

	<p style="text-align: center;">सीमा शुल्क आयुक्त का कार्यालय, Office of the Commissioner of Customs, नया सीमा शुल्क सदन, New Custom House, Near Balaji Temple, नयाकांडला – ३७०२१०. New Kandla – 370 210. दूरभाष /Tel. 02836-271468-469, फैक्स/Fax. 02836-271467</p>
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**SCN File No.: GEN/ADJ/COMM/168/2026-Adjn-O/o Commr-Cus-Kandla  
DIN-20260371ML000051085A**

### **SHOW CAUSE NOTICE**

Whereas, the Premises Based Audit (PBA) in respect of M/s. Rajasthan Prime Steel Processing Center Private Limited (IEC- 0508011345), F-10 Manish Twin Plaza, Plot no. 3, sector -, 4, New Delhi, Dwarka, Delhi, India, 110078 (**hereinafter referred to as “the Auditee” or “Noticee” or “Importer”**) was conducted under Section 99A of the Customs Act, 1962. The Auditee is engaged in import of various goods including Hot Rolled Stainless Steel Sheet in coil, Cold Rolled Steel Sheet in Coil, Galvannealed Steel Sheet in Coil for manufacturing of Steel Slitting, Tailor welding Blank, Blank, Disc Blank, Cut to Length sheet etc.

**2.** Whereas, the Auditee vide letter C. No. CADT/CIR/ADT/PBA/102/2024-PBA-Cir-B2-O/o Commr-Cus-Adt-Delhi, dated 07.05.2025 was informed regarding conducting Customs On-Site Post Clearance Audit (OSPCA) under Section 99A of the Customs Act, 1962 for the Financial Year 2021-2022, 2022-2023, 2023-2024 and 2024-2025. The team of auditors of Customs Audit Commissionerate, New Customs House, New Delhi conducted the audit through Conference at the office premises of the Customs Audit Commissionerate at Room No. 139-B, First Floor, New Custom House, Near IGI Airport, New Delhi-110037 under Section 99A of the Customs Act, 1962 for the **period F.Y. 2021-22 to 2024-25**. The audit was initiated on **14.11.2025 (Entry Conference)** in the presence of Mr. Sachin Kumar, Manager-Business Support & Ms. Anju Sharma, Dy. Manager-Business Operation of M/s Rajasthan Prime Steel Processing Centre Private Limited. The Audit was conducted from **20.11.2025 to**

**21.11.2025** on the basis of ADVAIT data and documents provided by the Auditee under Section 99A of the Customs Act, 1962 and was concluded on **25.11.2025 (Exit Conference)**.

**3.** Whereas, during the course of audit and on examination of records the following discrepancies have been observed: -

**3.1 Wrong availment of FTA benefit vide Notification No. 69/2011 dated 29.07.2011 on import of goods i.e. “Cold Rolled Stainless Steel Sheet” under CTH 72193310, 72193390, 72193410, 72193490 from supplier M/s Honda Trading Corporation, Japan (manufacturer of the goods is M/s Nippon Stainless Steel Corporation, Japan):**

During the course of audit, it has been observed that the auditee has availed the benefits of Notification No. 69/2011 dated 29.07.2011 on imports made from Japan. On scrutiny of the Form-I (**RUD No. 1**) submitted with BE No. 2938620 dated 18.10.2022 for import of goods from M/s Honda Trading Corporation, Japan (manufacturer of the goods is M/s Nippon Stainless Steel Corporation, Japan), it is noticed that the declaration in respect of originating criteria is made as under:

*d. Is the originating criteria based on value contend? – No*

***e. Has CTC rule been applied for meeting originating criteria? – Yes***

Therefore, it appears that the Auditee has claimed Change in Tariff Classification (CTC) rules in order to determine a product's origin by requiring that non-originating materials used in production undergo a specific change in their Harmonized System (HS) classification (Chapter, Heading, or Sub-heading).

**3.1.2** Whereas, as per the Form-I, in respect of “Stainless Cold Rolled Steel” produced by manufacturer M/s Nippon Stainless Steel Corporation, Japan, CTH of Non-Originating Material is mentioned as “721911, 721912, 721913 or 721914”, whereas the imported product CTH is mentioned as “721933 (IS304) & 721934 (IS304)”. Therefore, it appears that there is no change in the heading of final product i.e. first four digit of CTH of final

product made from non-originating material. **The auditee has submitted the same Form -I for all imports off “Cold Rolled Stainless Steel Sheet” under CTH 721933 & 721934 of manufacturer M/s Nippon Stainless Steel Corporation, Japan.**

**3.1.3** In view of the above, it appears that goods imported under CTH 72193310, 72193390, 72193410, 72193490 from supplier M/s Honda Trading Company, Japan (manufacturer M/s Nippon Stainless Steel Corporation, Japan) by availing the benefit of Not. No. 69/2011 dated 29.07.2011 on the basis of Form -I(**RUD-1**) as described above, does not fulfill the condition of Rule 5(2) of the Indo- Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin read with Rule 4 of CAROTAR, 2020.

