

	<p>सीमा शुल्क आयुक्त का कार्यालय, Office of the Commissioner of Customs, नया सीमाशुल्क सदन, New Custom House, Near Balaji Temple, नया कांडला – ३७०२१०. New Kandla – 370 210. दूरभाष /Tel. 02836-271468-469, फैक्स/Fax. 02836-271467 E-mail : commr-cuskandla@gov.in</p>
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F.No. GEN/ADJ/ADC/632/2025-Adjn-O/o Commr-Cus-Kandla

Show Cause Notice

(Issued under Section 28 and Section 124 of the Customs Act, 1962)

M/s AB Warehousing, bearing IEC- ABSFA2571P and GSTN-24ABSFA2571P1ZV (herein after referred to as "SEZ unit" having its registered address premises at Plot No. 72-A, Sector-I, Phase-I, Kandla Special Economic Zone, Gandhidham - Kutch - 370230. The SEZ unit was granted a Letter of Approval (LOA) No. 44/2020-21 on 24.03.2021 (**RUD-01**) vide F.No. KASEZ/IA/44/2020-21 dated: 24.03.2021 to undertake authorized operations of Warehousing and Trading activity with details as mentioned therein.

2. Whereas, during the test check of records for the period 2021- 22, the Sr. Audit Officer (CRA-I) noticed that certain KASEZ units had cleared "Cold Rolled Stainless Steel Sheet in Coils (J3 Grade)" in DTA classifying them under CTH 7220 9022. Customs duty was paid on these DTA clearances at the rate of 23.35%. Whereas, the Audit team on scrutiny of their "Mill Test Certificate", noticed that these items contained "Chromium-Cr" (12.52%-13.78%) and "Manganese-Mn" (9.26%-9.70%) in majority and only a small quantum of "Nickel-Ni" (0.8%-1.25%). Therefore, Audit team made an observation that the subject goods cleared in DTA were actually "chromium-manganese austenitic type" stainless steel and were correctly classifiable under CTH 7220 9090 and subsequently, benefit of Notification 50/2018-Cus dated 30.06.2018 was also not admissible for subject goods. The above said observations were communicated by the Audit team to KASEZ vide LAR for the period from April 2021-March 22 vide Para no OBS-610571 (**RUD-02**).

3. On the basis of the Audit observation, an inquiry was initiated against all such SEZ Units and subject DTA clients. One such SEZ unit is M/s. AB Warehousing, Plot No. 72-A, Sector-I, Phase-I, Kandla Special Economic Zone, Gandhidham - Kutch - 370230 (hereinafter referred to as "the SEZ unit"), having Letter of **Approval No. KASEZ/IA/44/2020-21 dated 24.03.2021 (RUD-01)** which have warehoused and cleared into DTA the goods, viz. Steel Coils for its DTA Clients

under CTH 7220 9022 (instead of under CTH 7220 9090) and has availed the benefits of concessional rate of duty under Notification 50/2018-Cus dated 30.06.2018(under Serial number 734).

4. As per NSDL SEZ Online portal, the details of the DTA Bills of Entry filed by the SEZ unit/DTA Clients for clearance of the subject goods are as follows:

TABLE-A

Sr. No	Entity Name	DTA BE No/Date	DTA Client	Item Description	Customs Tariff Item (CTI)	Assessable Value (in INR)	Corresponding Import BE No. & Date
1	AB Warehousing	2004263 /22-04-2021	BHAUMIK OVERSEAS PRIVATE LIMITED	COLD ROLLED STAINLESS STEEL COILS GRADE J-3	7220902 2	64,47,489	1004606 dated 08.04.21
2		2005446 /03-06-2021	NG IMPEX	COLD ROLLED STAINLESS STEEL COILS GRADE J-3	7220902 2	20,19,714	1006577 dated 19.05.2021
3		2006482 /02-07-2021	RMC Enterprise	COLD ROLLED STAINLESS STEEL COILS GRADE J-3	7220902 2	77,16,503	1004573 dtd 07.04.2021
Total						1,61,83,706	

