



BHARAT
SARKAR

भारतसरकार/ Government of India
वित्तमंत्रालय / Ministry of Finance
कार्यालय/ Office of

आयुक्त सीमाशुल्क -(एनएस-1)
Commissioner of Customs-(NS-I)
Jawaharlal Nehru Custom House (JNCH)

NhavaSheva, Tal: Uran, Dist: Raigad, Maharashtra-400 707



INDIAN
CUSTOMS

F. No. S/26-Misc-161/2023-24 Gr. IIG/JNCH
SCN No.-270/2025-26/AC/Gr.IIG/NS-I/CAC/JNCH
DIN No.-20250678NX0000031735

Dated: 11.06.2025

**SHOW CAUSE NOTICE ISSUED UNDER SECTION 124 READ WITH SECTION 28 OF
CUSTOMS ACT, 1962**

Whereas, **M/s. Milan Tube Tools Corporation (IEC:0398037591)**, having their address at 116, Nagdevi Street, P.B. No. 3079, Mumbai (MH) 400003 (hereinafter referred to as "the importer") cleared the goods, "PTFE Thread Seal Tape"(herein after referred to as subject goods) Classified under CTH 39 vide Bills of Entry as mentioned below in Table-A. The total quantity and assessable value of the goods so imported is mentioned in the table as below:

Table-A

Sr. No	B/E No.	B/E Dt.	Description	CTH	Assessable Value (in Rs.)	Quantity in MTS	Duty (Item)
1.	3875894	08.05 .2021	PTFE Thread Seal Tape 12Mx0.075MMx12.5MM (100000 PCS)	39209949	969708.9	1.471	300415.8

2. Anti-Dumping Duty was applicable vide Notification No. 25/2021-Customs (ADD) dated 26th April 2021 on 'Polytetrafluoroethylene (PTFE)', originating in or exported from ChinaPR. The relevant portion of the principal Notification No. 25/2021-Customs (ADD) dated 26th April 2021 under which the Anti-Dumping Duty (ADD) was to be paid on Polytetrafluoroethylene (PTFE)', originating in or exported from ChinaPR is reproduced in Table-II as below:-

Table-B

Sl. No.	Tariff heading	Description of Goods	Specification	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	3904,3907, 3910,3916, 3917,3918, 3919,3920, 3921,3922, 3923,3924, 3925,3926	Polytetrafluorethylene (PTFE) Products*	Any	China PR	China PR	Any	Any	2637	MT	USDollar
2.	3904,3907, 3910,3916, 3917,3918, 3919,3920, 3921,3922, 3923,3924, 3925,3926	Polytetrafluorethylene (PTFE) Products*	Any	China PR	Any Other Than Russia or China PR	Any	Any	2637	MT	USDollar
3.	3904,3907, 3910,3916, 3917,3918, 3919,3920, 3921,3922, 3923,3924, 3925,3926	Polytetrafluorethylene (PTFE) Products*	Any	Any other than Russia or China PR	China PR	Any	Any	2637	MT	USDollar

*includes PTFE Products or Processed PTFE Components ,including and not limited to bush, rod, sheet, tape, tube and thread seal tape.

3. During post clearance audit (PCA), conducted in accordance with the provisions of Section 99A of the Customs Act, 1962 read with Section 157(k) of the Customs Act, 1962 and Customs Audit Regulation, 2018, it was observed that the above said importer imported the goods, "PTFE Thread Seal Tape" from China are covered by Notification No. 25/2021-Customs (ADD) dated 26th April 2021, and thus attract anti-dumping duty @ 2637 USD/MT. The omission of ADD resulted in short levy or non-levy of duty to the tune of Rs. 528123.85/-, details of which are shown in Table-C.

