



सीमा शुल्ककार्यालय का आयुक्त के (निवारक) , सीमा शुल्क भवन,  
जामनगर- राजकोट हाइवे, विक्टोरिया ब्रिज के पास,  
जामनगर) गुजरात – (361 001

Office of the Commissioner of Customs (Preventive),  
'Seema Shulk Bhavan', Jamnagar – Rajkot Highway,  
Near Victoria Bridge, Jamnagar (Gujarat) – 361 001  
**Email:** commr-custjmr@nic.in; adj-custjmr@nic.in

DIN – 20251171MM000000F30C

1.	फ़ाइल क्रमांक/ File Number	F. No. CUS/3299/2025-Adjn
2.	मूल आदेश क्रमांक/ Order-in-Original No.	16/Additional Commissioner/ 2025-26
3.	द्वारा पारित/ passed by	Amit Kumar Singh अपर आयुक्त/ Additional Commissioner, सीमा शुल्क, निवारक/Customs (Preventive) जामनगर/ Jamnagar.
4.	Date of Order /आदेश दिनांक	28.11.2025
	Date of issue / आदेश जारी किया	28.11.2025
5.	कारण बताओ नोटिस क्रमांक एवं दिनांक Show Cause Notice Number & Date	ADC-04/2025-26 dated 10.06.2025
6.	नोटिसी का नाम/ Name of Noticee	M/s. Demo Shipping Services Bhavnagar 364002.
01.	इस आदेश की मूल प्रति संबंधित व्यक्ति को निशुल्क प्रदान की जाती है। The original copy of this order is provided free of cost to the person concerned.	
02.	इस मूल आदेश से व्यथित कोई भी व्यक्ति सीमा शुल्क अधिनियम, धारा की 1962128A)(1)a सीमा शुल्क नियम (अपील), 1982 के नियम 3 के साथ पठित, के प्रावधानों के तहत, इस आदेश की प्राप्ति की तारीख से 60 दिन के भीतर फॉर्म सीए-1 में निम्नलिखित पते पर अपील दायर कर सकता है।फॉर्म सीए-1 में अपील का प्रपत्र, दो प्रतियों में दायर किया जाएगा और उसके साथ इस आदेश की समान संख्या में प्रतियाँ संलग्न की जाएंगी जिसके विरुद्ध अपील की गई है। कम से कम से जिनमें)एक प्रमाणित प्रति हो आयुक्त (अपील) मंजिल वी 7, मृदुल टावर, टाइम्स ऑफ इंडिया के पीछे, आश्रम रोड, अहमदाबाद – 380 009	



