



BHARAT
SARKAR

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

आयुक्त सीमाशुल्क

Commissioner of Customs-(NS-I)

Jawaharlal Nehru Custom House (JNCH)

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



INDIAN
CUSTOMS

F. No: CUS/AG/MISC/972/2025-Gr.IIG/JNCH

Date: 24.09.2025

SCN No. 1033/2025-26/Pr. Commr. /Gr. IIG/NS-I/CAC/JNCH

S/10-421/2025-26/Adj/Pr. Commr. /Gr. IIG/NS-I/CAC/JNCH

DIN No.20250978NW00000053E0

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

M/s. Mahabaleshwar Property Pvt. Ltd. (IEC: , located at 15, Parsi Panchayat Road, Andheri East, Mumbai, Mumbai Suburban, Maharashtra – 400069 (hereinafter referred to as "the importer"), imported and cleared consignments of **"PTFE THREAD SEAL TAPE"** (hereinafter referred to as "the goods") as detailed in Annexure-A.

2. Upon scrutiny of the relevant Bills of Entry, it is observed that the importer cleared the said goods through JNCH by classifying them under Customs Tariff Heading (CTH) 39209949 and self-assessed duties at the following rates: BCD @ 10%, IGST @ 18%, and SWS @ 1%, resulting in a total effective duty of 30.98%.

3. However, it is evident that the imported goods—"PTFE THREAD SEAL TAPE"—do not conform to the description of "plates, sheets, film, foil, and strip" and, therefore, classification under CTH 39209949 is incorrect. The goods are appropriately classifiable under CTH 39209999, which covers "others," i.e., items not falling within the specific categories mentioned above. Under this correct classification, the applicable duties are BCD @ 15%, IGST @ 18%, and SWS @ 1.5%, resulting in an effective duty of 37.47%.

Additionally, it is noted that Anti-Dumping Duty (ADD) was applicable on the subject goods, in accordance with Notification No. 25/2021-Customs (ADD) dated 26.04.2021, which covers Polytetrafluoroethylene

(PTFE) originating in or exported from China PR. The applicable ADD under the said notification is USD 2637 per metric tonne.

4. The differential duty—i.e., the difference between the duty originally paid and the duty now payable upon reclassification under CTH 39209999, along with the applicable ADD—has been computed and is presented in Annexure-A.

5. It appears that the importer deliberately misclassified the goods as falling under CTH 39209949 in order to avail lower duty rates and evade Anti-Dumping Duty. Accordingly, the case attracts the provisions of Section 28(4) of the Customs Act, 1962.

6. In connection with the recovery of the differential Basic Customs Duty (BCD), two separate consultative letters were issued. The first, **Consultative Letter No. 01 dated 11.08.2023**, issued under File No. S/26-Misc-81/2023 Gr. IIG, did not include four Bills of Entry (Sr. Nos. 1, 3, 4, and 5 in Annexure-A), wherein goods were classified under CTH 39209949 at Item No. 3. These are now being incorporated in the present Show Cause Notice for reclassification under CTH 39209999 and recovery of the differential duty.

Furthermore, a separate **Consultative Letter No. 14 dated 20.12.2023** was issued regarding the levy of ADD on three Bills of Entry. Of these, two were also part of the earlier letter and involved goods of identical nature. Hence, for comprehensive adjudication, all the relevant Bills of Entry and associated goods are included in this Show Cause Notice.

7. In response of the Consultative Letters, the importer expressed disagreement with the Post Clearance Audit observation that the appropriate CTH/HSN for PTFE Thread Seal Tape is 39209999. According to the importer, the product falls under CTH 39209949, as it pertains to PTFE materials in tape form. They argued that this classification is more appropriate under the sub-category "others" within CTH 39209941 to 49. Additionally, they referred to the description under Chapter Heading 3920, which covers "other plates, sheets, film, foil and strip of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials." Hence, the importer urged the withdrawal of Consultative Letters issued to them.

