IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA

REGIONAL BENCH – COURT NO. 2

Customs Appeal No. 75166 of 2026

(Arising out of Order-in-Original No. KOL/CUS/PR.COMMISSIONER/PORT/ ADJN/60/2025 dated 27.11.2025 passed by the Principal Commissioner of Customs (Port), Custom House, 15/1, Strand Road, Kolkata – 700 001, West Bengal)

Nikita Kedia **: Appellant**
Proprietrix of M/s. Party Solutionist
Temple Court, 54, Chandila Main Road, Third Floor,
Kolkata – 700 053 (West Bengal)

VERSUS

Principal Commissioner of Customs (Port) **: Respondent**
Custom House, 15/1, Strand Road,
Kolkata – 700 001 (West Bengal)

APPEARANCE:

Shri Sudhir Mehta, Senior Advocate,
Smt. Riya Debnath, Advocate
For the Appellant

Shri Subrata Debnath, Authorized Representative,
Shri Rajarshi Chakraborty, Authorized Representative,
For the Respondent

CORAM:

HON'BLE SHRI R. MURALIDHAR, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 76276 / 2026

DATE OF HEARING: 17.09.2026

DATE OF DECISION: 25.09.2026

ORDER: [PER SHRI R. MURALIDHAR]

The appellant namely, Ms. Nikita Kedia is the proprietrix of Party Solutionist. The appellant imported 4 consignments of Nylon Fishing Net under four Bills of Entry being nos.7625672 dated 24.02.2022, 9585342 dated 16.07.2022, 6715475 dated 08.04.2023, and 8035541 dated 27.09.2023. Out of the 4 consignments 2 consignments under BE no. 7625672 dated 24-02-24 and 9585342 dated

16-07-2022 were imported from the manufacturer supplier from Malaysia namely Pioneer ULT Enterprises, Malaysia and 2 consignments under BE Nos 6715475 dated 4-07-2023 and 8035541 dated 27-09-2023 were imported from Thailand from the manufacturer supplier namely Asian Import & Export Co. Limited under ASEAN- India Free Trade Agreement (here in after called AIFTA) under the certificates of origin validly issued by the respective contracting country i.e., Government of Thailand and Government of Malaysia. The Appellant filed the self assessed Bills of entry claiming exemption under Notification no. 46/2011on the basis of certificates of origin which were lawfully issued by the respective contracting country and duly verified filed by the appellant. The assessing officer after verifying the COOs from the details sent by the exporting country to his satisfaction and assessed the Bills of entry and the goods were released after defacing the COOs.

2. A Show Cause No. KOL/CUS/PR/ Commr/PORT/GR.3/44/2025 dated 22-07-2025 was issued to the appellant seeking to deny the benefit of Exemption Notification No. 46/2011-Cus dated 1st June 2011 availed by the appellant in respect of four Bills of Entry bearing numbers 7625672 dated 24.02.2022, 9585342 dated 16.07.2022, 6715475 dated 08.04.2023, and 8035541 dated 27.09.2023.

3. It has been alleged in the Show Cause Notice that one certificate bearing number KL2022-AI-22-0100130 issued by M/s. Pioneer ULT Enterprises of Malaysia was allegedly found to be non-authentic and, therefore 2 certificates issued by M/s. Pioneer ULT Enterprises would be treated as nullified following Regulation 7 of CAROTAR. Similarly, 2 certificates

issued by Thailand Government were allegedly found to be non-authentic. After due process, the adjudicating authority passed the adjudication order confirming the demand made in the Show Cause Notice and imposed redemption fine and penalty under Section 114A of the Customs Act 1962. Therefore, the appellant is before the Tribunal.

4. The Ld. Senior Counsel, representing the appellant, makes the following submissions:

(i) The Bills of Entry and the Certificates of Origin were duly examined and verified by the proper officer of Customs and defaced and thereafter the goods were released to the Appellant.

(ii) Certificates of Origin of foreign supplier from Malaysia was No. Kl-2022-AI-22-0100130 pertaining to the appellant was very closely similar to another certificate under enquiry being no KL-2022-AI-22-0100130 in respect of which there was a report that it was unauthentic. The Email dated 30th September is enclosed.