	Any Person aggrieved by this Order-In-Original may file an appeal in Form CA-1, within sixty days from the date of receipt of this order, under the provisions of Section 128 of the Customs Act, 1962, read with Rule 3 of the Customs (Appeals) Rules, 1982 before the Commissioner (Appeals) at the above mentioned address. The form of appeal in Form No. CA.-1 shall be filed in duplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be a certified copy).
03.	अपील पर 5/- रुपये का कोर्ट फीस स्टाम्प लगा होना चाहिए। जैसा कि भारतीय स्टाम्प अधिनियम, 1989 के तहत प्रदान किया गया है, या राज्य विधान द्वारा संशोधित किया जा सकता है, जबकि इस अपील के साथ संलग्न आदेश की प्रति पर रुपये ) 0.50पचास पैसे केवल (का कोर्ट फीस स्टाम्प होना चाहिए। जैसा कि न्यायालय शुल्क अधिनियम, 1870 की अनुसूची -I, मद 6 के तहत निर्धारित किया गया है।
	The appeal should bear the Court Fee Stamp of Rs. 5/- as provided under the Indian Stamp Act, 1989, modified as may be, by the State Legislation, whereas the copy of the order attached with this appeal should bear a Court Fee Stamp of Rs. 0.50 (Fifty paisa only) as prescribed under Schedule - I, Item 6 of the Court Fees Act, 1870.
04.	अपीलीय ज्ञापन के साथ शुल्क भुगतान /जुर्माना /अर्थ दंड का सबूत भी संलग्न करे अन्यथा सीमा शुल्क अधिनियम, 1962की धारा 128 के प्रावधानों का अनुपालन ना होने के कारण अपील को खारिज किया जा सकता है।
	Proof of payment of duty / fine / penalty should also be attached with the appeal memo, failing to which appeal is liable for rejection for non-compliance of the provisions of Section 128 of the Customs Act, 1962.
05.	अपील प्रस्तुत करते समय यह सुनिश्चित करे की सीमा शुल्क अपील)) नियम, प्रक्रिया सिस्टेट और 1982 नियम (प्रोसीजर), है। हुआ पालन पूरा का नियमो सभी के 1982
	While submitting the Appeal, the Customs (Appeals) Rules, 1982, and the CESTAT (Procedure) Rules, 1982, should be adhered to in all respects.
06.	इस आदेश के खिलाफ आयुक्त (अपील), सीमा शुल्क, उत्पाद शुल्क और सेवा कर अपीलीय न्यायाधिकरण के समक्ष मांग की गई शुल्क के 7.5% के भुगतान पर होगी, जहां शुल्क या शुल्क और जुर्माना विवाद में है, या जुर्माना विवाद में है, या जुर्माना जहां जुर्माना है अकेले विवाद में है।
	An appeal, against this order shall lie before the Commissioner (Appeals), on payment of 7.5% of the duty demanded, where duty or duty and penalty are in dispute, or penalty are in dispute, or penalty, where penalty alone is in dispute.





### BRIEF FACTS OF THE CASE

M/s Demo Shipping Services, 302, D & I EXCELUS, Waghawadi Road, Bhavnagar. (Hereinafter referred to as "the Noticee") had declared for arrival of vessel MSC FEDERICA for breaking at Alang. The said vessel arrived at Alang Anchorage on 01.07.2023 from the Indian Port MUNDRA (last port of call). All usual customs formalities were completed in respect of the said vessel. Since, the said vessel arrived at Alang from the Indian Port (last port of call), there after Noticee requested to file manual Bill of Entry for payment of customs duty on account of consumption of bunkers & stores during last voyage being coastal voyage, as per prevailing practice.

2. On the basis of the permission granted for filing Manual Bill of Entry on 28-07-2023, the said Noticee filed Bill of Entry declaring therein Bunkers & Provisions. The said Bill of Entry was self-assessed to duty of Customs to the tune of Rs. 34, 53,852/- and was assigned Bill of Entry No. 6697080-A.
3. The self-assessment of Customs duty in the said Bill of Entry was made as per provisions of Section 17(1) of the Customs Act, 1962 to Customs duty to the tune of Rs. 34,53,852/-. Accordingly, duty of Rs. 34, 53,852/- was paid on 27-02-2025 vide Challan No. 2670538105. However, the applicable interest at the appropriate rate for relevant period in accordance with the provisions of Customs Act, 1962 which was also required to be paid by the Noticee, but the same was not paid.
4. The letters dated 10.03.2025 and 25.03.2025 were issued to the M/s Demo Shipping Services, 302, D&I EXCULES, Waghawadi Road, Bhavnagar (the Noticee) to pay applicable interest amount under section 28AA of Customs Act, 1962 but neither any reply was received from the Noticee nor the applicable interest was paid.
5. The Noticee was required to pay the applicable Customs Duty along with interest. The applicable interest was required to be paid as per section 28AA of the Customs Act, 1962 which is reproduced as under:

***"[Section 28AA. Interest on delayed payment of duty. -***

*(1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, 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), whether such payment is made voluntarily or after determination of the duty under that section.*

*(2) Interest at such rate not below ten per cent. and not exceeding thirty-six per cent. per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.*

*(3) Notwithstanding anything contained in sub-section (1), no interest shall be payable where,-*

*(a) The duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and*

*(b) Such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.]”*

Thus, it appeared that applicable interest as per section 28AA of the Customs Act, 1962 was required to be paid and was not paid by the Noticee & was required to be demanded and recovered from the Noticee under the Section 28AA of the Customs Act, 1962.