**3.1.4** Therefore, the auditee is not eligible for FTA benefits of Notification No. 69/2011 dated 29 July 2011, in respect of above-mentioned imports made under CTH 72193310, 72193390, 72193410 & 72193490 and accordingly, they are liable to pay applicable rate of duty therein i.e. BCD-15%, SWS- 10% and differential IGST-18% under Section 28 (4) of the Customs Act, 1962 as details of the Customs duty & integrated tax (IGST) amount non-levied and required to be recovered from the said importer.

**3.1.5** Whereas the aforesaid observation of the Audit Officers were communicated to the Noticee vide Audit Report no. 34/B-3/DELHI/2025-26 dated 23.01.2026 (**RUD-2**). Further, vide letter CADT/CIR/ADT/PBA/102/2024-PBA-Cir-B2-O/o Commr-Cus-Adt-Delhi dated:- 28.01.2026 (**RUD-3**), they forwarded the copy of the above mentioned Audit Report to Customs Kandla for necessary action along with Calculation Annexures. The details of the same is shown in **Table-1** below:

**Table-1**

Sr. no	BE No	BE Date	Assess Val	BCD 15%	SWC 10%	IGST	Total Duty In Rs.
1	3478075	04-07-	2375953	356393	35639	70566	462598

		2021					
2	3738788	28-04-2021	2355788	353368	35337	69967	458672
3	4229821	06-07-2021	2830059	424509	42451	84053	551013
4	5454383	15-09-2021	3178406	476761	47676	94399	618836
	5454383	15-09-2021	2325859	348879	34888	69078	452845
5	6306674	18-11-2021	6023686	903553	90355	178903	1172812
6	7386598	02-06-2022	3373995	506099	50610	100208	656917
7	7905744	17-03-2022	1475822	221373	22137	43832	287343
8	2474694	16-09-2022	4527907	679186	67919	134479	881583
	2474694	16-09-2022	3310713	496607	49661	98328	644596
9	3229959	11-09-2022	3804060	570609	57061	112981	740650
10	5343866	04-02-2023	9022419	1353363	135336	267966	1756665
	5343866	04-02-2023	3414189	512128	51213	101401	664743
11	8618499	11-04-2023	8075522	1211328	121133	239843	1572304
12	9766918	21-01-2024	4453374	668006	66801	132265	867072
	9766918	21-01-2024	4043553	606533	60653	120094	787280
13	2126890	13-02-2024	4514246	677137	67714	134073	878924
	2126890	13-02-2024	3853868	578080	57808	114460	750348
14	2437947	03-05-2024	3856623	578493	57849	114542	750885
	2437947	03-05-2024	3224791	483719	48372	95776	627867
15	3365319	05-07-	13386171	2007926	200793	397569	2606287

		2024					
	3365319	05-07-2024	3515930	527389	52739	104423	684552
16	4160308	24-06-2024	4158930	623840	62384	123520	809744
17	4195786	26-06-2024	3900754	585113	58511	115852	759477
18	4739484	27-07-2024	8039045	1205857	120586	238760	1565202
19	6527689	11-06-2024	8236627	1235494	123549	244628	1603671
	8391430	17-02-2025	4975048	746257	74626	147759	968642
20	8391430	17-02-2025	2843014	426452	42645	84438	553535
<b>Total of Rs.</b>			<b>129096351</b>	<b>19364453</b>	<b>1936445</b>	<b>3834162</b>	<b>25135060</b>

**3.1.6** Further, in the aforesaid letter addressed to this office, it was informed that the audit has been conducted on the basis of photocopies of documents/details/ disclosures/ information furnished by the auditee. Since, the export/import transactions is voluminous, the audit has been conducted on a sample basis based on the risk analysis and does not reflect scrutiny of all the transactions. Accordingly, further, analysis of the imported goods, imported by the Auditee, was done by this office wherein it was observed that apart from the above referred Bills of Entry, as shown in **Table-1** above, there existed the following additional Bills of Entries wherein goods were imported by auditee under the benefit of Not. No. 69/2011 dated 29.07.2011 on basis of Form -1 as described above, which does not fulfill the condition of Rule 5(2) of the Indo-Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin read with Rule 4 of CAROTAR, 2020. The details of the same are shown in **Table-2** below: -

