`CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, MUMBAI

REGIONAL BENCH - COURT NO. I

Customs Appeal No. 86722 of 2016

(Arising out of Order-in-Appeal No. 117 (Adj-Imp)/2016(JNCH)-Appeal-II dated 31.03.2016 passed by the Commissioner of Customs (Appeals-II), Mumbai-II)

Commissioner of Customs (Import), Nhava Sheva .... Appellant
JNCH, Nhava Sheva,
Uran, Dist. Raigad – 400 707

Versus

M/s Universal Textile Solution .... Respondent
7, Gayatribag Society,
Varachha Road, Surat, Gujarat

APPEARANCE:

Shri Ram Kumar, Authorized Representative for the Appellant

None for the Respondent

CORAM:

HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)
HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85528/2026

Date of Hearing: 06.04.2026
Date of Decision: 06.04.2026

PER: S.K. MOHANTY

Heard both sides and perused the case records.

2. Feeling aggrieved with the impugned order dated 31.03.2016 passed by the learned Commissioner of Customs (Appeals-II), Mumbai-II, Revenue has preferred this appeal before the Tribunal. The amount of differential customs duty involved in the impugned proceedings is Rs.16,59,147/- along with interest and equal amount of penalty under Section 114A of the Customs Act, 1962.

3. Insofar as the monetary limit for filing of appeal before the Appellate Tribunal is concerned, by deriving the powers conferred in Section 131BA of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs (CBIC) has issued the instructions, from time to time, with the objective in

reduction of the Government litigation in the area of Customs. In the latest instruction issued by the CBIC from file F. No. 390/Misc/30/2023-JC dated 02.11.2023, the threshold monetary limit of Rs. 50 lakhs has been prescribed, below which the appeal shall not be filed before the CESTAT. Though at paragraph 2 in the said instructions dated 02.11.2023, there is specific mention of agitating the matter before the Appellate Forum, irrespective of the involvement of the amount on certain issues, but the issue categorized therein are not confirming to the present appeal filed by the Revenue inasmuch as the importer indulged in gross undervaluation of PET Film imported from China, by resorting to mis-declaration/suppression of value in the Bills of Entry, invoices, electronic declaration form etc. filed before the customs authorities at Nhava Sheva is the subject matter of present dispute. Hence, the appeal can be disposed of in terms of the litigation policy formulated by the Government.

4. Considering the disputed amount of penalty involved in the present appeal filed by Revenue, being only Rs.16,59,147/- alongwith equal amount of penalty under Section 114A *ibid*, which is below the prescribed threshold limit as per the Instruction dated 02.11.2023, the appeal filed by Revenue, in our considered view, is liable to be dismissed. Accordingly, the appeal filed by Revenue is dismissed under the Litigation Policy of the Government.

(Dictated and pronounced in open court)

(S.K. MOHANTY)
MEMBER (JUDICIAL)

(M.M. PARTHIBAN)
MEMBER (TECHNICAL)

Sinha