6. As stipulated under provision to clause (a) to sub-section (1) of Section 28 of the Customs Act, 1962 read with the provisions of Pre-notice Consultation Regulations, 2018, the Noticee in the matter was also served a Pre-notice Consultation issued vide letter F.NO. CUS/3299/2025-Adj. dated 14.05.2025.

6.1 The Noticee vide letter reference no. Nil dated 23.05.2025, 08.08.2025, and dated 27.08.2025, reiterated and submitted the same reply during and after the pre-notice consultation as well, wherein the Noticee did not agree to the proposal of paying interest. However, interest appeared is payable as per section 28AA of Customs Act, 1962.

Accordingly, M/s Demo Shipping Services, 302, D&I EXCULES, Waghawadi Road, Bhavnagar were called upon to show cause, as to why-

(i) Customs Duty to the tune of Rs. 34, 53,852/- (Rupees Thirty Four Lacs Fifty Three Thousand Eight Hundred Fifty Two only)





should not be recovered from them under Section 28 of the Customs Act, 1962.

- (ii) As the Customs Duty to the tune of Rs. 34, 53,852/- (Rupees Thirty Four Lacs Fifty Three Thousand Eight Hundred Fifty Two only) has already been paid by the Noticee on 27.02.2025, why the same should not be appropriated against the Customs duty demand as mentioned Sr. No. (i).
- (iii) Interest at appropriate rates, should not be demanded and recovered from them on the amount as mentioned at Sr. No. (i) as per section 28AA of the Customs Act, 1962.

8. **Defense Reply:** - The noticee altogether made three submission subsequent to demand notice. The noticee in their submission dated 8<sup>th</sup> august 2025, demonstrated that they were not liable for the alleged coastal duty as demanded /recovered. The so called goods in this context were never treated and transported as coastal goods as defined under chapter XII Of the custom act 1962. In particular section 93 of the act requires that coastal goods must be accompanied by appropriate documents, including a bill under section 92, duly passed and delivered by the consignor to the master of the ship/ vessel. In one of their submission dated 23.05.2025 the noticee mentioned that they wrote several letters to the department for making due assessment of the said bill of entry.

9. **Records of Personal Hearing:** - The personal hearing in the matter was held through virtual mode on 27.08.2025, which was attended by Shri N.K.Maru, authorized representative of the Noticee. Shree Maru reiterated his earlier written submission made on 23.05.2025 and submitted some additional submission during the personal hearing.

9.1 In their written submission dated 27.08.2025, the Noticee has contended as under:-

- They have already submitted written submissions dated 23.05.2025 (Pre-consultation), 4<sup>th</sup> July 2025(Reply to Show Cause Notice) and the supplementary submission dated 8<sup>th</sup> August 2025. These submissions form an integral part of their defense.
- They have categorically demonstrated that, they were not liable to pay alleged "Coastal Duty" as demanded / recovered. The so-called "goods" in this context were never treated or transported as "coastal goods" as defined under Chapter XII of the Customs Act, 1962, in particular Section 93 of the Act requires that coastal goods must be accompanied





by appropriate documents including a bill under Section 92 duly passed and delivered by the consignor to the master of the vessel.

**Discussions and Findings:**

10. I have carefully gone through the case records, including the show cause notice, written and oral submissions made by the Noticee. I find that the issue to be decided in the present case is

- (i) Whether the Customs Duty to the tune of Rs. 34,53,852/- paid by the Noticee as duty of customs on bunkers & stores consumed during coastal run is to be confirmed and appropriated or otherwise.
- (ii) In case of demand of duty of customs is confirmed, whether interest of Rs. 8, 17,569/- as proposed in the Show Cause Notice to be recovered from the Noticee or otherwise.

