



**OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-I),
MUMBAI ZONE-II, Group 1 & 1A,
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
DIST-RAIGAD, MAHARASHTRA - 400 707.
Tel. Nos. 27241055, 27244739, Fax: 27241828**

File No. CUS/APR/MISC/1468/2025-Gr (1And1A)

Date: 29.12.2025

SCN No.: 174712025-26 | Jd GR. I & IIA/NS-I/CAC/JNC4
S10-1551/2025-26 | Adj. | Jd GR. I & IIA/NS-I/CAC/JNC4
DIN: 20260178NW000000DBB1

Subject: Show Cause Notice under Section 28(4) of the Customs Act, 1962, in respect of goods imported by M/s Continental Foods (IEC 0307086461) reg;

M/s Continental Foods (IEC 0307086461) having address Unit No. 109, Udyog Mandir No. 1, 7/C Pitamber Lane, Mahim Mumbai 400016 (hereinafter referred to as 'the Importer' for sake of brevity) had imported goods declared as "**Breadcrumb**" for clearance under **CTH 19051000**

2. During scrutiny of bills of entry by DG Audit, Mumbai (Central), it was observed that M/s Continental Foods (IEC 0307086461) has imported 05 consignments of "Breadcrumb" during the period April 2022 to October 2023. The importer classified the said goods under CTH 19051000 (Crispbread) and availed exemption of Basic Customs Duty under Notification No. 46/2011-Customs. Further, IGST @ 5% was paid by claiming benefit under Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017, Schedule I, Sr. No. 99 (Pizza Bread).

3. On scrutiny of the description declared in the Bills of Entry, product literature and commercial invoices, it was observed that the imported goods are **Breadcrumb**, which are crumbs of baked bread used mainly for coating, thickening or garnishing food preparations.

4. Breadcrumbs are distinct products and **do not fall under the category of Pizza Bread or any other form of bread**, such as plain bread, chapatti, roti, khakhra or toasted bread. Breadcrumbs are **processed bakery products**, prepared by grinding baked bread and are commercially known and traded as a separate product

5. As per **Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017, Schedule III, Sr. No. 16**, the following goods attract **IGST @ 18%**: "Pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products [other than pizza bread, khakhra, plain chapatti or roti, bread, rusks, toasted bread and similar toasted products]." Breadcrumbs clearly fall under "**other bakers' wares**" and are **specifically excluded from concessional IGST applicable to bread or pizza bread**. Therefore, the imported goods are correctly classifiable under **CTH 1905**, attracting **IGST @ 18%** under **Schedule III, Sr. No. 16** of Notification No. 01/2017-Integrated Tax (Rate).

6. Tariff Heading Description of Heading 1905 is reproduced below for reference:
1905 BREAD, PASTRY, CAKES, BISCUITS AND OTHER BAKERS' WARES, WHETHER OR NOT CONTAINING COCOA; COMMUNION WAFERS, EMPTY CACHETS OF A KIND SUITABLE FOR PHARMACEUTICAL USE, SEALING WAFERS, RICE PAPER AND SIMILAR PRODUCTS

1905 10 00 – Crispbread

7. Thus, by wrongly classifying the goods under **CTH 19051000 as Crispbread** and availing concessional rate of **IGST @ 5%** is inadmissible.

Sr. No.	Chapter or Sub-Heading or Tariff Item	Description of Goods	Standard Rate	Integrated Goods Services Tax	Condition No.
(1)	(2)	(3)	(4)	(5)	(6)
16	1905	Pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products [other than pizza bread, khakhra, plain chapatti or roti, bread, rusks, toasted bread and similar toasted products]	-	18%	-

8. By wrongly classifying the goods under **CTH 19051000 as Crispbread** and availing inadmissible concessional rate of **IGST @ 5%**, the importer has **short-paid IGST amounting to ₹ 10,33,725.50**, as detailed in **Annexure-A** to this Notice.