**Table-2**

Sr.no	BE No	BE Date	Assess Val	BCD 15%	SWC 10%	IGST	Total duty In Rs.
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1	3737733	28-04-2021	1514051	227108	22711	44967	294786
2	5093965	18-08-2021	1280743	192111	19211	38038	249361
3	7802512	03-09-2022	3467570	520136	52014	102987	675136
4	8620985	11-04-2023	3991759	598764	59876	118555	777195
5	9766983	21-01-2024	9307602	1396140	139614	276436	1812190
6	9224448	01-04-2025	2843757	426564	42656	84460	553680
7	9764588	29-04-2025	8366206	1254931	125493	248476	1628900
8	3618738	01-08-2025	7502759	1125414	112541	222832	1460787
	3618738	01-08-2025	3358539	503781	50378	99749	653908
9	5222456	21-10-2025	8249788	1237468	123747	245019	1606234
10	5790143	19-11-2025	3536662	530499	53050	105039	688588
11	7239539	31-01-2026	3905030	585755	58575	115979	760309
<b>Total in Rs.</b>			<b>5732446</b> <b>5</b>	<b>8598670</b>	<b>85986</b> <b>7</b>	<b>170253</b> <b>7</b>	<b>1116107</b> <b>3</b>

**3.1.7** Whereas, thus, from **Para 3.1.5** and **Para 3.1.6** above, it is forthcoming that M/s. Rajasthan Prime Steel Processing Center Private Limited appear to have not paid Customs Duty & integrated tax (IGST) total amounting to **Rs.3,62,96,133/-** (Rs.2,51,35,060/-+ Rs.1,11,61,073) on total assessable value of **Rs.18,64,20,816/-** (Rs.12,90,96,351/-+ Rs.5,73,24,465/-) involving **31 Bills of Entry** as shown in Table-1 (20 BE) and Table-2 (11 BE) above.

Bill of Entry wise details in respect of the goods showing total assessable value and applicable Customs duty & integrated tax (IGST) along with CTH code & quantity has been appended to this Show Cause Notice as **(Annexure-A) (Details of Duty calculation).**

#### **4. SUBMISSIONS MADE BY THE IMPORTER:**

4.1 The Auditee vide their letter dated 16.12.2025 **(RUD-4)** submitted during the time of audit, that the raw material used in the manufacture of said goods are “Stainless Steel ingots or Other Primary Forms / semi-finished products of stainless steel” falling under CTH 7218 and also submitted Nippon Stainless Steel Corporation (NSSC) Mill declaration dated 15.12.2025 with their production process flow chart in support of their claim. The submission made by the Auditee is in contradiction of their Form-I submitted at the time of import of the goods.

#### **5. FINDINGS FROM SCRUTINY OF THE DOCUMENTS:**

**5.1** Whereas, on scrutiny of Form-I **(RUD No. 1)** submitted by the auditee for all imports off “Cold Rolled Stainless Steel Sheet” under CTH 721933 & 721934 which is manufactured by M/s Nippon Stainless Steel Corporation, Japan, it is evident that the Non-originating materials is Hot Rolled Stainless Steel Sheet in Coil (falling under CTH- 721911, 721912, 721913 & 721914) for the Imported goods i.e. Stainless Cold Rolled Steel of CTH 721933 (IS304) & 721934 (IS304). For the sake of ease of reference and understanding the matter on hands, the scanned image of Form-I **(RUD No. 1)** is reproduced as under: -



To Rajasthan Prime Steel Processing Center Pvt. Ltd.

