
 सत्यमेव जयते	सीमा शुल्क आयुक्त का कार्यालय, (एनएस-1), <b>OFFICE OF THE COMMISSIONER OF</b> <b>CUSTOMS (NS-I),</b> जवाहरलाल नेहरू कस्टम हाउस, न्हावा शेवा, <b>JAWAHARLAL NEHRU CUSTOM HOUSE,</b> <b>NHAVA SHEVA,</b> तालुका उरण, जिला रायगड, महाराष्ट्र- 400 707 <b>TALUKA URAN, DIST. RAIGAD,</b> <b>MAHARASHTRA-400 707</b>	 आज़ादी का अमृत महोत्सव
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F. NO. CUS/APR/BE/MISC/2174/2025-Gr 2(C-F)

S/10-Adj-44/2025-26/II C-F Date: 11-12-2025

DRI F. No. DRI/AZU/CI-2/Enq-2(INT-6)/2025

Order No. 292(4)/2025-26/PR.COMMR/Gr.II C-F/NS-I/CAC/JNCH

DIN: 20251278NW0000555B08.

**CONCLUSION PROCEEDING**

M/s. Biostadt India Limited, (hereinafter referred to as M/s Biostadt or "importer"), (IEC: 0303031727), with its registered address at Biostadt House, Commercial Premises, Kala Co-Operative Society, Kherwadi, Bandra East, Mumbai-51, is a company engaged in the manufacturing and trading of Agro-chemicals and Bio-stimulants.

2. Intelligence gathered by the officers of the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (hereinafter referred as "DRI") indicated that M/s Biostadt has imported various consignments of an Agrichemical named "**Hexythiazox Technical Min 97%**" from Japan-based suppliers. They classified this item under **CTSH 3808 99** (specifically CTI 3808 99 90) and claimed the benefit of 'Nil' Basic Customs Duty (BCD) under Entry No. 282 of Notification No. 069/2011-Customs (India-Japan CEPA). However, intelligence suggested that "Hexythiazox" is a chemical compound used as an Insecticide/Acaricide/Miticide (a substance used for killing mites, ticks, spiders, etc.). As per the Customs Tariff Act, 1975, insecticides are specifically categorized under **CTSH 3808 91**. Therefore, the correct classification for the impugned goods is under **CTSH 3808 91**, where the benefit of the said exemption notification (Entry No. 282) is not available, thereby attracting the applicable effective Basic Customs Duty.

3. The correct classification of the impugned goods i.e., "Hexythiazox Technical Min 97%" is under **CTSH 3808 91**. The First Schedule for the Customs Tariff Act, 1975, categorizes agrichemicals under specific sub-headings, wherein **3808 91** is for **Insecticides**. Since the subject goods are used as insecticides/acaricides, they fall under this specific category rather than the residual category "Other" (3808 99).

4. The imported goods viz., "Hexythiazox Technical Min 97%" are Acaricides/Miticides used for controlling mites. In terms of the Explanatory Notes to the Harmonized Commodity Description and Coding System (Harmonized System) for Heading 3808, the heading includes

products to control mites and ticks (acaricides) under the broad category of **Insecticides**. Further, the registration certificate obtained by the importer from the Central Insecticides Board & Registration Committee (CIB & RC) explicitly certifies the product as an "Insecticide". Additionally, the Insecticides Act, 1968 includes "Hexythiazox" in its schedule of insecticides. Therefore, the subject goods being insecticides, are excluded from the scope of Entry No. 282 of Notification No. 069/2011-Customs (which covers "All goods" under 3808 92 to 3808 99) and merit classification under **Tariff Item 3808 91 99** (during the relevant period).

5. Based on the said intelligence, DRI initiated an investigation. During the course of the investigation, the statement of Mr. Anand Vilasrao Kulkarni, General Manager-Regulatory Affairs of M/s Biostadt, was recorded on 06.02.2025 under Section 108 of the Customs Act, 1962. He admitted that:

- The imported "Hexythiazox Technical Min 97%" is an Acaricide used for killing mites.
- In terms of the Insecticides Act 1968, their product is defined as an 'Insecticide' only, as 'Acaricide' is not defined separately.
- The company markets the final product manufactured from the imported goods (Brand Name: Maiden) as an Insecticide/Acaricide under HSN 3808 91 in the domestic market.
- He accepted that the product prima facie merits classification under CTI 3808 91 99 and acknowledged that the benefit of Entry No. 282 of Notification No. 069/2011-Customs is not available for CTSN 3808 91.
- He expressed willingness to pay the applicable differential duty and interest.

6. Subsequently, vide letter dated 10.06.2025, the importer voluntarily paid a total amount of Rs. 3,10,54,828/- towards differential duty (including BCD, SWS, and Differential IGST) and applicable interest, for the imports made vide **11 Bills of Entry (Annexure-1)**, arising out of the misclassification of the imported goods. The payment was made for the normal period of limitation under Section 28(1)(b) of the Customs Act, 1962.