(iii) The appellant's certificate was for fishing net whereas certificate of other was of solar cells. Invoice number and all details were different. But the Department by non-application of mind treated it as a result of the appellant's enquiry. The second certificate had no report still it was disputed as first one was disputed. The enquiry related to certificates (Marked - B) concerning exports of solar cells, which have no connection whatsoever with the nylon fishing nets imported by the Appellant.

(iv) Significantly, there was no retroactive verification or enquiry in respect of the Certificates of Origin furnished by the Appellant. In the absence of any such verification, there was no factual or legal basis for drawing an adverse inference against the Appellant.

(v) In respect of the two consignments imported from Thailand, the objection was on the ground that one appellant's supplier namely Asian Import and Export Company Limited had also supplied goods to one company namely M/s. Shree Shyam Synthetics and the certificates were questioned by the Department and demand was raised. So Regulation 7 was applied.

(vi) M/s. Shree Shyam Synthetics contested denial of benefit of notification on the ground that all its four certificates were never questioned in Thailand and the letter which the department relied upon did not relate to it. The letter is enclosed and marked Annexure "C". This letter is enclosed with the show cause notice. Very same letter was used in the case of M/s Shree Shyam Synthetics which will appear from the judgment in case of Shyam Synthetics (Marked "D") where the same letter is set out in the judgment. The relevant page of judgment is enclosed "E".

(vii) It was improper for the Department to rely on such letter which has been dealt with by the Tribunal as not relevant and appeal from the judgment of this Tribunal has been dismissed. Consequently, the very basis on which the Department seeks to question the Certificates of

Origin in the present case has already been examined in the case of M/s Shyam Synthetics, and the certificates relied upon therein were upheld.

(viii) More importantly, no independent enquiry has been shown to have been conducted in respect of the Appellant's own Certificates of Origin.

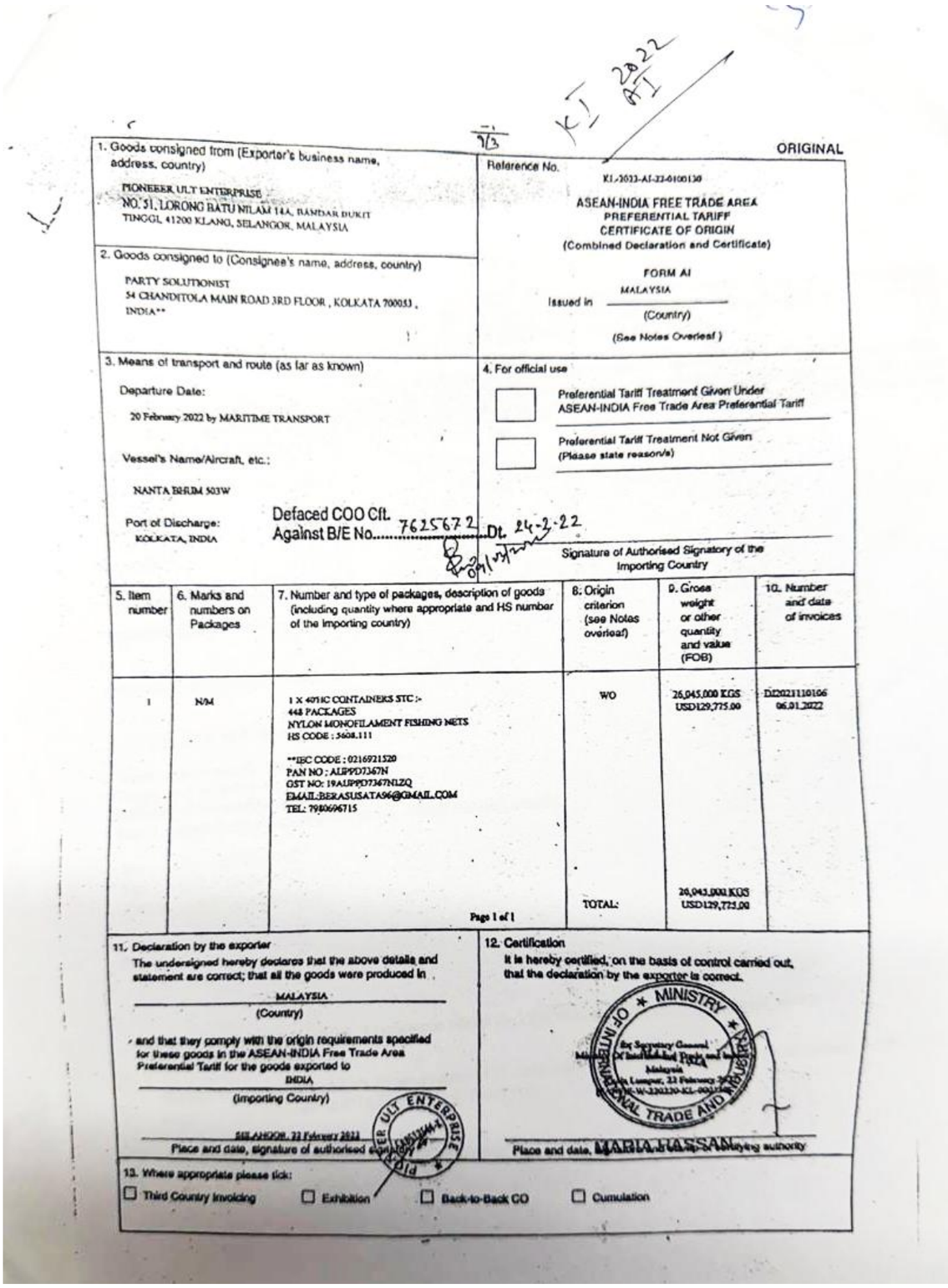
4.1. In view of the above submissions, the Ld. Senior Counsel prays that the impugned order may be set aside and the appeal may be allowed.

