Show Cause Notice No.: 52/2026-27/COMM/N.S./Adjn/MCH

कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा,
सीमा शुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- **370421**
OFFICE OF THE PRINCIPAL COMMISSIONER/COMMISSIONER OF CUSTOMS,
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421
PHONE:02838-271426/271423 FAX:02838-271425
Email: adj-mundra@gov.in

SHOW CAUSE NOTICE

[Issued under Section 28(4) read with 124 of the Customs Act, 1962]

M/s AJANTA LLP (IEC No. 2417503085) situated at ORPAT Industrial Estate, Morbi -Rajkot Highway, Morbi, Gujarat-363641 (hereinafter also referred to as "the importer/the Noticee" for the sake of brevity) filed the Bill of Entry no. 5799114 dated 11.10.2021, through their appointed Customs Broker at Custom House, Mundra, for clearance of imported goods declared as Rutile Titanium Dioxide from China, classifying the same under Tariff item 3206 of first schedule of the Customs Tariff Act, 1975, the details of which are as under:

Table-A

BE NO	BE Date	Item Description	CTH	Quantity	UQC	Assessable Value	Duty paid
5799114	11.10.2021	RUTILE TITANIUM DIOXIDE	32061110	20000	KGS	45,38,896/-	13,59,018/-

2. BACKGROUND OF THE ISSUE:

2.1 The Directorate General of Trade Remedies (DGTR), Department of Commerce, Government of India, conducted an anti-dumping investigation concerning imports of "Natural Mica Based Pearl Industrial Pigments excluding cosmetic grade" originating in or exported from China PR.

2.2 The Designated Authority, vide Final Findings File No. **6/8/2020-DGTR dated 08.06.2021**, concluded that the product under consideration was liable to anti-dumping measures. The product was described as chemically **titanium dioxide-coated mica-based pearlescent pigment**, commercially known as titanium dioxide or iron oxide coated mica pearl pigment/pearl lustre pigment/pearl pigment. The product was classified under Chapter 32, including sub-heading 3206 11.

2.3 Pursuant to the said findings, the Central Government issued **Notification No. 47/2021-Customs (ADD) dated 26.08.2021**, which was further amended vide Notification No. 13/2023- Custom (ADD) dated 22.11.2023, imposing definitive anti-dumping duty on imports of **"Natural Mica Based Pearl Industrial Pigments excluding cosmetic grade"** originating in or exported from China PR and imported into India.

3. Notification No. 47/2021-Customs (ADD) dated 26.08.2021 is reproduced below for ready reference:

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 47/2021 -Customs (ADD)

New Delhi, the 26th August, 2021

G.S.R.---(E).- – Whereas, in the matter of "Natural Mica based Pearl Industrial Pigments excluding cosmetic grade" (hereinafter referred to as the subject goods), falling under tariff sub-heading 3206 11 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from the China PR (hereinafter referred to as the subject country) and imported into India, the designated authority in its final findings *vide* notification File No. 6/8/2020-DGTR, dated the 8th June, 2021, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 8th June, 2021, has come to the conclusion that-

(i) the product under consideration has been exported at a price below normal value, thus resulting in dumping;
(ii) the domestic industry has suffered material injury;
(iii) there is causal link between dumping of product under consideration and injury to the domestic industry, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under the tariff heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely :-

TABLE

S.No.	Sub-heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	320611	Natural Mica based Pearl Industrial Pigments excluding cosmetic grade	China PR	Any country including China PR	Nanyang Lingbao Pearl Pigment Company Limited Materials	2493	MT	USD
2.	-do-	-do-	China PR	Any country including China PR	Rika Technology Company Limited	2023	MT	USD

