs CC (1993(65) ELT491] held that when the order is not specifying whether penalty is imposable under Section 112(a) or Section 112(b), the penalty is quashable. It held that there should be precision in the application of the provisions of the Act and it cannot be done in a camouflage manner. In the present instance too, the impugned notice does not specify, whether the action of the noticee falls within the category of Section 112(a) or Section 112(b), hence the penalty cannot be imposed under either Section 112 (a) and 112(b) of Customs Act, 1962.

(iv)(d). Hon'ble Tribunal, in the case of Balvir Singh Vs CC (1991(56) ELT64] by majority held, that when exact sub-section 112 of Customs Act, 1962 is not specifically mentioned in the charge or in Final Order, the same is liable to be set aside. In the present instance too, the show cause notice has not specified which of the sub-sections of Section 112 are applicable to the noticee and accordingly, no penalty under Section 112 of Customs Act, 1962 can be imposed.

(iv)(e). In any case, the penalty under Section 112(ii) of Customs Act, 1962 cannot exceed 10% of the duty sought to be evaded which in the present instance is Rs. 15,69,518/- and hence the penalty cannot exceed Rs. 1,56,952/-. Even this penalty is reduced to 25% of the amount imposed if the same is paid within 30 days of the adjudication. Since the amount is already deposited with the Government, therefore, the penalty under Section 112 (a) or 112(b), as the case may be, cannot exceed Rs. 39,238/- (Rupees Thirty Nine Thousand Two Hundred and Thirty Eight only).

(v)(a). **Penalty under section 114AA of Customs Act, 1962:** The authors of the notice appear to have overlooked the fact that the noticee, as an individual, has never submitted any document to customs, whether he knows or not or believes it to be false in any material respect. Whatever documents were submitted in customs were in the capacity as an G Card Holder of the customs broker firm. Even if it is to be held that the duty demand and mis-declaration against the main accused are sustained, the facts of the case clearly indicate that the noticee was not aware of the alleged mis-declaration and the same came to light only upon doing 100% examination of the container by the investigation agency. Therefore, the proposal for imposing penalty under Section 114AA of Customs Act, 1962 for knowingly submitting documents, which were known to be false in material respect cannot be sustained against the noticee.

(v)(b). There is nothing in the notice which indicates that the noticee has made, signed or used or caused to be made, signed or used any declaration, which was known to him as being false or incorrect in any material particular. As an employee G Card Holder of the CB firm, the noticee is not privy to information as to the goods present in the container and only upon examination that the mis-declarations came to light. Once there is no such instance shown in the impugned Notice, no penalty can be imposed on the noticee under Section 114AA of Customs Act, 1962.

(v)(c). Hon'ble tribunal in the case of Joshy MJ Vs CC (2019(369) ELT1507] held that when the goods are examined and passed out by the Customs without any objection, there is no case for



imposition of penalty under Section 112 or 114AA of Customs Act 1962 on the Customs Broker. In view of the same, no penal action will lie against the Appellant under Section 112 or 114AA of Customs Act 1962.

(v)(d). Hon'ble Tribunal, in the case of Fast Cargo Movers Vs CC [2018(362)ELT184] held that for imposition of Penalty under Section 114AA of customs Act, there has to be proof that such declaration should be intentional with prior knowledge. In the present instance, it is submitted that there is nothing in the show cause notice, which indicates that the noticee as a G Card Holder employee of the Customs Broker firm had prior knowledge of the alleged mis-declarations. When there is no such evidence, then no penalty under Section 114AA can be imposed.

### **SECOND ROUND OF ADJUDICATION:**

13. The Original Adjudicating Authority vide Order in Original No. 93/ADC/NR/ADJ/2023-24 dated 29.01.2024 passed the following order:

(i) I reject the declared assessable value for the Bill of Entry No. 3110609 dated 11.03.2021 of Rs 46,37,140/- under Rule 12 of the CVR, 2007 and re-determine the same at Rs. 88,48,666/- under Section 14(1) of Customs Act 1962 read with Rule 7 of the CVR, 2007.

(ii). I confirm the demand of the differential duty from Mr. Dawood Abbas Sati amounting to Rs. 15,69,518/- (Rupees Fifteen Lakh, Sixty-Nine Thousand, Five Hundred and Eighteen only) as detailed in Table-H of the Notice, under section 28(8) of the Customs Act, 1962 along with applicable interest under section 28AA of the Customs Act, 1962.