10.1 I observe that, the undisputed facts of the case are as under:

- (i) The Noticee vide letter dated 4th July, 2023 had declared arrival of vessel MSC FEDERICA for breaking at Alang and had requested for manually filing of said Bill of Entry for Coastal Conversion/Consumption of M.V. "MSC FEDERICA" duly arrived from Mundra to Alang in Ballast (Empty) for demolition as on 1st July, 2023;
- (ii) The said vessel arrived at Alang from the Indian Port i.e. Mundra (last port of call) and as per request made by the Noticee, they were permitted to file manual Bill of Entry for payment of customs duty on account of consumption of bunkers & stores during last voyage from Mundra to Alang, as the same being coastal voyage;
- (iii) The Noticee filed Manual Bill of Entry on 04.07.2023 self-assessing the same under Section 17(1) of the Customs Act, 1962 and calculated duty of customs payable to the tune of Rs. 34,53,852/- in respect of bunkers & stores consumed during last voyage from Mundra to Alang, as the same being coastal voyage.

10.2 From the above facts, I find that, the Noticee had themselves admitted that duty of customs is payable on bunkers & stores consumed during last voyage from Mundra to Alang and therefore, had filed Manual Bill of Entry dated 04.07.2023 and self-assessed the same to calculate duty of customs



payable to the tune of Rs. 34,53,852/-. Accordingly, it can be very well inferred that, the levy of duty of customs was never in question at the time of filing of BE.

10.3 Now, the Noticee as an afterthought contested the levy of duty of customs on the ground that, their vessel was foreign-going vessel, hence, they were not required to pay the duty of customs on bunkers & stores consumed during last voyage from Mundra to Alang and in support of his plea, the Noticee relied upon various judgments.

10.4 I notice that;

Section 87 of the Customs Act, 1962, stipulates, *"Any imported stores on board a vessel or aircraft (other than stores to which section 90 applies) may, without payment of duty, be consumed thereon as stores during the period such vessel or aircraft is a foreign-going vessel or aircraft"*

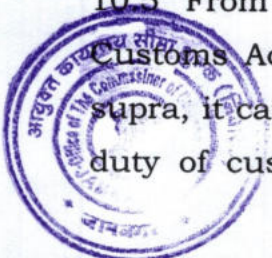
Section 2(38) of Customs Act, 1962 defines **"stores"** means goods for use in a vessel or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting;

Section 2 (21) of the Customs Act, 1962, defines **"foreign-going vessel or aircraft"** as under:

*"foreign-going vessel or aircraft" means any vessel or aircraft for the time being engaged in the carriage of goods or passengers between any port or airport in India and any port or airport outside India, whether touching any intermediate port or airport in India or not, and includes -*

- (i) *any naval vessel of a foreign Government taking part in any naval exercises;*
- (ii) *any vessel engaged in fishing or any other operations outside the territorial waters of India;*
- (iii) *any vessel or aircraft proceeding to a place outside India for any purpose whatsoever"*

10.5 From the combined reading of the provisions of Section 87 of the Customs Act, 1962 with the definition of "stores" and "foreign going vessel" *supra*, it can be inferred that, to consume stores on board without payment of duty of customs, the vessel must be 'foreign going vessel' and for holding





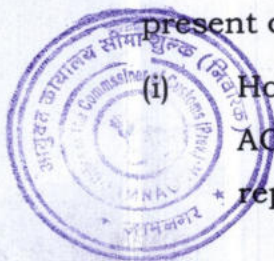
status of "foreign going vessel" must carry goods or passengers between any port or airport in India and any port or airport outside India i.e. the vessel should have been used as 'conveyance'. However, in instant case, the Noticee vide his own letter dated 04.07.2023 had themselves declared that the vessel 'MSC FEDERICA' had arrived from Mundra to Alang in Ballast (Empty) for demolition/breaking as on 1st July, 2023. Thus, the impugned vessel i.e. vessel MSC FEDERICA when arrived for breaking at SBY Alang, was not engaged in carriage of any goods or passengers between *any port or airport in India and any port or airport outside India nor it was falling under any of the category mentioned at (i), (ii) and (iii) of the definition supra. Therefore, during its voyage from Mundra to Alang the vessel was not a foreign-going vessel as envisaged in the definition supra and at the same time.*

