सत्यमेव जयते

आयुक्त,सीमाशुल्क (एनएस- V) काकार्यालय,
OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-V),
जवाहरलालनेहरुसीमाशुल्कभवन, न्हावाशेवा,
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
तालुका- उरण, जिला- रायगढ़, महाराष्ट्र- ४००७०७.
TALUKA– URAN, DISTRICT- RAIGAD, MAHARASHTRA – 400 707.

F. No. S/26-Misc-513/2025-26/Gr. VA JNCH Date: 23/12/2025
F.No. CADT/MISC/170/2025-ThBA-CIR-D3-O/o COMMR-CUS-CMC-NS-IV JNCH
Show Cause Notice No. 1697 /2025-26/AC/GRP-VA/NS-V/CAC/JNCH
S/10- 1499/2025-26/Adj/AC/Gr.VA/NS-V/CAC/JNCH

DIN No. 20251278NX0000333AAA

SHOW CAUSE NOTICE CUM DUTY DEMAND NOTICE U/S 28(4) OF THE CUSTOMS ACT, 1962

M/s L G ELECTRONICS INDIA PVT LTD (IEC:596063211) having address at Building no. 2ND FLOOR A -32 GENESIS, MATHURA ROAD, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE, SOUTH DELHI, DELHI, 110044 (hereinafter referred to as 'the Importer') filed Bills of Entry at JNCH, Nhava Sheva, for clearance of the BE items as mentioned in Annexure - A, by classifying the same under CTH 8534 and paid nil BCD as per Tariff rate.

2. From the description of goods, it appears that the same has been misclassified under CTH 8534, whereas the such goods are apparently classifiable under CTI 8517 with 10% BCD. The applicability of BCD amount @10% has been computed and tabulated as Annexure-A is given below.

3. As per Sr.No.6 of Chapter Notes for Chapter 85, "for the purposes of heading 8534,"printed circuits" are circuits obtained by forming an insulating base, by any printing process (for example, embossing, plating-up, etching) or by the "film circuit" technique, conductor elements, contacts or other printed components (for example, inductances, resistors, capacitors) alone or interconnected according to a pre-established pattern, other than elements which can produce, rectify, modulate or amplify an electrical signal (for example, semi-conductor elements). The expression "printed circuits" does not cover circuits combined with elements other than those obtained during the printing process, nor does it cover individual, discreet resistors, capacitors or inductances. Printed circuits may, however, be fitted with non-printed connecting elements. Thin- or thick-film circuits comprising passive and active elements obtained during the same technological process are to be classified in heading 8542".

Also, the HSN Explanatory Notes to heading 8534 reads as under:

85.34 - Printed circuits.

In accordance with Note 6 to this Chapter, this heading covers the circuits which are made by forming on an insulating base, by any printing process (conventional printing or embossing, plating-up, etching, etc.), conductor elements (wiring), contacts or other printed components such as inductances, resistors and capacitors ("passive" elements), **other than** elements which can produce, rectify, detect, modulate or amplify electric signals, such as diodes, triodes or other "active" elements. Some basic or "blank" circuits may comprise only printed conductor elements generally consisting of thin uniform strips or wafers with, if appropriate, connectors or contact devices. Others combine several of the above elements according to a pre-established pattern.

The insulating base material is generally flat but may also be in the shape of a cylinder, a truncated cone, etc. The circuit may be printed on one or both sides (double circuits). Several printed circuits may be assembled in multiple layers and interconnected (multiple circuits).

The heading also covers thin- or thick-film circuits consisting solely of passive elements.

Thin-film circuits are formed by the deposition on glass or ceramic plates of specific patterns of metallic and dielectric film, by vacuum evaporation, cathode sputtering or chemical methods. The patterns may be formed by deposition through masks or by deposition of a continuous sheet with subsequent selective etching.

Thick-film circuits are formed by screen printing onto ceramic plates of similar patterns, using pastes (or inks) containing mixtures of powdered glass, ceramics and metals with suitable solvents. The plates are then furnace-fired.

Printed circuits may be provided with holes or fitted with non-printed connecting elements either for mounting mechanical elements or for the connection of electrical components not obtained during the printing process. Film circuits are generally supplied in metallic, ceramic or plastic capsules which are fitted with connecting leads or terminals.

Individual passive components such as inductances, capacitors and resistors obtained by any printing process are not regarded as printed circuits of this heading but are classifiable in their own appropriate headings (e.g., **heading 85.04, 85.16, 85.32** or **85.33**).

Circuits on which mechanical elements or electrical components have been mounted or connected are not regarded as printed circuits within the meaning of this heading. They generally fall to be classified in accordance with Note 2 to Section XVI or Note 2 to Chapter 90, as the case may be.

4. In the Budget 2021, a few changes in the applicable BCD on PCBA and inputs, parts, sub-parts and raw materials thereof were carried 03/2021-Customs dated 1st February, 2021 *(JS TRU-I letter D.O. F. No. 334/02/2020, dated 1 February 2020 may be referred to).*

5. The Explanation given for PCBA in Notification No.057/2017 reads as under:

"Printed Circuit Board Assembly (PCBA)" means printed circuit board assembled with electronic components such as resistors, capacitors, diodes, inductors, ICs and mechanical components such as contact springs or connectors of charger or adapter of cellular mobile phones."