3.	-do-	-do-	China PR	Any country including China PR	Guangxi Chesir Pearl Material Company Limited	2813	MT	USD
4.	-do-	-do-	China PR	Any country including China PR	Zhejiang Ruicheng New Material Company Limited	2674	MT	USD
5.	-do-	-do-	China PR	Any country including China PR	Fujian Kuncai Material Technology Company Limited	214	MT	USD
6.	-do-	-do-	China PR	Any country including China PR	Hebei Oxen New Materials Co., Ltd.	2406	MT	USD
7.	-do-	-do-	China PR	Any country including China PR	Any producer other than serial no 1 to 6	5529	MT	USD
8.	-do-	-do-	Any country other than China PR	China PR	Any producer	5529	MT	USD

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purpose of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No. CBIC-190354/148/2021-TRU Section-CBEC]

(Rajeev Ranjan)
Under Secretary to the Government of India

4. During the course of audit conducted by the Customs Receipts Auditors of office of the Principal Director of Audit (Central), Audit Bhavan, Ahmedabad for the period from October 2021 to March 2022, the Senior Audit Officer/CRA vide Para 9 of LAR No. 5/2022-23, observed that Anti-Dumping duty is leviable on the goods imported as mentioned above in Table-A, cleared through Mundra Port, imported from China, under CTH 320611. The subject para was raised on the basis of observation that-

> *"Natural mica pearl pigment series are classic effect pigment, which consist of treated natural mica flakes coated with a thin layer of metal oxide, such as titanium oxide, iron oxide. Through a combination of transparency, refraction, multiple reflections, particle size and coating thickness, a wide variety of color effects are produced. Pearlescent pigment with titanium dioxide coating can get special color by light interference phenomenon. Further, as per DGTR F.No. 06/08/2020-DGTR, the present investigation is "Natural Mica Based Pearl industrial pigments excluding cosmetic grade". The PUC is chemically titanium dioxide coated micananeous and lustrous pearlescent and is commercially known in the marketplace as Titanium Dioxide or Iron Oxide coated Mica Pearl Pigment or Pearl Lustrous Pigments or Pearl Pigments."*

5. As per the **Notification No. 47/2021-Customs (ADD) dated 26.08.2021**, anti-dumping duty is applicable on imports of **"Natural Mica**

Based Pearl Industrial Pigments excluding cosmetic grade" originating in or exported from China PR and imported into India.

It appears that goods declared as "Rutile Titanium Dioxide" under the Bill of Entry No 5799114 dated 11.10.2021, in fact "**Natural Mica Based Pearl Industrial Pigments excluding cosmetic grade**" falling under CTH 3206 11, originating in and/or exported from China PR, are squarely covered under Serial No. 07 of Notification No. 47/2021- Customs (ADD) dated 26.08.2021, attracting Anti-Dumping Duty @ US$ 5529 per MT and that importer has not paid the anti-dumping duty leviable vide above Notification on the import of impugned goods.

Differential duty calculation:

6. As per Serial No. 7 of the said Notification No. 47/2021-Customs (ADD), anti-dumping duty @ US$ 5529 per MT is required to be levied on imported goods of "Titanium Dioxide." Further, corresponding IGST on levy of antidumping duty was also required to be levied and recovered from the said importer.

The details of Bill of Entry, amount of Differential duty to be paid etc. are as under :-

Bill of Entry No & Date	**Assessable Value**	**Duty paid**	**Quantity of Titanium Dioxide as declared in Bill of Entry (MTs)**	**Anti-Dumping Duty leviable in INR (@5529 USD/MTs X Exchange Rate i.e.75.7)**	**Applicable IGST on ADD @18%**	**Differential Duty recoverable**
(1)	(2)	(3)	(4)	(5)=(4 X 5529 X 75.7)	(6)=((5 X18)%100)	(7)=(5+6)
5799114 dated 11.10.2021	45,38,896	13,59,018	20	83,70,906	15,06,763	98,77,669

In total short levied duty i.e. Anti Dumping Duty (ADD) of Rs. 83,70,906/-, plus IGST of Rs. 15,06,763/-, total amounting to Rs. 98,77,669/- (Rs. Ninety Eight Lakhs Seventy Seven Thousand Six Hundred and Sixty Nine Only) is required to be recovered and demanded from the importer under provisions of Section 28 of the Customs Act, 1962 along with applicable interest and penalty.

