



**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT)**

CENTRAL BOARD OF EXCISE & CUSTOMS, INDIAN CUSTOMS - MUMBAI ZONE - I  
2<sup>nd</sup> FLOOR, NEW CUSTOM HOUSE, SHOORJI VALLABHDAS ROAD, BALLARD ESTATE,  
MUMBAI - 400001.

Tel. No. 22619538

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F. No.: CUS/ASS/ADT/7/2024-EA

Date of Order: 10.04.2026

eF.No. GEN/ADJ/COMM/188/2025-ADJN

Date of Issue: 10.04.2026

Passed by: **ASLAM HASSAN**  
**COMMISSIONER OF CUSTOMS (EXPORT)**  
**NEW CUSTOMS HOUSE, MUMBAI, ZONE-I**

C.A.O. NO.: 01/2026-27/CAC/CC(E)/AH/ADJN-EXP

DIN- 202604770000000DFD3

**ORDER-IN-ORIGINAL**

**मूल आदेश**

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यह प्रति उस व्यक्ति के प्रयोग के लिए नि शुल्क है जिसके लिए यह पारित किया है।

2. An appeal against this order lies to the Regional Bench, Customs, Excise and Service Tax Appellate Tribunal, Jai Centre, 4th & 5th Floor, 34 P. D'Mello Road, Poona Street Masjid Bunder (East), Mumbai 400 009.

इस आदेश के विरुद्ध क्षेत्रीय पीठ, सीमाशुल्क, उत्पाद एवं सेवाकर अपीलिय अधिकरण, जय सेन्टर, चौथा एवं पांचवा तल, 34 पीडी. मेलो रोड, पूना स्ट्रीट मस्जिद बन्दर (पूर्व मुंबई (400 009 को अपील की जा सकती है।

3. The appeal is required to be filed as provided in Rule 6 of the Customs (Appeals) Rules, 1982 in form C.A.3 appended to said rules. The appeal should be in quadruplicate and needs to be filed within 90 days and shall be accompanied by Four copies of the order appealed against (at least one of which should be certified copy) A crossed bank draft drawn in favour of the Asstt. Registrar of the Bench of the Tribunal on a branch of any nationalized bank located at a place where the bench is situated for Rs. 200/- or Rs. 1000/- as applicable under Sub Section (6) of the Section 129 (A) of the Customs Act, 1962.

सीमाशुल्क (अपील नियमों (1982 के नियम 6 के आधार पर अपील फॉर्म सी ए-3 में जैसा कि उक्त नियम में संलग्न है के आधार पर की जानी चाहिए। अपील चार प्रतियों में की जानी चाहिए एवं 90 दिनों के अन्दर दायर की जानी चाहिए एवं उसके साथ उस आदेश की चार प्रतियां संलग्न होनी चाहिए जिसके विरुद्ध अपील की गई हो इन प्रतियों में कम से कम एक प्रति )। अपील के साथ सीमाशुल्क अधिनियम (अभिप्रमाणित प्रति होनी चाहिए 1962 की धारा 129 (ए की उपधारा ((6) के अन्तर्गत लागू रु .200/- अथवा रु .1000/- का, क्रास किया हुआ बैंक ड्राफ्ट अधिकरण की पीठ के सहायक रजिस्ट्रार के नाम जारी किया होना चाहिए। यह बैंक ड्राफ्ट ऐसे राष्ट्रीय बैंक का होना चाहिए जिसकी शाखा उस जगह स्थित हो जहां अधिकरण पीठ स्थित है।

4. The appeal shall be presented in person to the Asstt. Registrar of the bench or an Officer authorized in this behalf by him or sent by registered post addressed to the Asstt. Registrar or such Officer. अपील अधिकरण पीठ के सहायक रजिस्ट्रार अथवा इस संबंध में उनके द्वारा अधिकृत किसी भी अधिकारी के कार्यालय में प्रस्तुत की जानी चाहिए अथवा 2 सहायक रजिस्ट्रार या ऐसे अधिकारी के नाम पंजीकृत डाक द्वारा भेजी जानी चाहिए।

5. Any person desirous of appealing against this decision or order shall pending the appeal deposit the duty demanded or the penalty levied therein and produce proof or such payment along with the appeal failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129 of the Customs Act, 1962.

जो व्यक्ति इस आदेश के विरुद्ध अपील करना चाहता है वह इस अपील के लंबित रहने तक दंडराशि या अपेक्षित शुल्क को जमा कर और ऐसे भुगतान का साक्ष्य प्रस्तुत करे। ऐसा न करने पर यह अपील सीमाशुल्क अधिनियम 1962 की धारा 129 के प्रावधानों के अनुपालन न करने के आधार पर निरस्त मानी जाएगी।

SUBJECT: ADJUDICATION OF SHOW CAUSE NOTICE NO. 01/2025-26 dated 03.04.2025 ISSUED BY THE COMMISSIONER OF CUSTOMS, EXPORT, NEW CUSTOMS HOUSE, MUMBAI, VIDE F. No. CUS/ASS/ADT/7/2024-EA, UNDER SECTION 124 READ WITH SECTION 28AAA AND 28AA OF THE CUSTOMS ACT, 1962, IN RESPECT OF M/s. ASHOK LEYLAND LIMITED (IEC-0488014336).

**1. BRIEF FACTS OF THE CASE:-**

**1.1.** M/s. Ashok Leyland Limited (IEC-0488014336) (hereinafter referred as the 'exporter') had presented 114 Shipping Bills (as detailed in the Annexure-1 to the SCN) during the period from 01.04.2015 to 31.12.2020 for the export of goods having description viz. "CAB Chassis, Chassis with DSD Body & Chassis with or without CABIN in Completely Built Up (CBU) condition" etc., at Mumbai Sea Port (INBOM-1), Mumbai through Customs Broker, M/s. Sharp Logistics Private Limited and had claimed benefit under Merchandise Exports from India Scheme (MEIS).

**1.2.** During the Post Clearance Audit conducted in accordance with the provisions of Section 99A of the Customs Act, 1962 read with Section 157(k) of the Customs Act, 1962 and the Customs Audit Regulations, 2018, it had been appeared that the exporter, M/s. Ashok Leyland Limited (IEC-0488014336), having address at No. 1, Sardar Patel Road, Guindy, Chennai-600032 had exported the goods **under 114 Shipping Bills having FOB Value of Rs. 79,63,79,435/-** as detailed in the Annexure-1 to the SCN and claimed @3% MEIS benefit by classifying the goods under the CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050.

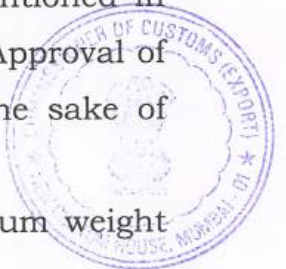
**1.3.** The said 114 Shipping Bills were examined by the Audit Commissionerate, Mumbai Customs Zone-I, during audit check and it was found that an excess amount of Merchandise Exports from India Scheme (MEIS) incentive had been availed by way of mis-classification of the goods under the incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 instead of the correct CTIs 87042219 and 87042319. The CTH 8704 covers "Motor Vehicles for the Transport of Goods" and is eligible for @2% MEIS benefits on the Free on Board (herein after referred to as 'FOB') Value, depending upon the country of exports, whereas CTH 8706 covers "chassis fitted with engines, for the motor vehicles, of headings 8701 to 8705" and is eligible for MEIS rewards @ 3% on the FOB value of exports, depending upon the destination country for exports.

**1.3.1.** Some of the goods exported and their CTIs claimed are tabulated below:

<b>Descriptions of Goods</b>	<b>CTIs claimed by the Exporter</b>
A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1518 CHASSIS CAB-COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS-COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060043
A/L 3518 IL TRUCK CHASSIS CAB CHASSIS-COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1112 ECOMET CHASSIS CAB - COMM VEHSOF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L PARTNER F24 BSIII 3350 LLS CC WHITECAB CHASSIS WITH OR WITHOUT CABIN FOR COMM VEHS OF GVW UPTO 7.5 MT IN CBU CONDTN.	87060042
ASHOK LEYLAND JAN BUS CHASSIS: COMMERICAL VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION	87060042
BOSS 1412 LE 20FT CABIN CHASSIS MLS(BSIII) CAB CHASSIS	87060042
A/L 2518 H3/3c 6X4 RMC-5030 MM(198')WB CAB CHASSIS: COMM. VEHS OF GVW ABOVE 7.5MT IN CBU CONDITION	87060050
A/L FV181 TT 4X2 TRACTOR-3300 MM (130) WBCAB CHASSIS COMM. VEHS OF GVW ABOVE 7.5 MT IN CBU CONDITION	87060019

Some of the abbreviations related to Automotive Sector (as mentioned in Automotive Industry Standard: Code of Practice for Construction and Approval of Truck Cabs, Truck Bodies, and Trailers) are mentioned below for the sake of clarity:

- i. "Gross vehicle weight (GVW)" means technically permissible maximum weight declared by the manufacturer of the vehicle.
- ii. "Cab & chassis" means an incomplete vehicle, with a completed occupant compartment, that requires only the addition of cargo carrying and load bearing components to perform its intended functions.
- iii. "Sleeper cab": Truck with a sleeping compartment in the cab and the cab is incorporating with the sleeper berth for the driver/co-driver.
- iv. CBU: Completely Built-Up Unit.
- v. DSD-Drop Side Deck body.



The relevant portions of Customs Tariff for CTH 8704 and CTH 8706 is elaborated below:

**CTH 8704: MOTOR VEHICLES FOR THE TRANSPORT OF GOODS**

8704 10 - Dumpers designed for off-highway use:

8704 10 10 --- With net weight (excluding pay-load) exceeding 8 tonnes and maximum pay-load capacity not less than 10 tonnes

8704 10 90 - Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel):

8704 21 -- g.v.w. not exceeding 5 tonnes:

8704 21 10 ---Refrigerated-

8704 21 20 --- Three-wheeled motor vehicles

8704 21 90 --- Other

8704 22 -- g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes: ---

Lorries and trucks:

8704 22 11 ---Refrigerated

8704 22 19 --- Other

8704 22 90 --- Other

8704 23 -- g.v.w. exceeding 20 tonnes: ---

Lorries and trucks.

8704 23 11 --- Refrigerated

8704 23 19 --- Other -

8704 23 90 --- Other -

Other, with spark-ignition internal combustion piston engine :

8704 31 -- g.v.w. not exceeding 5 tonnes :

8704 31 10 --- Refrigerated

8704 31 20 --- Three-wheeled motor vehicles

8704 31 90 --- Other

8704 32 -- g.v.w. exceeding 5 tonnes :

8704 32 11 --- Refrigerated

8704 32 19 --- Other

8704 32 90 --- Other

**CTH 8706: CHASSIS FITTED WITH ENGINES, FOR THE MOTOR VEHICLES OF HEADINGS 8701 to 8705:**

8706 00 - Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705:

--- For the tractors of heading 8701:

8706 00 11 --- Of engine capacity not exceeding 1,800 cc



8706 00 19 --- Other

--- For the vehicles of heading 8702:

8706 00 21 --- For transport of not more than thirteen persons, including the driver

8706 00 29 --- Other

For the motor vehicles of heading 8703:

8706 00 31 --- For three-wheeled vehicles

8706 00 39 --- Other

--- For the motor vehicles of heading 8704:

8706 00 41 --- For three-wheeled motor vehicle

8706 00 42 --- For vehicles, other than petrol driven

8706 00 43 --- For dumpers covered in the heading 8704

8706 00 49 --- Other

8706 00 50 --- For the motor vehicles of heading 8705

**1.3.2.** Chapter Notes and Explanatory Notes to the Chapter 87, and Explanatory Notes to CTH 8706 are mentioned below :

- i. Chapter Note 3 to Chapter 87 reads as: "Motor chassis fitted with cabs fall in headings 8702 to 8704 and not CTH 8706"
- ii. As per the Explanatory Notes to the CTH 8706, sub-heading (a), it is explained that the CTH 8706 **excludes** "Chassis fitted with engines and cabs, whether or not the cab is complete (eg. without seat)", and these goods are classifiable under CTH 8702 to CTH 8704.
- iii. As per the Explanatory notes to chapter 87, it is mentioned that "an incomplete or unfinished vehicle, whether or not assembled, is classified as the corresponding complete or finished vehicle provided it has the essential feature of the latter (see General Interpretative Rule 2(a))."

**1.3.3.** Rule 2(a) of General Rules for Interpretation reads as:

"2 (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled-or-disassembled." In this case the goods exported i.e. "CAB Chassis, Chassis with DSD Body & Chassis with or without CABIN in CBU condition etc." contains all the essential characteristics of a complete vehicle intended for transport of goods and as per the HSN explanatory notes and Rule 2(a) of General Rules for Interpretation stated above. the goods exported have to be treated as complete vehicle only. The goods exported by the



exporter are therefore more correctly classifiable under the CTH 8704, whereas the goods are incorrectly classified under the CTH 8706.

**1.3.4.** The classification adopted by the exporter did not appear to be proper. As mentioned above in detail, as per Chapter Note 3 to Chapter 87, motor chassis of commercial vehicles with cabs should be classified under CTH 8702 to CTH 8704 according to the Gross Vehicular Weight (GVW) which was available in the model number of the commercial vehicle given in the description in the shipping bills. The goods described in the shipping bills as "CAB Chassis, Chassis with DSD Body & Chassis with or without CABIN in CBU condition etc." are to be classified as Complete Commercial Vehicles under the CTIs 87042219, 87042319 according to their GVW, whereas, the goods were misclassified under CTIs 87060019, 87060029, 87060042, 87060043 & 87060050 as motor chassis.

**1.3.5.** MEIS rewards for goods classifiable under CTH 8704 is @ 2%, or 0%, of the F.O.B value of exports, depending upon the destination country of exports, whereas the goods classifiable under CTH 8706 are eligible for MEIS rewards @3%, or @0%, on the FOB value of exports, depending upon the destination country for exports. Because of this misclassification, the exporter had claimed higher rate of MEIS benefits @3% of FOB value instead of @ 2% of FOB value.

**1.4.** In view of the above, it appeared that the goods had been mis-classified by the exporter - M/s Ashok Leyland Limited (IEC-0488014336) with an intention to claim higher MEIS benefit. By mis-classifying the goods under CTIs 87060019, 87060029, 87060042, 87060043 & 87060050 the exporter had claimed higher rate @ 3% MEIS of FOB value, instead of the correct classification under CTIs 87042219/87042319 etc., according to the GVW as the case may be, which permits claim of MEIS @ 2% of the F.O.B value of exports.

**1.5.** Accordingly, a Consultative Letter No. 1250 vide F. No. CADT/CIR/ADT/TBA/1242/2023-TBA-CIR-A2 dated 03.03.2023 (as per Annexure-2 to the SCN) was issued to the exporter by Audit Commissionerate Mumbai Zone-I asked to pay the excess benefits availed under the MEIS Scheme, along with applicable interest under the provisions of the Customs Act, 1962. In the above-mentioned Consultative Letter, the total differential MEIS benefit amount consequent to the mis-classification of the exported goods as stated above had been computed to **Rs. 79,63,793/- (Rupees Seventy Nine Lakhs Sixty Three Thousand Seven Hundred Ninety Three only).**

**1.6.** In response to the above-mentioned Consultative Letter, following response dated 24.04.2023 (Annexure-3 to the SCN) was submitted by the exporter:

**1.6.1** In this connection, they had submitted that they exported the Chassis with Cabin Commercial Vehicle under Customs Tariff 87060042 and obtained the MEIS Duty scrips of 3% as per DGFT. The notice had been issued on the contention of excess avilment of MEIS benefit amounting to Rs. 79,63,793/- for exporting the goods under the classification of 87042190/87042219/87042290 under MEIS Duty Scrip of 2%.

