

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI
PRINCIPAL BENCH, COURT NO. 3
CUSTOMS APPEAL NO. 54806 OF 2023**

[Arising out of Order-in-Original No. 50/2022-23/Simmi Jain/Principal Commissioner dated 09.01.2023 passed by the Principal Commissioner of Customs ACC (Import), New Delhi]

M/s. P.C. Jeweller Limited

C-54, Preet Vihar,
New Delhi-110092

Appellant

Vs.

**Principal Commissioner of Customs
ACC (Import), New Delhi**

New Customs House, Near IGI Airport,
New Delhi-110037

Respondent

WITH

CUSTOMS APPEAL NO. 54832 OF 2023

[Arising out of Order-in-Original No. 50/2022-23/Simmi Jain/Principal Commissioner dated 09.01.2023 passed by the Principal Commissioner of Customs ACC (Import), New Delhi]

**Balram Garg, Managing Director,
P.C. Jeweller Limited
(the then P.C. Jewellers Private Limited),**

1-C, Court Road, Civil Lines, New Delhi-110054
(Presently At: C-54, Preet Vihar, New Delhi-110092)

Appellant

Vs.

**Principal Commissioner of Customs
ACC (Import), New Delhi**

New Customs House, Near IGI Airport,
New Delhi-110037

Respondent

WITH

CUSTOMS APPEAL NO. 54833 OF 2023

[Arising out of Order-in-Original No. 50/2022-23/Simmi Jain/Principal Commissioner dated 09.01.2023 passed by the Principal Commissioner of Customs ACC (Import), New Delhi]

**Smt. Rashmi Anand, Assistant Vice President
(Finance), P.C. Jeweller Limited
(the then P.C. Jewellers Private Limited),**
(Then at 24/2708, Bank Street, Karol Bagh,
New Delhi-110005)
(Presently At: C-54, Preet Vihar, Delhi-110092)

Appellant

Vs.

**Principal Commissioner of Customs
ACC (Import), New Delhi**

Respondent

New Customs House, Near IGI Airport,
New Delhi-110037

AND

CUSTOMS APPEAL NO. 54900 OF 2023

[Arising out of Order-in-Original No. 50/2022-23/Simmi Jain/Principal Commissioner dated 09.01.2023 passed by the Principal Commissioner of Customs ACC (Import), New Delhi]

**Nitin Garg, President (Diamond Jewellery
Manufacturing), P.C. Jeweller Limited
(the then P.C. Jewellers Private Limited),**
24/2708, Bank Street, Karol Bagh, New Delhi-110005
(Presently At: C-54, Preet Vihar, New Delhi-110092)

Appellant

Vs.

**Principal Commissioner of Customs
ACC (Import), New Delhi**

Respondent

New Customs House, Near IGI Airport,
New Delhi-110037

Appearance:

Present for the Appellant: Shri T. Chakrapani and Ms. Pooja, Consultant and, Shri Anil Kumar, Shri Jiten Yadav and Ms. Neelam Murpana, Advocates

Present for the Respondent: Shri Rajesh Singh, Authorised Representative

CORAM:

HON'BLE MR. ASHOK JINDAL, MEMBER (JUDICIAL)

HON'BLE MR. K. ANPAZHAKAN, MEMBER (TECHNICAL)

Date of Hearing: **05/05/2026**
Date of Decision: **14/07/2026**

Final Order Nos. 51163-51166/2026

ASHOK JINDAL:

All the appeals are arising out of a common order, therefore, all the appeals are disposed of by a common order.

2. The facts of the case are that the appellant Ms. P.C. Jewellers Ltd imported diamond studded gold jewellery from Thailand by filing 24 Bills of entry under CTH 711319 claiming benefit of Notification No.85/2004-Customs dated 31.08.2004 (pre trade agreement between India and Thailand) read with Notification No.101/2004-Customs (NT) dated 31.08.2004 during the period 2010-11 to 2011-12 and filed certificates of country of origin (COO) along with each Bills of Entry. All the said goods were duly assist and cleared by the customs authority at the relevant time without raising any query about description, quantity, value and country of origin certificates. The DRI conducted a search on 13.12.2012 in the guise that the said country of origin certificates were improper in terms of inflated local value content (of Thailand) and accordingly, conducted investigations against such importers including the appellant. It was alleged that appellant has wrongly availed the benefit of free trade agreement on the basis of COOs showing inflated local value addition. But the said allegation were not in reference to the subject COOs which admittedly will never got verified from the issuing authority of the exporting country i.e., Thailand. The allegation were based on the investigation conducted by the DRI with India from third party while recording their statements. Therefore, the show cause

notice was issued to the appellants to deny the benefit of Notification No.85/2004-Custom dated 31.08.2004 read with Notification No.101/2004-Custom (NT) dated 31.08.2004⁵. Consequently, the demand was raised against the appellant and penalty was also proposed to be imposed on all the appellants. The matter was adjudicated, the demand proposed in the show cause notice was confirmed along with interest and penalties on the appellants are also imposed. Aggrieved from the said order the appellants are before us.