6. After verifying about the products of the Company from the Internet, it appears that company is a manufacturer of "light fitting". From the description of goods, it appears that the same has been misclassified under CTH 8534, whereas the such goods are apparently classifiable under CTI 8517 with 10% BCD. The applicability of BCD amount @10% has been computed and tabulated as Annexure-A is given below.The total assessable value of the BE items so imported is **Rs. 5545/-** Differential Duty amount **Rs. 610/-** (as detailed in Annexure - A) is recoverable from the Importer along with applicable interest and penalty.

ANNEXURE-A

BE NO.	BE Date	IE Code	AG	Description	Assessed Value	BCD @ 10%	SWS @10%	Total Duty Assessed
2857492	22-02-2021	596063211	5A	PCB ASSEMBLY, MAIN (PART NO: EBR81609747)	417	42	4	46
3131487	13-03-2021	596063211	5	PCB ASSEMBLY, DISPLAY (PART NO: EBR84583101)	697	70	7	77
3467532	07-04-2021	596063211	5	PCB ASSEMBLY, FAN(H/W) (PART NO: EBR79669821)	3664	366	37	403
4757747	21-07-2021	596063211	5	PCB ASSEMBLY, DISPLAY - EBR84583101 (BARE BOARD)	767	77	8	84
				TOTAL	5545	555	55.45	610

7. Accordingly, a **Consultative Letter No.836/2025 dated 19.03.2025** was issued to the Importer for payment of short levied duty along with applicable interest and penalty. Initially, in the CL sent to the importer an inadvertent arithmetical mistake/ calculation error has been occurred in the Annexure-A and after correcting that error a corrigendum has been

issued to the Importer and also the CL was sent by the email of the Circle D3 on the email of CB and the Importer after correcting the CTH under which the imported goods fall. However, the Importer has not responded till date.

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

9. Relevant legal provisions for recovery of duty that appears to be evaded are reproduced here for the sake of brevity which are applicable in this instant case:

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

9.2 *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 specifiedin 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 officerof such payment in writing.

(6) Where the Importer or the exporter or the agent or the employee of the Importer orthe 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).

9.3 *Section 28AA- (Interest on delayed payment of duty).*
9.4 *Section 46- [Entry of goods on importation, subsection 46(4)].*
9.5 *Section 111- (Confiscation of improperly imported goods etc.)*
9.6 *Section 112- (Penalty for improper importation of goods etc.).*
9.7 *Section 114A- (Penalty for short-levy or non-levy of duty in certain cases)*
9.8 *Section 117- (Penalties for contravention, etc., not expressly mentioned).*

10. Acts of omission and commission by the Importer:

10.1 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 BCD and IGST. As the Importer got monetary benefit due to said act, it is apparent that the Importer deliberately made short paymentof BCD and IGST against said goods in the Bills of Entry during self-assessment. Therefore, differential duty 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.

10.2 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 Section112 (a) and /or 114 A of the Customs Act, 1962.

11. From the foregoing, it appears that the Importer has willfully made short payment of BCD and IGST against the import goods; that the Importer has 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.

12. Therefore, in terms of Section 124 read with Section 28(4) of the Customs Act, 1962; M/s **M/s L G ELECTRONICS INDIA PVT LTD, (IEC:596063211)** is hereby called upon to show cause to the **ASSTT. Commissioner of Customs**, Gr.5A, JNCH, Nhava Sheva, Taluka - Uran, District - Raigad, Maharashtra – 400707, within 30 days of the receipt of the notice, as to why:

i. Differential duty amount of **Rs. 610/-** with respect to the items covered under Bills 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.

ii. The subject goods as detailed in **'Annexure - A'** to this notice having a total assessable value of **Rs. 5545/-** should not be held liable for confiscation under Section 111(m) of the

Customs Act, 1962.

iii. Penalty on the duty specified in the consultative letter should not be recovered under the provisions of section 28(5) of the Customs Act, 1962.

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

13. 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.

14. The written explanation/reply should be filed by the noticee to the **ASSTT. Commissioner of Customs, GRP-VA, NS-V**, 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.

15. 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.

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

17. 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.

(G V S S SHARMA)
Asstt. COMMISSIONER OF CUSTOMS
Grp-VA, NS-V,Nhava Sheva-V, JNCH

To,

M/s L G ELECTRONICS INDIA PVT LTD, (IEC:596063211)
2ND FLOOR A -32 GENESIS,
MATHURA ROAD,
MOHAN CO-OPERATIVE INDUSTRIAL ESTATE,
SOUTH DELHI, DELHI, 110044

Copy to:

1. **The Asst./Dy. Commissioner of Customs, CAC, JNCH (for information)**
2. **The Dy. Commissioner of Customs, Circle- D3, Audit, JNCH**
3. **Notice Board (CHS Section).**
4. **Office.**