

 BHARAT SARKAR	सीमा शुल्क आयुक्त का कार्यालय (एन एस-1) OFFICE OF COMMISSIONER OF CUSTOMS (NS-1) जवाहरलाल नेहरू करस्टम हाउस, न्हावा-शेवा JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA ताल -उरण, जिला- रायगढ़, महाराष्ट्र-400 707 TAL-URAN, DISTRICT- RAIGAD, MAHARASHTRA-400707	 INDIAN CUSTOMS
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F. No. CUS/AG/MISC/1784/2025/Gr. IIG/JNCH

Date: 29.10.2025

SCN No.1210/2025-26-AC/Gr. IIG/NS-I/CAC/JNCH

S/10-892/2025-26/Adj/AC/Gr. IIG/NS-I/CAC/JNCH

DIN No.20251078NX0000111A89

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

M/s. GM Traders (IEC: AACPP2484R) (hereinafter referred to as ‘the importer’) having address at 14, Pathan Manzil, 3rd Floor, Balamiya Lane, L J Road, Mahim West, Mumbai-400016 had imported goods as detailed in Table-A (hereinafter referred to as “the imported goods”) and classified the same under CTH 95069190 vide Bills of entry as detailed in Table-A below through their **Customs Broker Customs Broker M/s. Durga Shipping and Transport Agency, (AGBPM4536ECH001)** 277, SBS Road, Room No. 29, 2nd Floor, Hansraj Damodar Bldng, Fort Mumbai-400001.

Table-A

Sr. No.	Bill of Entry No. and Date	Description of the subject goods	CTH	Assessable Value	Total Duty Amount Paid	Total Differential Duty Payable
1.	9771009 dated 01.12.2020	Exercise Equipment (Wrist Exerciser)	95069190	97338.88	35665	7125.2
		Exercise Equipment (4-Way Training Set)	95069190	121673.6	44581.2	8906.5
		Exercise Equipment (Hand Grip)	95069190	321674.58	117862	23546.6
		Exercise Equipment (3-Use Foot Operated)	95069190	136882.8	50153.9	10019.8
		Exercise Equipment (Dual Chest Expander)	95069190	33855.68	12404.7	2478.25
		Exercise Band	95069190	23726.35	8693.3	1736.75
2.	9809664 dated 03.12.2020	Exercise Equipment (Dumbell)	95069190	737.65	270.3	54
3.	9957538 dated 14.12.2020	Exercise Equipment (Exercise Rubber)	95069190	10333.92	3786.4	756.45
4.	5296785 dated 03.09.2021	Jump Rope (Exercise Equipment)	95069190	133331.5	32426.2	8879.9

5.	8914720 dated 31.05.2022	Jumping Rope (Jumping Rope)	95069190	60451.57	14701.9	4026.1
6.	9281685 dated 26.06.2022	Jump Rope (Exercise Equipment)	95069190	44338.32	10783.1	2953.95
Total				9,84,344.85/-	3,31,328/-	70,483.5/-

2. During the course of Post Clearance Audit, it has been observed that **M/s. GM Traders** have imported items such as Exercise Equipment etc. under heading 9506 through Bills of Entry enclosed herewith as Table-A and cleared at a lower rate of IGST @ 12% under Sr. No. 230 of Schedule II of the IGST Notification No. 01/2017 dated 28.06.2017.

3. The Sr. No. 230 of the Schedule II of the IGST Notification No. 01/2017 dated 28.06.2017 covers the goods viz., *“Sports goods other than Articles and equipment for general physical exercise, gymnastics or athletics, swimming pools and padding pools the heading 9506”*. It is observed that the Articles and equipment for general physical exercise, gymnastics or athletics, swimming pools and padding pools of heading 9506 are not covered under Sr. No. 230 of Schedule II of the said notification. The said goods of heading 9506, having been covered in the Sr. No. 441 schedule of III. The same may be reproduced as:

441	9506	<i>Articles and equipment for general physical exercise, gymnastics or athletics, swimming pools and padding pools</i>
230	9506	<i>Sports goods other than articles and equipment for general physical exercise</i>

The goods classifiable under Schedule III of the said notification attracts IGST @ 18%, hence, IGST should have been levied @ 18% on the subject goods.

4. Further, it is observed that the importer had imported ARTICLES AND EQUIPMENT F O R GENERAL PHYSICAL EXCERCISE, GYMNASTICS OR ATHLETICS of heading 9506 vide Bills of Entry as mentioned in the Table-A of this Notice by paying IGST at a lower rate of 12% under Sr. No. 230 of Schedule II of the said notification. As the subject goods were not sports goods of heading 9506, rather, the goods are ARTICLES AND EQUIPMENT FOR GENERAL PHYSICAL EXERCISE, GYMNASTICS OR ATHLETICS heading 9506, and as the specific Sr. No. 230 of the Notification does not cover the ARTICLES AND EQUIPMENT FOR GENERAL PHYSICAL EXERCISE, GYMNASTICS OR ATHLETICS of heading 9506, the same attract higher rate of IGST @ 18% under S. No. 441 of Schedule-III (18%) of the said notification. Thus, there is short payment of IGST on clearance of ARTICLES AND EQUIPMENT FOR GENERAL PHYSICAL EXERCISE,

GYMNASTICS OR ATHLETICS of heading 9506. Based on the Bills of entry as shown in the Table-A of this notice, the differential duties of customs (IGST) short paid by the importer has been calculated at **Rs. 70,483/- (Rupees Seventy Thousand Four Hundred Eighty-Three Only)**.