5. Further, from the documents uploaded along with DTA BEs and corresponding Import BEs (**RUD-03**), it is seen that the chemical composition of the subject goods as per the uploaded Mill test certificates, issued by their suppliers are as under:

TABLE-B

DTA Client Name	Goods Description	MTC No	Chromium (Cr)	Manganese (Mn)	Nickel (Ni)
Bhaumik Overseas Pvt Ltd	Cold Rolled Stainless Steel Coils, Grade J-3	21140-TC	12.05% - 12.53%	9.30 % - 9.52 %	0.75% - 0.9%
NG Impex		NGQC210400 18	12.78% - 12.83%	9.25% - 9.27%	1.02% - 1.05%
RMC Enterprise		21139-TC	12.05% -	9.30 % -	0.75% -

6. Observation of the Audit.

The observation of the audit is as under:

"Serial number 734 of Notification No. 50/2018-Cus dated 30.06.2018 prescribes concession of 45% of applied (Standard) BCD rate on CTH 72209021 (viz., Other Flat-rolled products of Stainless Steel: Chromium type) and 72209022 (viz., Other Flat-rolled products of Stainless Steel: Nickel-Chromium austenitic type), on goods imported inter alia from China. Standard BCD rate applicable on goods falling under Customs Tariff Heading (CTH) 72209090 is 7.5% and is not included in Notification No. 50/2018-Cus above. Further, "Austenitic steel" is a type of stainless steel that contains austenite, which consists of a high percentage of nickel and chromium. However, "J3Grade" of Stainless steel is a chromium-manganese austenitic stainless steel (with 13-15% Cr, 7.5-13% Mn) with moderate amounts of copper, nickel (0.8-1.5%) and nitrogen. Thus, "J3 Grade" is not "Nickel-Chromium austenitic type" but a "chromium-manganese austenitic type" stainless steel and is accordingly classifiable under CTH 72209090. (Please refer <https://www.yaoyistainlesssteel.com/grade-j3/> and <https://www.quora.com/What-is-grade-201-.13-in-stainless-steel-What-are-the-chemical-properties-standard-In-which-standard-does-it-include-ASTM-DIN-JIS-or-else>)"

...

"During test check of records of Specified Officer (KASEZ) Gandhidham for the period 2019-2021, it was noticed that 04 KASEZ units (Statement Attached) had cleared "Cold Rolled Stainless Steel Sheet in Coils (J3 Grade)" in DTA classifying these under CTH 72209022. Customs duty was paid on these DTA clearance at the rate of 23.35% (incl BCD 4.12%, SWS 10% & IGST 18%), availing BCD concession under serial number 734 above. On scrutiny of their "Mill Test Certificate" also, it was noticed that these items contained "Chromium-Cr" (12.52%-13.78%) and "Manganese-Mn" (9.26%-9.70%) in majority and only a small quantum of "Nickel-Ni" (0.8%-1.25%). Thus, these goods cleared in DTA were actually "chromium manganese austenitic type" stainless steel and were correctly classified under CTH 72209090. Thus, the benefit of Notification 50/2018-cus was also not admissible. ..."

7. Analysis:

7.1 Based on the details available on NSDL SEZ Online portal as per Table-A, it is evident that the said SEZ unit/DTA Clients have cleared the goods viz. COLD ROLLED STAINLESS STEEL COILS GRADE J-3 into DTA by classifying the same under CTH 7220 9022.

7.2 However, as per audit observation, it is seen that "J3 Grade" of Stainless steel is a Chromium-Manganese Austenitic Stainless Steel (with 13-15% Cr, 7.5-13% Mn) with moderate amounts of Copper, Nickel (0.8-1.5%) and Nitrogen. Thus, "J3 Grade" is not "Nickel-Chromium Austenitic type" but a "Chromium-Manganese Austenitic

Type" stainless steel and thus, accordingly appears to be correctly classifiable under CTI 72209090. Further, it is seen that Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018-Cus dated 30.06.2018 (under Serial number 734) prescribes a concession of 45% of applied (Standard) BCD rate on CTH 72209021 (viz. Other Flat-rolled products of Stainless Steel: Chromium type) and 72209022 (viz. Other Flat-rolled products of Stainless Steel: Nickel-Chromium austenitic type), on goods imported *inter-alia* from China. However, the goods which merit classification under Customs Tariff Heading (CTH) 72209090, the Standard BCD rate applicable is 7.5% and the said CTH is not covered under Notification No. 50/2018-Cus dated 30.06.2018.