3. The learned counsel for the appellant submits that it is a fact on record that the appellant has filed documents at the time of import of the goods along with certificate of country of origin and same has been verified and the goods were allowed to be cleared. Later on, investigation was connected and various statements have been recorded. On the basis of those statements, it has been alleged that the certificate of country of origin is not correct, therefore, they are not entitled to get the benefit of the said notification, but the certificate issued by the originating country have not been verified whether the issuing authority has issued the certificate of country of origin at the time of import is correct or not. In that circumstances, the certificate of benefit of Notification as claimed by the appellant cannot be denied. To support this contention, he relied on the decision of this Tribunal in the case of Hazoorilal & Sons Jewellers Private Limited vide Final Order No.50691-50692/2026 dated 06.04.2026, therefore, the impugned order deserves to be set aside. Consequently, the demand of duty and penalty on the co-appellants are also not imposable. He prayed accordingly.

4. On the other hand, learned authorized representative supported the impugned order and submits that during the course of investigation it was found that in the past, the appellant has imported from Dubai and Thailand unbranded jewellery. The certificate of country of origin failed to establish the mandatory requirement of regional value contents of at least 80% for availing the benefits link to the country origin on importation of gold jewellery under the Notifications claimed by the appellant. The value addition was uniformly declared as 22% irrespective of description/ supplier and Carats from gold/diamond or quality of stone utilized in the manufacture of aforesaid jewellery. Confirming the local value has been mis-represented. Therefore, he supported the impugned order.

5. Heard the parties and considered their submissions.

6. We find that admittedly, the certificates issuing authority of the country of origin have not been verified whether they have been issued the said COO or not?

7. The said issue has been examined by this Tribunal in the case of Hazoorilal & Sons Jewellers (supra), wherein this Tribunal observed as under:

"7. The question which arises for consideration is whether the Country of Origin certificates issued by the competent authority can be doubted and if so, what is the mechanism available to the importing country. The 'Interim Rules of Origin' notified by the Central Government answer these questions. Rule 14 of these rules reads as follows:

Rule 14. Certificate of origin.-A claim that products shall be accepted as eligible for preferential concessions in the importing Party shall be supported by a Certificate of Origin

issued by a Government authority designated by the exporting Party and notified to the other Party to the Agreement in accordance with the Operational Certification Procedures, as set out in **Annexure -B**.

8. Annexure B to the Rules sets out detailed operational certification procedures. Rule 15 of this Annexure provides for retroactive verification of the certificates of origin at random or when there is a reasonable doubt. It reads as follows:

Rule 15

(a) The importing Party may request a retroactive check at random and/or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question or of certain parts thereof.

(b) The request shall be accompanied with the Certificate of Origin concerned and shall specify the reasons and any additional information suggesting that the particular given on the Certificate of Origin may be inaccurate, unless the retroactive check is requested on random basis.

(c) The Customs Authority of the importing Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, it may release the products to the importer subject to any administrative measures deemed necessary, provided that they are not held to be subject to import prohibition or restriction and there is no suspicion of fraud.

(d) The Issuing Authority receiving a request for retroactive check shall respond within three (3) months after the receipt of the request.

9. If DRI had come to the conclusion after its investigation that the value addition indicated in the Certificates of Origin could not have been correct, the proper procedure, as per the Rules, was to take up the matter with Issuing Authority of the Certificates of Origin in Thailand as per Rule 15 of Annexure B of the "Interim Rules of Origin" notified by the Central Government.

10. Instead, DRI summoned and recorded four statements of different persons, obtained a letter from some other jeweler (Bhola Nath Brothers, New Delhi) expressing what, according to him, must be the making charges of jewelry and based on these issued the SCN seeking to deny the benefit of the exemption notification available based on the Country of Origin Certificates issued by the Authority in Thailand.

11. The proposals in the SCN were confirmed by the Commissioner in the impugned order. Both the impugned order and the SCN issued by DRI are contrary to the procedure prescribed for verification and rejection of Country of Origin certificates as per the Rules.

12. The impugned order, being contrary to the law, cannot be sustained and deserves to be set aside and is set aside. Both appeals are allowed. The appellants will be entitled to consequential relief, if any.”

8. Admittedly, in the case in hand, the certificate of country of origin issued by the competent authority can be doubted, if so, the mechanism has been given under Rule 14 and 15 and the same has not been followed by the DRI. In that circumstances, we hold that the benefit of Notification claimed by the appellant cannot be denied. As allegation in the show cause notice are contrary to the procedure prescribed for verification and rejection of country of origin certificates as per the rules. Therefore, the impugned proceedings against the appellants are not sustainable, the demand of duty is not sustainable, the same is dropped. Consequently, no penalty is imposable on the appellants. In view of this, the impugned order is set aside. In result, the appeals are allowed with consequential relief, if any.

(Order pronounced on **14/07/2026**)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)