सीमाशुल्क आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-III)
जवाहरलाल नेहरू सीमा शुल्क भवन, न्हावा शेवा,
JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA- SHEVA
ता. उरण, TAL-URAN, रायगड - 400 707, RAIGAD – 400 707, महाराष्ट्र MAHARASHTRA

SCN No. 1193 /2025-26/ADC/GR.III/NS-III/CAC/JNCH
SCN Date: 24.10.2025
Issued by: ARVIND B.GHUGE
ADDITIONAL COMMISSIONER OF CUSTOMS,
APPRAISING GROUP 3, NS-III, JNCH
Name of Importer/Noticee : **M/s DIVYA GEETA TEXTILES (IEC: CNRPK4408E)**
S/10-586/2025-26/Adj/ADC/Gr-3/NS-III/CAC/JNCH

SHOW CAUSE NOTICE ISSUED UNDER SECTION 28(4) OF THE CUSTOMS ACT, 1962

M/s Divya Geeta Textiles (IEC: CNRPK4408E) having address at 289/7, Sethi Chowk, Panipat, Haryana 132103(hereinafter referred to as 'the importer') had cleared their imported items viz "POLYESTER PRAYER MAT etc."(hereinafter referred to as 'the subject goods') vide Bills of Entries as mentioned in Annexure-A and the same were cleared through Customs by classifying it under CTH 5705. IGST was paid on the said item @ 5% under serial number 219 of Schedule - I of Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017 (as amended from time to time).

2. The appropriate IGST on the subject item is 12% as per Sr. No. 146 of Schedule- II of the said Notification. The relevant part of the Notification No. 01/2017 is as under:

Serial No. Schedule	Chapter/Headings/Sub-Heading/Tariff Item	Description of Goods	IGST Rate
I-219	5705	Coir mats, matting and floor covering	5%
II-146	5705	Other carpets and other textile floor coverings, whether or not made up; such as Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom	12%

3. From the description of the goods declared in the Bills of Entry mentioned at Annexure-A, it is apparent that the goods in question are not eligible for IGST payment @5% under serial number 219 of Schedule - I of IGST Notification No. 01/2017 (as amended from time to time), which clearly & specifically is allowed for goods mentioned against the said entry i.e. "Coir mats, matting and floor covering". Therefore, the goods imported by the Importer attracts levy of IGST @12% under Sr. No. 146 of Schedule-II of Notification No. 01/2017. The details of description of goods, Bills of Entry, applicability of corrected IGST amount, are as per Annexure-A attached herewith.

4. Since the applicability of IGST @ 5% as per Sr. No. 219 of Schedule I of IGST Notification No. 01/2017-Integrated Tax(Rate) dated 28.06.2017 on "Coir mats, matting and floor covering" is very clear and specific, it appears that the Importer had willfully mis-

declared the subject goods by way wrong IGST Schedule for the purpose of importing the same, declaring IGST @5% under serial number 219 of Schedule I, instead of 12% as per Sr. No. 146 of Schedule-II of IGST Notification No. 01/2017-Integrated Tax(Rate) dated 28.06.2017 (as amended) thereby paying lower duty than applicable and thus the provisions of Section 28(4) are invokable in this case.

5. Accordingly, a Consultative Letter No. 975/2021-22/C1 vide F. No. S-2-Audit-Gen-310(28)/19-20(Pt-2)-JNCH-C1 dated 25.05.2021 was issued to the importer for payment of short levied duty along with applicable interest and penalty. Vide the aforementioned Consultative letter, the Importer was advised to pay the Differential IGST along with interest and penalty in terms of Section 28(4) of the Customs Act 1962. The importer was further advised to avail the benefit of lower penalty in terms of Section 28(5) of the Customs Act, 1962, by early payment of short paid IGST duty and interest along with penalty @ 15%. However, as per records available, till date no response in this regard has been received from the importer.

6. Relevant Legal Provisions: After the introduction of self-assessment vide Finance Act, 2011, the onus is on the Importer to make true and correct declaration in all aspects including Classification and calculation of duty, but in the instant case the subject goods have been mis-classified and IGST amount has not been paid correctly.

7. Relevant legal provisions for recovery of duty that are reproduced here for the sake of brevity which are applicable in this instant case:

7.1 Section 17(1) Assessment of duty, reads as: An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

7.2 Section 28 (Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded) reads as:

(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 which has not been so levied or not paid or which has been so 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.

(5) Where any duty has not been levied or not paid or has been short-levied or short paid or the interest has not been charged 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 by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub- section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest

payable thereon under section 28AA and the penalty equal to fifteen per cent of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

(6) Where the importer or the exporter or the agent or the employee of the importer or the exporter, as the case may be, has paid duty with interest and penalty under sub-section(5), the proper officer shall determine the amount of duty or interest and on determination, if the proper officer is of the opinion-

(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or

(ii) that the duty with interest and penalty that has been paid falls short of the amount actually payable, then, the proper officer shall proceed to issue the notice as provided for in clause (a) of sub-section (1) in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of two years shall be computed from the date of receipt of information under sub-section (5).