7.3 Further, during the test check of records of SEZ unit by the Audit, it was noticed that the said SEZ unit along with their DTA Clients had cleared "Cold Rolled Stainless Steel Sheet in Coils (J3 Grade)" in DTA classifying the same under CTH 72209022. Customs duty was paid on these DTA clearance at the rate of 23.35% (including BCD 4.12%, SWS 10% & IGST 18%), availing BCD concession under Notification No. 50/2018-Cus under serial number 734. On scrutiny of their "Mill Test Certificate" (as per Table-B), it was noticed that these items contained "Chromium-Cr"(12.05%-12.83%) and "Manganese-Mn" (9.25 % -9.52%) in majority and only a small quantum of "Nickel-Ni" (0.75% - 1.05%). Thus, these goods cleared into DTA were actually "chromium-manganese-austenitic type" stainless steel and appear to be correctly classifiable under CTH 72209090. Accordingly, the benefit of Notification No. 50/2018-Cus appears to be not admissible on these goods.

7.4 In view of the above it appears that the said SEZ Unit along with DTA Importers have mis-classified the goods imported under CTI **7220-9022** to claim the benefit of Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018-Cus dated 30.06.2018, wherein benefit/ exemption of 45% on the BCD on the goods imported from China is present. The actual classification of these goods appears to be **7220-9090 (Chromium-Manganese Austenitic Stainless Steel)**. This act of mis-classification resulted in the short payment of Customs Duty to the tune of **Rs 7,08,968/-**. Such indulgence and endeavor on the part of said SEZ Unit and its DTA clients have resulted in short-levy of Customs duty of **Rs. 7,08,968/-** which is to be recovered from them along with applicable interest and penalty as per provisions of

the Customs Act, 1962. Further, the goods appear to be mis-classified and therefore the goods are liable to confiscation as per the provisions of The Customs Act, 1962.

7.5 Whereas, as per the Letter of Approval (LOA) dated 02.02.2021 granted to the said SEZ unit under Section 15(9) of the SEZ Act, 2005 read with Rule 19 of the SEZ Rules, 2006 vide F.No. **KASEZ/IA/44/2020-21 dated 24.03.2021 (RUD-01)** by the Development Commissioner, Kandla SEZ, no such approval/authorization for warehousing of goods under CTI “**7220-9090**” on behalf of overseas/DTA clients appears to have been granted to the said SEZ unit. Accordingly, the SEZ unit alongwith its DTA clients has also contravened the conditions of its LoA and thereby contravened the provisions of SEZ Act, 2005 readwith SEZ Rules, 2006.

8. Letter to SEZ unit and DTA clients and responses thereof:

On the basis of the above observation and findings, letters dated 03.05.2024 and **(RUD-04)** were written to the SEZ unit and DTA clients for making the payment of the differential amount of duty. In reply to the same, the SEZ unit vide letter dated 14.05.2024 **(RUD-05)** has submitted that the DTA Bills of Entry were cleared in the FY 2021-22 and submitted that these are old Bills of Entry and they requested one month time for DTA importers to submit their reply. Further reminder letters dated 01.07.2024, 20.11.2024 **(RUD-06)** were written to the SEZ unit and their DTA clients, however none of the SEZ unit/DTA clients responded to the letters or their subsequent reminders. From the above it appears that the SEZ unit and its DTA clients willfully attempted to escape the inquiry conducted by the KASEZ Customs.

9. Legal Provisions:

The following are the legal provisions, which are in general applicable in the present case. The list given herein is indicative and not exhaustive, as the context of legal provisions may otherwise require reference of other legal provisions, reference of which are also to be invited, as and when required:

9.1. The Customs Act, 1962:

- 9.1.1. Section 46 of the Customs Act, 1962
- 9.1.2. Section 17 of the Customs Act, 1962
- 9.1.3. Section 2(33) of the Customs Act, 1962
- 9.1.4. Section 2(39) of the Customs Act, 1962
- 9.1.5. Section 46 of the Customs Act, 1962
- 9.1.6. Section 111 (m) and (o) of the Customs Act, 1962.