**1.6.2** Further, they have validated the data in principal and found that the composition of the total licenses as under :-

<i>Summary</i>	<i>Excess claim of 1% MEIS (Rs.)</i>
<i>License not obtained</i>	<i>3,343,300</i>
<i>License obtained during Pre-GST</i>	<i>2,752,114</i>
<i>License obtained during Past-GST</i>	<i>1,868,379</i>
<i>Grand Total</i>	<i>7,963,793</i>

**1.6.3** They have submitted that for the amount of Rs. 33.43 lakhs as no MEIS license itself is obtained, the demand amount needs to be excluded from the total demand amount. Further, with respective to the licenses obtained during the Pre-GST, they have submitted that there had been difference between the Tariff under Excise and Customs. While Excise was from 1948 the classification was under 8706 for Chassis with Cabin while under Customs it was changed as 8704. Even for MEIS the issue had arisen only as there was variation in incentive between fully built and chassis exports.

**1.6.4** That they have adopted the classification in the Shipping Bills for Pre-GST based on ARE1 and ARE3 and customs authorities had also accepted the classification and hence, based on Shipping Bills only MEIS claims were made and therefore, they were proceeding to contest Pre-GST cases for Rs.27.52 lakhs.

**1.6.5** They had submitted that for License obtained during the Post-GST amount of Rs.18.68 lakhs, they had already paid an amount of Rs.3.98 Crores and further, they are in the process of collection of utilization details each port-wise.

Since they do not have the data readily available with them, it would take time at their end for doing the consolidation of the information.

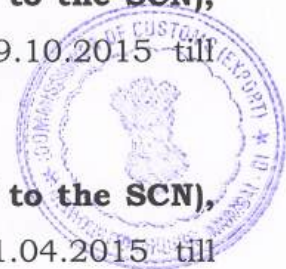
**1.6.6** Therefore, they had requested to kindly grant one months' time for submission of above documents due to collection of documents during the period 2015-16 to 2020-21. And, requested to kindly consider their above request and grant them time for submission of information.

**1.7** Subsequently, reminder dated 05.01.2024(**Annexure-4 to the SCN**) was sent to the exporter (also by e-mail) by the Audit Commissionerate, Mumbai, Zone-I, but no response had been received from the Exporter, in support of their claim. Therefore, action against the Exporter had been initiated under the provisions of the Customs Act. 1962

**1.8** However, based on the submissions made by the exporter, the calculations for the differential MEIS benefits claimed by the exporter were looked into afresh and revised calculation sheet (for the Shipping Bills mentioned in **Annexure-1 to the SCN**) was made keeping in mind the amendments made by the Directorate General of Foreign Trade (herein after referred to as 'DGFT') in the original MEIS rates by issuing relevant Public Notices mentioned below from time to time, further, the MEIS benefits available to the exporters were also dependent on the destination country of exports. Based on these parameters, the total **114 Shipping Bills** presented by the exporter were divided into three distinct periods, depending upon the country of exports. The three distinct periods were:

- i. **In respect of 34 Shipping Bills (mentioned in Annexure 'A' to the SCN)**, for exports into the Country Group 'C' (Sri Lanka) in the period from 01.04.2015 till 28.10.2015;
- ii. **In respect of 29 Shipping Bills (mentioned in Annexure 'B' to the SCN)**, for exports into the Country Group 'C' (Sri Lanka) from 29.10.2015 till 03.05.2016;
- iii. **In respect of 51 Shipping Bills (mentioned in Annexure 'C' to the SCN)**, for exports into the Country Group 'B' in the period 01.04.2015 till 31.12.2020, and exports to the Country Group 'C' in the period 04.05.2016 till 31.12.2020.

**1.9** The periods mentioned in the above Paragraph 1.8 are elaborated in detail as under:



**1.9.1 In respect of 34 Shipping Bills (mentioned in Annexure 'A' to the SCN), for exports into the Country Group 'C' (Sri Lanka) in the period from 01.04.2015 till 28.10.2015.**

**1.9.1.1** A total of 34 Shipping Bills, were presented by the exporter during 01.04.2015 till 28.10.2015, where destination country of exported goods was Sri Lanka. As per the DGFT Public Notice No.02/2015-20 dated 01.04.2015, Sri Lanka is placed in the Country Group 'C' (Serial No.59). As per the MEIS rates promulgated by DGFT vide Public Notice No. 02/2015-20 dated 01.04.2015, the goods exported in to Country Group 'C', and falling under CTH 8706 or 8704 were eligible for 0% MEIS benefits of their FOB value of exports. The relevant MEIS rates for the above-mentioned period for CTH 8704, and 8706 are tabulated below:

**CTH 8704:**

<u>Serial No.</u>	<u>HS Code</u>	<u>ITC (HS Code)</u>	<u>Description of Goods</u>	<u>MEIS Reward Rate</u>		
				<u>Country Group Code A</u>	<u>Country Group Code B</u>	<u>Country Group Code C</u>
	<b>8704</b>		Motor Vehicles for the transport of goods.			
<b>4527</b>		<b>87042219</b>	3-Wheeler Goods Vhcls, Wth Cmprsn Igntn Intrnl Cmbstn Pstn Engn Wth G.V.W>5 Tons Bt<=20 Tons: Lorry And Trucks	<b>2</b>	<b>2</b>	<b>0</b>
<b>4529</b>		<b>87042319</b>	3-Wheeler Goods Vhcls, Wth Cmprsn Igntn Intrnl Cmbstn Pstn Engn Wth G.V.W>20 Tons: Lorry And Trucks	<b>2</b>	<b>2</b>	<b>0</b>



**CTH 8706:**

Serial No.	HS Code	ITC (HS Code)	Description of Goods	MEIS Reward Rate		
				Country Group Code A	Country Group Code B	Country Group Code C
	<b>8706</b>		Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705			
<b>4537</b>		<b>87060019</b>	Chassis Fr Othr Tractors	<b>3</b>	<b>3</b>	<b>0</b>
<b>4538</b>		<b>87060029</b>	Chassis Fr Vhcls Hdng 8702 (>13 Persons)	<b>3</b>	<b>3</b>	<b>0</b>
<b>4539</b>		<b>87060039</b>	Chassis Fr Vhcls Hdng 8703 Excp 3-Whld	<b>3</b>	<b>3</b>	<b>0</b>
<b>4540</b>		<b>87060042</b>	Chassis Fr Vhcls Hdng 8704 Excp Petrol Drvn	<b>3</b>	<b>3</b>	<b>0</b>
<b>4541</b>		<b>87060043</b>	Chassis Fr Dumpers Hdng 8704	<b>3</b>	<b>3</b>	<b>0</b>

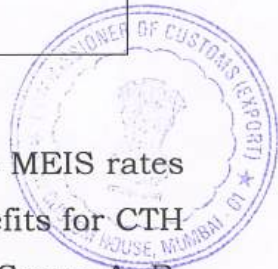


**1.9.1.2** From the above table, it could be seen that for the exports made by the exporter to the Country Group 'C' (Sri Lanka), falling under CTH 8704, or CTH 8706, were not eligible for any MEIS benefits. The exporter had presented total 34 Shipping Bills under this category with total FOB Value of Rs. 32,13,74,259/- (Rupees Thirty Two Crores Thirteen Lakhs Seventy Four Thousand Two Hundred and Fifty Nine only). Therefore, on the basis of revised Calculation Sheet, **no differential MEIS appeared to be recoverable from the exporter** for the above-mentioned Shipping Bills.

**1.9.2 In respect of 29 Shipping Bills (mentioned in Annexure 'B' to the SCN), for exports into the Country Group 'C' (Sri Lanka) from 29.10.2015 till 03.05.2016.**

**1.9.2.1** A total of 29 Shipping Bills (as detailed in **Annexure 'B' to the SCN**) were presented by the exporter to the Country Group C (Sri Lanka) during 29.10.2015 till 03.05.2016. DGFT vide Public Notice No. 44/2015-20 dated 29.10.2015 had made amendment, revising the MEIS rates for CTH 8706, while no amendments were made in the MEIS rates for the CTH 8704. The relevant extracts of the amendment vide Public Notice No.44/2015-2020 dated 29.10.2015 are tabulated below:

Serial No.	HS Code	ITC (HS Code)	Description of Goods	MEIS Reward Rate			NEW MEIS Rates as per Public Notice No.44/2015-20 dated 29.10.2015
				Country Group Code A	Country Group Code B	Country Group Code C	
	<b>8706</b>		Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705				Country Group A,B, C
<b>4537</b>		<b>87060019</b>	Chassis Fr Othr Tractors	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4538</b>		<b>87060029</b>	Chassis Fr Vhcls Hdng 8702 (>13 Persons)	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4539</b>		<b>87060039</b>	Chassis Fr Vhcls Hdng 8703 Excp 3-Whld	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4540</b>		<b>87060042</b>	Chassis Fr Vhcls Hdng 8704 Excp Petrol Drvn	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4541</b>		<b>87060043</b>	Chassis Fr Dumpers Hdng 8704	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>



**1.9.2.2** From the above table it could be seen that as per the new MEIS rates vide Public Notice No.44/2015-2020 dated 29.10.2015, the MEIS benefits for CTH 8706 had been amended to 3% of FOB Value for all the Countries in Group A, B, C. However, the MEIS rates for CTH 8704 still stood at 0% of F.O.B value for the exports made to the Country Group C. [The MEIS rates for CTH 8704 were revised to 2% of FOB Value for all the Countries in Group A, B, C by DGFT, vide Public Notice No.06/2015-2020 dated 04.05.2016].

**1.9.2.3** Therefore, during the period 29.10.2015 to 03.05.2016, for the exports made to the Country Group 'C', the exporter had presented 29 Shipping

Bills having FOB value Rs.17,14,00,947/- (Rupees Seventeen Crores Fourteen Lakhs Nine Hundred Forty Seven Only) and by way of mis-classifying the goods under the CTIs 87060019, 87060029, 87060042 and 87060043 had availed excess MEIS benefits @3% of FOB value, which is calculated as Rs. 51,42,028/- (Rupees Fifty One Lakhs Forty Two Thousand Twenty Eight Only). Therefore, the excess benefit availed by the exported had to be recovered as per the provisions of the Customs Act, 1962. The detailed Calculation Sheet was enclosed as Annexure B to the SCN.

**1.9.3 In respect of 51 Shipping Bills (mentioned in Annexure 'C' to the SCN), for exports into the Country Group 'B' in the period 01.04.2015 till 31.12.2020, and exports to the Country Group 'C' in the period 04.05.2016 till 31.12.2020.**

**1.9.3.1** A total of 51 Shipping Bills (as detailed in **Annexure 'C' to the SCN**) were presented by the exporter for exports to the Country Group 'B' during the period 01.04.2015 till 31.12.2020, and exports to the Country Group 'C' during the period 04.05.2016 till 31.12.2020. The exporter had mis-classified the goods under the CTIs 87060019, 87060029, 87060042 and 87060043 and 87060050, instead of correct CTIs 87042219/87042319. For the 51 Shipping Bills under this category, the MEIS benefits for the CTH 8706 and CTH 8704 were 3% and 2%. For these categories of Shipping Bills, the differential MEIS benefits of 1% of FOB value, appeared to be recovered from the exporter. The exporter by mis-classifying the goods for exports to the Country Group B during the period 01.04.2015 till 31.12.2020 had availed excess 1% of MEIS benefits on their FOB value. Similarly, the exporter by mis-classifying the goods for exports to the Country Group C during the period 04.05.2016 till 31.12.2020 had also availed excess 1% MEIS benefits on their FOB value.

**1.9.3.2** The exporter presented 51 Shipping Bills with total FOB value of Rs.30,36,04,229/- (Rupees Thirty Crores Thirty Six Lakhs Four Thousand Two Hundred and Twenty Nine only) and claimed excess MEIS benefits @1% of FOB Value, which is calculated as Rs.30,36,042/- (Thirty Lakhs Thirty Six Thousand Forty Two only), and appeared to be recovered from the exporter under the provisions of the Customs Act, 1962. The detailed Calculation Sheet was enclosed as Annexure C to the SCN.

**1.10** Therefore, the total excess MEIS benefits which had been availed by the exporter, as per Annexure B and Annexure C to the SCN, amounting to Rs.81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only),

appeared to be recovered from the exporter under the provisions of the Customs Act, 1962.

**1.11** It is to inform that after the introduction of self-assessment vide Finance Act, 2011, onus is on the Exporter/Importer to make true and correct declaration in all aspects like classification, valuation, including Calculation of duty & claim of benefit, etc., Further, as per provisions of Section 50(2) of the Customs Act, 1962, the Exporter of any goods, while presenting a Shipping Bills shall make and subscribe to a declaration as to the truth of its contents and as per the provisions of Section 50(3) of the Customs Act, 1962, the exporter who presents a Shipping Bill or Bill of Export under this section shall ensure the following, namely:-

- (a) the accuracy and completeness of the information given therein;
- (b) the authenticity and validity of any document supporting it; and
- (c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

However, since the exporter had failed to abide by the above-mentioned conditions, the necessary action had been initiated against the exporter under the provisions of the Customs Act, 1962.

**1.12** The differential MEIS benefits amount claimed by the exporter by way of mis-classification of exported goods amounts to **Rs.81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy only)** and had been wrongly claimed by the exporter by way of mis-classifying the exported goods and which were utilized for payment of import customs duty by the exporter and/or by any other importers. However, no document had been submitted by the exporter with respect to the utilization of scrips claimed in the subject shipping bills.

**1.13** As per the above-mentioned legal provisions of the Customs Act, 1962, the Excess MEIS (Merchandise Exports from India Scheme) incentive availed by the exporter had to be returned along with applicable interest under Section 28AA in terms of Section 28AAA of Customs Act, 1962, as the ineligible scrip amount cannot be adjusted against the duty payments in imports.

**1.14** The relevant provisions of law relating to recovery of excess benefits claimed, assessment of duty, and liability of the goods for confiscation and imposition of penalty as envisaged as per the provisions of the Customs Act, 1962 and other allied acts as amended from time to time are as follows:

**1.15 Relevant Provisions of the Customs Act, 1962, which are pertaining to the subject case are as under:**

- **Section 11-H(a):** "illegal export" means the export of any goods in contravention of the provisions of this Act or any other law for the time being in force;
- **Section 28 AA:** Interest on delayed payment of duty
- **Section 28AAA:** Recovery of duties in certain cases
- **Section 50:** Entry of goods for exportation
- **Section 113:** Confiscation of the goods attempted to be improperly exported etc.,
- **Section 114:** Penalty for attempt to export goods improperly, etc.
- **Section 114AA:** Penalty for use of false and incorrect material
- **Section 114AB:** Penalty for obtaining instrument by fraud, etc.

**1.16 Relevant Provisions of The Foreign Trade (Regulation) Rules, 1993**

- Rule 11: Declaration as to value and quality of Imported goods
- Rule 14: Prohibition regarding making signing of any declaration, statement or documents.

**1.17** It appeared that willful mis-classification made by the exporter under **114 Shipping Bills** and subsequent claim of excess MEIS benefits which caused considerable revenue loss to the Exchequer would not have come to light but for the Audit conducted by the Officers of the Audit Commissionerate, Mumbai-I. As such, the act of exporter constitutes willful mis-statement for invoking the provisions of the Customs Act, 1962.

**1.18** It appeared that by exporting the consignment presented under **114 Shipping Bills** having FOB value of **Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** and by classifying the goods under incorrect CTIs and further claiming the excess MEIS duty credit scrip of **Rs.81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only)**, the exporter had contravened/violated the provisions of Section 50(2) and 50(3) of the Customs Act, 1962 read with Section 11 of Foreign Trade (Development and Regulation) Act, 1992 and Rule 11 and 14 of the Foreign Trade (Development and Regulation) Rules, rendering the said goods liable for confiscation under the provisions of Section 113 of the Customs Act, 1962.

**1.19** It appeared that the classification of the goods in question having FOB value of Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only) presented under 114 Shipping Bills are liable for rejection and the exported goods are re-classifiable



under CTIs 87042219 and 87042319 of the Customs Tariff Act, 1975. Further, the MEIS benefits under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 respectively also are liable for rejection and the MEIS duty credit scrips be re-determined as per the benefits available under CTI 87042219 and 87042319.