(iii). I order confiscation of the impugned goods vide Bill of Entry No. 3110609 dated 11.03.2021 having re-determined value of Rs. 88,48,666/- under Section 111(l) and 111(m) of the Customs Act, 1962. However, I give an option to the importer to redeem the above said goods on payment of Redemption Fine of Rs. 7,00,000/- (Rupees Seven lakh only) under Section 125(1) of the Customs Act, 1962.

(iv). I impose a penalty equal to differential duty amounting to Rs. 15,69,518/- (Rupees Fifteen Lakh, Sixty-Nine Thousand, Five Hundred and Eighteen only) and applicable interest on Mr. Dawood Abbas Sati under Section 114A of the Customs Act, 1962. As Rs. 42,32,633/- has already been paid even before issuance of SCN, the amount of penalty is reduced to 25% of Rs.15,69,518/- i.e. Rs.3,92,380/- (Rupees Three-Lakh Ninety-Two Thousand Three Hundred and Eighty only).

(v). I impose a penalty of Rs.17,00,000/- (Rupees Seventeen Lakh only) on Mr. Dawood Abbas Sati under Section 114AA of the Customs Act, 1962.

(vi). I order for appropriation of duty demanded along with applicable interest, fine and penalty on Mr. Dawood Abbas Sati, from deposit of Rs.42,32,633/- voluntarily made by him during the course of investigation.

(vii) I impose penalty of Rs.1,56,952/- (Rupees One lakh, Fifty Six Thousand, Nine Hundred and Fifty Two only) on Shri Tushar Laxman Sawant under section 112(a) of the Customs Act, 1962.

(viii) I refrain from imposing penalty on Shri Manoj Kotecha and Shri Praful Shah under 112(a) or 112(b) or 114A or 114AA for the reasons cited in above discussions.

#### **REVIEW & APPEAL:**

14. The importer filed appeal against said O-I-O F. No. S/49-32/CUS-I/MUM-I/2023-24 NCH.

15. Reviewing Authority reviewed the aforesaid Order-in-Original vide Review Order no. 01/2022 dated 13.07.2022 and accordingly, on direction of the Reviewing Authority, appeal was filed by the Assistant Commissioner, of Customs, Group 2G, Import-II, NCH before the Commissioner (Appeals). **The Commissioner (Appeals), Mumbai Customs Zone-I vide Order No. MUM-CUS-TK-IMP-61,62//2024-25 NCH dated 30.09.2024** rejected the appeal filed by importer as devoid of merits and allowed the said appeal filed by the Revenue and set aside the OIO No. 93/ADC/NR/ADJ/2023-24 dated 29.01.2024 and remanded the case back to the Original Adjudicating Authority for issuing fresh adjudication order and made the following observations in respect of said OIO dated 29.01.2024. The observations of the Commissioner of Customs (Appeal) are as under:

(i) I find that in the appeal filed by the department, it is appropriate to remand the matter back to the original adjudicating authority with the directions to examine the issue pertaining to imposition of penalty on Shri Manoj Kotecha, Power of Attorney holder of the CB and Shri Praful Shah keeping in mind the observations/directions given by the then Commissioner Appeals vide Order No. MUM-CUS-MA-IMP-25/2023-24 NCH dated 28.04.2023. Further, I do not find any reason to interfere with the impugned order except the issues raised by the department in its appeal. In respect of Appellant No. 1 (Mr Dawood Abbas Sati), I find no merit in the argument of the appellant and discarded them as devoid of merit.

(ii) I reject the appeal filed by Appellant No.1 (Mr. Dawood Abbas Sati, Beneficial Owner of Classic Trading) as devoid of merits and allow the appeal filed by the Revenue (Appellant No.2) and remand the matter back to the Original Authority to pass order by keeping in mind the discussions while following the fundamental principles of natural justice as applicable and pass appropriate order.