- 9.1.7. Section 112 of the Customs Act, 1962
- 9.1.8. Section 114AA of the Customs Act, 1962

9.2. SEZ Act, 2005 and SEZ Rules, 2006

- 9.2.1 Rule 15(9) of the SEZ Rules, 2006.
- 9.2.2 Rule 18 of the SEZ Rules, 2006.
- 9.2.3 Rule 27(10) of the SEZ Rules, 2006.
- 9.2.4 Rule 29(1) of the SEZ Rules, 2006.
- 9.2.5 Rule 29(2) of the SEZ Rules, 2006.
- 9.2.6 Rule 47 of the SEZ Rules, 2006.
- 9.2.7 Rule 48 of the SEZ Rules, 2006.

9.3 Notification No. 50/2018-Cus dated 30.06.2018

10. Discussion related to legal contraventions:

10.1 Based on the above, it appears that the said SEZ Unit along with DTA Importers, has mis-classified the goods imported under CTI **7220-9022** to claim the benefit of Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018-Cus dated 30.06.2018, wherein benefit/ exemption of 45% on the BCD on the goods imported from China which resulted in the short payment in Customs Duty to the tune of **Rs. 7,08,968/**. The actual classification of these goods appears to be **7220-9090 (Chromium-Manganese Austenitic Stainless Steel)**.

10.2 Furthermore, as per the Letter of Approval (LOA) dated 24.03.2021 granted to the said SEZ unit under Section 15(9) of the SEZ Act, 2005 read with Rule 19 of the SEZ Rules, 2006 vide F.No. **KASEZ/IA/44/2020-21 dated 24.03.2021** by the Development Commissioner, Kandla SEZ, no such approval/authorization for warehousing of goods under CTI "**7220-9090**" on behalf of overseas/DTA clients appears to have been granted to the said SEZ unit. Accordingly, the SEZ unit alongwith its DTA clients, has also contravened the conditions of its LoA and thereby contravened the provisions of SEZ Act, 2005, read with the SEZ Rules, 2006.

10.3 Whereas, Section 17 of the Customs Act, 1962 provides for self-assessment of duty on imported and exported goods by the importer and exporter himself by filing a bill of entry or shipping bill, as the case may be. Further, Rule 75 of the SEZ Rules, 2006 also provides that unless and otherwise specified in these rules all inward or outward movements of the goods into or from SEZ by the Unit/Developer shall be based on self-declaration made by the Unit/Developer. Under this trust based system of self-assessment, it is the responsibility and duty of the

importer/exporter to ensure correct classification, applicable rate of duty, and compliance with conditions and authorizations granted in their Letter of Approval etc., in respect of imported /exported goods while presenting a bill of entry or shipping bill. While clearing the subject goods into the DTA, the said SEZ unit and its partner were bound for true and correct declaration with respect to classification, applicable duty and ensuring import of subject goods is in accordance with authorization/permissions/approvals granted in their Letter of Approval.

10.4 Whereas, Section 46(4A) of the Customs Act, 1962, the importer, who is presenting the bill of entry should ensure, inter-alia, accuracy and completeness of the information given, authenticity and validity of the document supporting it as well as the compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force, which includes ensuring import of subject goods are in accordance and observance with authorization/permissions/approvals granted in their Letter of Approval. However, the SEZ unit and its DTA clients has wilfully mis-classified the subject goods in the relevant Bills of Entry with a malafide intention to cause short payment of applicable customs duty on the proper CTI and also to give effect to the import in contravention to the permissions/approvals granted in the LoA. Accordingly, it appears the said SEZ unit and its DTA clients have violated the provisions of Section 46(4A) and Section 46(4) of Customs Act, 1962, by providing false or incorrect information, availing ineligible/non-admissible exemption notification benefits and effecting import against the permissions/approvals granted in the LoA. Such omission and commission on their part makes the impugned goods liable for confiscation in terms of Section 111(m), 111(o) and 111(d) of the Customs Act, 1962 and makes the said SEZ unit and its DTA clients liable for penalties under Section 112, 114A and 114AA of the Customs Act, 1962.