**1.20** The excess MEIS duty credit scrips claimed by the exporter under 114 Shipping Bills (as mentioned in Annexure-1 to the SCN) appeared to be recoverable from the exporter along with applicable interest.

**1.21** It appeared that goods in question having declared FOB value of Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only) and claimed excess MEIS duty credit scrip of **Rs 81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only)**, are liable for confiscation under Section 113 of the Customs Act, 1962. The exporter, by their act of omission and commission and misclassification of the goods in question with the intent to claim excess MEIS duty credit scrip, had rendered themselves liable for penal action under Section 114(iii), and Section 114 AB of the Customs Act, 1962.

**1.22** In view of the above, Show Cause Notice No.01/2025-26 dated 03.04.2025 was issued to the exporter i.e., M/s. Ashok Leyland Limited (IEC-0488014336), having address at No.1, Sardar Patel Road, Guindy, Chennai-600032, were called upon to show cause in writing, to the Commissioner of Customs(Export), Mumbai Port(INBOM-1), Mumbai, within 30 days of receipt of the notice as to **why:**

- i.** The Classification of the exported goods in question having total FOB value of **Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** presented **under 114 Shipping Bills (as mentioned in Annexure-1 to the SCN)** should not be rejected and the exported goods be re-classified under CTI Code 87042219 and 87042319 of the Customs Tariff Act, 1975.
- ii.** The MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050, respectively should not be rejected and the MEIS duty credit scrips should not be re-determined as per the benefits available under CTI 87042219 and 87042319.
- iii.** The claimed inadmissible excess MEIS duty credit scrips totally amounting to **Rs 81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only)** should not be demanded and recovered from the exporter, under

the provisions of Section 28AAA of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.

- iv.** The goods in question having FOB value of **Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** should not be confiscated under Section 113 of the Customs Act, 1962.
- v.** The penalty under Section 114(iii) of the Customs Act, 1962 read with the Section 11 of the Foreign Trade (Development & Regulation) Act,1992 should not be imposed on them of for their acts of omissions and commissions in relation to the aforesaid goods, rendering the said goods liable to confiscation, as aforesaid; and
- vi.** The penalty under Section 114AA of the Customs Act, 1962 should not be levied upon them for use of false and incorrect material in transaction of business under this Act;
- vii.** The penalty under Section 114AB of the Customs Act, 1962 should not be levied upon them for obtaining instruments/scrips by fraud, collusion, willful misstatement or suppression of facts under this Act;

## **2. WRITTEN SUBMISSION OF THE EXPORTER**

**The exporter M/s. Ashok Leyland Limited filed their written submissions dated 23.02.2026 and stated that:-**

### **2.1 Limitation-Time Barred:**

- a)** They have submitted that the Show Cause Notice issued under Sec.28AAA of the Customs Act, is time barred, since it had been issued beyond 5 year period as the Shipping Bills pertains to the period 2015 to 2019-whereas the SCN had been issued in 2025-which was beyond 5 year period.
- b)** They have submitted that they had not obtained the instrument by Fraud or suppression of facts as it related to classification of an item which was classified under one Chapter all along subsequently modified in Customs Tariff does not disentitle them.
- c)** Further, they have submitted that since the issue related to interpretation, it did not fall within the category of suppression or mis-representation and 5-year window was also applicable only when there was suppression or mis-representation of facts and under Sec.28(4) only 5-year period was possible in



such cases and otherwise, only within 2 years it had to be issued.

d) Therefore, they have submitted that the entire Show Cause Notice falls on time bar issue and needs to be dropped.

**2.2 Whether MEIS issuance itself can be demanded or its utilization alone can be demanded:**

a) They have submitted that the entire demand raised in the SCN fails on the ground that the demand was based on MEIS Scrip issued.

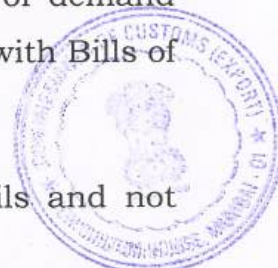
b) And submitted that the demand from Customs can only on the utilization of MEIS Scrip as Customs are not the authorities who had issued the MEIS and it was only those scrips which had been utilized for payment of import duties can only be demanded by Customs

c) Further, it is submitted that the demand raised by Customs could only be based on Bills of Entries which were paid through utilization of MEIS Scrip alone can be the demand amount and not the Shipping Bills - which is the basis of MEIS Scrip which was issued by JDGFT and not Customs authorities.

d) They have submitted that in **2024 judgment of the Hon'ble Delhi High Court in M/s Amit Exports v. Union of India & Ors. (dated 22.11.2024)**, it had been held that MEIS is an incentive scheme framed under the Foreign Trade Policy and administered by the DGFT, and that in the absence of any order by DGFT cancelling or modifying the MEIS scrips, Customs authorities cannot independently question the entitlement or initiate recovery proceedings under Sections 28 or 28AAA of the Customs Act.

e) Therefore, the total demand raised by the Customs was totally invalid and not sustainable as the MEIS Scrips issued parse cannot be basis of demand unless it was provided with the actual utilization of the Scrip backed with Bills of Entries.

f) And submitted that the demand raised on this count also fails and not sustainable and needed to be dropped.



**2.3 Merits of the Case-With regard to the demand raised in the Show Cause Notice:**

a) They have submitted that the present Show Cause Notice had been issued under Export Commissionerate, Mumbai Customs for excess claim of MEIS scrips amounting to **Rs.81,78,070/-** for 114 Shipping bills as detailed in

Annexure-1 of the above Show Cause Notice, with regard to classification of the goods "Chassis with fitted with Cab" whether classifiable under Chassis or as Fully Built Vehicle.

**b)** They have submitted that the same goods with the same description cannot be classified as two different products with two different rates under Pre-GST.

**c)** In this regard, they had enclosed the extract of Excise Tariff- where it had been held that Chassis fitted with Cab is classifiable only under Chassis category under 87060042. And submitted that this was mainly on the reason that rate of duty for 87060042 was at 13% and 8704 was at 12%.

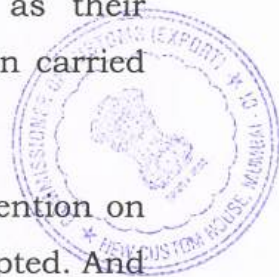
**d)** And submitted that in Customs the same was stated as Fully Built Vehicle under 8704, the same product was getting classified under two different Acts as two different classifications which itself was not correct for the purpose of fetching higher rate of duty under Excise. And submitted that they have filed their ARE1 based on the excise classification and shipping bills were also filed based on ARE1 only.

**e)** Therefore, they have submitted that they were not in agreement that in Pre-GST where they had already paid higher rate of duty under Excise by classifying the goods under 87060042 and as there were two different classifications for the same product which cannot be the case, they wanted to contest the issue.

**f)** Further, they have submitted that in post-GST as there had been Chapter Notes in which Chassis with Cab had been classified under 8704, they have changed the classification. However, for some of the vehicles - as their classification was based on product Part No. the change had not been carried out and had been classified under 8706.

**g)** Therefore, they have submitted that in principle there was no intention on their part to avail any MEIS benefit for which the classification was adopted. And submitted that Central Excise Act was from 1944 and they had been manufacturing chassis and clearing under excise for more than 4 decades and had been adopting the classification of 87060042 time immemorial and the same had been adopted for their export also all along that it was only the change of MEIS rate from 2015 between 87060042 and 8704, there had been an allegation that they had wrongly done the classification.

**h)** They have submitted that there was no change of classification from their side and they had been classifying as per the Excise tariff and the same had been adopted for Customs as well. They again reiterated that there cannot be



two different classifications under two acts for the same product which had been ratified only under Post GST. And submitted that as in Pre-GST there was difference in classification and shipping bills getting filed based on ARE1 it cannot be stated that there had been willful mis-representation or suppression of any facts.

i) Further, they have submitted that the MEIS working was wrongly reported in the Show Cause Notice and submitted that the Show Cause Notice itself was not sustainable. The workings submitted by the exporter are as below:

As per Customs Audit workings:

Summary	No. of SB	FOB Value (Rs)	Rate	Excess Claim of 1% MEIS
Licence not obtained	34	32,13,74,259	1%	32,13,743
Licence obtained during pre-GST	29	17,14,00,947	1%	17,14,009
Licence obtained during post-GST	51	30,36,04,229	1%	30,36,042
<b>Total</b>	<b>114</b>	<b>79,63,79,435</b>		<b>79,63,794</b>

As per AL's workings:

Summary	No. of SB	FOB Value (Rs)	Rate	Excess Claim of 1% MEIS
Licence not obtained	36	33,43,30,059	1%	33,43,300
Licence obtained during pre-GST	47	27,52,11,736	1%	27,52,117
Licence obtained during post-GST	31	18,68,37,640	1%	18,68,376
<b>Total</b>	<b>114</b>	<b>79,63,79,435</b>		<b>79,63,793</b>

As per Department's SCN workings:

Summary	No. of SB	FOB Value (is)	Rate	Excess Claim of 1% MEIS
Licence not obtained	34	32,13,74,259	Nil	Nil
Licence obtained during pre-GST	29	17,14,00,947	3%	51,42,028
Licence obtained during post- GST	51	30,36,04,229	1%	30,36,042
<b>Total</b>	<b>114</b>	<b>79,63,79,435</b>		<b>81,78,071</b>

As per AL's SCN workings:

Summary	No. of SB	FOB Value (Rs)	Rate	Excess Claim of 1% MEIS
Licence not obtained	36	33,43,30,059	Nil	Nil
Licence obtained during pre-GST	47	27,52,11,736	1%	27,52,117
Licence obtained during post-GST	31	18,68,37,640	1%	18,68,376
<b>Total</b>	<b>114</b>	<b>79,63,79,435</b>		<b>46,20,494</b>



j) And submitted that they have already submitted the statement of 114 shipping bills MEIS amount of Rs.79,63,793/ - and 36 shipping bills contained

MEIS not obtained for Rs. 33,43,300/-, 47 shipping bills of pre-GST for RS.27,52,117/- and 31 shipping bills of post-GST for Rs.18,68,376/ -.

**k)** Further, they have submitted that the department had considered that there was no differential MEIS appeared to be recoverable from the exporter for 34 shipping bills due to the reason for “the exports made by the exporter to the Country Group “C” (Sri Lanka) falling under CTH 8704 or CTH 8706, were not eligible for any MEIS benefits”.

**l)** And submitted, the MEIS rates were revised for the CTH 8706 vide Public Notice PN No.44/0215-2020 dated 29.10.2015 issued by the DGFT Authority with respect to MEIS rates @ 3% of FOB value for all the countries in country group A, B & C.

**m)** They have submitted that the department had wrongly considered in the Show Cause Notice demand for 3% of excess MEIS benefit for 29 shipping bills for Rs.51,42,028/- instead of 1% of excess MEIS for Rs.17,14,009/- and they were eligible for 3% of MEIS benefit for the above 29 shipping bills and they had not claimed any excess benefit under MEIS of the above said Show Cause Notice.

**n)** They have submitted that as far as post-GST of Rs.18.68 lakhs was concerned, that they had already paid the amount of Rs.4.93 lakhs for following shipping bills were covered under TR6 Challan amount of Rs.3,76,85,972/- (TR6 Challan attached).

S.No	Commissionerate Name	SB Number	SB Date	Year	Eligibility	MEIS @3%	MEIS @2%	Difference 1% of MEIS
1	Mumbai Sea(Import/Export)	8320551	29-08-2017	2017-18	Post GST	5,44,401	3,62,934	1,81,467
2	Mumbai Sea(Import/Export)	8320326	29-08-2017	2017-18	Post GST	3,21,692	2,14,461	1,07,231
3	Mumbai Sea(Import/Export)	8320601	29-08-2017	2017-18	Post GST	2,96,946	1,97,964	98,982
4	Mumbai Sea(Import/Export)	8369253	31-08-2017	2017-18	Post GST	24,746	16,497	8,249
5	Mumbai Sea(Import/Export)	8780459	20-09-2017	2017-18	Post GST	2,22,008	1,48,005	74,003
6	Mumbai Sea(Import/Export)	8987196	29-09-2017	2017-18	Post GST	68,549	45,700	22,850
						<b>14,78,341</b>	<b>9,85,561</b>	<b>4,92,780</b>

**o)** In this regard, they have referred to the Board Instruction No.11/2023-Customs in F.No.450/67/2018-Cus-IV dated 13.03.2023, submitted that the Board had directed the adjudicating authorities that the Show Cause Notice issued under Section 28 of Custom Act, 1962 be kept pending till a decision is

taken on for MEIS instruments by DGFT Office and the decision of DGFT was awaited in respect of the MEIS scrips in the above referred cases.

**p)** In this connection, they have submitted following documents for reference and record.

- i. The MEIS Summary along with working details for Rs.79, 63,793/- with respect to Mumbai Sea Port (INBOM-1).
- ii. The copy of Central Excise Tariff during the period 2016-17 & to 2017-18.
- iii. The sample copies of Shipping Bills during the period Apr.15 to Dec.20.
- iv. The MEIS payment through TR6 Challan amount of post-GST for Rs.3,76,85,972/- vs MEIS payment details of Mumbai Sea Port (INBOM1) for Rs.4,92,780/-.

**q)** They have submitted that there was no question of demand that arises in Mumbai Port(INBOM-1) and since there was no subsistence of demand and there was no willful intention or suppression of facts to claim any benefit under their end and because of two different classifications under two major acts had resulted in this issue. And submitted that since there exists no demand, the question of levy of penalty and interest did not arise.

**r)** They have requested to kindly drop the proceedings.

### **3. RECORD OF PERSONAL HEARING**

In compliance of provisions of Section 28(8) read with Section 122A of the Customs Act, 1962 and in terms of the principle of natural justice, the exporter was granted Personal Hearing(PH) on 13.02.2026 and on 23.02.2026. However, the exporter had not attended the scheduled Personal Hearings and requested for one-month postponement of the hearing vide their e-mail dated 12.02.2026 and 20.02.2026. Further, the exporter vide letter dated 23.02.2026, had requested for Personal Hearing. Accordingly, the Personal Hearing was scheduled on 02.03.2026, the authorized representative, Ms. V. Anchana, Deputy General Manager-Indirect taxation, M/s. Ashok Leyland Limited, on behalf of the exporter, has appeared through virtual mode and re-iterated their contentions submitted vide their letter dated 23.02.2026 and requested time to file their further submission with respect to the subject Show Cause Notice.

The authorized representative vide e-mail dated 05.03.2026 had forwarded their submission letter dated 03.03.2026, re-iterating the contentions raised in their letter dated 23.02.2026 and further adding that: -

- i)** The Customs department should have issued Show Cause Notice only based on the utilization of MEIS Scrip based on Bills of Entry details and not based on MEIS Scrips issued as it had been issued by JDGFT. And submitted that the MEIS scrips availed need not be utilized and there was a possibility of lapse of MEIS Scrips and unutilized portion of scrips where there are limited imports in the respective ports.
- ii)** And submitted that in the absence of port-wise, Bill of Entry details and MEIS utilization the demand raised did not survive even if it was taken on merits alone barring time bar issue.
- iii)** Further, they have submitted that there was no requirement at their end for maintenance of port-wise MEIS scrip details and submitted that these scrips were used as an alternative of cash payment and hence, they continue to use the scrips at the respective port based on the requirement.

#### **4. DISCUSSION AND FINDINGS**

**4.1** I have carefully gone through the Show Cause Notice No.01/2025-26 dated 03.04.2025 issued by Commissioner of Customs(Export), New Customs House, Mumbai, and it's Relied Upon Documents (RUDs), Exporter submissions, material on record and facts of the case. I hereby proceed to decide the subject Show Cause Notice case on merits.