5. The Ld. Authorized Representative appearing for the Revenue reiterates the findings of the lower authorities. He justifies the confirmed demand and penalty and the confiscation and Redemption Fine imposed.

6. Heard both the sides and perused the other documents placed before us.

7. In case of the imports from Malaysia, the main argument of the appellant is that the retroactive check was conducted by the Revenue in respect of Certificate of Origin No. **KL-**2022-AI-22-0100130, which actually belongs to the COO pertaining to another importer. Therefore, the report received in respect of **KL-**2022-AI-0100130 cannot be used for fastening the demand on the appellant, who has imported the goods under **KI-**2022-AI-22-0100130. Further, no enquiry has been conducted in respect of the second COO No.**KI**-2022-AI-22-000590. Therefore, no case whatsoever has been made out against both the consignments imported from Malaysia.

8. We have gone through appellant's COO **KI-2022-AI-22-0100130**, which is reproduced below:



ORIGINAL

1. Goods consigned from (Exporter's business name, address, country)

PIONEER ULT ENTERPRISE
NO. 51, LORONG BATU NILAM 14A, BANDAR BUKIT TINGGI, 41200 KLANG, SELANGOR, MALAYSIA

Reference No. KI-2022-AI-22-0100130

ASEAN-INDIA FREE TRADE AREA
PREFERENTIAL TARIFF
CERTIFICATE OF ORIGIN
(Combined Declaration and Certificate)

FORM AI

Issued in MALAYSIA (Country)

(See Notes Overleaf)

2. Goods consigned to (Consignee's name, address, country)

PARTY SOLUTIONIST
54 CHANDITOLA MAIN ROAD 3RD FLOOR , KOLKATA 700053 , INDIA**

3. Means of transport and route (as far as known)

Departure Date:
20 February 2022 by MARITIME TRANSPORT

Vessel's Name/Aircraft, etc.:
NANTA BERLIM 503W

Port of Discharge:
KOLKATA, INDIA

4. For official use

☐ Preferential Tariff Treatment Given Under ASEAN-INDIA Free Trade Area Preferential Tariff

☐ Preferential Tariff Treatment Not Given (Please state reason/s)

Defaced COO Cfl. Against B/E No. 7625672 Dt. 24-2-22

Signature of Authorised Signatory of the Importing Country

5. Item number	6. Marks and numbers on Packages	7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
1	N/M	1 X 40HC CONTAINERS STC :- 448 PACKAGES NYLON MONOFILAMENT FISHING NETS HS CODE : 5608.111 **IEC CODE : 0216921520 PAN NO : ALPPD7367N GST NO: 19ALPPD7367N1ZQ EMAIL:BEKASUSATA96@GMAIL.COM TEL: 7980696715	WO	26,045.000 KGS USD129,775.00	DI2021110106 06.01.2022
			TOTAL:	26,045.000 KGS USD129,775.00	