8. Further, it is to submit that tariff heading 39209949 is exclusively for PTFE sheets. However, the goods imported are PTFE thread seal tape

and correctly classifiable under HSN 39209999. As the importer has not agreed with the consultative letters issued by this office and has denied the liability towards payment of the differential duty, it has become necessary to proceed further in the matter. Accordingly, in terms of the provisions of the Customs Act, 1962, a Show Cause Notice is required to be issued to the importer, calling upon them to explain as to why the declared classification should not be rejected, the differential duty demanded, and penal action initiated, as may be applicable under the law.

9. Due to the misclassification, it has been determined that there is a short-payment of Customs Duty amounting to **Rs. 13,18,319/- (Rupees Thirteen Lakhs Eighteen Thousand Three Hundred Nineteen only)**. Further, Anti-Dumping Duty of Rs. **62,16,073/- (Rupees Sixty-Two Lakhs Sixteen Thousand Seventy-Three only)** has been not paid. These amounts are recoverable under Section 28(4) of the Customs Act, 1962. Interest on the delayed payment of duty is also recoverable under Section 28AA of the said Act.

10. The importer has imported the impugned goods improperly by not complying with the provisions of section 17(1) and 46(4) of the Customs Act, 1962. Thus, the goods appear to be liable for confiscation under section 111 (m) of the Customs Act, 1962.

11. Since the importer has imported the goods in contravention of the provisions of Customs Act, 1962 stated in forgoing para, therefore they are liable for penalty under section 112(a) and/or 114(A) of the Customs Act, 1962 for their act of commission and omission.

12. Relevant legal provisions are reproduced here for the sake of brevity.

12.1 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 applicable rate of duty, value, exemption notification claimed if any.

12.2 *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.*

12.3 *Section 28: [Recovery of duties not levied or not paid or short-levied or short-paid] or erroneously refunded.*

12.3.1 *Section 28 (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.

12.3.2 Section 28AA – Interest of delayed payment of duty

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.

12.4 SECTION 46. Entry of goods on importation, subsection 46(4) reads as:

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.

12.5 Section 111: Confiscation of improperly imported goods, etc.

Section 111 (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;

12.6 Section 112: Penalty for improper importation of goods, etc.

Any person, -

Section 112 (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, shall be liable to penalty.

12.7 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 9 [sub-section (8) of section 28] shall, also be liable to pay a penalty equal to the duty or interest so determined.

.....

.....

Provided also that where any penalty has been levied under this section, no penalty shall be levied under section 112 or section 115.”

13. Self-Assessment in Customs has been implemented with effect from 08.04.2011 vide Finance Act, 2011 by making suitable changes to Sections 17, 18, 46 and 50 of the Customs Act, 1962. The Central Board of Excise and Customs has issued Circular No.17/2011-Customs dated 08.04.2011 regarding implementation of Self-assessment in Customs. In order to sensitise the people of trade about its benefit and consequences of misuse; Government of India has also issued ‘Customs Manual on Self-Assessment, 2011’. Self-Assessment interalia requires importers/exporters to correctly declare value, classification, description of goods, exemption notifications, etc. and self-assess the duty thereon, if any. With the introduction of self-assessment, more faith is bestowed on the importers/exporters, as the practices of routine assessment, concurrent audit etc. have been dispensed with. Para 3(a) of Chapter 1 of the above Manual further stipulates that the importer/exporter is responsible for self-assessment of duty on imported/export goods and for filing all declarations and related documents and confirming these are true, correct and complete.