**4.2** The subject Show Cause Notice was issued on 03.04.2025 under Section 124 read with Section 28AAA and 28AA of the Customs Act, 1962, based on the Post Clearance Audit conducted by the Audit Commissionerate, Mumbai in accordance with the provisions of Section 99A read with Section 157(k) of the Customs Act, 1962 & the Customs Audit Regulations, 2018, and alleged for availing excess MEIS benefit by mis-classification of the goods exported under 114 Shipping Bills having FOB Value of **Rs. 79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakh Seventy Nine Thousand Four Hundred Thirty Five Only)** as detailed in the Annexure-1 to the SCN.

**4.3** In compliance to provisions of Section 28(8) and Section 122A of the Customs Act, 1962 and in terms of the principles of natural justice, opportunity for Personal Hearing (PH) was granted to the exporter on 13.02.2026, 23.02.2026 and on 02.03.2026, Ms. V. Anchana, the authorized representative of the exporter has attended the Personal Hearing in Virtual mode on 02.03.2026 and re-iterated their submissions-in-reply submitted vide email dated 23.02.2026 and made further submissions vide e-mail dated 05.03.2026 which was taken on record.

**4.4** I have gone through the Show Cause Notice, the following issues raised in the SCN have to be decided during adjudication:

- i. Whether the classification of the exported goods in question having total FOB value of **Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** presented under 114 Shipping Bills (as mentioned in Annexure-1 to the SCN) should be rejected and the exported goods be re-classified under CTI Code 87042219 and 87042319 of the Customs Tariff Act, 1975.
- ii. Whether the MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 respectively should be rejected and the MEIS duty scrips should be re-determined as per the benefits available under CTIs 87042219 and 87042319.
- iii. Whether the claimed inadmissible excess MEIS duty credit scrips totally amounting to **Rs.81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only)** should be demanded and recovered from the exporter, under the provisions of Section 28AAA of the Customs Act, along with applicable interest under Section 28AA of the Customs Act, 1962.
- iv. Whether the goods in question having FOB value of **Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** should be confiscated under Section 113 of the Customs Act, 1962.
- v. Whether Penalty under Section 114(iii) of the Customs Act, 1962 read with Section 11 of the Foreign Trade (Development & Regulation) Act, 1992 should be imposed on the exporter for their acts of omissions and commissions in relation to the aforesaid goods, and whether the **said goods** are liable to confiscation.
- vi. Whether the penalty under Section 114AA should be levied upon the exporter for use of false and incorrect material in transaction of **business** under this Act.
- vii. Whether the penalty under Section 114AB should be levied upon the exporter for obtaining instrument/scrips by fraud, collusion, willful misstatement or suppression of facts under the Customs Act, 1962.

**4.5** I now proceed to examine each of the issues individually based on the facts and circumstances mentioned in the Show Cause Notice; provisions of the

Customs Act, 1962; notification and various judicial pronouncements relevant to the issue raised in the Show Cause Notice, as well as documents available on record.

**4.6 Whether the classification of the exported goods in question having total FOB value of Rs.79,63,79,435/-(Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only) presented under 114 Shipping Bills (as mentioned in Annexure-1 to the SCN) should be rejected and the exported goods be re-classified under CTI Code 87042219 and 87042319 of the Customs Tariff Act, 1975.**

**4.6.1.** The exporter, M/s. Ashok Leyland Limited had filed **114 Shipping Bills having FOB Value of Rs. 79,63,79,435/-(Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** (as detailed in the Annexure-1 to the SCN) and exported the goods by classifying the same under the CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050.

**4.6.2.** I find that the aforesaid 114 Shipping Bills were examined by the Audit Commissionerate, Mumbai Customs Zone-I during the course of audit. Upon scrutiny, it was observed that an excess amount of incentive under the Merchandise Exports from India Scheme (MEIS) had been availed by the exporter by way of mis-classification of the exported goods. It was noticed that the goods had been classified under the incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 and 87060050, instead of the correct CTIs 87042219 and 87042319, wherein CTH 8704 covers "*Motor Vehicles for the Transport of Goods*" and is eligible for MEIS benefits @ 2% of the Free on Board (FOB) value, depending upon the country of export. On the other hand, CTH 8706 covers "*Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705*" and is eligible for MEIS rewards @ 3% of the FOB value of exports, subject to the destination country of export.

**4.6.3.** Upon perusal of the description of the impugned goods exported through 114 Shipping Bills, as detailed in Annexure-1 to the Show Cause Notice, some of the goods exported, along with their descriptions and the CTIs claimed by the exporter, are tabulated below for the sake of brevity.



Descriptions of Goods	CTIs claimed by the Exporter
A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1518 CHASSIS CAB-COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS-COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060043
A/L 3518 IL TRUCK CHASSIS CAB CHASSIS-COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L 1112 ECOMET CHASSIS CAB - COMM VEHSOF GVW ABV 7.5 MT IN CBU CONDTN.	87060049
A/L PARTNER F24 BSIII 3350 LLS CC WHITECAB CHASSIS WITH OR WITHOUT CABIN FOR COMM VEHS OF GVW UPTO 7.5 MT IN CBU CONDTN.	87060042
ASHOK LEYLAND JAN BUS CHASSIS: COMMERICAL VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION	87060042
BOSS 1412 LE 20FT CABIN CHASSIS MLS(BSIII) CAB CHASSIS	87060042
A/L 2518 H3/3c 6X4 RMC-5030 MM(198')WB CAB CHASSIS: COMM. VEHS OF GVW ABOVE 7.5MT IN CBU CONDITION	87060050
A/L FV181 TT 4X2 TRACTOR-3300 MM (130) WBCAB CHASSIS COMM. VEHS OF GVW ABOVE 7.5 MT IN CBU CONDITION	87060019

**4.6.4.** It is observed that the following facts have been brought out in the Show Cause Notice in order to arrive at the correct classification of the impugned goods, which are discussed hereunder:

I. ANALYSIS OF CLASSIFICATION OF IMPUGNED GOODS ON THE BASIS OF Customs Tariff for CTH 8704 and CTH 8706.

The relevant portions of Customs Tariff for CTH 8704 and CTH 8706 is elaborated below:

**CTH 8704: MOTOR VEHICLES FOR THE TRANSPORT OF GOODS**

8704 10 - Dumpers designed for off-highway use:

8704 10 10 --- With net weight (excluding pay-load) exceeding 8 tonnes and maximum payload capacity not less than 10 tonnes

8704 10 90 - Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel):

8704 21 -- g.v.w. not exceeding 5 tonnes:

8704 21 10 ---Refrigerated-

8704 21 20 --- Three-wheeled motor vehicles

8704 21 90 --- Other

8704 22 -- g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes: ---

Lorries and trucks:

8704 22 11 ----Refrigerated

8704 22 19 ---- Other

8704 22 90 --- Other



8704 23 -- g.v.w. exceeding 20 tonnes: ---  
Lorries and trucks.  
8704 23 11 ---- Refrigerated  
8704 23 19 ---- Other -  
8704 23 90 --- Other -  
Other, with spark-ignition internal combustion piston engine :  
8704 31 -- g.v.w. not exceeding 5 tonnes :  
8704 31 10 --- Refrigerated  
8704 31 20 --- Three-wheeled motor vehicles  
8704 31 90 --- Other  
8704 32 -- g.v.w. exceeding 5 tonnes :  
8704 32 11 ---- Refrigerated  
8704 32 19 ---- Other  
8704 32 90 --- Other

**CTH 8706: CHASSIS FITTED WITH ENGINES, FOR THE MOTOR VEHICLES OF HEADINGS 8701 to 8705:**

8706 00 - Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705:  
--- For the tractors of heading 8701:  
8706 00 11 ---- Of engine capacity not exceeding 1,800 cc  
8706 00 19 ---- Other  
--- For the vehicles of heading 8702:  
8706 00 21 ---- For transport of not more than thirteen persons, including the driver  
8706 00 29 ---- Other  
For the motor vehicles of heading 8703:  
8706 00 31 ---- For three-wheeled vehicles  
8706 00 39 ---- Other  
--- For the motor vehicles of heading 8704:  
8706 00 41 ---- For three-wheeled motor vehicle  
8706 00 42 ---- For vehicles, other than petrol driven  
8706 00 43 ---- For dumpers covered in the heading 8704  
8706 00 49 ---- Other  
8706 00 50 --- For the motor vehicles of heading 8705

From the above tariff entries of the CTH 8706 & 8704 under the First Schedule to the Customs Tariff Act, 1975, it is evident that CTH 8704 covers "motor vehicles for the transport of goods", whereas CTH 8706 specifically covers "chassis fitted with engines, for the motor vehicles of headings 8701 to 8705." Thus, the essential distinction between the two headings lies in the condition and completeness of the goods at the time of clearance/export. A chassis fitted with engine under CTH 8706 represents an incomplete motor vehicle, consisting essentially of the base frame (chassis) along with the engine, which is normally intended to be further fitted with body, cabin, cargo box, or other superstructures before it can function as a complete vehicle. In contrast, goods classifiable under CTH 8704 are complete motor vehicles designed and capable of transporting goods. In the present case, the descriptions declared in the subject Shipping Bills, the impugned goods appear to possess the essential character of complete motor vehicles for the transport of goods rather than merely chassis fitted with engines.

Therefore, in view of the above analysis of Custom Tariff Heading for CTH 8706 & 8704, I am of the opinion that the classification of the impugned goods declared by the exporter under CTH 8706 does not appear



to be appropriate, and the impugned goods are more appropriately classifiable under CTH 8704, as alleged in the Show Cause Notice.

II. CHAPTER NOTES, HSN EXPLANATORY NOTES AND APPLICATION OF INTERPRETATIVE RULES:

The relevant Chapter Notes and Explanatory Notes to Chapter 87 of the First Schedule to the Customs Tariff Act, 1975, as well as the Explanatory Notes to CTH 8706, are reproduced below for the sake of clarity:

(i) **Chapter Note 3 to Chapter 87** provides as follows:  
*“Motor chassis fitted with cabs fall in headings 8702 to 8704 and not under heading 8706.”*

(ii) **Explanatory Notes to CTH 8706** further clarify under sub-heading (a) that CTH 8706 excludes chassis fitted with engines and cabs, whether or not the cab is complete (for example, without seat). Such goods are classifiable under CTH 8702 to CTH 8704, as the case may be.

(iii) **The Explanatory Notes to Chapter 87** also provide that *“an incomplete or unfinished vehicle, whether or not assembled, is to be classified as the corresponding complete or finished vehicle provided it has the essential character of the latter, in accordance with Rule 2(a) of the General Rules for the Interpretation of the Harmonized System.*

**Rule 2(a) of the General Rules for Interpretation** reads as follows:

*“Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.”*

A conjoint reading of the above Chapter Notes and HSN Explanatory Notes under Chapter 87 of the First Schedule to the Customs Tariff Act, 1975 makes the legislative intent very clear regarding the scope of CTH 8704 and CTH 8706.

Firstly, Chapter Note 3 to Chapter 87 explicitly provides that motor chassis fitted with cabs are not classifiable under CTH 8706, but are

instead to be classified under headings 8702 to 8704, depending upon the nature and use of the vehicle. This indicates that once a chassis is fitted with a cab, it ceases to be merely a chassis and assumes the character of a motor vehicle falling within the appropriate heading for complete vehicles.

Secondly, the HSN Explanatory Notes to CTH 8706 further clarify that the said heading excludes chassis fitted with engines and cabs, whether or not the cab is complete. Such goods are specifically directed to be classified under CTH 8702 to CTH 8704, as applicable. Thus, the tariff structure itself makes a clear distinction between bare chassis fitted with engines and chassis fitted with engines and cabs, the latter being treated as complete vehicle.

Thirdly, the Explanatory Notes to Chapter 87, read with Rule 2(a) of the General Rules for Interpretation, provide that incomplete or unfinished articles are to be classified as the complete or finished article if they possess the essential character of the complete article. Therefore, even if a vehicle is presented in an incomplete or unfinished condition, it will still be classified as a complete motor vehicle if it already possesses the essential characteristics of such a vehicle.

In view of the above provisions, it is evident that chassis fitted with engines and cabs, or otherwise possessing the essential character of a complete motor vehicle, cannot be classified under CTH 8706, which is restricted only to chassis fitted with engines intended for further body building. Whereas, such goods are required to be classified under the appropriate heading for motor vehicles, namely CTH 8704 in the case of vehicles intended for the transport of goods. Hence, I find that the above Chapter Notes, Explanatory Notes and interpretative rules clearly support classification of impugned goods under CTH 8704 rather than CTH 8706.

**4.6.5.** In the present case, as envisaged in the SCN, the Gross vehicle weight (GVW) of the commercial vehicles was ascertainable from the model numbers mentioned in the description of the impugned goods in the subject Shipping Bills. Further, from the above discussion, it emerges out that as per Chapter Note 3 to Chapter 87, motor chassis fitted with cabs are to be classified under CTH 8702 to CTH 8704, depending upon the nature of the vehicle and its Gross Vehicle Weight (GVW). Further, I find that the impugned SCN correctly proposes that the said goods described as "CAB Chassis, Chassis with DSD Body and Chassis with or without Cabin in CBU condition" possess the characteristics of complete



commercial vehicles and are appropriately classifiable under CTIs 87042219 or 87042319, depending upon their respective GVW. Therefore, I come to the conclusion that the impugned goods wherein the goods have been misclassified under CTIs 87060019, 87060029, 87060042, 87060043, 87060049 and 87060050 have to be correctly classified under CTIs 87042219 or 87042319, depending upon their declared description and respective GVW ascertainable from the model numbers mentioned in the description.

**4.6.6.** I find that out of the total 114 impugned Shipping Bills, the description, Customs Tariff Heading (CTH), and Free on Board (FOB) value in respect of two (02) Shipping Bills, namely Shipping Bill No. 1993381 dated 24.07.2015 (appearing at Sr. No. 10 of Annexure A to the SCN) and Shipping Bill No. 5511434 dated 29.09.2020 (appearing at Sr. No. 48 of Annexure C to the SCN), have been incorrectly mentioned in the said SCN. I further find that, upon verification of the records available in the Indian Customs EDI System (ICES), the description and CTH as declared in the aforesaid Shipping Bills are as under:

S.No.	Shipping Bill No. & Date	Actual Declared Description	Actual Declared CTH	Wrongly mentioned CTH in the SCN
1	1993381 dated 24.07.2015	A/L 222" WB VIKING 58 SEATER BUS-COMM VEHS OF GVW ABV 7.5MT IN CBU CONDTN	87021099	87060043
2.	5511434 dated 29.09.2020	ASHOK LEYLAND-OYESTER HVAC E3 ABS 32 SEATER AC BUS OTHER - AIRCONDITIONED MODEL YEAR 2021.	87021028	87060029

The screenshots of the aforesaid two (02) Shipping Bills vide Nos. 1993381 dated 24.07.2015 and 5511434 dated 29.09.2020 retrieved from the Indian Customs EDI System (ICES) is reproduced below for reference:



**Shipping Bills No. 1993381 dated 24.07.2015**

Bill Details Examination Sample Comment / Query Supp claim dtls EGM View sb sTatus directorY Back to town CIN VIEW e

Master View Details  
 25-03-2026 Indian Customs EDI System (ICES) 04:38:03 pm  
 NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400038 10065128

Bill of Export 1993381 Inv SrNo / Inv. No / Date 1 411950022 / 21/07/2015  
 SB Date 24/07/2015 No of Item 1 Inv. Total 145040 USD Exchange Rate 63.1

Sr.No	R.I.T.C.	Description of Goods	FOB / Quantity / Rate
87021099		A/L 222" WB VIKING 58 SEATER BUS - COMM VEHS OF GVW AEV 7.5 MT IN CBU CONDITN	FOB 8604974 INR Qty 5 NOS Rate 29008 USD Per 1 NOS Tot.Val 145040 USD
Scheme Cd	19 Drawback		
Cess No	AR4 Yes	Quota No	Raw Material No
Child DBK No			DBK Declaration
PMV 193709426	(INR)	Tot. PMV 9685471.4	(INR)
RITC Desc			Notification No
End Use			Reward Item
IGST pay. status		HAWB No	Total Pckg
		Tax Value	IGST Amt. Paid

- Invoice dtls
- DBK Dtls
- License dtls
- DEIA dtls
- STR details
- REPO/DEPO Parent dtls
- AR4 Details
- Cess Details
- Drawback dtls
- Third Party
- PGA Dtls
- Exit

**Shipping Bill No. 5511434 dated 29.09.2020**

Master View Details  
 24-03-2026 Indian Customs EDI System (ICES) 04:33:25 pm  
 NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400038 10065128

Bill of Export 5511434 Inv SrNo / Inv. No / Date 1 MH2099000444 / 29/09/2020  
 SB Date 29/09/2020 No of Item 5 Inv. Total 146360 EUR Exchange Rate 65.1

Sr.No	R.I.T.C.	Description of Goods	FOB / Quantity / Rate
87021028		ASHOK LEYLAND -OYSTER HVAC E3 ABS 32 SE ATER AC BUS Other - Airconditioned-8702 1 028 MODEL YEAR :2021	FOB 11547219 INR Qty 5 NOS Rate 23272 EUR Per 1 NOS Tot.Val 146360 EUR
Scheme Cd	19 Drawback		
Cess No	AR4 No	Quota No	Raw Material No
Child DBK No			DBK Declaration
PMV 254036818	(INR)	Tot. PMV 12701940.9	(INR)
RITC Desc	Other, air-conditioned		Notification No
End Use	GNX100		Reward Item
IGST pay. status	p	HAWB No	Total Pckg
		Tax Value	IGST Amt. Paid

- Invoice dtls
- DBK Dtls
- License dtls
- DEIA dtls
- STR details
- REPO/DEPO Parent dtls
- AR4 Details
- Cess Details
- Drawback dtls
- Third Party
- PGA Dtls
- Exit

4.6.6.1. I find that the exporter has declared the description of the goods as 'A/L 222" WB VIKING 58 SEATER BUS - COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION' in respect of Shipping Bill No. 1993381 dated 24.07.2015, and as 'ASHOK LEYLAND - OYSTER HVAC E3 ABS 32 SEATER AC BUS - AIR-CONDITIONED, MODEL YEAR 2021' in respect of Shipping Bill No. 5511434 dated 29.09.2020. The said goods have been classified under CTH 87021099 and 87021028, respectively. Therefore, it would be

worthwhile to look at the Customs Tariff Heading 8702, which covers the goods of broad description as under.