Page 1 of 1

11. Declaration by the exporter

The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in MALAYSIA (Country)

and that they comply with the origin requirements specified for these goods in the ASEAN-INDIA Free Trade Area Preferential Tariff for the goods exported to INDIA (Importing Country)

SELANGOR, 22 February 2022
Place and date, signature of authorised signatory

PIONEER ULT ENTERPRISE

12. Certification

It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia

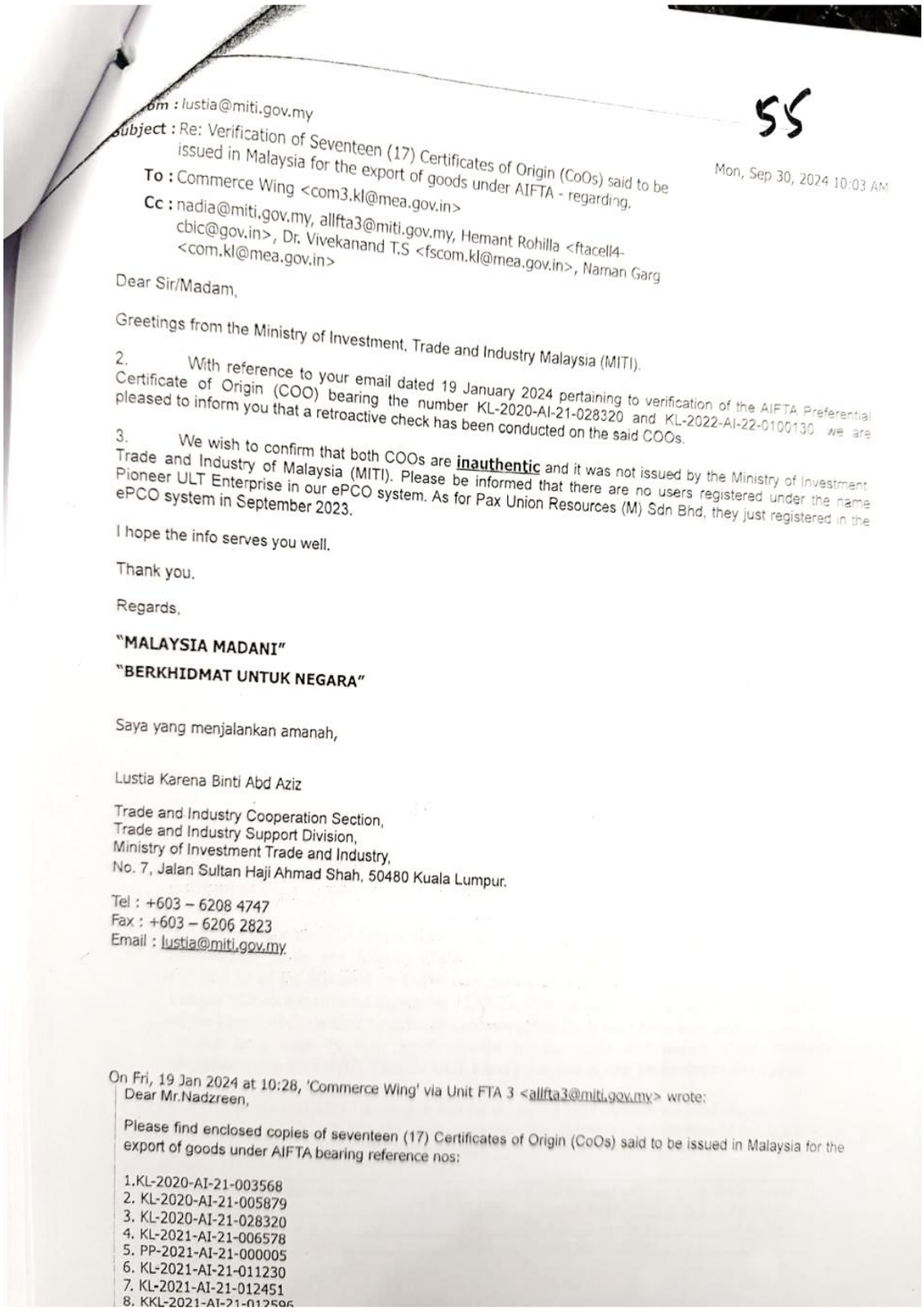
Place and date, MARIA HASSAN, signature and stamp of certifying authority

13. Where appropriate please tick:

☐ Third Country Invoicing ☐ Exhibition ☐ Back-to-Back CO ☐ Cumulation

9. We have also seen from the SCN and OIO that the COOs questioned in respect of the appellant's import from the Malaysian exporter is in respect Certificates of Origin bearing Nos. **KI-2022-AI-22-0100130** and **KI-2022-AI-22-000590** only.