Table-C

Sr. No	B/E No.	B/E Dt.	Description	CTH	Assessable Value (in Rs.)	Duty (Item)	ADD applicable
1	3875894	08.05.2021	PTFE Thread Seal Tape 12Mx0.075MMx12.5MM (100000 PCS)	39209949	969708.9	300415.8	289957.27
TOTAL ADD TO BE PAID							289957.27

4. From the above Table-C, it appears that the Importer has not paid the applicable Anti-Dumping Duty for the said goods covered under the bills of entry as in Table-C which is leviable under the Notification No. 25/2021-Customs (ADD) dated 26th April 2021

5. A consultative letter 12/2023-24 vide F. No. S/26-Misc-161/2023-24/Gr. IIG dated 07.11.2023 was issued to the Importer for payment of the Anti-Dumping Duty amount of not paid in respect of the goods cleared vide bills of entry no. as per Table-C. However, no reply from the Importer in this regard has been received in this Section.

6. Whereas, consequent upon amendment to the Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-assessment' has been introduced in customs clearance. Section 17 of the Customs Act, effective from 08.04.2011 [CBEC's (now CBIC) Circular No. 17/2011 dated 08.04.2011], provides for self-assessment of duty on imported goods by the importer himself by filing a bill of entry, in the electronic form. Section 46 of the Customs Act, 1962 makes it mandatory for the importer to make entry for the imported goods by presenting a bill of entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962), the bill of entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service centre, a bill of entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the importer who has to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the bill of entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 08.04.2011, it is the added and enhanced responsibility of the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods.

7. Therefore, in view of the facts as stated above the Importer has suppressed the facts i.e. Anti-Dumping Duty was leviable but was not paid by the Importer, and hence, evaded the applicable Customs duty amounting to **Rs. 2,89,957/- (Rs. Two Lakhs Eighty Nine Thousands Nine Hundred Fifty Seven only)**. Therefore, the differential Anti-Dumping Duty, so not paid is liable for recovery from the importer under Section 28(4) of the Customs Act, 1962 by invoking extended period of limitation.

8. The relevant provisions of Customs Act, 1962 are reproduced as under:

- **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.

- **Section 17 – Assessment of Duty:**

- (1) 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.

- **Section 28AA – Interest of delayed payment of duty**

- (1) Notwithstanding anything contained in any judgement, decree, order or direction of any court, Appellate Tribunal or any authority or in any other Provision 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.

- **Section 112A – Penalty for improper importation of goods, etc. reads as:**

Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable for confiscation under section 11, or abets the doing or omission of such an act shall be liable

- (i) In the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of goods or five thousand rupees], whichever is the greater;
- (ii) In the case of dutiable goods, other than the prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten percent of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub section 8 of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty five percent of the penalty so determined.]

- **Section 111(d) – Confiscation of improperly imported goods, etc. reads as:**
any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force
- **Section 111(m) -Confiscation of improperly imported goods, etc. reads as:**
[any goods which do not correspond in respect of value or in any other articular] 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 transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;]

▪ **Section 114A (Penalty for short-levy or non-levy of duty in certain cases) reads as:**

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 (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined:

Provided that where such duty or interest, as the case may be, as determined under sub-section (8) of section 28, and the interest payable thereon under section 28AA, is paid within thirty days from the date of the communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the duty or interest, as the case may be, so determined:

Provided further that the benefit of reduced penalty under the first proviso shall be available subject to the condition that the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:

Provided also that where the duty or interest determined to be payable is reduced or increased by the commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then for the purposes of this section, the duty or interest as reduced or increased, as the case may be, shall be taken into account:

Provided also that in case where the duty or interest determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, the benefit of reduced penalty under the first proviso shall be available if the amount of the duty or the interest so increased, along with the interest payable thereon under section 28AA, and twenty-five per cent of the consequential increase in penalty have also been paid within thirty days of the communication of the order by which such increase in the duty or interest takes effect:

Provided also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 114.

9. In view of above legal provisions, based on the above findings, there appears to be a short levy of Anti-Dumping Duty (ADD) to the tune of **Rs. 2,89,957/- (Rs. Two Lakhs Eighty Nine Thousands Nine Hundred Fifty Seven only)**. The detailed calculation of Anti-Dumping Duty in respect of Bills of entry is shown in Table-C.