9. Accordingly, a Consultative Letter dated 16.06.2025 was issued to the importer vide F. No. S/26-Misc-455/2025-26/Gr. I&IA (RUD-1), advising the importer to pay the differential duty of **₹ 10,33,725.50** under Section 28 of the Customs Act, 1962 along with applicable interest and penalty thereon under Section 28AA of the Customs Act, 1962. However, no reply has been received from the importer yet.

10. From above discussions and facts, it appears that the importer has deliberately and wilfully mis-classified the subject goods with an intention to **wrongfully avail lower rate of IGST**, thereby suppressing material facts and evading payment of IGST which has resulted in a loss to the government exchequer. By resorting to the aforesaid mis-classification of the subject goods, the importer has short paid IGST amounting to **₹ 10,33,725.50** as detailed in **Annexure-A**.

11. It also appears that consequently, the duty short paid is recoverable from the importer under section 28 (4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962 and for the same reason penalty is also required to be imposed on the importer under Section 112 (a) & (b) and/or Section 114A of the Customs Act, 1962. Further, as the importer has mis-declared the classification of the imported goods and has availed undue benefit of concessional duty, it also appears that the subject goods are liable for confiscation

under Section 111 (m) of the Customs Act, 1962 and the importer is liable for penalty under Section 112 (a) & (b) and/or 114A ibid.

12. From the foregoing, it appears that importer has deliberately and wilfully mis-classified the subject goods with an intention to wrongfully avail lower rate of IGST. Thus, the importer has evaded payment of duty which has resulted in a loss to the government exchequer equal to the differential duty. Therefore, for the acts of omission and commissions mentioned above the importer has rendered themselves for Penal action under Section 114AA of the Customs Act, 1962.

13. 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 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. 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 more specifically the RMS facilitated Bill of Entry, to declare the correct classification, description, value, notification benefit, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods. In other words, the onus on the importer in order to prove that they have classified the goods correctly by giving the complete description of the goods.

14. As discussed above, it is the responsibility of the importer to classify the goods under import properly. In the instant case, the importer has wrongly assessed the above said impugned goods and paid at lower rate of IGST. It appears that the importer has done the self-assessment wrongly with an intention to get financial benefit by paying lesser duty. The wrong assessment of goods is nothing but suppression of facts with an intention to get financial benefit. Hence, it appears that the importer has suppressed the facts, by wrong assessment of the impugned goods leading to short payment of duty. As there is suppression of facts, extended period of five years can be invoked for demand of duty under Section 28(4) of the Customs Act, 1962.

15. Legal provisions applicable in the case:

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 duty amount has not been paid correctly. **Section 17 (Assessment of duty)**, subsection (1) 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.'

a. 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.

b. Section 46 (Entry of goods on importation), subsection (4) reads as:

'(4) 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 as may be prescribed.'

c. Section 111 (Confiscation of improperly imported goods etc.) reads as:

'The following goods brought from a place outside India shall be liable to confiscation:

(m) any goods which do not correspond in respect of value or in any other particular 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 trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54;

d. Section 112 (Penalty for improper importation of goods etc.)

reads as: 'Any person, -

- a. who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or
- b. who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111, 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 the goods or five thousand rupees, whichever is the greater;
 - ii. in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher.'

e. Section 114A (Penalty for short-levy or non-levy of duty in certain cases):

'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.'

f. 114AA. Penalty for use of false and incorrect material:

'If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.'

16. Therefore, in view of the above facts, it appears that the importer **M/s Continental Foods (IEC 0307086461)** has deliberately not paid the duty by

wilful mis-statement as it was his duty to declare correct applicable rate of duty in the entry made under Section 46 of the Customs Act, 1962, and thereby evaded duty amounting to **Rs.10,33,726 (Ten Lakh Thirty Three Thousand Seven Hundred Twenty Six Only)** as detailed in Annexure-A. Therefore, for their acts of omissions/commissions, the differential 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, along with applicable interest under section 28AA of the Customs Act, 1962.