#### **15. PERSONAL HEARING FOR AFRESH/DENOVO OF ADJUDICATION:**

The Originally Adjudicating Authority did not impose any penalty on Shri Manoj Kotecha, Power of Attorney Holder of the Customs Broker firm and Shri Praful Shah, employee of Continental Shipping Services, Custom Broker firm. The order was reviewed by the competent authority and an appeal was filed against the order No. 93/ADC/NR/ADJ/2023-24 dated 29.01.2024. Commissioner (Appeals) has remanded the matter back to the original adjudicating authority with the directions to examine the issue pertaining to imposition of penalty on Shri Manoj



Kotecha, Power of Attorney holder of the CB and Shri Praful Shah, keeping in mind the observations/directions given by the then Commissioner Appeals vide Order No. MUM-CUS-MA-IMP-25/2023-24 NCH dated 28.04.2023.

Accordingly, personal hearing was granted to the noticees viz. Shri Manoj Kotecha, Power of Attorney holder of the CB and Shri Praful Shah on 11.07.2025, 18.07.2025 & 25.07.2025 for fresh adjudication of the case. However, no one turned up for the Personal Hearing.

### **DISCUSSION AND FINDINGS**

16. I find that M/s. Classic Trading was found to be a dummy IEC. The documents of Shri Tushar Laxman Sawant, Proprietor of the firm were used for floating the above firm on payment of sum of Rs. 5000/-. A dummy IEC was also obtained in the name of M/s. Classic Trading.

16.1. The examination of the Container No. KOCU4214007 revealed that goods which were declared as 'Packaging material for mobile phones' were found to be "tempered glass for mobile phones". A total quantity of 6,63,710 Pieces of tempered glasses were imported. Besides, mis-declared tempered glasses for mobiles, un-declared and un-manifested items i.e. 94 Pieces of Urinal Sensors, were also found during examination. Discrepancies were also found in the total number of declared pieces of Toilet Seat Covers, Mobile frame fittings, connector pins, Plastic back covers etc.

16.2. The investigation further revealed that the declared Assessable Value of Rs.46,37,140/- for Bill of Entry No. 3110609 dated 11.03.2021 filed in the name of M/s. Classic Trading was not the true transaction value in terms of Rule 3(1) of the CVR, 2007 read with the provisions of Section 14(1) of the Customs Act, 1962. I find that the assessable value of the goods imported under Bill of Entry No. 3110609 dated 11.03.2021 was re-determined as **Rs. 88,48,666/- (Rs. Eighty- Eight Lakhs Forty-Eight Thousand Six Hundred and Sixty-Six Only)**. The investigation further revealed that by resorting to mis-declaration, mis-classification and undervaluation, the importer had short paid the duty to the tune of Rs.15,69,518/- (Rs. Fifteen Lakhs Sixty- Nine Thousand Five Hundred and Eighteen Only).

16.3. I also find that the importer M/s. Classic Trading vide letter dated 27.10.2022 had accepted the valuation of the goods imported by them, arrived on the basis of Market Survey conducted in the presence of their representative and requested for waiver of Show Cause Notice & personal hearing and any order under Section 17 (5) of the Customs Act, 1962 and requested to release the consignment at the earliest. Accepting the liability, the importer had voluntarily paid an amount of Rs. 42,32,633/- (Rs. Forty-two lakhs thirty-two thousand six hundred and thirty-three only) against the duty liability that would arise.

17. Now, I examine the role played by Shri Praful Shah. The investigation revealed that the IEC of Classic Trading was a dummy IEC and the documents of Shri Tushar Sawant, Proprietor of the said firm, were fraudulently used to float the said IEC. Shri Tushar Laxman Sawant, Proprietor has admitted that Shri Dawood Abbas Sati introduced him to Shri Praful Shah. Shri Dawood Abbas Sati



in his statements has admitted that he was the actual importer of the goods imported under Bill of Entry No. 3110609 dated 11.03.2021, using the IEC of M/s. Classic Trading. He also admitted that he had introduced Shri Tushar Sawant to Shri Praful Shah of Continental Shipping Services for convincing him to sign the KYC documents. Shri Praful Shah, employee of Continental Shipping Services also admitted that he was introduced to Shri Tushar Sawant, Proprietor of M/s. Classic Trading by Shri Dawood Abbas Sati. He also admitted that he got the KYC documents signed at Belapur station sometime during the month of December, 2020. From the above, I find that Shri Praful Shah of Customs Broker firm Continental Shipping Services played crucial role in floating and obtaining IEC of the firm M/s. Classic Trading fraudulently. Thus I find that Shri Shah was the key person who knowingly facilitated the import of mis-declared goods.

