



OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,  
CUSTOM HOUSE: MUNDRA, KUTCH  
MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421  
Phone No.02838-271165/66/67/68 FAX.No.02838-271169/62

<b>A</b>	<b>File No.</b>	VIII/48-378/CERA/Gr.V/MCH/2018-19
<b>B</b>	<b>Order-in-Original No.</b>	MCH/DC/Gr.V/MK/562/2019-20
<b>C</b>	<b>Passed by</b>	Shri Mukesh Kumar Deputy Commissioner of Customs, Custom House, Mundra
<b>D</b>	<b>Date of Order</b>	20.01.2020
<b>E</b>	<b>Date of Issue</b>	22.01.2020
<b>F</b>	<b>SCN NO. &amp; Date</b>	SCN F.No. VIII/48-378/CERA/Gr.V/MCH/2018-19 dated 16.10.2019
<b>G</b>	<b>Noticee / Party / Importer / Exporter</b>	M/s. Valient Overseas, 314, Silver Chambers, Tagore Road, Rajkot, Gujarat-360002

1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**“सीमा शुल्क आयुक्त (अपील), कांडला  
7 वीं मंजिल, मृदुलटावर, टाइम्सऑफ इंडिया के पीछे, आश्रमरोड़, अहमदाबाद 380 009”  
“THE COMMISSIONER OF CUSTOMS (APPEALS), KANDLA  
Having his office at 7<sup>th</sup> Floor, Mridul Tower, Behind Times of India,  
Ashram Road, Ahmedabad-380 009.”**

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompany by

(i) उ उक्त अपील की एक प्रति और

A copy of the appeal, and

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule - I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

**Sub:** M/s. Valient Overseas, 314, Silver Chambers, Tagore Road, Rajkot, Gujarat-360002 holding IEC No. 2409002731 had filed Bills of Entry No. 4174535 dated 27.11.2017 and have short paid IGST.

**Brief Facts of the Case:-**

1. M/s. Valient Overseas, 314, Silver Chambers, Tagore Road, Rajkot, Gujarat-360002 holding IEC No. 2409002731 (hereinafter referred as the Importer) had filed Bill of Entry No. 4174535 dated 27.11.2017 for importation of various items through Customs Broker M/s. SSS Sai Forwarders, as detailed below:-

Sr. No.	Bill of Entry No.	Bill of Entry Date	Item	Item No.	Quantity	UQC	Assessable Value
1	4174535	27.11.2017	Plastic part for steel dividers size : 88MM made of S. S. Total - 3000 pcs	33	48	KGS	42588.57
2	4174535	27.11.2017	Plastic part for steel dividers size : 176MM made of S.S. Total - 2000 pcs	34	73.43	KGS	36504.49
3	4174535	27.11.2017	Plastic connector accessory size 88MM made of S.S Total - 3000 pcs	35	48	KGS	42588.57
4	4174535	27.11.2017	Plastic connector accessory size 176MM made of S.S Total - 1500 pcs	36	48	KGS	27378.37
5	4174535	27.11.2017	Plastic connector for SS Divider size 30*2*5MM Total - 5000 pcs	37	45	KGS	23660.32

2. During the course of audit Customs Revenue Audit observed that it was noticed from the data analysis of bill of entry that the said Importer various goods under chapter Heading 9403 as detailed above and paid IGST @ 12% under Sr. No. 222A of Schedule-II, However, the items are to be correctly classified under Sr. No 437 of Schedule-III of IGST and duty to be levied 18% IGST.

3. The import of goods has been defined in the IGST Act, 2017 and Section 5 of IGST Act, 2017 stipulates that "Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 (51 of 1975) on the value as determined under the said Act at the point when duties of customs are levied on the said goods under Section 12 of the Customs Act 1962."

4. Further as per Section 7 of Customs Tariff Act, 1975 any article which has been imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding forty percent, as is leviable under Section 5 of the IGST Act 2017 on a like article on its supply in India, on the value of the imported article as determined under sub-section 8 or sub-section 8A as the case may be.

5. On the basis of the above observations of the Customs Revenue Audit a show cause notice No. VIII/48-378/CERA/Gr.V/MCH/18-19 dated 17.10.2019 was issued to the importer calling upon them to show cause to the Deputy Commissioner of Customs, Customs House Mundra as to why

- (i) Integrated Goods and Service Tax of Rs. 11,431/-/- (Rupees Eleven Thousands Four Hundred and Thirty one Only ) (the differential IGST as detailed in Annexure-A to the SCN) leviable on the impugned goods and short paid by the importer in terms of Section 28(1) of the Customs Act, 1962 read with Section 5 of the Integrated Goods and Service Tax Act, 2017, along with applicable interest under Section 28AA of the Customs Act, 1962 read with Section 50 of the Central Goods and Service Tax Act, 2017 should not be demanded.
- (ii) Penalty should not be imposed under Section 117 of the Customs Act, 1962.

**Defence reply:-**

6. In reply to the subject show cause notice, M/s. Valient Overseas, did not submitted any reply.

**Personal Hearing:-**

7. Personal hearings in the matter were fixed on 17.12.2019, 26.12.2019 & 07.01.2020 but neither Importer nor any authorized person appeared for personal hearing. Further, Importer did not submitted any written submission.