17. It also appears that as the importer has mis-declared the classification of the imported goods and has availed undue benefit of concessional duty, the subject goods are liable for confiscation under Section 111(m) of the Customs Act, 1962 and the importer is liable for penalty under Section 112(a)/114A and 114AA ibid.

18. Now, therefore, **M/s Continental Foods (IEC 0307086461)** having Unit No. 109, Udyog Mandir No. 1, 7/C Pitamber Lane, Mahim Mumbai 400016 is hereby called upon to show cause to The Joint Commissioner/ Commissioner of Customs, Group-I/IA, Jawaharlal Nehru Custom House, Nhava Sheva -I, Taluk - Uran, District Raigad, Maharashtra - 400 707, as to why: -

- i. Differential Duty amounting to **Rs.10,33,726 (Ten Lakh Thirty Three Thousand Seven Hundred Twenty Six Only)** with respect to the items covered under Bills of entry as mentioned in Annexure-A 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.
- ii. The subject goods as detailed in Annexure-A having a total assessable value of **Rs. 79,51,736/- (Seventy Nine Lakh Fifty One Thousand Seven Hundred Thirty Six Only)** should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.
- iii. Penalty should not be imposed on the importer under Section 112 (a) & (b) and/or 114A and 114AA of the Customs Act, 1962.

19. **M/s Continental Foods (IEC 0307086461)** is required to state in their replies, specifically whether they wish to be heard in person by the Adjudicating Authority, namely, The Joint Commissioner/ Commissioner of Customs, Jawaharlal Nehru Custom House, Nhava Sheva -I, Taluk - Uran, District Raigad, Maharashtra - 400 707, before the case is adjudicated. If no specific mention is made about the same in their written submission, it shall be presumed that they do not wish to be heard in person and the case would be adjudicated on the basis of evidences on record. They should produce at the time of showing cause all the evidences upon which they intend to rely in support of their defense.

20. **M/s Continental Foods (IEC 0307086461)** is further required to note that their reply should reach within 30 (thirty) days from the date of receipt of this notice. If no cause is shown against the action proposed above within 30 days from the receipt of this 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.

This Show Cause Notice is issued without prejudice to any other action that may be taken against the notice(s), under this Act or any other law for the time being in force in India, or against any other company, person(s), goods and conveyances

whether named in this notice or not. The Department reserves its right to amend, modify or supplement this notice at any time on the basis of available/further evidences prior to the adjudication of the case.

Digitally signed by
Jay Girijappa Waghmare
Date: 29-12-2025
11:57:30

(Jay G. Waghmare)
Joint Commissioner of Customs
Gr-1, NS-I, JNCH

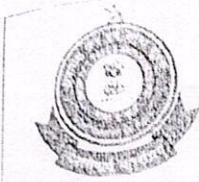
Encl: Annexure-A & RUD-1

To,

M/s Continental Foods (IEC 0307086461)
Unit No. 109, Udyog Mandir No. 1, 7/C Pitamber Lane,
Mahim Mumbai 400016

Copy to:

1. The Assistant Audit Officer, Director General of Audit (Central), Mumbai, C-25, Audit Bhavan, Bandra Kurla Complex, Bandra(E)- 400 051. Email ID: pdacentralmumbai@cag.gov.in
2. The Dy. Commr. Of Customs, CAC, JNCH (for Adjudication).
3. CHS Section, JNCH (For display on Notice Board.)
4. EDI Section, JNCH (For publish on JNCH Website)
5. Office copy.



OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-I), MUMBAI
ZONE-II,
JAWAHARLAL NEHRU CUSTOM HOUSE, NAVA SHEVA,
TAL - URAN, DIST-RAIGAD, MAHARASHTRA - 400 707.