7.3 Section 28AA- Interest on delayed payment of duty

7.4 Section 46- Entry of goods on importation, subsection 46(4) reads as:

7.5 Section 111- (Confiscation of improperly imported goods etc.)

7.6 Section 112- (Penalty for improper importation of goods etc.) reads as:

7.7 Section 114A- Penalty for short-levy or non-levy of duty in certain cases.

8. Acts of omission and commission by the Importer:

8.1 As per section 17(1) of the Act, "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." Thus, in this case the importer had self-assessed the Bills of Entry and appears to have Short levy of IGST due to wrong selection of IGST Schedule. As the importer got monetary benefit due to said act, it is apparent that the same was done deliberately by with an intention to avail undue benefit of wrong IGST Schedule on the said goods in the Bills of Entry during self-assessment. Therefore, differential IGST amount is recoverable from the importer under Section 28(4) of the Customs Act, 1962 along with applicable interest as per Section 28AA of the said Act.

8.2 It appears that the Importer has given a declaration under section 46(4) of the Act, for the truthfulness of the content submitted at the time of filing Bill of Entry. However, the applicable IGST rate on the subject goods was not paid by the Importer at the time of clearance of goods. It also appears that the Importer has submitted a false declaration under section 46(4) of the Act. By the act of presenting goods in contravention to the provisions of section 111(m), it appears that the Importer has rendered the subject goods liable for confiscation under section 111(m) of the Act. For the above act of deliberate omission and commission that rendered the goods liable to confiscation. Accordingly, the Importer also appears liable to penal action under Section 112 (a) and/or 114A of the Customs Act, 1962.

9. From the foregoing, it appears that the Importer have availed benefit of wrong IGST Schedule which was not actually available for the said goods; that the Importer have

submitted a false declaration under section 46(4) of the said Act. Due to this act of omission of Importer, there has been loss to the government exchequer equal to the differential duty.

10. Therefore, in terms of Section 124 read with Section 28(4) of the Customs Act, 1962 M/s Divya Geeta Textiles having address at 289/7, Sethi Chowk, Panipat, Haryana hereby called upon to show cause to the Competent Authority, Gr 3, JNCH, Nhava Sheva, Taluka Uran, District - Raigad, Maharasthra - 400707, within 30 days of the receipt of the notice, as to why:

(i) The IGST rate claimed under serial number 219 of Schedule I of IGST levy Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017 (as amended) for the subject goods should not be rejected and IGST rate under Schedule II Sr. No. 146 of said Notification should not be levied.

(ii) Differential IGST amount of **Rs. 1,36,782/-** (Rupees One Lac thirty six thousand seven hundred eighty two only) with respect to the items covered under Bill of entry as mentioned in Annexure-A to this notice should not be demanded under Section 28 (4) of the Customs Act, 1962 along with applicable interest as per Section 28AA of the Customs Act, 1962.

(iii) The subject goods as detailed in Annexure-A to this notice having a total assessable value of **Rs. 16,01,662/-** (Rupees Sixteen Lac one thousand six hundred sixty two only) should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

(iv) Penalty should not be imposed on the importer under Section 114A of the Customs Act, 1962.

11. It is also advised that the Importer may avail the benefit of reduced penalty @15% of duty and interest so specified in this notice in terms of Section 28(5) of the Customs Act, 1962 by payment of duty and interest within 30 days of receipt of this notice, failing which Importer may be subject to higher penalty equal to the duty and interest so determined.

12. The written explanation/reply should be filed by the noticee to the **Deputy Commissioner** of Customs, Gr. III, JNCH, Nhava-Sheva, Tal. – Uran, Distt. Raigad, Maharashtra-400707 within 30 days from the date of this notice. They are further required to intimate in their written reply whether they wish to be heard in person before the case is adjudicated.

13. If no cause is shown against the action proposed to be taken or the importer and CHA does not appear before the adjudicating authority when the case is posted for hearing, the case will be decided ex-parte on merits.

14. The department reserves its right to amend, modify or supplement this notice at any point of time prior to the adjudication of the case.

15. This present show-cause notice is issued without prejudice to any other action that may be taken against the notice or any other firm(s) or person(s) under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Union of India.

Encl: Annexure

Digitally signed by
ARVIND GHUGE
Date: 24-10-2025
16:18:48

(ARVIND B. GHUGE)
ADDITIONAL COMMISSIONER OF CUSTOMS,
Gr-III, NS-III, NHAVA SHEVA, JNCH

To
M/s Divya Geeta Textiles,
289/7, Sethi Chowk, Panipat,
Haryana 132103

Copy to:

1. The Asst./Dy. Commissioner of Customs, CAC, JNCH (for Adjudication)
2. The Dy. Commissioner of Customs, Circle- C-1, Audit, JNCH
3. Notice Board (CHS Section)
4. Office Copy.

Annexure – A

Bill of Entry Number	Bill of Entry date	IEC Code	IEC name	Eight Digit HS Code	Full Item Description	Assessable Value Amount	BCD rate	BCD amount	BCD Notification	IGST Amoun	BCD Notification Serail Number	IGST Rate	IGST Notification	IGST Notification Serial Number	Customs Broker Name	Country of Origin Name	IGST Assessment Value Amount	Appraising Group	Correct IGST Sr. No.	IGST @ 12%	Diff. IGST
9345737	27.10.2020	CNRPK4408E	M/S DIVYA GEETA TEXTILES	57050090	POLYSTER PRAYER MAT (SIZE 70X110CM) (WEIGHT 575GMS/PCS)(23728.32 SQM)(BULK PACKING)(UNBRANDED)POLYSTER PRAYER MAT	1601662	20	320332	082/2017	97701.4	121A	5	001/2017	I219	AAROH LOGISTICS	TURKEY	1954027.2	3	II146	234483.26	136781.9