**Custom Tariff for the year 2014-15 in respect of Shipping Bill No. 1993381 dated 24.07.2015**

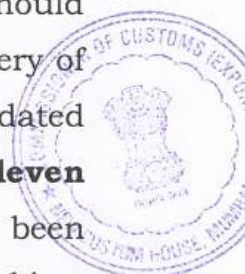
<b>8702</b>	<b>MOTOR VEHICLES FOR THE TRANSPORT OF TEN OR MORE PERSONS, INCLUDING THE DRIVER.</b>
<b>8702 10</b>	<i>- With compression-ignition internal combustion piston engine (diesel or semi-diesel) :</i>
	<i>--- Vehicles for transport of not more than</i>

	<i>13 persons, including the driver .</i>
8702 10 11	--- Integrated monocoque vehicle
8702 10 12	--- Air-conditioned vehicle
8702 10 19	--- Other
	--- <i>Other :</i>
8702 10 91	--- Integrated monocoque vehicle
8702 10 92	--- Air-conditioned vehicle
8702 10 99	--- Other
8702 90	<i>- Other :</i>
	<i>--- Vehicles for transport of not more than 13 persons, including the driver .</i>
8702 90 11	--- Integrated monocoque vehicle
8702 90 12	--- Air-conditioned vehicle
8702 90 13	--- Electrically operated
8702 90 19	--- Other
8702 90 20	--- Electrically operated vehicles not elsewhere included or specified
	--- <i>Other :</i>
8702 90 91	--- Integrated monocoque vehicle
8702 90 92	--- Air-conditioned vehicle
8702 90 99	--- Other

**Custom Tariff for the year 2020-21 in respect of Shipping Bill No. 5511434 dated 29.09.2020**

8702	Motor vehicles for the transport of ten or more persons, including the driver
8702 10	- With only compression-ignition internal combustion piston engine (diesel or semi-diesel) :
	--- Vehicles for transport of not more than 13 persons, including the driver :
8702 10 11	---- Integrated monocoque vehicle, air-conditioned . . . . .
8702 10 12	---- Integrated monocoque vehicle, non-air-conditioned . . . . .
8702 10 18	---- Other, air-conditioned . . . . .
8702 10 19	---- Other, non-air-conditioned . . . . .
	--- Other :
8702 10 21	---- Integrated monocoque vehicle, air-conditioned . . . . .
8702 10 22	---- Integrated monocoque vehicle, non-air-conditioned . . . . .
8702 10 28	---- Other, air-conditioned . . . . .
8702 10 29	---- Other, non-air-conditioned . . . . .

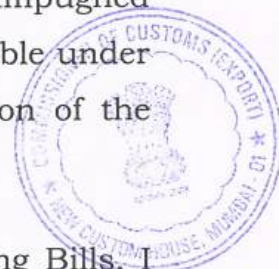
**4.6.6.2.** In view of the foregoing, I come to the considered conclusion that the goods exported under the aforesaid two (02) Shipping Bills, namely Shipping Bill No. 1993381 dated 24.07.2015 and Shipping Bill No. 5511434 dated 29.09.2020, have been correctly classified under CTH 87021099 and 87021028, respectively, based on the declared description as mentioned in the respective Shipping Bills in the Indian Customs EDI System (ICES). I further find that the allegation made in the Show Cause Notice to the effect that the goods covered under the aforesaid (02) Shipping Bills have been misclassified under CTH 8706 is not correct. Hence, I find that the declared classification of the goods in respect of the said (02) Shipping Bills vide nos. 1993381 dated 24.07.2015 & 5511434 dated 29.09.2020 under CTH-87021099 & CTH-87021028, having declared FOB value as per subject SCN which is amounting to Rs. 47,32,500/- (Rupees Forty Seven Lakh Thirty Two Thousand Five Hundred Only) & Rs. 1,11,22,500/- (Rupees One Crore Eleven Lakh Twenty Two Thousand and Five Hundred Only), respectively, should not be rejected. Further, I also find that the SCN proposed demand & recovery of excess MEIS Duty Scrips in respect of Shipping Bill No. 5511434 dated 29.09.2020 which is amounting to **Rs. 1,11,225/- (Rupees One Lakh Eleven Thousand Two Hundred and Twenty Five Only)** and no demand has been raised in respect of Shipping Bill No. 1993381 dated 24.07.2015 in the subject SCN. Therefore, I come to the conclusion that in respect of Shipping Bill No. 5511434 dated 29.09.2020, the demand & recovery of alleged excess MEIS Duty credit scrips amounting to Rs. 1,11,225/- (Rupees One Lakh Eleven Thousand Two Hundred and Twenty Five Only) along with applicable interest thereon, as raised in the subject SCN, under the provisions of Section 28AAA & 28AA of the Customs Act, 1962, is not sustainable for the reason cited above and accordingly, the said amount should not be demanded & recovered from the exporter. As a



result, the confiscation of impugned goods as proposed in the subject SCN in respect of (02) Shipping Bills vide nos. 1993381 dated 24.07.2015 & 5511434 dated 29.09.2020 **having declared FOB value** as per subject SCN which is amounting to **Rs. 47,32,500/- (Rupees Forty Seven Lakh Thirty Two Thousand Five Hundred Only) & Rs. 1,11,22,500/- (Rupees One Crore Eleven Lakh Twenty Two Thousand and Five Hundred Only)**, respectively, under Section 113 of the Customs Act, 1962 as well as the penal provisions invoked under Section 114(iii), Section 114AA & Section 114AB of Customs Act, 1962, proposed thereon on the exporter in the SCN are also not sustainable. Thus, the entire proceedings proposed in the subject SCN are liable to be dropped in respect to the impugned goods in respect of (02) Shipping Bills vide nos. 1993381 dated 24.07.2015 & 5511434 dated 29.09.2020.

**4.6.7.** I find that the subject SCN proposes the classification of the exported goods **having total FOB value of Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only)** presented under 114 Shipping Bills (as mentioned in Annexure-1 to the SCN) should be rejected and the exported goods be re-classified under CTI Code 87042219 and 87042319 of the Customs Tariff Act, 1975. **But**, in view of the forgoing discussions at Para & Sub-Para's of (4.6.6) above and after exclusion of the (02) Shipping Bills vide nos. 1993381 dated 24.07.2015 & 5511434 dated 29.09.2020, I find that the exporter had incorrectly classified the impugned goods in respect of the remaining 112 Shipping Bills (as per Annexure-I of the SCN) having total FOB value of **Rs.78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five Only)** under CTIs 87060019, 87060029, 87060042, 87060043, 87040049 and 87060050, which resulted in misclassification of the said exported goods and the said impugned goods exported under aforesaid 112 Shipping Bills are correctly classifiable under CTIs 87042219 or 87042319 on the basis of their declared description of the goods and the ascertainable GVW from model numbers.

**4.6.8.** In view of the above findings, out of the total 114 Shipping Bills, I accept the classification of the exported goods under (02) Shipping Bills vide nos. 1993381 dated 24.07.2015 & 5511434 dated 29.09.2020 as the same are declared under CTI's 87021099 & 87021028, respectively and not under chapter heading 8706. Further, I reject the classification of the remaining exported goods having total FOB value of **Rs.78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five Only)** presented under remaining 112 Shipping Bills (as mentioned in Annexure-1 to the SCN) and



re-classify the aforesaid exported goods presented under subject 112 Shipping Bills under CTIs Code 87042219 or 87042319 of the Customs Tariff Act, 1975.

**4.7. Whether the MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 respectively should be rejected and the MEIS duty scrips should be re-determined as per the benefits available under CTIs 87042219 and 87042319.**

&

**Whether the claimed inadmissible excess MEIS duty credit scrips totally amounting to Rs 81,78,070/- (Rupees Eighty One Lakhs Seventy Eight Thousand Seventy Only) should be demanded and recovered from the exporter, under the provisions of Section 28AAA of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962.**

**4.7.1.** Now, the next issue before me is whether the Exporter had misclassified the impugned goods willfully and deliberately with the intention to avail MEIS benefits on higher side and whether the MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 respectively should be rejected and the MEIS duty scrips should be re-determined as per the benefits available under CTIs 87042219 and 87042319. In this regard, I find that the Merchandise Exports from India Scheme (MEIS) provides benefits to exports of notified goods with the ITC (HS) code made to the notified markets, listed under Appendix 3B of the Handbook of Procedures (HBoP) in the form of Duty Credit Scrips. Besides, Appendix 3B also lists the rate(s) of rewards on various notified products [ITC (HS) code wise] which are based on the FOB value of exports realized in free foreign exchange, or on FOB value of exports as given in the Shipping Bills in free foreign exchange, whichever is less, unless otherwise specified.

**4.7.2.** I find that the Audit Commissionerate, Mumbai Zone-I observed that goods classifiable under CTH 8704 attract MEIS rewards at the rate of 2% or 'Nil' of the FOB value of exports, depending upon the destination country, whereas goods classifiable under CTH 8706 are eligible for MEIS rewards at the rate of 3% of the FOB value of exports, subject to the destination country. It is observed that, on account of the misclassification of the impugned goods, the exporter had claimed MEIS benefits at the higher rate of 3% of the FOB value, instead of the admissible rate of 2% or 'Nil', as the case may be. In view of the above findings, the Audit Commissionerate, Mumbai Zone-I found that the exporter, M/s Ashok



Leyland Limited (IEC-0488014336), had misclassified the goods with an intent to avail ineligible higher MEIS benefits. Hence, by declaring the goods under CTIs 87060019, 87060029, 87060042, 87060043, 87040049 & 87060050, the exporter claimed MEIS benefits at the rate of 3% of the FOB value, instead of the appropriate classification under CTIs 87042219/87042319, etc., based on the Gross Vehicle Weight (GVW), which would render the exports eligible for MEIS at the rate of 2% or 'Nil', as applicable. Accordingly, the Audit Commissionerate, Mumbai Zone-I issued Consultative Letter No. 1250 vide F. No. CADT/CIR/ADT/TBA/1242/2023-TBA-CIR-A2 dated 03.03.2023 (Annexure-2 to the SCN), calling upon the exporter to repay the excess MEIS benefits availed, along with applicable interest under the provisions of the Customs Act, 1962. In response, the exporter submitted their reply dated 24.04.2023 (Annexure-3 to the SCN), the contents of which have been detailed in Para 1.6 supra and are not reproduced herein for the sake of brevity.

**4.7.3.** I find that, during the course of the proceedings conducted by the Audit Commissionerate, the exporter was called upon to furnish port-wise utilization details of the MEIS scrips issued by the Directorate General of Foreign Trade (DGFT) in respect of the exports effected by them. However, despite sufficient opportunity, the exporter failed to submit the requisite details. Accordingly, action against the exporter has been initiated under the provisions of the Customs Act, 1962.

**4.7.4.** I find that, based on the submissions made by the exporter, the calculation of differential MEIS benefits was re-examined in the SCN, and a revised calculation sheet in respect of the Shipping Bills listed in Annexure-1 thereto was prepared. I note that such re-computation has been carried out taking into account the amendments to the MEIS rates notified by the Directorate General of Foreign Trade (DGFT) through relevant Public Notices issued from time to time, as well as the applicable MEIS rates corresponding to the destination countries of export. I further find that based on these parameters, the total **114 Shipping Bills** presented by the exporter were divided into three distinct periods in the subject SCN, depending upon the country of exports. The three distinct periods are:

- i. In respect of 34 Shipping Bills (mentioned in Annexure 'A' to the SCN), for exports into the Country Group 'C' (Sri Lanka) during the period from 01.04.2015 till 28.10.2015;**

ii. **In respect of 29 Shipping Bills (mentioned in Annexure 'B' to the SCN),** for exports into the Country Group 'C' (Sri Lanka) from 29.10.2015 till 03.05.2016;

iii. **In respect of 51 Shipping Bills (mentioned in Annexure 'C'),** for exports into the Country Group 'B'(Mauritius, Qatar, Saudi Arabia, Tanzania, United Arab Emirates) in the period 01.04.2015 till 31.12.2020, and exports to the Country Group 'C'(Sri Lanka) in the period 04.05.2016 till 31.12.2020.