SECTION III

PART A / PART B

Nippon Steel

Description of goods		Production process	Origination Criterion	Non-originating material	
HS Code	Description			HS Code	Description
722599	COATED STEEL (OTHER COATED SHEET)	hot strip mill→pickling line→cold strip mill→coating and/or film laminating, painting, or plastic coating line→coated steel	CTH	7224	SEMI-FINISHED PRODUCTS OF ALLOY STEEL
722592	COATED STEEL (GALVANIZED SHEET)	hot strip mill→pickling line→cold strip mill→coating line→coated steel	CTH	7224	SEMI-FINISHED PRODUCTS OF ALLOY STEEL
722591	COATED STEEL (GALVANIZED SHEET)	hot strip mill→pickling line→cold strip mill→coating line→coated steel	CTH	7224	SEMI-FINISHED PRODUCTS OF ALLOY STEEL
722550	COLD ROLLED STEEL	hot strip mill→pickling line→cold strip mill→cold rolled steel	CTH	7234	SEMI-FINISHED PRODUCTS OF ALLOY STEEL
722530	HOT ROLLED STEEL	plate mill or hot strip mill→(pickling line)→hot rolled steel	CTH	7224	SEMI-FINISHED PRODUCTS OF ALLOY STEEL
721069	COATED STEEL (ALUMINIUM COATED SHEET)	pickling line→cold strip mill→coating line→coated steel	CTH	7208	HOT ROLLED STEEL
721049	COATED STEEL (GALVANIZED SHEET)	pickling line→cold strip mill→coating line→coated steel	CTH	7208	HOT ROLLED STEEL
721030	COATED STEEL (GALVANIZED SHEET)	pickling line→cold strip mill→coating line→coated steel	CTH	7208	HOT ROLLED STEEL
720918	COLD ROLLED STEEL	pickling line→cold strip mill→cold rolled steel	CTH	7208	HOT ROLLED STEEL
720917	COLD ROLLED STEEL	pickling line→cold strip mill→cold rolled steel	CTH	7208	HOT ROLLED STEEL
720915	COLD ROLLED STEEL	pickling line→cold strip mill→cold rolled steel	CTH	7208	HOT ROLLED STEEL
720839	HOT ROLLED STEEL	hot strip mill→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL
720838	HOT ROLLED STEEL	hot strip mill→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL
720837	HOT ROLLED STEEL	hot strip mill→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL
720827	HOT ROLLED STEEL	hot strip mill→pickling line→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL
720826	HOT ROLLED STEEL	hot strip mill→pickling line→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL
720825	HOT ROLLED STEEL	hot strip mill→pickling line→hot rolled steel	CTH	7207	SEMI-FINISHED PRODUCTS OF NON ALLOY STEEL

Nippon Steel Stainless

Description of goods		Production process	Origination Criterion	Non-originating material	
HS Code	Description			HS Code	Description
721933 (IS304)	STAINLESS COLD ROLLED STEEL	cold rolling	CTH	721911, 721912, 721913 or 721914	HOT ROLLED STAINLESS STEEL SHEET IN COIL
721934 (IS304)	STAINLESS COLD ROLLED STEEL	cold rolling	CTH		
721933 (IS436L)	STAINLESS COLD ROLLED STEEL	hot strip mill→pickling line→cold strip mill→stainless cold rolled steel	CTH	7218	SEMI-FINISHED PRODUCTS OF STAINLESS STEEL

JFE Steel

Description of goods		Production process	Origination Criterion	Non-originating material			
HS Code	Description			HS Code	Description	HS Code	Description
	(SHEET)	hot strip mill→pickling line→cold strip mill→coating line→coated steel	CTH	2601	Iron Ore	7202	Ferrous alloy
	(SHEET)	pickling line→cold strip mill→coating line→coated steel	CTH	2601	Iron Ore	7202	Ferrous alloy
		Steel making process, Rolling	CTH	2601	Iron Ore	7202	Ferrous alloy
		Steel making process, Rolling	CTH	2601	Iron Ore	7202	Ferrous alloy
	(SHEET)	pickling line→cold strip mill→coating line→coated steel	CTH	2601	Iron Ore	7202	Ferrous alloy
		hot strip mill→pickling line→hot rolled steel	CTH	2601	Iron Ore	7202	Ferrous alloy
		plate mill or hot strip mill→(pickling line)→hot rolled steel	CTH	2601	Iron Ore	7202	Ferrous alloy

Importer goods CTH no. 721933 & 721934 manufactured from Non-Originating

Non originating goods CTH 721911, 721912, 721913 & 721914.