14. Whereas, it appears from the foregoing narration and legal provisions cited above/below, that the importer has declared the wrong classification in respect of the goods imported and cleared the goods without payment of applicable Duty, in contravention of the provisions of

the Customs Act, 1962. As per extant instructions, the onus of providing the correct declaration rests on the importer and all facilitation is conditional to the same. Further, being a regular importer, the auditee is well aware of their products and the Customs' rules and regulations including those relating to self-assessment, classification and applicable duties. With the introduction of self-assessment under Section 17, more faith is bestowed on the importers, as the practices of routine assessment, concurrent audit etc., have been dispensed with and the importers have been entrusted with the responsibility to correctly self-assess the duty. However, in the instance case, the Auditee intentionally abused this faith placed upon it by the law of the land. Therefore, it appears that the Auditee has willfully violated the provisions of Section 17(1) of the Act inasmuch as they have failed to give correct declaration and has also willfully violated the provisions of Sub-section (4) and (4A) of Section 46 of the Act. Therefore, it appears that in respect of Bill of Entry mentioned in Annexure-A, such mis-declaration has resulted into short levy of duty along with applicable interest and penalty which is recoverable from the Auditee under the provisions of Section 28AA and Section 28(4) of the Customs Act, 1962.

15. In view of the above, it appears that the importer has short-paid Basic Customs Duty (BCD), Social Welfare Surcharge (SWS), and Integrated Goods and Services Tax (IGST) by misclassifying the impugned goods under CTH 39209949. Additionally, the importer appears to have evaded Anti-Dumping Duty (ADD), which is leviable under Notification No. 25/2021-Customs (ADD) dated 26th April 2021. The total short-paid duties, including ADD, are therefore recoverable under Section 28(4) of the Customs Act, 1962. Further, interest on the delayed payment of duty is recoverable under Section 28AA of the Act. It also appears that the importer has not complied with the provisions of Section 17(1) and Section 46(4) of the Customs Act, 1962.

16. Now, therefore, in exercise of the powers conferred by Section 124 read with Section 28(4) of the Customs Act, 1962, the importer, **M/s. MAHABALESHWAR PROPERTY PVT. LTD. (IEC:0311052452)** is called upon to Show Cause to the Principal Commissioner/Commissioner of Customs, Group II-G, NS-I, Jawaharlal Nehru Customs House, Nhava Sheva, Raigad within 30 days of receipt of this notice as to why:

- I. The Classification of the goods imported under Bills of Entry listed in Annexure-A under CTH 39209949 should not be rejected and re-classified under CTH 39209999 and the Bills of Entry should not be assessed to merit duty accordingly.
- II. The differential duty amounting to **Rs. 13,18,319/- (Rs. Thirteen Lakhs Eighteen Thousand Three Hundred Nineteen only)** should not be recovered from them under Section 28 (4) along with applicable interest under section 28 AA of the Customs Act, 1962.
- III. Anti-Dumping duty should be levied on the aforesaid goods under Section 9A of Customs Tariff Act, 1975 as applicable vide Notification No. 25/2021-Customs (ADD) dated 26th April 2021 and **Anti-Dumping Duty (ADD)** amounting to **Rs. 62,16,073/- (Rupees Sixty-Two Lakhs Sixteen Thousand Seventy-Three only)** should not be recovered under the provisions of Section 28(4) of the Customs Act, 1962 along with applicable interest under section 28 AA of the Customs Act, 1962.
- IV. The subject goods imported vide Bills of Entry as mentioned under Annexure-A having Assessable Value of **Rs. 2,03,13,091/- (Rupees Two Crore Three Lakh Thirteen Thousands Ninty One only)** should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.
- V. Penalty under Section 112(a) and/or 114A of the Customs Act 1962 should not be imposed on them.

17. The noticee is required to produce all the evidences, upon which they intend to rely in support of their defence, in their written replies. Further, the noticee is also required to indicate in writing whether they wish to be heard in person before the case is adjudicated. If no cause is shown within 30 (thirty) days of receipt of this notice or if the noticees do not appear before the Adjudicating Authority, when the case is posted for hearing, the same will be adjudicated ex-parte based on the evidences available on record.

18. This Show cause Notice is issued without prejudice to any other action that may be initiated, under any other law for the time being in force in the Union of India.

19. The department reserves its rights to add, alter, amend, modify or supplement the Notice at any time on the basis of any evidence, material facts related to import of goods in question, which may come to the notice of the department after issuance of the notice and prior to the adjudication of the case.