11. Quantification of Duty Evasion.

11.1. Whereas, from the inquiry carried out so far, it appears that the DTA Clients & SEZ unit intentionally mis-classified the cleared goods into DTA under CTI **7220-9022** (instead of proper CTI **7220-9090**) to claim the benefit of Asian Pacific Trade Agreement (APTA) under Notification No. 50/2018-Cus dated 30.06.2018, wherein benefit/ exemption of @45% on the BCD on the goods imported from China is there, resulted in the short payment in Customs Duty to the tune of **Rs 7,08,968/** and cleared the goods. Further, the SEZ unit suppressed the fact that it does not have

permission/authorization in its LoA to warehouse the goods covered under CTI **7220-9090**. All these acts of commission and omissions on their part have rendered the goods having total assessable value of **Rs. 1,61,83,706/-** (Rupees One Crore Sixty one Lakh Eighty-Three Thousand Seven Hundred Six only), as detailed in Table-C below, liable to confiscation under the provisions of Section 111(m),111(d) and 111(o) of the Customs Act, 1962.

Table-C

Sr No	SEZ unit Name	DTA Client	THOKA No and Dt	CTH NO.	RE-DETERMINED PROPER CTH	ASSESSABLE VALUE FOR THE ITEM IN INR	DUTY PAID AMOUNT (@23.35 %)	Duty Payable*(@27.735%)	Difference Payable
1	AB Warehousing	Bhaumik Overseas Pvt Ltd	200426 3 dtd 22.04.2021	722090 22	7220 9090	64,47,489	15,05,763	17,88,211	2,82,448
2		RMC Enterprise	200648 2 dtd 02.07.2021	722090 22	7220 9090	77,16,503	18,02,131	21,40,172	3,38,041
3		N G IMPEX	200544 6 dtd 03.06.2021	722090 22	7220 9090	20,19,714	4,71,689	5,60,168	88,479
Total						1,61,83,706			7,08,968

12. Role played by the SEZ unit M/s AB Warehousing and the DTA Clients.

12.1. It also appears that **M/s AB Warehousing**, KASEZ and the said DTA Clients have availed the Custom duty exemption benefits by mis-declaring the description of the goods as “J3 Grade” and mis-classifying the subject goods under the CTI 7220 9022 instead of the correct CTI of the goods, i.e. 7220 9090, where the duty benefits of 45% on the BCD under the APTA is not applicable. Since the SEZ unit and DTA clients are in the business of importing steel products, they appear to be aware of the technical specifications of the steel products being imported by them and they were aware of the proper classification of the goods. Similarly, the SEZ unit appears to be aware of all these facts related to technical specifications of the steel products, since they are actively indulged in the warehousing of these goods. In order to improperly avail the benefits of the concessional rate of duty and to import the subject goods in contravention to the permissions/approvals granted in the LoA, they appear to have deliberately mis-classified the goods and willfully suppressed

the correct classification of the goods. Accordingly, it appears that the said SEZ Unit along with its clients by virtue of their omissions and commission, willingly and with malafide intention suppressed the facts to evade payment of applicable Customs duty. This act of the SEZ unit M/s AB Warehousing and its DTA Clients appears to be an act of willful mis-statement and suppression of facts and thereby they appear to have contravened various provisions of the Customs Act, 1962 and rules made thereunder, with intent to evade payment of Customs duty and to import the subject goods in contravention to the permissions/approvals granted in the LoA. Therefore, the goods appear to be liable for confiscation in as much as the import documents and the declaration given under the Bill of Entry does not correspond to the true nature and correct CTI of the goods. Since, there appears to be willful mis-statement and suppression of facts in the instant case, the total differential customs duty amounting to Rs. **7,08,968/-**, as detailed in the table above, which was lawfully payable by them is liable to be recovered from the said respective DTA clients under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

12.2 Also, the SEZ unit and the DTA Clients appears to have intentionally and deliberately signed, made, used or caused to be made Bills of Entry, invoices, declarations etc. which they knew were false and/or incorrect in crucial aspects in the course of imports into KASEZ and clearance into the DTA. The said acts of omission and commission on the part of M/s. AB Warehousing Co. and the said DTA clients appear to have rendered themselves liable for penalty, individually and separately, under the provisions of Section 112, 114A and 114AA of the Customs Act, 1962 and FTD&R Act 1992.