Description of the originating Materials or Component		Whether procured by producer locally from a third party	In case procured from third party, did producer of final good seek conformation and documentary proof of origin of these component?
		(Yes/No)	(Yes/No)
1.	None		
2.	None		
3.	None		
4.	None		
a.	Is the de minimis provision used to determine whether the good subject to this request qualifies as an originating good?	If yes, describe such material and the percentage value or quantity as applicable.	No
b.	Is the accumulation/cumulation provision applied to determine whether the good subject to this request qualifies as an originating good?	If yes, describe the manner and extent of cumulation.	No
c.	Has any other additional criteria such as indirect/neutral materials, packing materials, etc. used in ascertaining whether the good	If yes, provide the criteria used: Describe the material concerned:	No
d.	Is the originating criteria based on value content?	If yes, provide the following: (i) percentage of local value content; (ii) components which constitute value addition (e.g. material, profit, labour, overhead cost, etc.);	No
e.	Has CTC rule been applied for meeting originating criteria?	If yes, provide HS of non-originating material / components used in production of good:	Yes (Please refer the chart above for non-originating material information)
f.	Has process rule been applied in ascertaining origin of good subject to this	If yes, provide the rule applied:	No
g.	Has the COO been issued retrospectively?	If yes, provide reasons for same:	Yes The shipper need to wait for mill cert. from steel makers to classify appropriate HS code to apply EPA(COO). Steel makers issue mill cert. after the vessel departure, so EPA (COO) issues retrospectively.
h.	Has the consignment in question been directly shipped from country of origin?	If not, then has it been ascertained that same is as per provisions of the concerned agreement? How has it been ascertained that goods have met the prescribed conditions of Direct Shipment?	Yes

Applicability of CTC rules on non-originating goods

**5.2** Whereas, Rule 3 (1) of the CAROTAR, 2020 is reproduced as under: -

(1) To claim preferential rate of duty under a trade agreement, the importer or his agent shall, at the time of filing of bill of entry: -

(a).....

(b).....

**(c) produce proof of origin covering each item of which preferential rate of duty is claimed; and**

(d) enter details of proof of origin in the bill of entry, namely:

(i) proof of origin reference number;

(ii) date of issuance of proof of origin;

**(iii) originating criteria;**

(iv) .....

**5.3** Whereas, Rule (4) of the CAROTAR, 2020 is reproduced as under: -

**4. Origin related information to be possessed by importer.-** The importer claiming preferential rate of duty shall-

(a) possess information, as indicated in **Form I**, to demonstrate the manner in which country of origin criteria, including the regional value content and product specific criteria, specified in the Rules of Origin, are satisfied, and submit the same to the proper officer on request.

(b) keep all supporting documents related to **Form I** for at least five years from date of filing of bill of entry and submit the same to the proper officer on request.

(c) exercise reasonable care to ensure the accuracy and truthfulness of the aforesaid information and documents.

**5.4** Whereas, originating criteria is prescribed under Rule 3 of the Indo-Japan Comprehensive Economic Partnership Agreement (CEPA) – Rules of Origin (Notification No. 55-Cus (NT) dated 01.08.2011, which is as under:

*“For the purpose of these rules, goods imported by a Party which are consigned directly as referred to in Rule 10, shall be deemed to be originating and eligible for preferential tariff treatment if-*

*(a) The goods are wholly obtained or produced entirely in the Party, as provided in rule 4; or*

***(b) The goods are wholly obtained or produced in the Party, subject to the condition that the goods satisfy the requirements of rule 5 or rule 6”.***

**5.5** Whereas, in this regard, Rule 5 of the Indo- Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin (Custom Notification No. 55-Cus (NT) dated 01.08.2011) is reproduced as under:

***Rule-5. Goods produced using non-originating materials. –***

*(1) For the purposes of clause (b) of rule 3, goods shall qualify as an originating goods of a Party if,-*

*a) the goods have a qualifying value content, calculated using the formula set out in rule 6, of not less than thirty-five percent; and*

***b)all non-originating materials used in the production of the goods have undergone in the Party a change in tariff classification at the six-digit level (i.e. a change in tariff sub-heading) of the Harmonized System.***

***(2) Notwithstanding anything contained in sub-rule (1), goods subject to product specific rules shall qualify as an originating goods of a Party if it satisfies the applicable product specific rules set out in Annexure-1.***

*(3) For the purposes of clause (b) of sub-rule (1) and the relevant product specific rules set out in **Annexure-1**, the rule requiring that the materials used have undergone a **change in tariff classification** or a specific manufacturing or processing operation, shall apply only to non-originating materials.*

**5.6** Whereas, in view of above the relevant entry in **Annexure- I**(see sub-rule (2) of rule 5) as defined under the Indo- Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin (Custom Notification No. 55-Cus (NT) dated 01.08.2011) is reproduced as under:-

**2. Definitions.**- For the purposes of the product specific rules set out in part 2 of this Annexure,-

(a) “**section**” means a section of the Harmonized System;

(b) “**chapter**” means a chapter of the Harmonized System;

(c) “**heading**” means the **first four digits** in the tariff classification number under the Harmonized System; and

(d) “**sub-heading**” means the **first six digits** in the tariff classification number under the Harmonized System.