Digitally signed by
Yashodhan Arvind Wanage
Date: 24-09-2025
18:54:34

(Yashodhan A. Wanage)
Pr. Commissioner of Customs
NS-I, JNCH, Mumbai

To

M/s MAHABALESHWAR PROPERTY PVT. LTD.,
15, PARSI PANCHAYAT ROAD, ANDHERI EAST,
MUMBAI, MAHARASHTRA-400069

Copy to:

1. The Asstt./Dy. Commissioner of Customs, Centralized Adjudication JNCH.
2. The Asstt./Dy. Commissioner of Customs, IAD
3. Office copy
4. Notice Board.

ANNEXURE-A

Sr. No	B/E No.	B/E Dt.	Description	CTH Declared	Assessable Value (in Rs.)	Duty (In Rs.)	Total Duty Payable (in Rs.)	Diff of duty(37.47%-30.98% of AV)	ADD applicable (in Rs.)
1	3773911	30-04-2021	PTFE THREAD SEAL TAPE 12M X 0.075MM X 19MM (DENSITY: 06.G/CM-3) (1,60,000 COILS)	39209949	2079809	644324.8	773904.4	134979.59	667082.68
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 12.5MM (DENSITY: 06.G/CM-3) (1,50,000 COILS)	39209949	1362704	422165.7	510605.2	88439.505	447399.22
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 25MM (DENSITY: 06.G/CM-3) (30,000 COILS)	39209949	518581.5	160656.5	194312.4	33655.9	152412.93
2	4238926	8/6/2021	PTFE THREAD SEAL TAPE 12M X 0.075MM X 19MM (DENSITY: 06.G/CM-3) (2,00,000 COILS)	39209949	2524653	782137.5	945987.5	163849.99	805765.41
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 25MM (DENSITY: 06.G/CM-3) (90,000 COILS)	39209949	1510799	468045.5	566096.3	98050.826	440518.89
3	5122741	20-08-2021	PTFE THREAD SEAL TAPE 12M X 0.075MM X 19MM (DENSITY: 06.G/CM-3) (1,60,000 COILS)	39209949	2053862	636286.5	769582.2	133295.67	658760.57
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 12.5MM (DENSITY: 06.G/CM-3) (1,50,000 COILS)	39209949	1345704	416899.1	504235.3	87336.188	441817.75

			PTFE THREAD SEAL TAPE 12M X 0.075MM X 25MM (DENSITY: 06.G/CM-3) (30,000 COILS)	39209949	512112	158652.3	191888.3	33236	150511.522
4	5208843	27-08-2021	PTFE THREAD SEAL TAPE 12M X 0.075MM X 12.5MM (DENSITY: 06.G/CM-3) (2,00,000 COILS)	39209949	1940160	1303052	1428968	125916.38	594907.2
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 19MM (DENSITY: 06.G/CM-3) (1,20,000 COILS)	39209949	1678464	1081581	1190513.31	108932.31	475925.76
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 25MM (DENSITY: 06.G/CM-3) (30,000 COILS)	39209949	536928	341837.5	376684.1	34846.6	148726.8
5	5375067	9/9/2021	PTFE THREAD SEAL TAPE 12M X 0.075MM X 19MM (DENSITY: 06.G/CM-3) (1,60,000 COILS)	39209949	2160523	1433746	1573963.96	140217.96	647810.43
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 25MM (DENSITY: 06.G/CM-3) (90,000 COILS)	39209949	1616621	1020642	1125560.7	104918.7	440518.893
			PTFE THREAD SEAL TAPE 12M X 0.075MM X 12.5MM (DENSITY: 06.G/CM-3) (50,000 COILS)	39209949	472170.7	316097.4	346741.2	30643.8	143914.539
TOTAL					20,313,091.00	9,186,124.00	10,499,042.87	1,318,319.42	6,216,072.59