10. The e-mail received by way of e mail from Malaysian authorities is reproduced below:



55

om : lustia@miti.gov.my

Subject : Re: Verification of Seventeen (17) Certificates of Origin (CoOs) said to be issued in Malaysia for the export of goods under AIFTA - regarding.

Mon, Sep 30, 2024 10:03 AM

To : Commerce Wing <com3.kl@mea.gov.in>

Cc : nadia@miti.gov.my, allfta3@miti.gov.my, Hemant Rohilla <ftacell4-cbic@gov.in>, Dr. Vivekanand T.S <fscom.kl@mea.gov.in>, Naman Garg <com.kl@mea.gov.in>

Dear Sir/Madam,

Greetings from the Ministry of Investment, Trade and Industry Malaysia (MITI).

2. With reference to your email dated 19 January 2024 pertaining to verification of the AIFTA Preferential Certificate of Origin (COO) bearing the number KL-2020-AI-21-028320 and KL-2022-AI-22-0100130 we are pleased to inform you that a retroactive check has been conducted on the said COOs.

3. We wish to confirm that both COOs are **inauthentic** and it was not issued by the Ministry of Investment Trade and Industry of Malaysia (MITI). Please be informed that there are no users registered under the name Pioneer ULT Enterprise in our ePCO system. As for Pax Union Resources (M) Sdn Bhd, they just registered in the ePCO system in September 2023.

I hope the info serves you well.

Thank you.

Regards,

"MALAYSIA MADANI"

"BERKHIDMAT UNTUK NEGARA"

Saya yang menjalankan amanah,

Lustia Karena Binti Abd Aziz

Trade and Industry Cooperation Section,
Trade and Industry Support Division,
Ministry of Investment Trade and Industry,
No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur.

Tel : +603 – 6208 4747
Fax : +603 – 6206 2823
Email : lustia@miti.gov.my

On Fri, 19 Jan 2024 at 10:28, 'Commerce Wing' via Unit FTA 3 <allfta3@miti.gov.my> wrote:

Dear Mr.Nadzreen,

Please find enclosed copies of seventeen (17) Certificates of Origin (CoOs) said to be issued in Malaysia for the export of goods under AIFTA bearing reference nos:

1.KL-2020-AI-21-003568
2. KL-2020-AI-21-005879
3. KL-2020-AI-21-028320
4. KL-2021-AI-21-006578
5. PP-2021-AI-21-000005
6. KL-2021-AI-21-011230
7. KL-2021-AI-21-012451
8. KKL-2021-AI-21-012596

10.1. It is seen that the allegation against the appellant is towards COO No. **KI-**2022-AI-22-0100130 whereas the e mail specifies the non-authentic nature of COO No. **KL-**2022-AI-22-0100130. Therefore, this e-mail cannot be the basis to fasten any liability for the contravention in the import done by the appellant under COO No. **KI-**2022-AI-22-0100130. So far as the import against the second COO No. **KI-**2022-AI-22-000590 is concerned, no evidence has been brought in by the Revenue about any enquiry being made for this Certificate.

11. Based on the above documentary evidence, we have come to a conclusion that the Revenue has not brought out any evidence with respect to the veracity of the COOs pertaining to imports from Malaysia. Therefore, we set aside the confirmed demand in respect of these two consignments.