**3.** This Annexure is based on the Harmonized System as amended on January 1, 2007.

.....

**Part 2, Product Specific Rules (PSR)**

Chapter 72

Iron and steel

**7204.49-7229.90**

**A change to sub-heading 7204.49 through 7229.90 from any other heading.**

**6.1** Whereas, in view of the above discussion under para 5.1 to 5.6, it appears that in the case of imported goods produced using non-originating materials falling under sub-headings **7204.49 to 7229.90**, the goods are required to undergo a **Change in Tariff Heading (CTH) at the Heading level** in order to qualify as originating goods. In the instant case, imported goods covered under CTH 72193310, 72193390, 72193410 & 72193490 from supplier M/s Honda Trading Company, Japan (manufacturer M/s Nippon Stainless Steel Corporation, Japan) as shown under **para 5.1**. The Subject (imported goods) are manufactured from non-originating materials i.e. “Hot Rolled Stainless Steel Sheet coil” having the CTH code 721911, 721912, 721913, & 721914. Therefore, there is no change in the **heading** of final product (imported goods) i.e. first four digit of CTH of final product as

mandated in clause (b) of Sub rule (1) of Rule-5 of the Indo- Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin (Custom Notification No. 55-Cus (NT) dated 01.08.2011).

**6.2** In the instant case, both the input material (Hot Rolled - 7219.11/12/13/14) and the final imported product (Cold Rolled - 7219.33/34) fall under the same **Heading 7219**; hence the same does not satisfy the specific **Product Specific Rules (PSR)** as defined under **Annexure-I** or the threshold criteria of substantial transformation required under the said Rules of Origin.

**6.3** Consequently, the auditee has failed to demonstrate that the imported goods satisfy the originating criteria prescribed under **Rule 3 and Rule 5** of the Indo-Japan CEPA Rules of Origin. By failing to provide accurate information regarding the fulfillment of origin criteria as required under **Rule 4 of CAROTAR, 2020**, the auditee has rendered the claim for preferential duty invalid.

**6.4** Therefore, it appears that the benefit of Notification No. 69/2011-Cus (as amended) has been wrongly availed. The subject goods are liable to be assessed at the **Standard Rate of Duty**, and the differential duty is liable to be recovered from the importer under the provisions of the Customs Act, 1962.

**Accordingly, it appears that the Customs duty along with integrated tax not paid by them amounting to Rs.3,62,96,133/- (Rupees Three Crore Sixty-Two Lakh Ninety Six Thousand and One Hundred Thirty Three only) on total assessable value of Rs.18,64,20,816/- (Rupees Eighteen Crore Sixty-Four Lakh Twenty Thousand and Eight Hundred Sixteen only) involving 31 Bills of Entry, as details under Annexure-A to this Show Cause Notice, appears to be recoverable from them along with applicable interest and penalty.**

7. Whereas the Auditee submitted their reply vide their letter dated 16.12.2025 (**RUD No. 4**) to the Assistant Commissioner (Audit), IGI Airport New Delhi, vide which they submitted that the raw material used in the manufacture of said goods are "Stainless Steel ingots or Other Primary Forms / semi-finished products of stainless steel" falling **under CTH 7218** and also submitted Nippon Stainless Steel Corporation (NSSC) Mill declaration dated 15.12.2025 with their production process flow chart in support of their claim.

**Hence, in view of above it is clearly forthcoming that to avail the FTA benefits of Notification No. 69/2011 dated 29 July 2011, the importer's revised claim regarding the CTH of raw materials (shifting to CTH 7218), contradicts their previous submissions and appears to be an afterthought to secure eligibility under the Indo-Japan FTA (CEPA). The submission of Annexure-1, supported by a production flow chart that deviates from earlier records, constitutes a misstatement of facts. This discrepancy highlights a deliberate attempt to manipulate the 'Change in Tariff Heading' (CTH) criteria, establishing a clear intent to defraud the exchequer."**

