

**Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO. 02

Customs Appeal No. 10342 of 2024

[Arising Out Of OIA-AHD-CUSTM-000-APP-486-23-24 Dated- 14.03.2024 passed by the Commissioner of Customs (Appeals)-AHMEDABAD)

BHAVESH TEXTILES

B/80, Hans Society, Near Boroda Pristage
Opp Ganesh Colony, Varachha Road
Surat, Gujarat-395006

.....Appellant

VERSUS

Commissioner of Customs-Ahmedabad

Office of the Pr. Commissioner of Customs
1st Floor Customs House, Opposite Old High Court
Navrangpura, Ahmedabad, Gujarat-380009

.....Respondent

APPEARANCE:

Shri. S. Suriyanarayanan, Advocate for the Appellant

Shri. Sarjeet Kumar, Superintendent (AR) for the Respondent

CORAM: HON'BLE MR. SOMESH ARORA, MEMBER (JUDICIAL)

Final Order No. 10212/2026

DATE OF HEARING:18.03.2026

DATE OF DECISION:18.03.2026

SOMESH ARORA

In the instant case, the penalty has been imposed for violation of the EPCG license, and interest was also demanded and a redemption fine of Rs. 60, 000/- has been imposed as action in rem.

2. Learned Advocate relies on the decision of Sun Knitwear Pvt. Ltd Vs. Commissioner of Customs, Bangalore reported in 2006 (9) TMI 374-CESTAT-BANGALORE in which the coordinate Bench has held that when, of its own volition, duty and interest are paid by the person who imports under EPCG license, the penalty need not be imposed. He also pleads that the RF has been arbitrarily imposed at the rate of 20%, despite the goods having been used. He, therefore, pleads for a reduction of RF.

3. Learned AR, confronted with the above arguments of the advocate, relies on the decision of lower authorities.

4. Considered. The reliance on the decision of Sun Knitwear Pvt. Ltd (Supra) has been correctly placed by the Learned Advocate. This Court therefore agrees that the penalty is not imposable, the penalty of Rs. 3,01,892/- is set aside. The redemption fine is also liable to be reduced as the basis of the RF is not indicated. Same is reduced to Rs. 30,000/-.

5. Appeal is allowed in the above terms. Appeal partly allowed.

(Dictated & Pronounced in the open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

Prachi