10.6 Accordingly, I find that irrespective of the fact that, the vessel 'MSC FEDERICA' was converted from foreign run to coastal run or otherwise, the duty of customs on consumption of bunker and stores is leviable as the said vessel cannot be treated as "foreign going vessel" during its last voyage from Mundra to Alang and therefore, the Noticee themselves at the material point of time had requested to file Manual Bill of Entry of the said vessel for the payment of applicable duty and subsequently paid the duty after lapse of much time.

10.7 The noticee statement is not tenable that due assessment was not provided to them whereas in the era of self-assessment With effect from 8-4-2011 Self-Assessment has become the norm of assessment of Customs duty in respect of imported / export goods. Thus, importers / exporters are required to declare the correct description, value, classification, notification number, if any, and themselves assess the Customs duty leviable, if any, on the imported / export goods. Self-Assessment is supported by Sections 17, 18 and 50 of the Customs Act, 1962 and the Bill of Entry (Electronic Declaration) Regulations, 2011 and Shipping Bill (Electronic Declaration) Regulations, 2011. Thus it appears that they might have initiated the further process of ship breaking without making the payment in this regard. The said ship arrived on 01.07.2023 and they self-assessed the duty and made late payment on 27.02.2025. Here their statement and submission appears contradictory.

10.8 In this regard, I rely upon following judgment, which is relevant in the present case.

(i) Hon'ble High Court of Kerala, in case of M/s. NEW INDIA MARITIME AGENCIES (P) LTD. Versus A.C.C., IMPORT & EXPORT, COCHIN reported at 2000 (126) E.L.T. 315 (Ker.) ate Hon'ble Tribunal at Para- 6





and 7 of their order have observed as under:

"6. The definition in section 2(21) of a "foreign going vessel or aircraft" is in these terms:

"2(21) 'foreign-going vessel or aircraft' means any vessel or air-craft for the time being engaged in the carriage of goods or passengers between any port or airport in India and any port or airport outside India, whether touching any intermediate port or airport in India or not and includes -

(i) Any naval vessel of a foreign Government taking part in any naval exercises;

(ii) Any vessel engaged in fishing or any other operations outside the territorial waters of India;

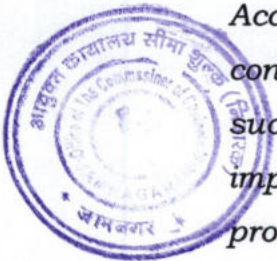
(iii) Any vessel or aircraft proceeding to a place outside India for any purpose whatsoever;"

7. M.V. Seafox left Cochin Port with cargo loaded exclusively for Bombay and for no other port outside India. It is therefore clearly for the time being engaged in coastal trade alone and it is impossible to uphold the contention that it is a foreign going vessel when it was plying between Cochin and Bombay carrying cargo exclusively for Bombay Port. In fact this position seems to have been accepted by the vessel and it had acted on that basis. I negate this contention."

- (ii) Hon'ble Tribunal Ahmedabad in case of M/s. GUJARAT ADANI PORT LTD. Versus COMMISSIONER OF CUSTOMS, KANDLA 2013 (287) E.L.T. 330 (Tri. - Ahmd.) at Para-22 of their order have observed as under:

"22. As regards VMML, the charterer had supplied diesel and the diesel was transferred to barge DLB 600 without payment of duty and without ensuring that Bill of Entry was filed. The fact that GAPL was informed to file Bill of Entry and was required to file Bill of Entry, does not help the charterer since the diesel should have been unloaded only after the Bill of Entry was filed and duty was paid. The fact that diesel was transferred to barge DLB 600 and the vessels were allowed to utilize with bunkers/diesel, and no Bill of Entry has been filed and no duty has been paid on bunkers would go against the appellant.

