CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
MUMBAI

REGIONAL BENCH - COURT NO. I

Customs Appeal No. 86391 of 2021

(Arising out of Order-in-Original CAO No. CC-VA/39/2020-21 Adj. (I) ACC dated 19.02.2021 passed by the Commissioner of Customs (Import), ACC Mumbai)

Commissioner of Customs (Import), **.... Appellant**
Mumbai Air Cargo
Air Cargo Complex, Sahar Andheri (E),
Mumbai – 400 009.

Versus

M/s Watson Pharma Pvt. Ltd. **.... Respondent**
Plot No. A-3 to A-6, Verna Indl. Estate,
Phase 1A, Verna, Goa – 403 7022.

Appearance:

Shri Mahesh Patil, 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/85656/2026

Date of Hearing: 23.03.2026
Date of Decision: 23.03.2026

PER: S.K. MOHANTY

Heard both sides and perused the case records.

2. Feeling aggrieved with the impugned order 19.02.2021 passed by the learned Commissioner of Customs (Import), ACC, Mumbai, Revenue has preferred this appeal before the Tribunal. The amount of penalty involved in the impugned proceedings is Rs.2,00,000/- only.

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 non-invocation of Section 111(d) of the Customs Act, 1962, non-imposition of penalty on the respondent under Section 112(a) *ibid* and non-imposition of redemption fine under Section 125 *ibid* 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. 2,00,000/-, 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