12. So far as the imports from the Thailand exporter is concerned, the appellant has submitted that the enquiry sent for the list of COOs for retroactive check contains Certificate Numbers, which are not the COOs pertaining to the imports done by the appellant. We have gone through the relevant portion of the SCN, which is reproduced below:

TABLE-C

Sl.	CoO No. & Date	CTI	Commodities	Importer's Name	Name of the overseas supplier	RVC
1	AI2019-0001395 dtd 10.01.2019	5608 1110	Nylon Monofilament Fishing Net	M/s Shree Shyam Synthetics	Asian Import & Export Co Ltd	RVC 75% + CTSH
2	AI2019-0046894 dtd 12.10.2019	5608 1110	Fishing Net	M/s Shree Shyam Synthetics	Asian Import & Export Co Ltd	RVC 75% + CTSH
3	AI2019-0055276 dtd 09.12.2019	5608 1110	Fishing Net	M/s Shree Shyam Synthetics	Asian Import & Export Co Ltd	RVC 75% + CTSH
4.	AI2019-0033723 dtd 09.12.2019	5608 1110	Fishing Net	M/s Empire Exports	Asian Import & Export Co Ltd	RVC 75% + CTSH

*[Copy of the letter dated 06.11.2023 from FTA Cell is enclosed as **RUD 6**]*
*[Copy of Verification Report dated 30.10.2023 of the Issuing Authority is enclosed as **RUD 7**]*

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No. 0307.07/ 153

Import Administration and
Origin Certification Division
Department of Foreign Trade
563 Nonthaburi Road
Nonthaburi 11000 Thailand
Tel. 662-547-4823
Fax 662-547-4807

30 October 2023

Dear Sir,

Subject: Response to Verification of the Certificate of Origin Form AI

Reference is made to your letter No. Bon/Com/206/01/2022 dated 2 June 2023, requesting verification of genuineness and authenticity the 4 Forms AI exported by ASIAN IMPORT & EXPORT CO., LTD.

Import Administration and Origin Certification Division on behalf of Department of Foreign Trade is please to inform you that as follows,

1) The 4 Forms AI as above-mentioned were authentic and issued by the Department of Foreign Trade.

2) We did not receive any evidence from the exporter as above-mentioned. We, therefore, are not in a position to recognize that the goods covered by the above-mentioned 4 Forms AI were qualified for the origin claim under ASEAN-INDIA FTA. We, hence, have already revoked the 4 Forms AI issued for the exporter.

Please be assured of our full-operation.

Yours sincerely,

(Miss Lilin Kovathlautrungsri)
Director of Import Administration
And Origin Certification Division

Dharmendra Singh
Embassy of India, Bangkok

13. The COOs, in respect the appellant's import is as per the following Table given in the Show Cause Notice:

TABLE-D

Sl No	Importer Name	B/E No. & Date	Item Description	Overseas supplier	Country Of Origin	COO Cft No. & Dt
1.	Party Solutionist	6715475 dt 04.07.2023	Nylon Monofilament Fishing Nets	Asian Import & Export Co. Ltd	Thailand	AI2023-0027742 dt 07.06.2023
2.	Party Solutionist	8035541 dt 27.09.2023	Nylon Monofilament Fishing Nets	Asian Import & Export Co. Ltd	Thailand	AI2023-0046856 dt 08.09.2023

13.1. When no enquiry has been taken up specifically for the COOs pertaining to the appellant, we do not see as to how the enquiry in respect of some other COOs of other importer can be used to fasten the Duty liability on the present appellant.

14. Further, we have seen that the proceedings initiated against Shree Shyam Synthetics had travelled upto the Tribunal. The Tribunal vide **Final Order No.75381/2025 dated 18.02.2025**, has set aside the impugned order and has held as under:

"…….

RUD - 5

No. 0307.07/ 153

14

RUD-5

Import Administration and
Origin Certification Division
Department of Foreign Trade
563 Nonthaburi Road
Nonthaburi 11000 Thailand
Tel. 662-547-4823
Fax 662-547-4807

30 October 2023

Dear Sir,

Subject: Response to Verification of the Certificate of Origin Form AI

Reference is made to your letter No. Ban/Com/206/01/2022 dated 2 June 2023, requesting verification of genuineness and authenticity the 4 Forms AI exported by ASIAN IMPORT & EXPORT CO., LTD.

Import Administration and Origin Certification Division on behalf of Department of Foreign Trade is please to inform you that as follows,

1) The 4 Forms AI as above-mentioned were authentic and issued by the Department of Foreign Trade.

2) We did not receive any evidence from the exporter as above-mentioned. We, therefore, are not in a position to recognize that the goods covered by the above-mentioned 4 Forms AI were qualified for the origin claim under ASEAN-INDIA FTA. We, hence, have already revoked the 4 Forms AI issued for the exporter.

Please be assured of our full-operation.