F. No. S/26-Misc-455/2025-26/Gr.I&IA
DIN - 20250678 NW0000006629

Date: 06.2025

To,

M/S. Continental Foods,
Unit No 109, Udyog Mandir No 1,
7/C Pitamber Lane,
Mahim Mumbai 400016

Gentlemen,

Sub: Short levy of IGST due to misclassification of IGST Schedule- Breadcrumb-reg.

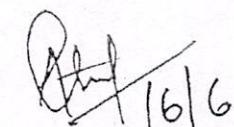
1. M/s. Continental Foods, had filed bills of entry mentioned in Annexure-A for clearance of 'Breadcrumb' under CTH 19051000.
2. During audit of bills of entry of NS-1 Commissionerate, it was observed that M/s Continental Foods imported 05 consignment of "Breadcrumb" between Apr 2022 to Oct 2023 through JNCH (NS-1) Commissionerate. The imported goods were classified under CTH 19051000 (Crispbread) and BCD was exempted under notification 46/2011. IGST for the imported goods was paid @ 5% as per the Notification no. 01/2017-Integrated Tax (Rate) dated 28 June 2017, S. No. I/99 (Pizza Bread). As per the item description, the imported goods are Breadcrumb, which does not fall under the category of Pizza Bread or any category of bread. Therefore, it should be classified under IGST schedule III/16. This resulted in short levy of duty of ₹ 10,33,725.50.
3. If you agree with the above view, it is advised to pay the above-mentioned differential duty amount under section 28 of the Customs Act, 1962 along with applicable interest and penalty thereon under Section 28AA of the Customs Act, 1962 within 15 days of receipt of this letter. The amount of duty and interest along with penalty @15% may also be paid in respect of any other such consignment of goods imported by you earlier and which is not included in the Annexure-A.

In case, you do not agree with the prima-facie views described above, please reply with your substantive contentions supported with documents (including for pre

E-Sanchit period such as invoice, packing list, bill of lading etc.) in respect of Bills of entry mentioned in Annexure-A and convey If you would like to be heard in person

4. It is requested to reply within 15 days of receipt of this letter, informing your agreement (along with duty and interest paid) or disagreement with the above views, as the case may be.

5. This consultation letter is issued taking into account the Pre-notice Consultation Regulations, 2018. The Department reserves the right to proceed in terms of the relevant provisions including Section 28 of the Customs Act, 1962,



(Atul Choudhary)

Dy. Commissioner of Customs,
Group-1&1A, NS-I, JNCH

S.N o.	BE NO	BE Date	Type	AG	Importer Name	Country of Origin	Item Descrip	Inv No	Item No	CTH	Assess Value	Duty(It em)	IGST @18%	Diff of duty
1	8457118	28-04-2022	H	1B	CONTINEN TAL FOODS	MALAYSIA	BREADCRUMB WHITE JK500(AIFTA NO:-KL-2022-AI-21 004759 DT:-26 - .04.2022)	1	1	19051000	1603641	80182	288655	208473
2	2696321	01-10-2022	H	1B			BREADCRUMB WHITE JK500(AIFTA NO:-KL-2022-AI-21 011288 DT.28. - 09.2022)	1	1	19051000	1635428	81771	294377	212606
3	4703545	18-02-2023	H	1B			BREADCRUMB WHITE JK500(AIFTA NO:-KL-2023-AI-21 001865 DT.16. - 02.2023)	1	1	19051000	1581928	79096	284747	205651
4	6888595	15-07-2023	H	1B			BREADCRUMB WHITE JK500(AIFTA NO:-KL-2023-AI-21 008507 DT:-13 - .07.2023)	1	1	19051000	1546431	77322	278358	201036
5	8418905	21-10-2023	H	1B			BREADCRUMB WHITE JK500(AIFTA NO:-KL-2023-AI-21 013638 DT:-20 - .10.2023)	1	1	19051000	1584307	79215	285175	205960
													Total	1033726

IGST III/16