## **8. LEGAL PROVISION AND INVOCATION OF EXTENDED PERIOD**

**8.1** Whereas, in context of the above, it is pertinent to mention here that the provisions pertaining to **Self-Assessment** under the Customs Act 1962 which were implemented w.e.f. 08.04.2011 under the Finance Act 2011, ushers in a trust-based Customs-Trade partnership leading to greater facilitation of complaint trade. Board's Circular no. 17/2011 dated 08.04.2011 specifies that the responsibility for assessment has been shifted to the importer/exporter; that Section 17 of the Customs Act 1962 provides for self-assessment of duty on imported and export goods by the importer or exporter himself by filing a Bill of Entry or Shipping Bill, as the case may be, in the electronic form (Section 46 or 50); that the importer or exporter at the time of self-assessment will ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported/export goods while

presenting Bill of Entry or Shipping Bill. However, it is viewed that non-compliant importers/exporters could face penal action on account of wrong Self-Assessment made with intent to evade duty or avoid compliance of conditions of notifications, Foreign Trade policy or any other provision under the Customs Act, 1962 or the Allied Acts. From the above-mentioned facts, it is clearly evident that the importer has not exercised due diligence in respect of self-assessing the subject goods on their importation and has thus violated the provisions of the Self-Assessment procedures.

**8.2** Whereas, as per sub-section (4) of Section 46 of Customs Act 1962, 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, if any, and such other documents relating to the imported goods. In the subject case, the importer has violated the provisions of the Customs Act 1962 in as much as the applicable duty of Customs and integrated tax required to be paid on wrongly availment of Indo- Japan Comprehensive Economic Partnership Agreement (CEPA) - Rules of Origin (Custom Notification No. 55-Cus (NT) dated 01.08.2011).

**8.3** Whereas, as the importer appears to have wrongly availed the benefit of Notification No. 69/2011 dated 29 July 2011 dtd. 01 August 2011, which was not admissible to them, they appear to have contravened the provisions of **Section 46** of the Customs Act, 1962 and evaded payment of duties of customs/IGST amounting to **Rs.3,62,96,133/-**, as discussed above by way of improper self-assessment in the Bills of entries filed under Section 46 of the Customs Act, 1962, thus resorting to wilful mis-statement and suppression of facts and rendered themselves liable for action as envisaged under **Section 28(4)** of the Customs Act, 1962 for recovery of duties short-paid amounting to **Rs.3,62,96,133/-**, along with interest as stipulated under **section 28AA** of the Customs Act, 1962 and the importer has rendered themselves liable to penalty under **Section 114A** of the Customs Act, 1962.

**8.4** Whereas, it is further observed that the said facts were never disclosed to the Department and it is only after that during the course of Premises

Based Audit (PBA) Audit wherein the instance of non-payment of Customs Duty & IGST by way of wrongly claiming the benefit of Notification No. 69/2011 dated 29 July 2011 was observed. All such facts were suppressed by the said importer and therefore such acts of omission and commission on their part appears to have led to wilful and intentional non-payment of Customs Duty & integrated tax on wrongly availed FTA benefits of Notification No. 69/2011. **Thus, the extended period as envisaged under Section 28(4) of the Customs Act, 1962 for recovery of the integrated tax not paid by M/s. Rajasthan Prime Steel Processing Center Private Limited (IEC- 0508011345), F-10 Manish Twin Plaza, Plot no. 3, sector -, 4, New Delhi, Dwarka, Delhi, India, 110078 by resorting to wilful mis-statement and suppression of facts appears to be invokable in the instant case.**

**8.5** It is further observed that the auditee, to avail the FTA benefits of Notification No. 69/2011 dated 29 July 2011, the importer's revised claim regarding the CTH of raw materials (shifting to CTH 7218) contradicts their previous submissions and appears to be an afterthought to secure eligibility under the Indo-Japan FTA (CEPA). The submission of Annexure-1, supported by a production flow chart, deviates from earlier records submitted in Form-I, which constitutes a misstatement of facts. This discrepancy highlights a deliberate attempt to manipulate the 'Change in Tariff Heading' (CTH) criteria, establishing a clear intent to defraud the exchequer.

**8.6** Further, as discussed in the foregoing paragraphs, the acts of omission and commission on part of M/s. Rajasthan Prime Steel Processing Center Private Limited wherein the applicable Customs & integrated tax (IGST) has not been paid on the imported goods has led the goods to be liable for confiscation under Section 111(m) and 111(o) of the Customs Act, 1962 in as much as the wrongly availment of FTA benefits of Notification No. 69/2011 dated 29 July 2011 as explained in details at Para 5 *supra*. Further, such contravention also appears to have rendered M/s. Rajasthan Prime Steel Processing Center Private Limited liable for penalty u/s 112 of the Customs Act, 1962. It further appears that penalty as provided under

section **114A** of the Customs Act is also leviable on the said importer in as much as they appear to have not paid the Customs duty & Integrated Tax (IGST) leviable on the goods imported by them owing to mis-statement/suppression of facts.