**4.7.5.** In view of the above bifurcation of the total 114 Shipping Bills into aforesaid three categories as per SCN, calculations have been ascertained, to find the excess MEIS benefit claimed by the exporter due to mis-classification of the subject goods on the basis of relevant public notices issued by Directorate General of Foreign Trade (DGFT), Ministry of Commerce, in exercise of the powers conferred under FTP, notifying the reward rates under the Merchandise Exports from India Scheme (MEIS) along with Country Groups containing list of Countries and ITC (HS) code wise list of products.

i. **In respect of 34 Shipping Bills (mentioned in Annexure 'A' to the SCN), for exports into the Country Group 'C' (Sri Lanka) in the period from 01.04.2015 till 28.10.2015.**

a) I find that, out of the 34 Shipping Bills enumerated in Annexure 'A' to the SCN, pertaining to exports to Country Group 'C' (Sri Lanka) during the period from 01.04.2015 to 28.10.2015, one (01) Shipping Bill bearing No. 1993381 dated 24.07.2015 (appearing at sr.no. 10 of Annexure A to the SCN) having FOB value amounting to Rs.47,32,500/- (Rupees Forty Seven Lakh Thirty Two Thousand Five Hundred Only) has been correctly classified under CTI 87021099 by the exporter, for the reasons recorded in Para & Sub-Para's of (4.6.6) supra. Since, the said classification has been accepted as correct, as discussed in Para(4.6.8) supra, therefore, the scope of the present proceedings stands confined to the remaining 33 Shipping Bills listed in Annexure 'A' to the SCN, excluding the aforesaid Shipping Bill No. 1993381 dated 24.07.2015, for the reasons recorded hereinabove.

b) Therefore, I find that, under the first category, remaining 33 Shipping Bills of the Annexure 'A' which were filed by the exporter during the period from 01.04.2015 to 28.10.2015, wherein the destination country of the exported goods was Sri Lanka. I note that, as per DGFT Public Notice No. 02/2015-20 dated 01.04.2015, Sri Lanka falls under Country Group 'C' (Serial No. 59). I further note



that, in terms of the MEIS rates notified vide the aforesaid Public Notice, exports to Country Group 'C' of goods classifiable under CTH 8704 or 8706 are eligible for MEIS benefit at the rate of 'Nil' on the FOB value of exports. The relevant MEIS rates applicable for the said period in respect of CTH 8704 and 8706 are tabulated below:

**CTH 8704:**

Serial No.	HS Code	ITC (HS Code)	Description of Goods	MEIS Reward Rate		
				Country Group Code A	Country Group Code B	Country Group Code C
	<b>8704</b>		Motor Vehicles for the transport of goods.			
<b>4527</b>		<b>87042219</b>	3-Wheeler Goods Vhcls, Wth Cmprsn Igntrn Intrnl Cmbstn Pstn Engrn Wth G.V.W>5 Tons Bt<=20 Tons: Lorry And Trucks	<b>2</b>	<b>2</b>	<b>0</b>
<b>4529</b>		<b>87042319</b>	3-Wheeler Goods Vhcls, Wth Cmprsn Igntrn Intrnl Cmbstn Pstn Engrn Wth G.V.W>20 Tons: Lorry And Trucks	<b>2</b>	<b>2</b>	<b>0</b>

**CTH 8706:**

Serial No.	HS Code	ITC (HS Code)	Description of Goods	MEIS Reward Rate		
				Country Group Code A	Country Group Code B	Country Group Code C
	<b>8706</b>		Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705			
<b>4537</b>		<b>87060019</b>	Chassis Fr Othr Tractors	<b>3</b>	<b>3</b>	<b>0</b>

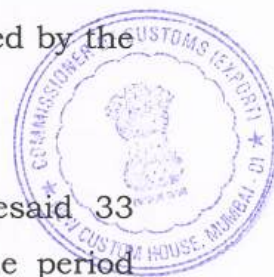


<u>4538</u>		<u>87060029</u>	Chassis Fr Vhcls Hdng 8702 (>13 Persons)	<u>3</u>	<u>3</u>	<u>0</u>
<u>4539</u>		<u>87060039</u>	Chassis Fr Vhcls Hdng 8703 Excp 3-Whld	<u>3</u>	<u>3</u>	<u>0</u>
<u>4540</u>		<u>87060042</u>	Chassis Fr Vhcls Hdng 8704 Excp Petrol Drvn	<u>3</u>	<u>3</u>	<u>0</u>
<u>4541</u>		<u>87060043</u>	Chassis Fr Dumpers Hdng 8704	<u>3</u>	<u>3</u>	<u>0</u>
<u>4542</u>		<u>87060049</u>	Chassis for Other Vehcls Heading 8704	<u>3</u>	<u>3</u>	<u>0</u>

c) From the foregoing table, it is evident that exports to Country Group 'C' (Sri Lanka), falling under CTH 8704 or CTH 8706 for the period from 01.04.2015 to 28.10.2015, are eligible for MEIS benefit at the rate of 'Nil' in respect of aforesaid 33 Shipping Bills. I also note that, in respect of the aforesaid 33 Shipping Bills, the exporter has not claimed any MEIS benefit as per their declaration in the 'Reward Item' as 'N' in the ICES system. In view of the above, the correct classification of the impugned goods covered under the said 33 Shipping Bills has been determined on the basis of the declared description of the goods and accordingly, the said goods are re-classified under CTI's 87042219 or 87042319 depending upon their Gross Vehicle Weight(GVW) ascertainable from the respective model numbers of the goods. The same is detailed in the Annexure 'A' to the SCN, along with the computation of the excess MEIS benefit claimed by the exporter which is 'NIL' in respect of subject 33 Shipping Bills.

d) Therefore, in view of the above, I find that in respect of aforesaid 33 Shipping Bills(as detailed in Annexure 'A' to the SCN) filed during the period 01.04.2015 till 28.10.2015 by the exporter having FOB Value totally amounting to **Rs. 31,66,41,759/- (Thirty One Crores Sixty Six Lakhs Forty One Thousand Seven Hundred and Fifty Nine only), no differential MEIS benefit is recoverable from the exporter.**

ii. In respect of 29 Shipping Bills (mentioned in Annexure 'B' to the SCN), for exports into the Country Group 'C' (Sri Lanka) from 29.10.2015 till 03.05.2016.



a) I find that, under the second category, a total of 29 Shipping Bills, as detailed in Annexure 'B' to the SCN, were filed by the exporter during the period from 29.10.2015 to 03.05.2016 for exports to Country Group 'C' (Sri Lanka). I note that the Directorate General of Foreign Trade (DGFT), vide Public Notice No. 44/2015-20 dated 29.10.2015, revised the MEIS rates in respect of goods classifiable under CTH 8706, whereas no corresponding amendment was made in respect of goods falling under CTH 8704. The relevant extracts of the aforesaid Public Notice are tabulated below:

Serial No.	HS Code	ITC (HS Code)	Description of Goods	MEIS Reward Rate			NEW MEIS Rates as per Public Notice No.44/2015-20 dated 29.10.2015
				Country Group Code A	Country Group Code B	Country Group Code C	Country Group A,B, C
	<b>8706</b>		Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705				
<b>4537</b>		<b>87060019</b>	Chassis Fr Othr Tractors	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4538</b>		<b>87060029</b>	Chassis Fr Vhcls Hdng 8702 (>13 Persons)	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4539</b>		<b>87060039</b>	Chassis Fr Vhcls Hdng 8703 Excp 3-Whld	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4540</b>		<b>87060042</b>	Chassis Fr Vhcls Hdng 8704 Excp Petrol Drvn	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4541</b>		<b>87060043</b>	Chassis Fr Dumpers Hdng 8704	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>4542</b>		<b>87060049</b>		<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>



b) From the foregoing table, I find that, in terms of the revised MEIS rates notified vide Public Notice No. 44/2015-20 dated 29.10.2015, goods classifiable

under CTH 8706 became eligible for MEIS benefits at the rate of 3% of the FOB value for exports to all countries falling under Groups A, B and C. However, the MEIS rate in respect of goods classifiable under CTH 8704 continued at 'Nil' for exports to Country Group 'C' during the material period. I further note that the MEIS rate for CTH 8704 was subsequently revised to 2% of the FOB value for exports to all country groups vide Public Notice No. 06/2015-20 dated 04.05.2016. Hence, I find that the exporter, by misclassifying the impugned goods, availed excess MEIS benefits@3% of the FOB value in respect of 29 Shipping Bills filed during the period from 29.10.2015 to 03.05.2016. In view of the above, the correct classification of the impugned goods covered under the said 29 Shipping Bills has been determined on the basis of the declared description of the goods and accordingly, the said goods have been re-classified under CTI's 87042219 or 87042319 depending upon their Gross Vehicle Weight(GVW) ascertainable from the respective model numbers of the said goods. The same is detailed in the Annexure 'B' to the SCN, along with the computation of the excess MEIS benefit claimed by the exporter in respect said 29 Shipping Bills.

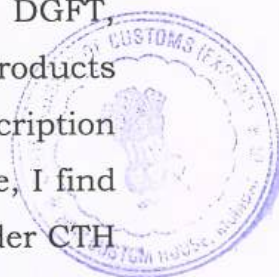
c) Therefore, in view of the above, I find that the exporter, in respect of 29 Shipping Bills(as detailed in the Annexure 'B' to the SCN) filed during the period 29.10.2015 to 03.05.2016, exported the impugned goods to the Country Group 'C', having FOB value totally amounting to **Rs.17,14,00,947/- (Rupees Seventeen Crores Fourteen Lakhs Nine Hundred Forty Seven Only)** by the way of mis-classifying the goods under the CTIs 87060019, 87060029, 87060042, 87060043 & 87060049 instead of correct CTI's 87042219 or 87042319 and had availed excess MEIS benefits @3% of FOB value, which is amounting to **Rs. 51,42,028/- (Rupees Fifty One Lakhs Forty Two Thousand Twenty Eight Only)**. Therefore, I find that the excess MEIS benefit amounting to **Rs. 51,42,028/- (Rupees Fifty One Lakhs Forty Two Thousand Twenty Eight Only)** availed by the exporter in respect of aforesaid 29 Shipping Bills is liable to be recovered along with applicable interest under Section 28AAA & 28AA of the Customs Act, 1962.

**iii. In respect of 51 Shipping Bills (mentioned in Annexure 'C' to the SCN), for exports into the Country Group 'B' in the period 01.04.2015 till 31.12.2020, and exports to the Country Group 'C' in the period 04.05.2016 till 31.12.2020.**

a) I find that, **out of the 51 Shipping Bills** enumerated in Annexure 'C' to the SCN, pertaining to exports to Country Group 'B' during the period from 01.04.2015 to 31.12.2020 and to Country Group 'C' during the period from

04.05.2016 to 31.12.2020, **one (01) Shipping Bill bearing No. 5511434 dated 29.09.2020 (appearing at Sr. No. 48 of Annexure 'C' to the SCN)** having FOB value amounting to **Rs.1,11,22,500/- (Rupees One Crore Eleven Lakh Twenty Two Thousand and Five Hundred Only)** has been correctly classified under CTI 87021028 by the exporter, for the reasons recorded in Para & Sub-Para's of (4.6.6) supra and accordingly, the demand and recovery of excess MEIS Duty Scrips amounting to **Rs.1,11,225/- (Rupees One Lakh Eleven Thousand Two Hundred and Twenty Five Only) has been dropped.** I further note that the said classification has been accepted as correct and the other proceedings in respect of the aforesaid Shipping Bill have also been dropped, as discussed in Para(4.6.8) supra. Accordingly, the said Shipping Bill bearing No. 5511434 dated 29.09.2020 stands excluded from the scope of the present proceedings for the reasons recorded therein. Therefore, the scope of the present proceedings stands confined to the remaining 50 Shipping Bills listed in Annexure 'C' to the SCN.

**b)** Therefore, I find that, under the third category, remaining 50 Shipping Bills, as detailed in Annexure 'C' to the SCN, were filed by the exporter for exports to Country Group 'B' during the period from 01.04.2015 to 31.12.2020 and to Country Group 'C' during the period from 04.05.2016 to 31.12.2020. I note that the exporter classified the impugned goods under CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050, instead of the appropriate classification under CTIs 87042219 or 87042319(as applicable). I also note that in terms of Public Notice No. 32/2016 dated 22.09.2016 issued by DGFT, Additions/amendments in Table 2[containing ITC (HS) code wise list of products with reward rates] of Appendix 3B was made for CTH 87060050 with description as "Chassis for Motor Vehicles Heading 8705" and MEIS rate @3%. Hence, I find that, for the said period, the MEIS benefits admissible for goods falling under CTH 8706 and CTH 8704 were 3% and 2% of the FOB value, respectively. Accordingly, by adopting an incorrect classification, the exporter availed excess MEIS benefits to the extent of 1% of the FOB value in respect of the aforesaid Shipping Bills. This position holds good for exports made to Country Group 'B' during the period from 01.04.2015 to 31.12.2020, as well as for exports to Country Group 'C' during the period from 04.05.2016 to 31.12.2020. Hence, I find that the excess MEIS benefits availed by the exporter, on account of misclassification of the impugned goods in respect of the said 50 Shipping Bills, are liable for recovery. In view of the above, the correct classification of the impugned goods covered under the said 50 Shipping Bills has been determined on the basis of the declared description of the goods and accordingly, the said goods have been re-classified under CTI's 87042219 or 87042319 depending upon their Gross Vehicle Weight(GVW)



ascertainable from the respective model numbers of the said goods. The same is detailed in the Annexure 'C' to the SCN, along with the computation of the excess MEIS benefit claimed by the exporter in respect said 50 Shipping Bills.

c) Therefore, in view of the above, I find that the exporter filed aforesaid 50 Shipping Bills(as detailed in Annexure 'C' to the SCN) with FOB value totally amounting to **Rs.29,24,81,729/- (Rupees Twenty Nine Crores Twenty Four Lakhs Eighty One Thousand Seven Hundred and Twenty Nine Only)** by the way of mis-classifying the goods under the CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 instead of correct CTI's 87042219 or 87042319 and claimed excess MEIS benefits @1% of FOB Value, which is amounting to **Rs.29,24,817/- (Twenty Nine Lakhs Twenty Four Thousand Eight Hundred Seventeen Only)**, and the same is to be recovered from the exporter along with interest under Section 28AAA & 28AA of the Customs Act, 1962. In view of the forgoing paras, I find that the scope of adjudication proceedings is limited to 112 Shipping Bills and the same is summarized below in tabular form:

Annexures to the SCN	No of SB as per SCN	No. of Shipping Bills considered	FOB Value(in Rs.) of the considered Shipping Bills	Excess MEIS benefit Claimed(in Rs.)
A	34	33	31,66,41,759/-	0
B	29	29	17,14,00,947/-	51,42,028/-
C	50	50	29,24,81,729/-	29,24,817/-
<b>TOTAL</b>	<b>114</b>	<b>112</b>	<b>78,05,24,435/-</b>	<b>80,66,845/-</b>

4.7.6. In view of the forgoing discussions, the details of the subject 114 Shipping Bills(as detailed in Annexure-1 to the SCN) in respect of their declared description, declared classification, correct re-classification & excess MEIS benefit claimed by the exporter have been summarized in the table below for the sake of clarity:

**TABLE-I**

Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
1	1271431 18/06/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	13619060	0%	0
2	1271517 18/06/2015	A/L 1518 CHASSIS CAB - COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	10838555	0%	0
3	1271579 18/06/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	23887500	0%	0
4	1309420 20/06/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	13576300	0%	0
5	1398334 25/06/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	13576300	0%	0
6	1467694 29/06/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	952500	0%	0
7	1505934 30/06/2015	A/L 3518 IL TRUCK CHASSIS CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	1295400	0%	0
8	1505853 30/06/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	6788150	0%	0
9	1808994 15/07/2015	A/L 1613 TUSKER SUPER SLEEPER CABCHASSIS- COMM.VEHS.OF GVW ABV 7.5MT IN CBU CONDITION	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	23700000	0%	0



Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
10	1993381 24.07.2015	A/L 222" WB VIKING 58 SEATER BUS-COMM VEHs OF GVW ABV 7.5MT IN CBU CONDTN	Sri Lanka	87021099	87021099			
Demand & recovery of excess MEIS benefit and other allied proceedings has been dropped as the subject goods are classified under CTH 8702 and not under CTH 8706 as envisaged in the SCN.								
11	2264708 08/06/2015	A/L U3518 U TRUCK CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDT.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	6546625	0%	0
12	2410315 14/08/2015	A/L 1613 TUSKER SUPER SLEEPER CABCHASSIS - COMM.VEHs.OF GVW ABV 7.5MT INCBU CONDITION	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	18990000	0%	0
13	2577065 24/08/2015	A/L 1613 TUSKER DAY CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	9575600	0%	0
14	2619397 26/08/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	1894416	0%	0
15	3121023 21/09/2015	U3518 U TRUCK CAB CHASSIS - COMM VEHs OFGVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	13695000	0%	0
16	3164791 23/09/2015	A/L 2518 IL DAY CAB CHASSIS - COMM VEHsOF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	6989400	0%	0
17	3166021 23/09/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	9900000	0%	0
18	3522438 13/10/2015	A/L 2518 IL DAY CAB CHASSIS - COMM VEHsOF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	6894090	0%	0
19	3656866 20/10/2015	A/L 3518 IL 4X2 CHASSIS WITH CARGO SLEEPER CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	6526450	0%	0



Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No.	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
20	3657502 20/10/2015	A/L 3518IL 4X2 CHASSIS WITH CARGO SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	7831740	0%	0
21	3658869 20/10/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	5498936	0%	0
22	3682758 21/10/2015	A/L 1112 ECOMET CHASSIS CAB - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	9413520	0%	0
23	3682908 21/10/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	19290000	0%	0
24	3683058 21/10/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	10997872	0%	0
25	3754697 26/10/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	1374734	0%	0
26	3762183 27/10/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	6873670	0%	0
27	3771482 27/10/2015	A/L PARTNER TRUCK LX BS3 3350 WB CBC WHITE CHASSIS WITH OR WITHOUT CABIN FOR - COMM VEHS OF GVW UPTO5.00 MT IN CBU CONDT	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	3047820	0%	0
28	9239615 27/04/2015	A/L 1613 TUSKER DAY CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	1833720	0%	0
29	9680633 20/05/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	16240248	0%	0
30	9716490 22/05/2015	AL 1518 CHASSIS CAB - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	10761988	0%	0



Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
31	9738932 23/05/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	12170565	0%	0
32	9759232 25/05/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	12170565	0%	0
33	9799466 26/05/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	8538750	0%	0
34	9859154 29/05/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1352285	0%	0
35	4140795 17/11/2015	A/L 2518 IL DAY CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	6899385	3%	206981.6
36	4266166 24/11/2015	A/L 2518 IL DAY CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	6952335	3%	208570.1
37	4265883 24/11/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	9847500	3%	295425
38	4269899 24/11/2015	A/L 2518 IL SLEELPER CAB CHASSIS - COMMVEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	12632373	3%	378971.2
39	4331438 27/11/2015	A/L 1613 TUSKER SUPER - CESS PIT EMPTIERCAB CHASSIS - COMM VEHS OF GVW ABV 7.5MT IN CBU CCONDNTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	4503590	3%	135107.7
40	4706916 15/12/2015	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	18881250	3%	566437.5
41	4730839 16/12/2015	A/L 1616 IL/2 CHASSIS - COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	6538875	3%	196166.3



Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
42	4757334 17/12/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	7082125	3%	212463.8
43	4889658 23/12/2015	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	7076780	3%	212303.4
44	5030786 31/12/2015	A/L PARTNER F24 BSIII 3350 LLS CC WHITECAB CHASSIS WITH OR WITHOUT CABIN FOR COMM VEHS OF GVW UPTO 7.5 MT IN CBU CONDTN	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2282390	3%	68471.7
45	5031393 31/12/2015	A/L PARTNER F24 BSIII 3350 LLS CC WHITECAB CHASSIS WITH OR WITHOUT CABIN FOR COMM VEHS OF GVW UPTO 7.5 MT IN CBU CONDTN	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	4567800	3%	137034
46	5031579 31/12/2015	A/L PARTNER F24 BSIII 3350 LLS CC WHITECAB CHASSIS WITH OR WITHOUT CABIN FOR COMM VEHS OF GVW UPTO 7.5 MT IN CBU CONDTN	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	761300	3%	22839
47	5273900 14/01/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	11357056	3%	340711.7
48	5363976 20/01/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2839264	3%	85177.92
49	5364886 20/01/2016	A/L 1518 CHASSIS CAB - COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	5648980	3%	169469.4
50	5418079 22/01/2016	A/L 2518 IL SLEEPER CAB CHASSIS- COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1439943	3%	43198.29
51	5441567 23/01/2016	A/L 2518 IL SLEEPER CAB CHASSIS- COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1439943	3%	43198.29

Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
52	5458396 25/01/2016	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	10102500	3%	303075
53	5720248 02/08/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1441012	3%	43230.36
54	5912074 17/02/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	1441012	3%	43230.36
55	5927973 18/02/2016	2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	5764048	3%	172921.4
56	5939529 18/02/2016	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS (SHELL CAB) - COMM VEHS OF GVW ABV 7.5MT IN CBU CONDTN. (Other details as per	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	5985120	3%	179553.6
57	6003965 22/02/2016	AL 1518 CHASSIS CAB - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	17329778	3%	519893.3
58	6013706 22/02/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	5806808	3%	174204.2
59	6021540 23/02/2016	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS (SHELL CAB) - COMM VEHS OF GVW ABV 7.5MT IN CBU CONDTN. (Other details as per	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	4019680	3%	120590.4
60	6096305 26/02/2016	A/L 1613 CAB CHASSIS - COMM VEHS OF GVWABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	3965360	3%	118960.8
61	6098806 26/02/2016	1 NO. OF BRAND NEW VEHS 4923 TT SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU CONDTN. (Other details as per I	Sri Lanka	87060019 & 4537	87042219 & 4527 or 87042319 & 4529	1833300	3%	54999

Sr No.	SB No & Date	Items Description	Country of Export	RITC Declared & MEIS Schedule Sr. No. Declared	Correct RITC & Correct MEIS Schedule Sr. No.	FOB(In Lakhs)	Rate of excess benefit claimed by the exporter(in %)	Excess MEIS benefit claimed by the Exporter (in RS)
62	6637833 23/03/2016	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS (SHELL CAB) - COMM VEHs OF GVW ABV 7.5MT IN CBU CONDTN. (Other details as per	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	1965440	3%	58963.2
63	6647059 23/03/2016	A/L 1613 TUSKER SUPER SLEEPER CAB CHASSIS - COMM VEHs OF GVW ABV 7.5 MT IN CBU CONDTN.	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	996000	3%	29880
64	5139138 26/06/2019	04 NOS ASHOK LEYLAND JAN BUS CHASSIS WITH DSD Body	Mauritus	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	10442400	1%	104424
65	5215951 28/06/2019	4X4 165KW EURO IV LHD COWL CHASIS ALONG WITH 14R 20 WHEEL RIMS62 NOS IN LOOSE CONDITION)	UAE	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	23248080	1%	232480.8
66	5763425 23/06/2018	1616 XL CABIN CHASSIS, TRUCK-87060042	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2479174.2	1%	24791.742
67	7855352 27/09/2018	ASHOK LEYLAND JAN BUS CHASSIS: COMMERCIAL VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION.ABOVE 13 PERSONS	Mauritus	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	10936400	1%	109364
68	7879811 27/09/2018	ASHOK LEYLAND JAN BUS CHASSIS: COMMERCIAL VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION.ABOVE 13 PERSONS	Mauritus	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	2734100	1%	27341
69	1214923 29/11/2017	BOSS 1412 LE 20FT CABIN CHASSIS ML5BSIII)CAB CHASSIS-87060042	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2023623	1%	20236.23
70	3737439 24/03/2018	ASHOK LEYLAND FALCON BUS CHASSIS DESCRIPTION: COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Mauritus	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	3945225	1%	39452.25
71	3777465 27/03/2018	N4019 TT ECO NG-CAB CHASSIS OTHER, TRACTOR-87060019	Sri Lanka	87060019 & 4537	87042219 & 4527 or 87042319 & 4529	3653663	1%	36536.63
72	6446324 01/06/2017	A/L 2518 il H3/3c 6x4 RMC-5030 MM 198') WB CAB CHASSIS: COMM.VEHs.OF GVW ABOVE 7.5 MT IN CBU CONDITION.	Sri Lanka	87060050 & 7421	87042219 & 4527 or 87042319 & 4529	2522376	1%	25223.76
73	6446364 01/06/2017	A/L 1616IL/3C 4X2 HAULAGE 5334 MM 210) WB CAB CHASSIS: COMM.VEHs. OF GVW ABOVE 7.5MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1027140	1%	10271.4

Sr. No	Shipping Bill No. & Date	Declared Items Description	Country of Export	Declared RITC & MEIS schedule No	Correct RITC & MEIS schedule No.	FOB (In Rs)	Rate of excess MEIS benefit claimed (in %)	Excess MEIS benefit claimed by the Exporter (in RS)
74	6446371 01/06/2017	A/L 1616IL/3C 4X2 HAULAGE 5334 MM 210) WBCAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1027140	1%	10271.4
75	6446529 01/06/2017	A/L 1616IL/3C BSIII HAULAGE 210IN WB CABCHASSIS: COMM.VEHS. OF GVW ABOVE 7.5 MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1027140	1%	10271.4
76	6446534 01/06/2017	A/L 1616IL/3C BSIII HAULAGE 210IN WB CABCHASSIS: COMM.VEHS.OF GVW ABOVE 7.5 MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1027140	1%	10271.4
77	6998894 11/04/2016	A/L 2518IL CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU COND TN.	Tanzania	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1546300	1%	15463
78	7629113 13/05/2016	A/L 2518 IL SLEEPER CAB CHASSIS - COMM VEHS OF GVW ABV 7.5 MT IN CBU COND TN.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	13389877	1%	133898.77
79	1210188 16/06/2015	A/L 1518 CHASSIS CAB - COMM VEHS OF GVWABV 7.5 MTIN CBU COND TN.	Qatar	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	26945100	1%	269451
80	3207586 25/09/2015	A/L 1518 CHASSIS CAB - COMM VEHS OF GVWABV 7.5 MTIN CBU COND TN.	Qatar	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	27918000	1%	279180
81	3208965 25/09/2015	A/L PARTNER TRUCK CHASSIS CABIN, 2850MMWB CHASSIS WITH OR WITHOUT CABIN FOR - COMM VEHS OF GVW UPTO 7.5 MT IN CBU COND TN	Mauritius	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1716000	1%	17160
82	4147440 17/11/2015	A/L 1518 CHASSIS CAB - COMM VEHS OF GVWABV 7.5 MTIN CBU COND TN.	Qatar	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	13779225	1%	137792.25
83	4620290 12/10/2015	A/L PARTNER LX TRUCK CB CHASSIS WITH ORWITHOUT CABIN FOR COMM VEHS OF GVW UPTO7.5 MT IN CBU COND TN. EPCG LICENCE NO.	Mauritius	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1762250	1%	17622.5
84	6446577 01/06/2017	A/L FV181 TT 4X2 TRACTOR-3300 MM130)WBCAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5 MT IN CBU CONDITION.	Sri Lanka	87060019 & 4537	87042219 & 4527 or 87042319 & 4529	1207446	1%	12074.46
85	6446658 01/06/2017	A/L 1618 XL/C 4X2 TIPPER-3607 MM142")WBCAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1914360	1%	19143.6



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86	6446831 01/06/2017	A/L FV181 TT 4X2 TRACTOR-3300 MM130)WBCAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5 MT IN CBU CONDITION.	Sri Lanka	87060019 & 4537	87042219 & 4527 or 87042319 & 4529	2414892	1%	24148.92
87	6447608 01/06/2017	A/L 1616IL/3C 4X2 HAULAGE 5334 MM210")WB CAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5MT IN CBU CONDITION.	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1027140	1%	10271.4
88	6447627 01/06/2017	A/L 2518 il H3/3c 6X4 RMC-5030 MM198")WB CAB CHASSIS:COMM.VEHS.OF GVW ABOVE 7.5MT IN CBU CONDITION.	Sri Lanka	87060050 & 7421	87042219 & 4527 or 87042319 & 4529	1261188	1%	12611.88
89	8320326 29/08/2017	ASHOK LEYLAND CO1612 IL SLEEPER CAB:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060043 & 4541	87042219 & 4527 or 87042319 & 4529	10723050	1%	107230.5
90	8320551 29/08/2017	ASHOK LEYLAND CO1612 IL SLEEPER CAB:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	18146700	1%	181467
91	8320601 29/08/2017	ASHOK LEYLAND CO1612 IL SLEEPER CAB:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	9898200	1%	98982
92	8369253 31/08/2017	ASHOK LEYLAND CO1612 il Sleeper Cab:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	824850	1%	8248.5
93	8780459 20/09/2017	ASHOK LEYLAND CO1612 il SLEEPER CAB:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	7400250	1%	74002.5
94	8816880 22/09/2017	A/L BOSS 1412 LE 17FT MLS CABIN CHASSIS(BSIII)WITH RADIAL TYRES:COMM. VEH. OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2004511	1%	20045.11
95	8816945 22/09/2017	A/L BOSS 1412 LE 20FT CABIN CHASSIS (MLSBSIII):COMM. VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	3997048	1%	39970.48
96	8817009 22/09/2017	ASHOK LEYLAND BOSS 1112 LE 20FT CBC (MLSBSIII):COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	8535864	1%	85358.64



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97	8838885 22/09/2017	ASHOK LEYLAND BOSS 1412 LE 20FT CABIN CHASSIS MLSBSIII):COMMERCIAL VEHICLES OFGVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	4996310	1%	49963.1
98	8872642 25/09/2017	ASHOK LEYLAND BOSS 1112 LE 20FT CBC MLSBSIII):COMMERCIAL VEHICLES OF GVW ABOVE7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	12329581	1%	123295.81
99	8873910 25/09/2017	ASHOK LEYLAND BOSS 1412 LE 20FT CABIN CHASSIS MLSBSIII):COMMERCIAL VEHICLES OFGVW ABOVE 7.5 MT.IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	5995571	1%	59955.71
100	8874083 25/09/2017	ASHOK LEYLAND BOSS 1112 LE 20FT CBC MLSBSIII):COMMERCIAL VEHICLES OF GVW ABOVE7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	6639005	1%	66390.05
101	8887196 25/09/2017	ASHOK LEYLAND BOSS 1112 LE 20FT CBC MLSBSIII):COMMERCIAL VEHICLES OF GVW ABOVE7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1896859	1%	18968.59
102	8887722 25/09/2017	ASHOK LEYLAND BOSS 1412 LE 20FT CABIN CHASSIS MLSBSIII):COMMERCIAL VEHICLES OFGVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2997786	1%	29977.86
103	8894035 25/09/2017	ASHOK LEYLAND FALCON BUS CHASSIS DESCRIPTION:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Mauritius	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	2611700		26117
104	8884859 25/09/2017	ASHOK LEYLAND BOSS 1412 LE 17FT MLS CABIN CHASSISBSIII)WITH RADIAL TYRES:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1002256	1%	10022.56
105	8930082 27/09/2017	ASHOK LEYLAND BOSS 1112 LE 20 FT CBC MLSBSIII):COMMERCIAL VEHICLES OF GVW ABOVE7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1896859	1%	18968.59
106	8987133 29/09/2017	ASHOK LEYLAND 1214 IL 3970 CBC SMART(15.5)-:COMMERCIAL VEHICLES OF GVW ABOVE 7.5MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	750068	1%	7500.68



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107	8987137 29/09/2017	ASHOK LEYLAND 1412 LE 20FT CABIN CHASSISMLSBSIII)-:COMMERCIAL VEHICLES OF GVWABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	1998524	1%	19985.24
108	8987196 29/09/2017	ASHOK LEYLAND 1214 II 4750 CBC SMART SL(CAB15.5)-:COMMERCIAL VEHICLES OF GVW ABOVE 7.5 MT IN CBU CONDITION	Sri Lanka	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2284983	1%	22849.83
109	9490403 11/05/2015	A/L PARTNER F24 BSIII 3350 LLS CC WHITE-CAB CHASSIS GVW UPTO 7.5MT IN CBU COND.AS PER INV.)EPCG 0430010496 DT 15.11.11	Tanzania	87060049 & 4542	87042219 & 4527 or 87042319 & 4529	1455900	1%	14559
110	9822109 27/05/2015	A/L 1518 CHASSIS CAB - COMM VEHs OF GVWABV 7.5 MTIN CBU CONDTN.	Qatar	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2675475	1%	26754.75
111	5511434 29.09.2020	ASHOK LEYLAND-OYESTER HVAC E3 ABS 32 SEATER AC BUS OTHER - AIRCONDITIONED MODEL YEAR 2021.		87021028	87021028	Demand & recovery of excess MEIS benefit and other allied proceedings has been dropped as the subject goods are classified under CTH 8702 and not under CTH 8706 as envisaged in the SCN.		
112	1755314 28/02/2020	HYDRAULIC LRV ON STALLION 4X4 BS IV 180HP RHD CHASSIS WITH OR WITHOUT CABIN,FORCOMMERCIAL VEHICLES OF GVW ABOVE 7.5MT I	Sri Lanka	87060029 & 4538	87042219 & 4527 or 87042319 & 4529	4398900	1%	43989
113	8595789 29/11/2019	ASHOK LEYLAND BOSS 913 3340MM WB CAB CHASSIS CAB CHASSIS-87060042 MODEL YEAR-2020	Saudi Arabia	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	2302020	1%	230202
114	8913763 12/12/2019	ASHOK LEYLAND BOSS 913 3940 MM WB CAB CHASSIS CAB CHASSIS-87060042 Model Year -2020	Saudi Arabia	87060042 & 4540	87042219 & 4527 or 87042319 & 4529	13744080	1%	137440.8
<b>TOTAL</b>						<b>78,05,24,435</b>		<b>80,66,845</b>



**4.7.6.1** Therefore, I find that out of 114 Shipping Bills as envisaged in the SCN, in respect of aforesaid 112 Shipping Bills filed by the exporter having total FOB value amounting to **Rs.78,05,24,435/- (Rupees Seventy Eight Crores Five Lakh Twenty Four Thousand Four Hundred and Thirty Five Only)**, the total excess MEIS benefits availed by the exporter by the way of mis-classifying the goods under the CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 instead of CTI's 87042219 or 87042319 has been ascertained in Table-I above, which is totally amounting to **Rs.80,66,845/- (Rupees Eighty Lakhs Sixty**

**Six Thousand Eight Hundred Forty Five Only**), and the same is to be recovered from the exporter under the provisions of the Customs Act, 1962. I also find that re-classification of subject goods either under CTI's 87042219 or 87042319 does not have any impact on the quantum of excess MEIS benefit availed by the exporter as MEIS rates notified vide relevant Public Notices issued by DGFT during the relevant period is same for the goods falling under CTH 8704.

