CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Customs Appeal No. 26406 of 2013

(Arising out of Order-in-Original No.03/2013-Commr. Dated 19.03.2013 passed by the Commissioner of Customs, Bangalore.)

M/s. DACSS Granites Pvt. Ltd.
Old No.893 (New No.21),
Swaraj Building, 1st Floor, MES Road,
Muthyalanagar,
Bangalore – 560 054. Appellant(s)

VERSUS

The Commissioner of Customs
Queens Road,
Bangalore – 560 001. Respondent(s)

APPEARANCE:

Mr. Punnagai, Advocate for the Appellant.

Mr. Vikalp Jain, Superintendent, Authorised Representative for the Respondent.

CORAM:

HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)

Final Order No. 21208 /2026

DATE OF HEARING: 03.09.2026
DATE OF DECISION: 07.10.2026

PER : R. BHAGYA DEVI

Briefly the facts are that the exporter M/s. DACSS Granites Pvt. Ltd. (the appellant) is a 100% Export Oriented Unit (EOU) filed Shipping Bill No. 8486678 dated 16.04.2012 describing the products as 'Polished Granite Random Slabs Redmultic' consigned to M/s. KSNTPT and Trading, Singapore. On investigation, it was found that the container consisted of red sander logs instead of granite slabs; hence, show-cause notice

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was issued for absolute confiscation of the same. The Commissioner, in the impugned order, confiscated 416 numbers of red sander logs weighing 12.620 MTS as they were prohibited items and imposed penalty of Rs.5,00,000/- on the appellant M/s. DACSS Granites Pvt. Ltd. Aggrieved by this order, this appeal is filed.

2. The Learned Counsel submits that they have received purchase order based on which the polished granite slabs were being exported and hence, the claim of the Commissioner that there was no purchase order is not justified. He also submits that on three previous occasions, exports were undertaken and remittances were received, which shows that the exports made were *bona fide* in nature. It is also submitted that Shri Balaji who was the mediator for the impugned exports was also the person who approached them on earlier occasions; hence, the authenticity/genuineness of Shri Balaji cannot be doubted. It is also an admitted fact that the appellant had paid for escort services to facilitate the export of the granite slabs. Hence, since the exporter is at no fault for getting the granite slabs replaced by the red sander logs, penalty imposed on them is not justified. Relies on the decision of the Hon'ble Supreme Court in the case of **Ramesh Kumar vs. State of Chhatisgarh: 2001 (9) SCC 678; State of Haryana vs. Jaswinder Singh: 2009 SCC 387** and the decision of the Hon'ble Tribunal in the case of **Maheshwari Rocks India Pvt. Ltd. vs. CC, Chennai: 2010 (262) ELT 574 (Tri.-Chennai).**

3. The Authorised Representative (AR) on behalf of the Revenue submits that it is an admitted fact that the container which was said to be containing granite slabs was indeed found to have only red sander logs which was attempted to be exported knowing very well that they were prohibited items. He submits that on previous occasions, granite slabs were exported

that does not justify the genuineness of the exporter and also it is a fact that the appellant had trusted Shri Balaji without verifying his antecedents; hence, penalty imposed on them is justified.

4. Heard both sides. There is no dispute that the Shipping Bill that was filed for export of granite slabs was replaced with red sander logs. The appellant claimed that a purchase order was placed before them by Shri Balaji and Shri Muthukumar claiming to be the representative of the consignee M/s. KSNTPT, Singapore; however, the Commissioner in the impugned order observed that *'no copy of the purchase order has been produced either at the time of personal hearing or at the time of filing reply in proof of bona fide export consignment'*. Today, along with the synopsis, they have filed a copy of a purchase order dated 14.04.2012 claiming to be the purchase order; however, I find that the goods that were to be exported described as 118 pieces of 'Polished Granite Random Slabs Redmultic' with invoice value of USD 11689; while the purchase order shows the quantity as 340 sq.mt. with value as 12240 USD which is entirely different from the description in the shipping bill, hence the same is rejected. Moreover, as observed by the Commissioner, the shipping bill filed was a free shipping bill with value less than Rs.10.00 lakhs knowing very well that such consignment will not be taken up for examination as per the instructions during the relevant period of time. It is also to be noted that on earlier occasions, the appellant had undertaken the exports of the granite slabs which were loaded from their unit at Tumkur and later, it was outsourced from other units. In the instant case, admittedly, the granites were loaded at the premises of M/s. Malai Mahadeswara Granite, Jigani in the presence of slab inspector of the company. It is also admitted that the company OTL for sealing the container was not used in the instant case which was regularly done. These lapses on the

part of the appellant are very obvious which has resulted in attempting to export red sander logs. Also, the Marketing Manager of the appellant, in his statement, has clearly admitted to the above facts. Considering these facts, the penalty imposed on the appellant is justified but however, taking into consideration the overall factors, the penalty is reduced to **Rs. 3,00,000/- (Rupees Three Lakhs Only)**.

Appeal is partially allowed.

(Order pronounced in Open Court on 07.10.2026.)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

rv

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