5. Accordingly, a Consultative Letter No. 1329/2022-23 dated 27.02.2023 was issued to the importer for payment of short levied duty **Rs. 70,483/- (Rupees Seventy Thousand Four Hundred Eighty-Three Only)** along with applicable interest and penalty. Vide the aforementioned Consultative letter dated 27.02.2023, the Importer was advised to pay the Differential duty along with interest and penalty within 10 days of the receipt of the consultative letter 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 duty along with applicable interest and penalty.

6. This mis-classification towards IGST Schedule vide IGST Notification 01/2017 dated 28.06.2017 has led to loss to the Government exchequer and accrued monetary benefits to the Importer. Therefore, it appears that importer has intentionally mis-classified the imported goods under Sr. No. 230 of Schedule II of IGST Notification 01/2017 dated 28.06.2017 with lower duty structure with sole purpose to evade legitimate Customs duty whereas the same should have been rightly classifiable under Sr. No. 441 of schedule III of IGST Notification 01/2017 dated 28.06.2017 and thus the provisions of Section 28 (4) are invokable in this case.

7. Hence, Importer is liable to pay differential duty of **Rs. 70,483/- (Rupees Seventy Thousand Four Hundred Eighty-Three Only)** along with applicable interest and penalty under Section 28(4) of Customs Act, 1962 as detailed in Table-A of this notice.

8. The Importer has cleared the said goods as detailed in Table-A by resorting to mis-classification resulting in short levy of legitimate Customs duty amounting to **Rs. 70,483/- (Rupees Seventy Thousand Four Hundred Eighty-Three Only)**. Therefore, the said goods having the total assessable value of **Rs. 9,84,435/- (Rupees Nine Lakh Eighty-Four Thousand Four Hundred Thirty-Five Only)** appears to be liable for confiscation under section 111(m) of the Customs Act 1962.

9. The Importer is liable for penalty under section 114A and/or 112(a) of Customs Act, 1962 for the acts of commission and omission which has rendered the said goods liable for confiscation under section 111(m) of Customs act, 1962.

10. Therefore, in terms of Section 124 read with Section 28(4) of the Customs Act, 1962, **M/s. GM Traders (IEC: AACPP2484R)** having address at 14, Pathan Manzil, 3rd Floor, Balamiya Lane, L J Road, Mahim West, Mumbai-400016, is called upon to show cause to the Assistant/Deputy Commissioner of Customs, Gr. 2G, JNCH, Nhava Sheva, Taluka - Uran, District - Raigad, Maharashtra - 400707 within 30 days of the receipt of the notice as to why:

i). Short levied IGST due to wrong claim of lower IGST @ 12% under Sr. No. 230 of Schedule II of the IGST Notification No. 01/2017 dated 28.06.2017 in respect of import of Articles and equipment for general physical exercise, gymnastics or athletics, swimming pools and padding pools of heading 9506 should not be demanded.

ii) The imported goods having assessable value of **Rs. 9,84,435/- (Rupees Nine Lakh Eighty-Four Thousand Four Hundred Thirty-Five Only)** covered under various Bills of Entry as detailed in Table-A should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

iii). Differential Duty of **Rs. 70,483/- (Rupees Seventy Thousand Four Hundred Eighty-Three Only)** should not be demanded for the B/Es as detailed in Table-A under Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962.

iv). Penalty should not be imposed under Section 112(a) and/ or 114A of the Customs Act, 1962.

11. The Show Cause Notice is required to produce all the evidences, upon which they intend to rely in support of their defence, in their written replies. Further, the notice 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.

12. 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.

13. This Show Cause Notice is issued without prejudice to any other action that may be taken against the noticee or any other persons/companies concerned in respect of the aforesaid goods or any other goods imported by the importer under the Customs Act, 1962 and / or any other law for the time being in force in the Union of India.

Digitally signed by
Raj Kumar Mishra
(Rajkumar Mishra) 10-2025
14:54:55
Asstt. Commissioner of Customs,
Gr. 2G, JNCH, Nhava Sheva

To:

M/s. GM Traders (IEC: AACPP2484R) EM-974885723IN, dt. 30/10/2024
14, Pathan Manzil, 3rd Floor, Balamiya Lane,
L J Road, Mahim West, Mumbai-400016.

Copy to:

1. M/s. Durga Shipping and Transport Agency, (AGBPM4536ECH001)
277, SBS Road, Room No. 29, 2nd Floor, Hansraj Damodar Bldng, Fort
Mumbai-400001. EM-974885839IN, dt. 30/10/2025
2. The Dy./Asstt. Commissioner of Customs, Audit, JNCH.
3. The Dy./Asstt. Commissioner of Customs, Adjudication Cell, JNCH.
4. Office copy
5. Notice Board (for display)