7. Relevant Legal Provisions of the Customs Act, 1962:-

Section 17. Assessment of duty.—

(1) An importer entering any imported goods under section 46 ... shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.
[Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.]

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 28: Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded—

(4) Where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of— (a) collusion; or (b) any wilful mis-statement; or (c) suppression of facts, by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest ... requiring him to show cause why he should not pay the amount specified in the notice.

Section 28AA. Interest on delayed payment of duty.—

(1) The person who is liable to pay duty in accordance with the provisions of section 28 shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2) ...

Section 46. Entry of goods on importation.—
.....

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice and such other documents relating to the imported goods as may be prescribed.

(4A) The importer who presents a bill of entry shall ensure the following, namely:— (a) the accuracy and completeness of the information given therein; (b) the authenticity and validity of any document supporting it; and (c) 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.

Section 111. Confiscation of improperly imported goods, etc.
- The following goods brought from a place outside India shall be liable to confiscation:-
(a)……..
(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54]

114A. Penalty for short-levy or non-levy of duty in certain cases.
- Where the duty has not been levied or has been short-levied or the interest has not been charged 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, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (2) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined

8. Further, Section 17 of the Customs Act, 1962 provides for self-assessment of duty on imported and export goods by the importer and exporter himself by filing a bill of entry or shipping bill, as the case may be. Under self-assessment, the importer or exporter has to ensure correct classification, applicable rate of duty, value and exemption notifications, if any, in respect of imported /export goods while presenting bill of entry or shipping bill. From the above, it is evident that Noticee suppressed the true facts at the time of filing the Bill of Entry and cleared goods without paying anti-dumping duty with a motive to evade Customs duty alongwith the applicable IGST to the tune of Rs. 98,77,669/- (Ninety Eight Lakhs Seventy Seven Thousand Six Hundred and Sixty Nine Rupees).

9. Whereas, Section 46(4A) of the Customs Act, 1962, the importer, who is presenting the bill of entry should ensure the accuracy and completeness of the information given therein, the authenticity and validity of any document supporting it; and compliance with the restriction or prohibition, if any, relating to the goods under the Customs Act, 1962 or under any other law for the time being in force. Apparently, it appears that the Noticee No. 1 filed Bills of entry with incorrect / false particulars, and have violated the provisions of section 46(4A) by way of not declaring and not paying applicable anti-dumping duty and thereby not self-assessed the Bill of Entries correctly. Such indulgence and endeavour on their part are in violation of the provisions of Section 46 of the Customs Act, 1962, which makes the impugned goods,

having assessable value of **Rs. 45,38,896/- (Rupees Forty Five Lakhs Thirty Eight Thousand Eight Hundred and Ninety Six Only)** liable for confiscation in terms of Section 111(m) of the Customs Act, 1962 as the impugned goods cleared without payment of applicable anti-dumping duty and thereby appears to be treated as improperly imported goods. Therefore, **Rs. 98,77,669/-(Ninety Eight Lakhs Seventy Seven Thousand Six Hundred and Sixty Nine Rupees)** the amount of short-levied duty appears recoverable under Section 28 of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962 from Noticee. Hence, it appears that Noticee is liable for penal action under section 114A of the Customs Act, 1962.

9.1 Whereas, Section 28(4) of the Customs Act, 1962 permits recovery of duty short-levied within an extended period of five years from the relevant date, where such short-levy has occurred by reason of collusion, wilful mis-statement, or suppression of facts by the importer with an intent to evade payment of duty. In the present case, it appears that Noticee at the time of presenting the Bills of Entry in question, self-assessed and declared the goods as "Rutile Titanium Dioxide" under CTH 3206 11, and paid duty only @ 30.98% (BCD + SWS + IGST), without disclosing or discharging the Anti-Dumping Duty leviable under Notification No. 47/2021-Customs (ADD) dated 26.08.2021, notwithstanding that the said Notification, based on DGTR Final Findings dated 08.06.2021, had already come into force with effect from 26.08.2021 and was squarely applicable to the goods so imported/cleared.