**9.** Now therefore, in view of the discussions made in the foregoing paragraphs of this Show Cause Notice, **M/s. Rajasthan Prime Steel Processing Center Private Limited** (IEC- 0508011345), F-10 Manish Twin Plaza, Plot no. 3, sector -, 4, New Delhi, Dwarka, Delhi, India, 110078, are hereby called upon to show cause in writing to the Commissioner of Customs, Customs House Kandla, Kutch, having his office at First Floor, New Custom House, Near Balaji Temple, New Kandla, within thirty days from the receipt of this notice, as to why:-

- (i) The benefit of **Notification No. 69/2011-Cus dated 29.07.2011** should not be **denied**:
- (ii) The duty amounting to **Rs.3,62,96,133/-** (Rupees Three Crore Sixty Two Lakh Ninety Six Thousand and One Hundred Thirty Three only) on total assessable value of **Rs.18,64,20,816/-** (Rupees Eighteen Crore Sixty-Four Lakh Twenty Thousand and Eight Hundred Sixteen only) as details under **Annexure-A** to this Show Cause Notice - should not be demanded and recovered from them in terms of Section 28(4) of the Customs Act, 1962 along with applicable interest in terms of Section 28AA of the Customs Act, 1962;
- (iii) The impugned goods with the total declared assessable value of **Rs.18,64,20,816/-** as detailed in **Annexure-A** to this notice, should not be held liable to confiscation under Section 111(m) and 111(o) of the Customs Act, 1962;
- (iv) Penalty should not be imposed upon them under the provision of Section 112 of the Customs Act, 1962 for rendering imported goods liable for confiscation under Section 111(m) and 111(o) of the Customs Act, 1962;

- (v) Penalty should not be imposed upon them under the provision of Section 114A of the Customs Act, 1962;.

**10. M/s. Rajasthan Prime Steel Processing Centre Private Limited,** should state in their written replies to this notice whether they desire to be heard in person. If no reply to this notice is received from them or any of them within 30 days from the date of receipt of this notice or if they fail to appear for the personal hearing on the date and time intimated to them, the case is liable to be decided on the basis of evidence available and merits, without any further reference to them.

**11.** The Department reserves its right to amend, modify or supplement this notice. This notice has been issued under the provisions of the Customs Act, 1962 without prejudice to any other action if any that may be initiated against them under any statute for the time being in force.

**12.** The documents relied upon in this Show Cause Notice are listed in **Annexure- B** to this Notice.

Digitally signed by

Nitin Saini

Date: 26-03-2026

15:31:28

**(Nitin Saini)**  
Commissioner  
Kandla Customs.

**Encl:- Annexure-A & B.**

**By Speed Post/ email**

**File No:-**GEN/ADJ/COMM/168/2026-Adjn-O/o Commr-Cus-Kandla

**To,**

1. M/S. Rajasthan Prime Steel Processing Center Private Limited (IEC-0508011345), F-10 Manish Twin Plaza, Plot No. 3, Sector -, 4, New Delhi, Dwarka, Delhi, India, 110078

**Copy to:-**

2. The Principal Commissioner/ Commissioner, Audit Commissionerate at Room No. 139-B, First Floor, New Custom House, Near IGI Airport, New Delhi-110037, With reference to their letter F. No. ADT/CIR/ADT/PBA/102/2024-PBA-Cir-B2-O/o Commr-Cus-Adt-Delhi dated 28.01.2026.

3. The Deputy/Assistant Commissioner (Gr-VI) House Kandla, Custom House, Kandla for information.
4. The Deputy/Assistant Commissioner (PCA) House Kandla, Custom House, Kandla for information.
5. The Superintendent (EDI) for necessary action at their end.
6. Guard File.

**ANNEXURE – B****LIST OF RELIED UPON DOCUMENTS (RUD's)**

**SCN File No.: GEN/ADJ/COMM/168/2026-Adjn-O/o Commr-Cus-Kandla  
issued to M/s. Rajasthan Prime Steel Processing Center Private Limited**

<b>Sr. No: / RUD no.</b>	<b>Description of document</b>	<b>Remark</b>
1	Form-I, in support of Country of Origin Benefits	Available with Importer
2	Audit Report no. 34/B-3/DELHI/2025-26 dated 23.01.2026	Available with Importer
3	Audit letter CADT/CIR/ADT/PBA/102/2024-PBA-Cir-B2-O/o Commr-Cus-Adt-Delhi dated:- 28.01.2026	Attached
4	Importer/Auditee letter dated 16.12.2025 submitted during the time of audit to the Assistant Commissioner, IGI Airport, New Delhi.	Available with Importer