



सीमा-शुल्क के प्रधान आयुक्त का कार्यालय,
Office Of The Principal Commissioner Of Customs,
 हवाई अड्डा एवं एअर कार्गो कॉम्प्लेक्स, देवनहल्ली, बेंगलूरु-560 300
Air Port & Air Cargo Complex, Devanahalli, Bangalore – 560 300
 Email ID: commrapacc-cusblr@nic.in

Phone No.080-22001422

Fax No.080-22001448

C.No. Gen/Rev/MISC.75/2024/Rev-AP&ACC

Date: 04.03.2024

Corrigendum

Please refer to Standing Order No. 01/2024 issued vide file even no dated 29-02-2024 by the Principal Commissioner of Customs, Airport and Air Cargo Complex, Bengaluru, wherein at SI No. 13 which is appearing as

13. Any person who contravenes any provision of this Act or abets any such contravention or who fails	Shall be liable to penalty not exceeding one lakh rupees.
---	---

may be read as

13. Any person who contravenes any provision of this Act or abets any such contravention or who fails	Shall be liable to penalty not exceeding Four lakh rupees.
---	--

Signed by A Sakthi

Date: 07-03-2024 18:10:07

Reason: Approved

(Sakthi A.)

Additional Commissioner of Customs
Airport and ACC, Bengaluru

To,

All the Adjudicating Authorities of Airport and Air Cargo Commissionerate, Bengaluru.



सीमा शुल्क प्रधानआयुक्त काकार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
 हवाईअड्डाऔर एयर कार्गो काँप्लेक्स / **AIRPORT AND AIR CARGO COMPLEX**
 देवनहल्ली, बेंगलूरु / **Devanahalli, Bengaluru – 560 300**

Ph. No. 080-2200 1422/1423

Email: commrapacc-cusblr@nic.in

C.No.Gen/Rev/MISC.75/2024/Rev-AP&ACC

Date:29.02.2024

STANDING ORDER No.01/2024

During the review of adjudication orders passed by the Adjudicating authorities in Airport and Air Cargo Commissionerate, Bengaluru, it is observed that penalties are being imposed under Sections 112, 114A and 114AA of the Customs Act, 1962, where the quantum of penalty imposed is not as per the Statute. Therefore, a need has arisen to draw specific attention to the various sections of the Act, wherein guidance regarding quantum of penalty that may be imposed are mentioned:

Sl. Nos.	Major Sections under which penalties imposed under Customs Act, 1962.	Quantum of penalty to be imposed.
Sec. 112. Penalty for importer importation of goods, etc.		
1.	Sec.112(a)(i) or 112(b)(i)	Penalty not exceeding the value of the goods or five thousand rupees, whichever is greater.
2.	Sec.112(a)(ii) or 112(b)(ii)	Penalty not exceeding ten percent of the duty sought to be evaded or five thousand rupees, whichever is higher.
3.	Sec.112(a)(iii) or 112(b)(iii)	Penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater.
4.	Sec.112(a) (iv) or 112(b) (iv)	Penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.
5.	Sec.112(a)(v)or Sec.112(b)(v)	Penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.
Sec.114A Penalty for short-levy or non-levy of duty in certain cases		
6.	Where the duty has not been levied or has been short-levied or the interest has not been charged	the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of Sec.28 shall also be

1/1788369/2024	or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts....	liable to pay a penalty equal to the duty or interest so determined.
7.	Provided that where such duty or interest, as the case may be, as determined under sub-section (8) of section 28, and the interest payable thereon under section 28AA, is paid within 30 (thirty) days from the date of the communication of the order of the proper officer determining such duty....	The amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the duty or interest, as the case may be, so determined.
8.	Provided further that the benefit of reduced penalty under the first proviso shall be available.....	Subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:
9.	Provided also that where the duty or interest determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the Court....	Then for the purposes of this section, the duty or interest as reduced or increased, as the case may be, shall be taken into account.
10.	Provided also that in case where the duty or interest determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the Court....	Then, the benefit of reduced penalty under the first proviso shall be available if the amount of the duty or the interest so increased, alongwith the interest payable thereon under Section 28AA, and twenty-five per cent of the consequential increase in penalty have also been paid within thirty days of the communication of the order by which such increase in the duty or interest takes effect:
11.	PROVIDED ALSO....	That where any penalty has been levied under this Section, no penalty shall be levied under Section 112 or Sec.114.
Sec. 114AA. Penalty for use of false and incorrect material.		
12.	If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act....	Shall be liable to a penalty not exceeding five times the value of the goods.
Sec. 117. Penalties for contravention, etc., not expressly mentioned.		
13.	Any person who contravenes any provision of this Act or abets any such contravention or who fails	Shall be liable to penalty not exceeding one lakh rupees.

I/1788369/2024

	<p>to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure....</p>	
--	--	--

2. The Adjudicating Authorities are advised to specifically mention why penalty under a certain provision is being imposed; and why the quantum of penalty has been so imposed. This is expected particularly in case the penalty is either at the lowest level or close to the ceiling.
3. It may be noted that provisions of Section 114AA should be used sparingly in the import cases, as there is an inherent overlap between this Section and Section 112 and 114A.
4. Recourse to imposition of penalty under Section 117 should be made only in such cases wherein no specific penalty has been imposed under any of the other sections of the Act.
5. In conclusion, it is emphasized that discretion in law is essentially a responsibility cast upon the adjudicating authority. They must be exercised with a sense of responsibility and proportion and must be expressed in very clear terms in their Speaking Order:

Signed by Kajal Singh
 (Date: 29-08-2024 10:01:30)
 Pr. Commissioner of Customs
 AP & ACC Commissionerate
 Bengaluru.

To:
 All the Adjudicating Authorities of Airport and Air Cargo Commissionerate, Bengaluru.