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

17.1. I also find that Shri Shah submitted false declarations in respect of goods imported using IEC of M/s. Classic Trading to deceive the customs authorities. The goods covered under the said Bill of Entry got assessed to lower duty on the basis of mis-declared, un-declared items and hence quantity and value of the goods. The declared value of Rs. 46,37,140/- was rejected and was re-determined as Rs.88,48,666/- in terms of provisions of Rule 3 and Rule 9 of CVR, 2007, as applicable, read with Section 14(1) of the Customs Act, 1962. Shri Dawood Abbas Sati, the beneficial owner, in collusion with Shri Praful Shah of Continental Shipping Services, conspired to import the goods by mis-declaring/mis-stating and suppressing the item description and quantity of the imported goods thereby mis-declaring the value of the goods imported leading to evasion of appropriate customs duties, which resulted into short payment of Customs Duty to the tune of Rs.15,69,518/-.

17.2 I find that Shri Praful Shah, employee of Continental Shipping Services was the person responsible for procuring the clearance job related to M/s. Classic Trading. Shri Praful Shah, employee of CB firm M/s. Continental Shipping Services failed to do proper KYC of M/s. Classic Trading. He knew that M/s. Classic Trading was a dummy firm, floated using documents of Shri Tushar Sawant. Shri Praful Shah and Shri Dawood Abbas Sati, beneficial owner of the goods were known to each other for a long time and agreed to have worked together even before.

17.3 I find that Shri Praful Shah played crucial role in import of the impugned goods by resorting to mis-declaration, mis-classification, undervaluation, in order to evade the payment legitimate Customs duties. He aided and abetted the import of consignment under Bill of Entry No. 3110609 dated 11.03.2021 knowingly. The above acts of omission and commission on the part of Shri Praful Shah and others rendered the goods imported under Bill of Entry No. 3110609 dated 11.03.2021 having re-determined value of Rs. 88,48,666/- liable for confiscation under Section 111 (l) and (m) of the Customs Act, 1962 and Shri Praful Shah rendered himself liable to penalty under Section 112 (a) and/or Section 112 (b) of the Customs Act, 1962.



17.4 I find that Shri Praful Shah knew or had reason to believe that the documents and declarations submitted under the bill of entry were false or incorrect in their material particulars. Shri Praful Shah, knowingly made false or incorrect declaration under the said bill of entry, hence, Shri Praful Shah rendered himself liable to penalty under Section 114AA of the Customs Act, 1962.

18 Now, I examine the role played by Shri Manoj Chandrakant Kotecha, Power of Attorney (POA) holder of Customs Broker firm, Continental Shipping Services. Shri Manoj Chandrakant Kotecha, in his statement recorded on 30.03.2021 stated that Shri Praful Shah was known to him for a long period and he was the one who introduced him to Continental Shipping Services. He further stated that since he was a G-Card Holder, the Power of Attorney for the said Customs Broker firm was made in his name to function at Mumbai. He also admitted that Shri Praful Shah was the person who brought business of M/s. Classic Trading and he was the one who had done the KYC of the said customer.

18.1 Shri Manoj Kotecha, Power of Attorney holder of the Customs Broker Firm Continental Shipping Services and G-card holder bearing No. 833/2020 delegated his responsibility of verifying the credentials of the Importer as required under the Customs Brokers Licensing Regulations, 2018 to Shri Praful Shah, who abetted with the actual importer to import consignment under Bill of Entry No. 3110609 dated 11.03.2021 by resorting to mis-declaration, mis-classification and undervaluation, leading to evasion of Customs duty. Shri Manoj Kotecha, being the PoA of CB firm, failed to comply with the requirements of proper verification of the IEC holder and being responsible for filing false documents before the Customs authorities. The above acts of omission and commission on the part of Shri Manoj Kotecha rendered the goods imported under Bill of Entry No. 3110609 dated 11.03.2021 liable to confiscation under the provisions of Section 111(l) and Section 111(m) of the Customs Act, 1962 and rendered himself liable to penalty under Section 112 (a) of the Customs Act, 1962.

18.2. Further, I find that Shri Kotecha, in collusion with Shri Praful Shah and others, knowingly used the false and incorrect material documents as discussed above to file B/E on behalf of Classic Trading and rendered himself liable for the penalty under Section 114AA of the Customs Act, 1962.