**Discussions and findings:-**

8. I have carefully gone through the Show Cause Notice No. VIII/48-378/CERA/Gr.V/MCH/18-19 dated 17.10.2019 issued to M/s. Valient Overseas, I find that neither Importer nor authorized person appeared on personal hearing and have not submitted any written submission in the present case. I proceed in the case based on available records.

9. In this case, Show Cause Notice No: VIII/48-378/CERA/Gr.V/MCH/18-19 dated 17.10.2019 has been issued to M/s. Valient Overseas, for recovery of differential amount of IGST of Rs. 11,431/- under Section 28 of the Customs Act, 1962 read with Section 5 of the IGST Act, 2017 alongwith interest under Section 28AA of the Customs Act, 1962 read with Section 50 of the IGST Act, 2017 and proposing for imposition of penalty under Section 117 of the Customs Act, 1962.

10. As the issue pertains to applicability of the correct sr. no. of IGST Notification No.01/2017 dated 28.06.2017 on the imported goods, I proceed to examine the same. I find that the importer has imported various items under CTH 9403”

I find that items falling under CTH 9403 has been covered under as per Notification No.1/2017 dated 28.6.2017, the tariff Sr. No. 212 of Schedule IV, 28% IGST is applicable on “Other furniture [other than bamboo furniture] and parts thereof” falling under chapter 9403. The relevant portion of Notification No. 1/2017-Integrated Tax (Rate) dated 28.6.2017 (Schedule-IV) is stipulated as under:

Notification No. 1/2017-Integrated Tax (Rate) -(Schedule-IV)

S. No.	Chapter / Heading / Subheading / Tariff item	Description of Goods
212	9403	“Other furniture [other than bamboo furniture] and parts thereof”

Whereas, as per Notification No. 43/2017 dated 15.11.2017, the tariff Sr. No. 437 of Schedule III , 18% IGST is applicable on Other furniture [other than bamboo furniture] and parts thereof” falling under chapter 9403. The relevant portion of Notification No. 43/2017-Integrated Tax (Rate) dated 15.11.2017 (Schedule-III) is stipulated as under:

Notification No. 43/2017-Integrated Tax (Rate) -(Schedule-III)

S. No.	Chapter / Heading / Subheading / Tariff item	Description of Goods
437	9403	“Other furniture [other than furniture wholly made of bamboo, cane or rattan] and parts thereof”

The importer had imported the goods after classifying their goods under Sr. No. 222A of Schedule-II of IGST Notification no. 01/2017 dated 28.06.2017 and had paid IGST @ 12%.

From the above I find that the goods imported by the Importer are not covered in Sr. no. 222A Schedule – II of the said IGST Notification and are correctly covered under sr.no. 437 of the Schedule –III of the IGST Notification No. 01/2017 dated 28.6.2017 and attract IGST @ 18%.

11. I find that the importer has wrongly assessed the goods under Schedule II Sr. No. 222A and availed benefit of lower rate of IGST which resulted in short payment of IGST amounting to

Rs. 11,431/-. I find that the importer has committed this mistake to evade the payment of IGST @ higher rate at the time of filing the Bill of Entry and therefore I find the short paid IGST is required to be demanded and recovered under Section 28(1) of Customs Act, 1962 read with Section 5 of the IGST Act, 2017 along with interest at applicable rate under Section 28AA of the Customs Act, 1962 read with Section 50 of the Central Goods and Service Tax Act, 2017 and penalty is required to be imposed on them under Section 117 of the Customs Act, 1962.

12. Accordingly I pass the following orders

**ORDER:-**

- A) I confirm and order to recover differential IGST of Rs. 11,431/-/- (Rupees Eleven Thousands Four Hundred and Thirty one Only ) leviable on imported goods which was short paid by the importer in terms of Section 28 of the Customs Act, 1962 read with Section 5 of the Integrated Goods and Service Tax Act, 2017, along with applicable interest under Section 28AA of the Customs Act, 1962 read with Section 50 of the Central Goods and Service Tax Act, 2017.
- B) I impose a penalty of Rs. 2000/- on the importer under Section 117 of the Customs Act, 1962.

*(Handwritten signature)*  
22/01/2020

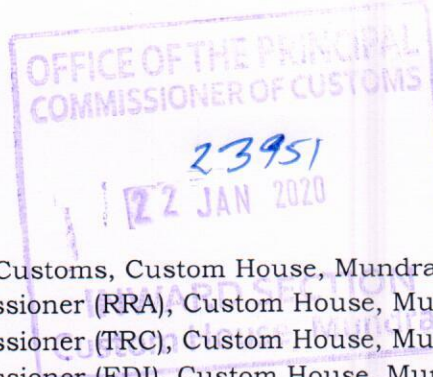
(Mukesh Kumar)  
Deputy Commissioner (Gr-V & VI)  
Custom House, Mundra.

F.No.VIII/48-378/CERA/Gr.V/MCH/18-19

Dated: 22.01.2020

DIN: 20200171MO00008X43C7

M/s. Valient Overseas,  
314, Silver Chambers, Tagore Road,  
Rajkot, Gujarat-360002



Copy to:

- (1) The Principal Commissioner of Customs, Custom House, Mundra.
- (2) The Assistant / Deputy Commissioner (RRA), Custom House, Mundra.
- (3) The Assistant / Deputy Commissioner (TRC), Custom House, Mundra.
- (4) The Assistant / Deputy Commissioner (EDI), Custom House, Mundra.
- (5) M/s. SSS Sai Forwarders, (Custom Broker) for information and necessary action.
- (6) Guard file