13. Statement of charges and Authority to adjudicate the subject charges:-

13.1. Now, therefore, M/s. AB Warehousing, Plot No. 72-A, Sector-I, Phase-I, Kandla Special Economic Zone, Gandhidham - Kutch - 370230 having Letter of Approval No. KASEZ/IA/ 44/2020-21 dated 24.03.2021 is hereby called upon to show cause to the Joint/Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:

- I. The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Table-C** above, having declared assessable value of **1,61,83,706/-** (Rupees One Crore Sixty One Lakh Eighty Three Thousand Seven Hundred Six Only) should not be rejected and should not be re-classified under Custom tariff Item **7220 9090**.
- II. The differential duty amount of Rs **7,08,968 /-** (Rupees Seven Lakh Eight Thousand Nine Hundred Sixty-Eight Only) as detailed in **Table-C** above, should not be demanded and recovered from their DTA Clients under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962.
- III. The goods imported from China and cleared into DTA vide Bills of Entry as detailed in Table-C' above, having declared assessable value of Rs. **1,61,83,706/-** (Rupees One Crore Sixty One Lakh Eighty Three Thousand Seven Hundred Six Only) should not be confiscated under Section 111 (m), 111(d) & 111(o) of the Customs Act, 1962 for reasons as discussed above;
- IV. Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;
- V. Bond-cum-Legal Undertaking in Form-H furnished by the said SEZ Unit should not be enforced towards the duty and other liabilities arising out of subject goods removed from the said SEZ unit to DTA as detailed in **Table-C** above.

13.2. Now, therefore, the DTA importer, namely, **M/s Bhaumik Overseas Private Limited**, Unit No-327 Plot No-1 3rd Floor Rg Complex, Community Center Sector-4 Rohini, North Delhi, Delhi ,110085 is hereby called upon to show cause to the Joint/Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:

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- I. The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Table-C** above, having declared assessable value of Rs **64,47,489** /- (Rupees Sixty-Four Lakh Forty Seven Thousand Four-Hundred Eighty Nine Only) should not be rejected and should not be re-classified under Custom tariff Item **7220 9090**.
- II. The differential duty amount of **2,82,448** /- (Rupees Two Lakh Eighty Two Thousand Four Hundred Forty Eight Only) as detailed in **Table-C** above, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962.
- III. The goods imported from China and cleared into DTA vide Bills of Entry as detailed in Table-A' above, having declared assessable value of Rs **64,47,489** /- (Rupees Sixty-Four Lakh Forty Seven Thousand Four-Hundred Eighty Nine Only) should not be confiscated under Sections 111 (m), 111(d) & 111(o) of the Customs Act, 1962 for the reasons discussed above;
- IV. Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

13.3. Now, therefore, the DTA importer, namely, **M/s RMC Enterprise** having address at Shanti Prakash Market Building, Office No 4, Plot no 261, Ward no 12B, Gandhidham, Gujarat-370201, is hereby called upon to show cause to the Joint/Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

- I. The declared classification i.e. under CTI **7220 9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Table-C** above, having declared assessable value of **Rs 77,16,504** /- (Rupees Seventy-Seven Lakh Sixteen Thousand Five -Hundred Four Only) should not be rejected and should not be re-classified under Custom tariff Item **7220-9090**.
- II. The differential duty amount of **Rs 3,38,041/-** (Rupees Three Lakh Thirty Eight Thousand Forty One Only) as detailed in **Table-C** above, should not be

demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962.