Yours sincerely,

(Miss Lilin Kovudhikulrungsri)
Director of Import Administration
And Origin Certification Division

456/21/2023-FTACell2

15[illegible]1/2023

13

Signed by Himani Dua
Date: 06-11-2023 13:50:59
Reason: Approved

(Himani Dua)
OSD (Cell-4), FTA Cell, DIC, CBIC
Email: ftacell4-cbic@gov.in

(ANNEXURE-A)

I. No.	CoO no.	Dated	Commodities	HS Code	Name of the Consignee/ Importer	Name of the Consigner/ Exporter	RVC
1	AI2019-0001395	10 January 2019	NYLON MONOFILAMENT FISHING NET	5608 1110	Shree Shyam Synthetics	ASIAN IMPORT & EXPORT CO., LTD.	RVC 75%+ CTSH
2	AI2019-0046894	12 October 2019	FISHING NET	5608 1110	Shree Shyam Synthetics	ASIAN IMPORT & EXPORT CO., LTD.	RVC 75%+ CTSH
3	AI2019-0055276	9 December 2019	FISHING NET	5608 1110	Shree Shyam Synthetics	ASIAN IMPORT & EXPORT CO., LTD.	RVC 75%+ CTSH

8.4. We observe that the Department has extended the verification report in respect of the 3 country of origin certificates cited above to all the 16 country of origin certificates submitted by the appellant as mentioned in Table-B of the Show Cause Notice, on the basis of said letter which has forwarded the verification Report No. 0307.07/153 dated 30.10.2023 received from the Embassy of Thailand, which is not sustainable. We observe that each country of origin certificate has been issued separately and based on some/few verifications, it cannot be mechanically extended to all other country of origin certificates submitted by them. Thus, we observe that the demand raised on the basis of the three verification reports said to have been received from the issuing authority, to all the 16 Bills of Entry, is not legally tenable.

8.5. We observe that the adjudicating authority had chosen not to give inspection of the email. Thus, we also observe that the letter dated June 2, 2023 number BAN/COM/206/1/2022 could not have relied upon as it was a photocopy and was not addressed to any authority. At the bottom of the letter name of one Dharmendra Singh, Embassy of India, Bangkok is mentioned but he is not the addressee of the letter. Thus, we find that this letter does not have any evidentiary value in the fact and circumstances of the case.

8.6. We also observe that there is no document of revocation of the four certificates either addressed to the exporter or the importer. to whom it would have been issued had it been

actually issued or had it been part of a formal communication. There is no authenticity of certification by any Authority of Thailand for attestation as held by the Honourable Supreme Court in the case of Collector of Customs, Bombay versus East Punjab Traders reported in 1997 (89) E.L.T. 11 (S.C.).

8.7. We observe that apart from the three letters, there is no material in the Show Cause Notice, suggesting revocation of the certificate of origin or making of retroactive check also. Thus, we find that there is also no document enclosed in the notice issued by any designated authority of India in this regard. We are of the view that the retroactive check is to be accompanied by certificate of origin and the reasons as to why retroactive check is requested are to be specified. However, we find that there is no such document available in this case.

8.8. It is also settled law that the if certificates at the time of import were valid, then their validity cannot be questioned on the basis of surmises. In this case, the evidences submitted by the investigation does not conclusively prove that the COOs submitted by the appellant were not genuine. On the contrary, the evidences submitted by the appellant indicate that the COOs submitted by the appellant are indeed genuine . Accordingly, we hold that the appellant had rightly availed the benefit of Notification No. 46/2011-Cus. dated 01.06.2011 on 16 Bills of Entry by presenting 16 country of origin certificates. Consequently,

we hold that the impugned order passed by rejecting the benefit of the said notification is not sustainable.

9. In view of the above discussions, we hold that there is no evidence available on record to reject the duty self-assessed by the appellant. Thus, we set aside the differential duty of Rs.1,16,02,167/- confirmed along with interest in the impugned order. Accordingly, we hold that the goods are not liable for confiscation and hence, we also set aside the redemption fine of Rs.10,00,000/-imposed in lieu of confiscation under 125 of the Customs Act, 1962. Since the mis-declaration of COO certificates submitted by the appellant has not been established, we hold that penalty imposed under Section 114A of the Customs Act, 1962 is not legally sustainable and accordingly, we set aside the same.