According to Section 87 of Customs Act, 1962, the imported stores can be consumed without payment of duty as stores only during the period when such vessel is a foreign going vessel. Section 86 permits the stores imported in a vessel to remain on board while it is into India subject to provisions of Section 87. A combined reading of Sections 86 and 87 would show that VMML should have ensured that the duty was paid on bunkers and diesel before the barge/tugs were put to use. If the liability to pay





*duty was on GAPL, before using the goods which are not duty paid, it was the duty of VMML to ensure that duty was paid by GAPL or by itself. Further, the fact that the diesel was attempted to be transferred to a fishing boat and was caught in such an act, would show that VMML clearly intended to divert diesel to fishing boat without payment of duty and are in profit. Under these circumstances, penalty of Rs. 10 lakhs imposed on VMML, in our opinion, is sustainable and has to be upheld."*

In view of the above, I find that the Noticee have rightly paid duty of customs of Rs. 34,53,852/- by filling self-assessed Bill of Entry under Section 17(1) of the Customs Act, 1962 and the same is required to be appropriated against demand made under Section 28(1) of the Customs Act, 1962 in the Show Cause Notice.

(III) *Now as it has been established that the duty has been correctly assessed, confirmed and deposited the delay in payment of duty brings the interest component in to play. To examine interest liability I rely on following case law.*

*Hon'ble Supreme Court of India, in case of M/s PRATIBHA PROCESSORS Versus UNION OF INDIA has held that in fiscal Statutes, the import of the words "tax", "interest", "penalty", etc. are well known. They are different concepts. Tax is the amount payable as a result of the charging provision. It is a compulsory exaction of money by a public authority for public purposes, the payment of which is enforce by law. Penalty is ordinarily levied on an assessee for some contumacious conduct or for a deliberate violation of the provisions of the particular statute. Interest is compensatory in character and is imposed on an assessee who has withheld payment of any tax as and when it is due and payable. The levy of interest is geared to actual amount of tax withheld and the extent of the delay in paying the tax on the due date. Essentially, it is compensatory and different from penalty which is penal in character. Noticee main contention is that they were not issued challans, here I find once duty liability has been established interest has to be paid. It clearly shows the intention of the noticee that they are trying to hide their legal liability under the guise of procedural lacuna on the plea that EDI system was not supportive for the said purpose.*

*The Noticee have relied upon the Hon'ble Tribunal's Final Order No. 10562/2025 dated 16.07.2025 in appeal filed by Bhavnagar Shipping Agency, in support of their stand. I find that in the case of Bhavnagar Shipping Agency, the department had questioned the quantity of fuel consumed and duty of*



customs calculated by the party which culminated in-to demand of differential duty of Rs. 96,136/-, interest and penalty thereof. Against, this confirmation of differential duty, the party had agitated the matter before the higher Appellate Authorities.

11.2 In the present case, the Noticee had *suo moto* filed the Bill of Entry and self-assessed the same based on their judgement to calculate the duty on the consumption of bunkers/stores during the voyage from Mundra to Alang as declared by the Master of the vessel and had paid the applicable duty of customs accordingly. The Noticee had not contested duty paid by them at the any material point of time nor has any differential duty been demanded from them by the department. Therefore, in the instant case, the assessment of Bill of Entry was final and was filed under Section 17(1) of the Customs Act, 1962, which has attained its finality and no appeal was made in this regard.

11.3 Further, in the case of Bhavnagar Shipping Agency *supra* it is the observations of the Hon'ble Tribunal that the Bill of Entry was presented on direction of the Customs officers, whereas, in the present case, the Noticee themselves had sought permission for filling of manual Bill of Entry for payment of duty once duty.

11.4 Since the facts and circumstances of both cases are distinguishable, the order of the Hon'ble Tribunal dated 16.07.2025 cannot be relied upon to support the stand taken by the Noticee.