III. The goods imported from China and cleared into DTA vide Bills of Entry as detailed in 'Table-A' above, having declared assessable value of **Rs 77,16,504** /- (Rupees Seventy-Seven Lakh Sixteen Thousand Five Hundred Four Only) should not be confiscated under Sections 111 (m), 111(d) & 111(o) of the Customs Act, 1962 for the reasons discussed above;

IV. Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

13.4. Now, therefore, the DTA importer, namely, **M/s N G Impex** having address at Property No. A-30, Wazirpur Industrial Area, Delhi-110052, is hereby called upon to show cause to the Joint/Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why: -

I. The declared classification i.e. under CTI **7220-9022** of the imported goods and cleared into DTA vide bills of entry as detailed in **Table-C** above, having declared assessable value of **Rs 20,19,714/-** (Rupees Twenty Lakh Nineteen Thousand Seven Hundred Fourteen Only) should not be rejected and should not be re-classified under Custom tariff Item **7220 9090**.

II. The differential duty amount of Rs **88,479/-** (Rupees Eighty-Eight Thousand Four Hundred Seventy-Nine Only) as detailed in **Table-C** above, should not be demanded and recovered from them under the provisions of Section 28(4) of the Customs Act, 1962, along with interest, under the provisions of Section 28AA of the Customs Act, 1962.

III. The goods imported from China and cleared into DTA vide Bills of Entry as detailed in 'Table-A' above, having declared assessable value of **Rs 20,19,714/-** (Rupees Twenty Lakh Nineteen Thousand Seven Hundred Fourteen Only) should not be confiscated under Sections 111 (m), 111(d) & 111(o) of the Customs Act, 1962 for the reasons discussed above;

IV. Penalty under Section 112, 114A and 114AA of the Customs Act, 1962 should not be imposed on them in relation to the said goods;

14. Each of the above Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticees may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the Noticee(s). Further, the Noticees are advised to mention their email address in writing for virtual hearing as per CBIC's Instruction dated 21.08.2020 issued vide F.No. 390/Misc/3/2019-JC.

15. This notice is issued without prejudice to any other action that may be taken in respect of the above goods and / or the persons / firms mentioned in the notice under the provisions of the Customs Act, 1962 and / or any other law for the time being in force, in the Republic of India.

16. The department reserves the right to add, amend, modify, delete any part or the portion of this notice any such addendum, amendment, modification, deletion, if made, shall be deemed to be part and parcel of this notice.

17. The list of relied upon documents (RUDs) in this case is as per **Annexure-R**.

Commissioner (in-situ),
Custom House, Kandla

By Speed Post/Courier

To,

- (i) M/s. AB Warehousing, Plot No. 72-A, Sector-I, Phase-I, Kandla Special Economic Zone, Gandhidham - Kutch - 370230

- (ii) M/s Bhaumik Overseas Private Limited, Unit No-327 Plot No-1 3rd Floor Rg Complex, Community Center Sector-4 Rohini, North Delhi, Delhi ,110085.
- (iii) M/s N G Impex,Property No. A-30, Wazirpur Industrial Area, Delhi-110052
- (iv) M/s RMC Enterprise, Shanti Prakash Market Building, Office No 4, Plot no 261, Ward no 12B, Gandhidham, Gujarat-370201.

Copy to:

1. The Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch for information.
2. The Assistant Commissioner of Customs, Adjudication Cell, Kandla Customs House, Kandla.
3. The Deputy Commissioner of Customs, KASEZ, Gandhidham.
4. Guard file.

Annexure-R**Attached to Show Cause Notice issued vide F. No GEN/ADJ/ADC/632/2025-Adjn-O/o Commr-Cus-Kandla to M/s. AB Warehousing Co, KASEZ and others
(List of Relied upon Documents)**

RUD-01: Letter of Approval No. KASEZ/IA/ 44/2020-21 dated 24.03.2021.

RUD-02: LAR and Para no **OBS-610571** for the period from April 2021-March 22.

RUD-03: DTA Bills of Entry and Import documents of all the 03 BEs.

RUD-04: Letter dated 03.05.2024 written to all the 03 DTA Importers and SEZ units.

RUD-05: Reply Letter dated 14.05.2024 from the SEZ unit.

RUD-06: Reminder Letter dated 01.07.2024.