10. In the result, we set aside the impugned order and allow the appeal filed by the appellant with consequential relief, if any, as per law."

14.1 Taking into consideration that the COOs in the present case were not the subject matter of any enquiry as in evidenced by the above documents, we do not see any legality in the confirmed demand. Further, for the reliance placed by the Revenue on the case of Shree Shyam Synthetics for import of fishing nets, it is seen that this case itself has been held in favour of that party. Therefore, we find that no case has been made out by the Revenue in respect of the two consignments imported from Thailand.

15. In view of the foregoing, we set aside the confirmed demand, interest thereon and penalty imposed under Section 114A.

16. Now we take up the confiscation and Redemption Fine issue. Admittedly, the goods were not available for confiscation [Para III of the Order portion]. In such a case, we do not see as to how the Adjudicating authority after admitting this fact, has gone on to confiscate the goods and impose Redemption Fine of Rs.1,00,00,000/-. The Larger Bench of the Tribunal in the case of **Shiv Kripa Ispat Pvt. Ltd. vs. CCE & Cus., Nasik 2009 (235) ELT 623 (Tri. LB)**, has held as under:

> *"9. We have given careful consideration to the submissions. As rightly pointed by the learned counsel, the Hon'ble High Court of Punjab & Haryana, in Raja Impex case (supra), has rendered decision on identical issue. One of the substantial questions of law placed before the High Court by the department was whether redemption fine under Section 125 of the Customs Act could be imposed where the goods were neither available for confiscation nor cleared under bond / undertaking. The Hon'ble High Court followed the ratio of the apex Court's judgment in Weston Components case and held that, as the goods in question had been allowed to be cleared without execution of any bond / undertaking by the importer, no redemption fine could be imposed under Section 125 of the Customs Act in lieu of confiscation. Reproduced below is the relevant part of the High Court's judgment.*

"12. It may also be noticed here that in the case of M/s. Weston Components Ltd. v. Commissioner of Customs, New Delhi (supra), the goods were released to the assessee on an application made by it an on the execution of a bond by the assessee and in those circumstances, the Hon'ble Apex Court held that the mere fact that the goods were released on the bond being executed would not take away the power of custom authority to levy redemption fine. A reading of the judgment / order of the Hon'ble Apex Court in M/s. Weston Components Ltd. v. Commissioner of Customs, New Delhi (supra), would show that the Apex Court has taken the view that redemption fine can be imposed even in the absence of the goods as the goods were released to the appellant on an application made by it and on the appellant executing a bond. Since the goods were released on a bond the position is as if the goods were available. The ratio of the above decision cannot be understood that in all cases the goods were permitted to be cleared initially and later proceedings were taken for under-valuation or other irregularity, even then redemption fine could be imposed. We are, therefore, not inclined to accept the contention raised by the appellant on this issue and set aside the redemption fine.

13. The reliance of learned counsel for the revenue upon the provisions of Section 125 of the Act is also misconceived. Section 125 of the Act is applicable only in those cases which have been cleared by the concerned authorities subject to furnishing undertaking / bond etc. However, in the present case, admittedly, the goods were cleared by the respondent-authorities without execution of any bond / undertaking by the assessee. Thus, in view of the fact and circumstances of the case, we find no error in the impugned orders. No substantial question of law arises for our determination in the present appeal and the same is hereby dismissed." (emphasis supplied.)

16.1 In the case of **Commissioner v. Rishi Ship Breakers - 2015 (318) E.L.T. A259 (Bom.)** the Hon'ble Bombay High Court has held as under:

"3. In so far as redemption fine is concerned, we have, in the facts and the circumstances of the case, taken a view in the case of the Commissioner of Customs (Import) v. M/s. Flurose Creation INC. in Customs Appeal No. 66 of 2009, by judgment dated August 25, 2009 that as the goods are not available for confiscation no redemption fine can be imposed. This question therefore, does not arise. (emphasis supplied)

16.2 Following the ratio of the cited case laws, we set aside the Confiscation and Redemption Fine imposed.

17. In view of the foregoing, we set aside the impugned order and allow the appeal filed by the appellant. The appellant would be eligible for consequential relief, if any, as per law.

(Order pronounced in the open court on **25.09.2026**)

Sd/-

(R. MURALIDHAR)
MEMBER (JUDICIAL)

Sd/-

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sdd