9.2 That the said non-declaration amounts to wilful mis-statement/suppression of facts, and not mere inadvertence, is evidenced by the facts that the subject goods, being chemically Titanium Dioxide coated micaceous and lustrous pearlescent pigment, are commercially known in the marketplace, and to persons dealing in such goods, as "Titanium Dioxide" or "Iron Oxide coated Mica Pearl Pigment" — the very identity that the DGTR investigation and the impugned Notification address; the Noticee, being regular importers/dealers of the said commodity, cannot be heard to say that they were unaware of the applicability of the anti-dumping levy to goods answering this description.

The above fact rule out inadvertence, clerical error, or bona fide interpretational difficulty as an explanation, and indicate a deliberate attempt of non-declaration of Anti-Dumping Duty liability with the intent to evade payment of duty lawfully due to the exchequer.

9.3 Accordingly, the extended period of five years under Section 28(4) of the Customs Act, 1962 is rightly invocable in the present case, and the Anti-Dumping Duty alongwith applicable IGST short-levied/not levied, amounting to **Rs. 98,77,669/- (Ninety Eight Lakhs Seventy Seven Thousand Six Hundred and Sixty Nine Rupees)** is recoverable from M/s AJANTA LLP

under Section 28(4) along with applicable interest under Section 28AA of the Customs Act, 1962.

10. Now, therefore, **M/s AJANTA LLP (IEC No. 2417503085),** ORPAT Industrial Estate, Morbi -Rajkot Highway, Morbi, Gujarat-363641, are hereby called upon to show cause to the **Principal Commissioner/Commissioner of Customs, Customs House, Mundra**, (Kutch) Gujarat 370 421, as to why:-

i. The goods imported vide Bill of Entry No. 5799114 dated 11.10.2021 should not be re-assessed by levying Anti-Dumping Duty (ADD), along with applicable Integrated Goods and Services Tax (IGST) thereon, in terms of Notification No. 47/2021-Customs (ADD) dated 26.08.2021, as the same appears to be short levied.;

ii. The goods having assessable value of **Rs. 45,38,896/- (Rupees Forty Five Lakhs Thirty Eight Thousand Eight Hundred and Ninety Six only)** covered under Bill of Entry No 5799114 dated 11.10.2021, should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962;

iii. The differential duty worked out as short levy amounting to **Rs. 98,77,669/- (Rs. Ninety Eight Lakhs Seventy Seven Thousand Six Hundred and Sixty Nine Only)** for Bill of Entry No 5799114 dated 11.10.2021 should not be recovered from importer under Section 28 (4) of the Customs Act, 1962 along with interest applicable thereon as per Section 28AA of the Customs Act, 1962;

iv. Penalty should not be imposed upon them under Section 114A of the Customs Act, 1962.

11. The importer further required to produce at the time of show cause, all the evidences upon which they intend to rely in support of their defense. They are further called upon to inform in writing as to whether they desire to be heard in person before the case is adjudicated. If no cause is shown within 30 days from the date of receipt of this notice or if they fail to appear for personal hearing when the case is posted for hearing the case will be decided ex-parte on the basis of evidences available on record.

12. 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.

13. 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.

Show Cause Notice No.: 52/2026-27/COMM/N.S./Adjn/MCH

Digitally signed by
Nitin Saini
Date: 06-10-2026
10:36:52

(**Nitin Saini**)
Commissioner of Customs,
Custom House, Mundra

By Speed Post/Courier

To,
M/s AJANTA LLP (IEC No. 2417503085),
ORPAT Industrial Estate, Morbi -Rajkot Highway,
Morbi, Gujarat-363641

Copy to:

1. Deputy Commissioner/Assistant Commissioner (EDI), Customs House, Mundra with request to upload the Notice in Official Website.
2. Deputy Commissioner Gr 2, Customs House, Mundra
3. Guard File
4. Notice Board