19. Keeping in view above facts and as the scope of the present order is limited to imposition of Penalty on the noticees viz. Manoj Kotecha and Praful Shah, I do not interfere in the earlier Order bearing No. 93/ADC/NR/ADJ/2023-24 dated 29.01.2024, except it relates to imposition of penalty on the noticees viz. Manoj Kotecha and Praful Shah.

20. In view of the above, I pass the following order:

**ORDER**

- (i) I impose penalty of Rs.1,56,952/- (Rs. One Lakh Fifty-Six Thousand Nine Hundred and Fifty-two only) on Noticee Shri Manoj Kotecha under Section 112(a) of the Customs Act, 1962.
- (ii) I impose penalty of Rs.1,56,952/- (Rs. One Lakh Fifty-Six Thousand Nine Hundred and Fifty-two only) on Noticee Shri Praful Shah under Section 112(a) of the Customs Act, 1962.
- (iii) I impose penalty of Rs. 10,00,000/- (Rs. Ten Lakh only) on Noticee Shri Manoj Kotecha under Section 114AA of the Customs Act, 1962.
- (iv) I impose penalty of Rs. 10,00,000/- (Rs. Ten Lakh only) on Noticee Shri Praful Shah under 114AA of the Customs Act, 1962.
- (v) I hereby order that, in addition to the imposition of penalty under Section 112(a) and Section 114AA of the Customs Act, 1962 as mentioned in above paras, the Order-in-Original No. 93/ADC/NR/ADJ/2023-24 dated 29.01.2024, issued by the Original Adjudicating Authority shall stand in full force and effect.

21. 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 provision of Customs Act, 1962, and/or any other law in force in the Republic of India.

*Mandeeep Singh Jalota*  
(Mandeeep Singh Jalota)  
Joint Commissioner of Customs,  
Import-II, NCH, Mumbai.

To,

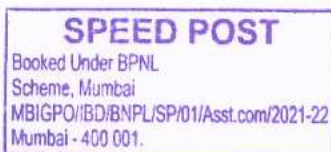
1. Shri Manoj Chandrakant Kotecha  
Continental Shipping Services,  
Office No. 37/2, Ground Floor,  
Plot No. 48, NEECO Chambers,  
Sector - 11, CBD Belapur,  
Navi Mumbai - 400614.
2. Shri Praful Manekji Shah  
Continental Shipping Services,  
Office No. 37/2, Ground Floor,  
Plot No. 48, NEECO Chambers,  
Sector - 11, CBD Belapur,  
Navi Mumbai - 400614.

Copy to :

1. The Commissioner of Customs, Import-II, NCH, Mumbai.
2. The Commissioner of Customs (Appeal), NCH, Mumbai.
3. DC/ Group II, Import-II, NCH, Mumbai.
- ✓ 4. DC/ Review Cell, NCH, Mumbai. *21/08/2025*
5. CHS, NCH, Mumbai ( For displaying on Notice Board)
- ✓ 6. Office copy.







Commissioner of Customs  
Adjudication Import - 2  
New Custom House  
Ballard Estate Mumbai - 400 001

**DEPARTMENT OF POSTS INDIA  
REGISTRATION BRANCH**

To be given to the sender

For uninsured article of the letter mail (e.g. letters packets)

Journal of uninsured registered letters posted by **Adjudication Section (Import-II)**

New Custom House, Ballard Estate, Mumbai-400 001

At the G.P.O/BOM-POST OFFICE ON THE 21.08.2025

**F.NO. GEN/ADJ/JC/269/2022-ADJN**

**Date: 21.08.2025**

Sr. No.	Name & Address	Destination Post Office	EMS No.
1.	Mr. Manoj Chandrakant Kotecha, Continental Shipping Services, Office No. 37/2, Ground Floor, Plot No. 48, NEECO Chambers, Sector-11, CBD Belapur, Navi Mumbai- 400614	Navi Mumbai- 400614	EM833709681IN
2.	Mr. Praful Manekji Shah, Office No. 37/2, Ground Floor, Plot No. 48, NEECO Chambers, Sector-11, CBD Belapur, Navi Mumbai- 400614	Navi Mumbai- 400614	EM833709664IN