11.5 The Hon'ble Tribunal's final order no. A/11792-11851/2022 dated 01.12.2022 in the case of M/s. Navyug Ship Breaking Co and others, relied upon by the Noticee is also not applicable in the present case. The issue involved in aforesaid order pertains to classification and levy duty of customs on oil contained in bunker tanks and Engine room of the vessels imported for breaking purpose, and, not related to duty of customs on bunkers/ stores consumed during coastal run of the vessels.

12. In view of the above discussion I hold that, here the Noticee have correctly paid custom duty of Rs. 34, 53,852/- by filling self-assessed Bill of Entry under Section 17(1) of the Customs Act, 1962 and the same is correctly required to be appropriated against duty demand made under Section 28(1) of the Customs Act, 1962 in the Show Cause Notice.





13. I observe that the Noticee had filed Bill of Entry assessing duty of customs of Rs. 34,53,852/- on 04.07.2023, hence, they were required to deposit the aforesaid duty of customs on or before 05.07.2023, whereas they self-assessed and have deposited the same only on 27.02.2025. As the Noticee had not deposited the aforesaid duty amount within the stipulated time limit they were required to pay interest on such delayed payment as per the provisions of Section 28AA of the Customs Act, 1962 which are extracted below:-

**Section 28AA. Interest on delayed payment of duty. -**

(1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, 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), whether such payment is made voluntarily or after determination of the duty under that section.

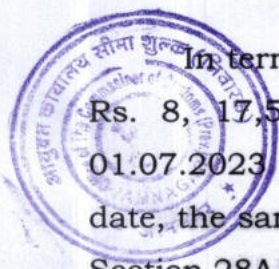
(2) Interest at such rate not below ten per cent. and not exceeding thirty-six per cent. per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

(3) Notwithstanding anything contained in sub-section (1), no interest shall be payable where,-

(a) The duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and

(b) Such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.]”

In terms of the above provisions, the Noticee is required to pay interest of Rs. 8, 17,569/- for delaying the payment of duty, for the period (From 01.07.2023 to 26.02.2025). Since the Noticee have not paid above interest till date, the same is required to be recovered from them invoking the provisions of Section 28AA *supra*.

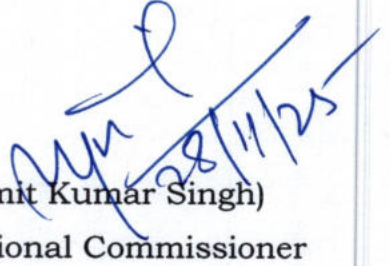




Accordingly I pass the following order

**ORDER**

- (I) I hereby confirm and order to recover Customs Duty to the tune of Rs. 34,53,852/- (Rupees Thirty Four Lacs Fifty Three Thousand Eight Hundred Fifty Two only) from the Noticee under Section 28(1) of the Customs Act, 1962. Since the duty amount has been paid by them, I hereby order to appropriate the same.
- (II) I hereby confirm and order to recover the Interest of Rs. 8, 17,569/- at the appropriate rate (as per Annexure- A attached to this Show Cause Notice), from the Noticee on the amount as mentioned at Sr. No. (i) As per section 28AA of the Customs Act, 1962.

  
(Amit Kumar Singh)  
Additional Commissioner

F. No. CUS/3299/2025-Adjn

Date: 28.11.2025

**BY RPAD/SPPED POST/HAND DELIVERY:**

To,  
M/s Demo Shipping Services,  
302, D&I EXCELUS,  
Waghawadi Road,  
Bhavnagar.

Copy to-

1. The Commissioner of Customs, Customs (Prev.), Jamnagar.
2. The Assistant Commissioner (RRA), Customs (Prev.), Jamnagar.
3. The Deputy Commissioner (Recovery), Customs (Prev.), Jamnagar.
4. The Deputy Commissioner (System), Customs (Prev.), Jamnagar.
5. The Assistant Commissioner Custom Division Bhavnagar.
6. Guard file.