7. The importer has voluntarily paid Rs. 3,10,54,828/- comprising Differential Duty + Interest. The importer vide letter dated **10.06.2025**, requested for closure of the proceedings in terms of **Section 28(2)** of the Customs Act, 1962. They submitted that they have voluntarily paid the duties on their own ascertainment under Section 28(1)(b), contending that the misclassification was due to a long-standing industry practice and bona fide belief.

8. In view of the fact that the entire differential duty liability along with applicable interest is paid by M/s Biostadt, the importer's request for



closure of investigation/enquiry in terms of **Section 28(2)** of the Customs Act, 1962 has been recommended by the **Directorate of Revenue Intelligence, Ahmedabad Zonal Unit** vide letter F. No. DRI/AZU/CI-2/Enq-2(INT-6)/2025 dated 30.07.2025.

9. The relevant legal provisions of the Customs Act, 1962, applicable in the present case, are reproduced below:

**Section 28(1):** *Where any [duty has not been levied or not paid or short-levied or short-paid] or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason other than the reasons of collusion or any wilful mis-statement or suppression of facts, (a) the proper officer shall, within 6[two years] from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied 7[or paid] or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice: 8 [Provided that before issuing notice, the proper officer shall hold pre-notice consultation with the the person chargeable with duty or interest in such manner as may be prescribed;] (b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of, — (i) his own ascertainment of such duty; or (ii) the duty ascertained by the proper officer, the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid.*

**Section 28(2):** *The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made thereunder in respect of such duty or interest: 1 [Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.] Section 28AA: Provides for payment of interest on delayed payment of duty.*

**Section 110AA:** *Provides for closure of investigation/proceedings by the proper officer upon fulfilment of prescribed conditions, including verification of payment, in terms of Notification No. 26/2022-Customs (NT) dated 31.03.2022.*

10. I find that intelligence gathered by the officers of the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit revealed that the importer had been importing goods viz., "Hexythiazox Technical Min 97%", misclassifying them under CTH 3808 99. However, the subject goods are Insecticides/Acaricides and should be classified under **CTH 3808 9199**, attracting the applicable BCD instead of 'Nil' duty under CEPA. Upon being pointed out by the Directorate of Revenue Intelligence (DRI), the importer accepted the misclassification. Consequently, the importer voluntarily paid the total amount of Rs. 3,10,54,828/- (including interest) and they have requested for closure of the proceedings under Section 28(2) of the Customs Act, 1962.

11. In terms of Notification No. 28/2022-Customs (N.T.) dated 31.03.2022 read with **Section 110AA** of the Customs Act, 1962, the **Principal Commissioner of Customs, Nhava Sheva-I, Nhava Sheva**, is the proper officer for closure under Section 28(2) of the Customs Act, 1962.

12. Considering the fact that the whole amount of differential duty of Rs. 2,69,57,870/- along with applicable interest of Rs. 40,96,958/- amounting to Rs. 3,10,54,828/- (Rupees Three Crores Ten Lakhs Fifty-Four Thousand Eight Hundred and Twenty-Eight Only) as envisaged under Section 28 of the Customs Act, 1962 has been deposited by the importer during the investigation, the proceedings in respect of this matter are hereby treated as **concluded** in terms of **Section 28(2)** read with **Section 110AA** of the Customs Act, 1962 and the same is appropriated towards differential duty and applicable interest under Section 28 of the Customs Act, 1962; without prejudice to any other actions that may be taken under the Customs Act, 1962.

Digitally signed by  
Yashodhan Arvind Wanage  
Date: 11-12-2025  
15:53:15

(Yashodhan A. Wanage)  
**Pr. Commissioner of Customs**  
**Nhava Sheva-I, JNCH**

Copy to: -

- i. Additional Director, DRI, Ahmedabad Zonal Unit,  
Unit No. 15, Magnet Corporate Park, 100 Ft Thaltej-Hebatpur Rd,  
Off. Sola Over Bridge, Ahmedabad – 380 054.
- ii. Assistant/Dy. Commissioner, CAC, JNCH, Nhava Sheva
- iii. Assistant/Dy. Commissioner, CCO, JNCH, Nhava Sheva
- iv. Assistant/Dy. Commissioner, EDI, JNCH, Nhava Sheva
- v. Office Copy.



Annexure-1

List of Bills of Entry

S. No.	Bill of Entry No.	Bill of Entry Date
1.	6972577	21-07-2023
2.	8145218	04-10-2023
3.	9347491	21-12-2023
4.	9575671	08-01-2024
5.	2139312	14-02-2024
6.	2544296	13-03-2024
7.	3464900	13-05-2024
8.	3958474	12-06-2024
9.	5873465	30-09-2024
10.	6985684	30-11-2024
11.	7346598	20-12-2024