10. It appears that, the anti-dumping duty so evaded which is leviable as per Notification No. 25/2021-Customs (ADD) dated 26th April 2021, is therefore recoverable under Section 28(4) of the Customs Act, 1962. In addition interest on delayed payment of duty is also recoverable from the importer under the provisions of Section 28AA of the Customs Act, 1962. The quantification of the differential duty has been worked out to **Rs. 2,89,957/- (Rs. Two Lakhs Eighty Nine Thousands Nine Hundred Fifty Seven only)**. as per details given in Table -C.

11. Thus, in this case the Importer had self-assessed the Bills of Entry and appears to have mis-declared the goods. Due to this act of omission of Importer, there has been loss to government exchequer equal to the amount mentioned in the Table - C in para 3 of this Show Cause Notice. Hence, differential duty of **Rs. 2,89,957/- (Rs. Two Lakhs Eighty Nine Thousands Nine Hundred Fifty Seven only)** recoverable from the importer under Section 28(4) of the Customs Act, 1962 and the goods valued at **Rs. 9,69,709/- (Rupees Nine Lakhs Sixty Nine Thousands Seven Hundred Nine Only)** appear to be liable for confiscation under Section 111(m) of the Customs Act, 1962 Further, the Importer by his acts of omission/commission appears to have rendered himself liable for penalty under Section 112(a) and/or 114(a) of the Customs Act, 1962.

12. Now, therefore, in exercise of the powers conferred by Section 28 of the Customs Act, 1962, the importer **M/s. Milan Tube Tools Corporation (IEC:0398037591)**, having their address at 116, Nagdevi Street, P.B. No. 3079, Mumbai (MH) 400003, is hereby called upon to Show Cause to the Asstt. Commissioner of Customs, Assessment Group – II(G), having his office at 6th Floor, J.N.C.H., Nhava-Sheva, Distt.-Raigad, Maharashtra - 400707, within 30 days of the receipt of this notice as to why:

(i) Anti-Dumping Duty should not be levied on the aforesaid goods under Section 9A of the Customs Tariff Act, 1975 as applicable vide Notification No. 25/2021-Customs (ADD) dated 26th April 2021 and Anti-Dumping Duty amounting to **Rs. 2,89,957/- (Rs. Two Lakhs Eighty Nine Thousands Nine Hundred Fifty Seven only)** should not be recovered under the provisions of Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962;

(ii) The goods valued at **Rs. 9,69,709/- (Rupees Nine Lakhs Sixty Nine Thousands Seven Hundred Nine Only)** should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962

(iii) Penalty should not be imposed under Section 112(a) of the Customs Act, 1962;

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

13. The above noticee is further required to state specifically in their written reply as to whether they wish to be heard in person before the case is adjudicated. If no specific mention is made about this in their written submission, it shall be presumed that they do not wish to be heard in person. They should produce at the time of showing cause, all the evidences which they intend to rely upon in support of their defense.

14. They are further required to note that their reply should reach within 30 (thirty) days or within such extended period as may be allowed by the adjudicating authority. If no cause is shown against the action proposed above within 30 days from the receipt of this Show Cause Notice or if they do not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

15. This Show Cause Notice is limited to the Bills of Entry mentioned in the above said annexure to the Show Cause Notice only and is issued without prejudice to any other action that may be taken against the noticee or any other firm(s) or person(s) concerned in respect of the aforesaid goods or any other goods under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Union of India. The department reserves its right to amend, modify or supplement this notice at any point of time prior to the adjudication of the case.

Digitally signed by
Raj Kumar Mishra
Date: 11-06-2025
(Raj Kumar Mishra)
Asst. Commissioner of Customs,
Gr. IIG NS-I, JNCH,
Nhava Sheva

To,

M/s. Milan Tube Tools Corporation (IEC:0398037591)

116, Nagdevi Street, P.B. No. 3079,
Mumbai (MH) 400003

Copy to:

1. The Dy. Commissioner of Customs, Central Adjudication Cell, JNCH
2. The Dy. Commissioner of Customs, CRAC, JNCH.
3. Notice Board.
4. Office Copy