**4.7.7** Further, I find that the Exporter had mis-declared the classification of the goods in their Shipping Bills to avail excess MEIS benefit. By no stretch of imagination, such mis-declaration and mis-statement can be regarded as without the exporter's will and intention, especially when such mis-declaration leads to availment of inadmissible benefit of MEIS by them. As already observed M/s. Ashok Leyland Limited (IEC-0488014336) had classified the impugned goods under CTI's 87060019, 87060029, 87060042, 87060043, 87060049 and 87060050 to claim inadmissible MEIS benefits. This shows that the decision to classify the export product under wrong CTH was taken to avail higher MEIS benefit, which clearly indicate that it is not due to lack of knowledge or unintentional mistake, but it is a willful "decision" to misclassify the goods with the intention to wrongfully avail undue MEIS benefit and as such it constitutes willful misstatement fit for invoking provisions of Section 28AAA of the Customs Act, 1962.

**4.7.8** I find from the Chapter Notes, Explanatory Notes and interpretative rules and reasons as elaborated in foregoing paras that M/s. Ashok Leyland Limited had willfully mis-stated the classifications of the subject goods exported by them and suppressed the actual classification in their export documents filed before the Customs authorities with an intent to avail undue benefit of MEIS scheme and therefore the MEIS scrips obtained by them on the basis of such manipulated documents become invalid and hence, it can be said that the same were obtained fraudulently. I find that by resorting to such acts, M/s. Ashok Leyland Limited had contravened the various provisions of Customs Act, 1962.

**4.7.9** I notice that vide Finance Act, 2011 with effect from 08.04.2011 "Self-Assessment" had been introduced under the Customs Act, 1962. With the introduction of self-assessment under the Customs Act, more faith is bestowed on the exporter, as the practice of routine assessment, concurrent audit and examination has been dispensed with and the exporters have been assigned with the responsibility of assessing their own goods under Section 17(1) of the Customs Act, 1962. Section 17(1) of the said Act provided for self-assessment of duty on import and export goods by the importer or the exporter by filing a bill of

entry or shipping bill, as the case may be, in the electronic form, as per Section 46 or 50 respectively. As a part of self-assessment by the said exporter, it is their duty to present correct facts and declare to the Customs authority about their inability to classify the subject goods rather to mis-classify the goods. The onus is on the exporter to ensure that accurate and complete information is given in the shipping bill, as mandated under section 50(2) & 50(3) of the Customs Act, 1962. As per substantive provisions of section 50(3) of the Customs Act, 1962, the Exporter who presents a shipping bill or bill of export under this Section shall ensure the following, namely:

- (a) The accuracy and completeness of the information given therein;
- (b) The authenticity and validity of any document supporting it, and
- (c) Compliance with the restrictions or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

Thus, under self-assessment, it is the importer or exporter who would ensure that they declare the correct classification, applicable rate of duty, value, benefit of exemption notification claimed, if any, in respect of the imported/exported goods while presenting Bill of Entry or Shipping Bill. In the present case, I find that M/s. Ashok Leyland Limited had deliberately contravened the above said provisions with an intention to avail MEIS benefits fraudulently which are not legitimately due to them.

**4.7.10** Further, I observe that the exporter had not fulfilled the statutory obligation of correct and truthful declaration of the material facts of the exports document i.e. shipping bills, wherein the Exporter had mis-classified the goods with an intention to claim higher export benefits in form of the MEIS as explained above. Thus, by misclassifying the impugned goods in respect of aforesaid 112 Shipping Bills, undue MEIS benefits amounting to **Rs.80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only)** had been wrongly claimed by the Exporter.

**4.7.11** I find that in the instant case that the exporter had given a declaration under section 50(2) of the Customs Act, 1962 for the truthfulness of the content submitted at the time of filing Shipping bills. However, the exporter had not correctly classified the exported goods and therefore wrong MEIS benefit @ 3% instead of applicable MEIS @ 2% and 0% of FOB value on the subject goods was claimed by the exporter. Hence the Exporter had submitted a false declaration under Section 50(2) of the Customs Act, 1962 which amounts to

willful mis-declaration. Further, I observe that the Exporter had suppressed the facts of applicability of Correct MEIS benefit @2% and 0% while claiming MEIS benefit from DGFT by the way of misclassification of the subject goods and intentionally claimed undue MEIS benefit on the goods exported vide the said Shipping bills as detailed at Table-I above. However, no document had been submitted by the exporter with respect to the utilization of scrips claimed in the subject shipping bills. This act of exporter had resulted into loss of government revenue of **Rs. 80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only)** and had accrued monetary benefit to the Exporter. Therefore, Exporter had willfully mis-stated, mis-represented and suppressed the facts with an intention to gain undue MEIS benefit. As the Exporter got the undue monetary benefit, due to the said act of mis-classification of the subject exported goods and the same was done deliberately by mis-classification of the said goods in the above said Shipping bills during self-assessment which amounts to willful mis-declaration.

**4.7.12** I further observe that the Exporter presented shipping bills before DGFT to obtain MEIS License/Scrips under dispute. The duty credit granted on such MEIS License/Scrips includes MEIS credit earned on mis-classified goods in the subject case. I further find that M/s. Ashok Leyland Ltd. had deliberately mis-classified the export goods under CTIs 87060019, 87060029, 87060042 and 87060043, 87060049 and 87060050 in respect of 112 shipping bills having FOB value of Rs. **78,05,24,435/- (Rupees Seventy Eight Crores Five Lakh Twenty Four Thousand Four Hundred and Thirty Five Only)**, to claim and avail undue higher rate of MEIS benefits which are not due to them. M/s Ashok Leyland Ltd., thus claimed undue export benefit in terms of MEIS for **Rs. 80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only)**. The amount of **Rs. 80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only)** is therefore liable to be recovered under Section 28AAA of the Customs Act, 1962, along with the applicable interest under Section 28AA of the Customs Act.

**4.7.13** I find that the exporter, M/s. Ashok Leyland Ltd., by the way of misclassifying the subject goods and presented the said goods for export before the designated authority of Customs with intent to fraudulently avail benefit of MEIS on higher side, had violated the provisions of Section 17 and 50 of the Customs Act, 1962 which is their duty to comply with. In view of the above, I therefore, find that M/s. Ashok Leyland Ltd. had indulged in fraudulent export of the goods by mis-declaring the actual classification of goods so exported, which

squarely fell within the ambit of illegal export' as defined in Section 11H(a) of the Customs Act, 1962 in as much as the same was in contravention of various provisions of Customs Act, 1962, Foreign Trade (Development and Regulation) Act, 1992, Foreign Trade (Regulation) Rules 1993 and Foreign Trade Policy.

Moreover, as the Exporter has been working under the regime of self-assessment, where they have been given liberty to determine every aspect of a consignment from the classification to declaration of value of the goods, it was the sole responsibility of the Exporter to place correct facts and figures before the Assessing Authority. In the instant case, the Exporter had the full knowledge of the fact that they did not follow the correct MEIS Reward Rate in respect of the declared exported goods but they preferred suppressing the fact from the Customs Authority for claiming the MEIS Reward Rate on higher side.

**4.7.14** In view of the above discussion, I find that MEIS benefit, is covered by Customs Notification No. 24/2015-Customs, dated April 8, 2015(as amended), issued by Ministry of Finance, under the Foreign Trade Policy 2015-2020, was a custom duty exemption by way of debit through MEIS Scrips and it grants exemptions from basic customs duty for imports made against duty credit scrips issued under the MEIS scheme. The power to exempt would include within its ambit the power to demand duty in the event such exemption is wrongly claimed/mis-used. Since the MEIS Scrips/Licenses had been obtained by M/s Ashok Leyland Ltd. by mis-classification of the export goods, as discussed in the preceding paras, they are therefore liable for suspension/cancellation /restriction. Hence, I find that the exemptions claimed by the importers are not admissible and duty at the appropriate rate is leviable on the imports to the extent of duty credit denied and the same is required to be recovered from M/s Ashok Leyland Ltd. However, no document had been submitted by the exporter with respect to the utilization of scrips claimed in the subject shipping bills. Therefore, I reject **the MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 by the exporter and the MEIS duty scrips should be re-determined as per the benefits available under CTIs 87042219 and 87042319. Further, I find that undue benefit of MEIS availed amounting to Rs. 80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only) in respect of Shipping Bills as detailed in Table-I above, is liable to be denied and recovered under the provisions of Section 28AAA of the Customs Act, 1962 along with interest under Section 28AA of the Customs Act, 1962.**

**4.7.15.** Further, I notice that the exporter has made the contention that "*the Show Cause Notice is time barred as most of the shipping bills are ranging from*

2015 to 2017 and maximum 2019 and the demand is raised on 2025 which is a beyond 5 years period even where there is suppression or mis-representation of facts.”

In view of the above, I find that Section 28 AAA of the Customs Act, 1962 was inserted vide the Finance Act, 2012 (Act 23 of 2012) dated 28.05.2012 and the same is reproduced below:

**[Section 28AAA. Recovery of duties in certain cases. -**

(1) Where an instrument issued to a person has been obtained by him by means of-

(a) collusion; or

(b) wilful misstatement; or

(c) suppression of facts,

for the purposes of this Act or the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), or [any other law, or any scheme of the Central Government, for the time being in force, by such person] or his agent or employee and such instrument is utilised under the provisions of this Act or the rules [or regulations] made or notifications issued thereunder, by a person other than the person to whom the instrument was issued, the duty relatable to such utilisation of instrument shall be deemed never to have been exempted or debited and such duty shall be recovered from the person to whom the said instrument was issued:

**Provided** that the action relating to recovery of duty under this section against the person to whom the instrument was issued shall be without prejudice to an action against the importer under section 28.

Further, on perusal of both provisions, I find that Section 28 lays down a strict time limit of five years from the relevant date to serve notice on the person chargeable with duty whereas Section 28 AAA does not lay down any limitation period for recovery of the duty relatable to utilization of instrument. The only reference of Section 28 contained in Section 28 AAA is with regard to the fact that any action under Section 28 AAA would be without prejudice to action initiated under Section 28. However, there is no provision in Section 28 AAA incorporating the limitation period of five years in case of wilful misrepresentation, collusion or suppression of facts, as given under Section 28.

In view of the above facts, I rely on the case law, M/s. New Era Trading Pvt. Ltd. Vs. The Commissioner of Customs, Export (WP(C) 842/2021) dated 21.01.2021 in the Hon'ble High Court of Delhi wherein the relevant portion of the case is reproduced below:

**“since the matter is at the stage of SCN, which is *our prima facie opinion is not time barred, especially looking to Section 28AAA of the Customs Act, 1962.*”**

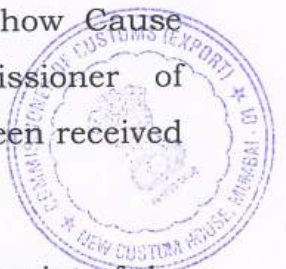
In view of the above discussion and relying on the ratio laid down in above case law, I find that the exporter's contention does not hold any water that the SCN is Time-barred.

**4.7.16.** Further, the exporter has also made contention that *"the Customs department should have issued Show Cause Notice only based on the utilization of MEIS Scrip based on Bills of Entry details and not based on MEIS Scrips issued as it has been issued by Joint Director of DGFT."*

In view of the above, I find that it has been brought on records in the subject SCN that the exporter has been timely and consistently requested during the audit proceedings carried out by the Audit Commissionerate, NCH, Mumbai, to submit the details of the utilization of MEIS Scrips based on Bills of Entry details, to which the exporter has failed to submit the same. I also find that as per the available records, letters dated 25.06.2024 & 28.02.2025 have been issued to the Deputy Director of DGFT(Directorate General of Foreign Trade), Mumbai Zonal Office, Mumbai, before issuance of the subject SCN wherein DGFT has been requested to forward the details of the MEIS Scrips issued to the exporter in respect of the subject Shipping Bills availing the excess benefit of MEIS by way of mis-classification and further, to initiate action for misuse of excess avilment of the MEIS benefit. However, no communication in this regard has been received from DGFT, Mumbai. Further, during the personal hearing, the exporter again failed to submit the details of the utilization of MEIS Scrips and has made submissions that they have not maintained the port-wise MEIS scrips details and they have used the scrips at the respective port based on the requirement. Further, I also find that, vide this office letter dated March, 2026, DGFT was once again requested to apprise the present status of the MEIS scrips against the respective shipping bills and to intimate whether any action has been initiated against M/s. Ashok Leyland Limited after issuance of aforesaid Show Cause Notice(SCN)No.01/2025-26 dated 03.04.2025 issued by Commissioner of Customs(Export), Zone-I, Mumbai. However, no communication has been received from DGFT, Mumbai thereto.

In view of the above facts on record and in the absence of the receipt of the details of the utilization of MEIS scrips from both the exporter and DGFT, I proceed to decide the case on merits to safeguard the loss of revenue to the Government Exchequer.

**4.7.17.** I also note that the exporter has made the contention that *"the working provided for issuance of SCN is not correct as Pre-GST demand has been*



*raised at 3%, whereas it should have only been @1% of MEIS benefit."*

In view of the above, I find that the calculations relating to the differential MEIS benefits claimed by the exporter were re-examined in detail in the Show Cause Notice (SCN). A revised calculation sheet was prepared, duly taking into account the amendments made by the Directorate General of Foreign Trade (DGFT) to the original MEIS rates through Public Notice No. 02/2015-20 dated 01.04.2015, Public Notice No. 44/2015-2020 dated 29.10.2015, and Public Notice No. 06/2015-2020 dated 04.05.2016. Further, the admissible MEIS benefits were recalculated with due regard to the destination country of exports, correct classification of the subject exported goods, and the relevant period of export. Based on these parameters, I find that the exporter had availed excess MEIS duty credit scrip benefits by misclassifying the subject goods in respect of 112 Shipping Bills under CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 instead of CTI's 87042219 or 87042319 which is totally amounting to **Rs. 80,66,845/- (Rupees Eighty Lakhs Sixty-Six Thousand Eight Hundred Forty-Five Only).**

In view of the above, I find that the calculations ascertained in respect of excess MEIS duty credit scrips benefit availed by the exporter in respect of 112 Shipping Bills, is correct and justifiable.

**4.8 Whether the goods in question having FOB value of Rs.79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five Only) should be confiscated under Section 113 of the Customs Act, 1962.**

**4.8.1.** I find that the subject SCN proposes confiscation of the exported goods having a total FOB value of Rs. 79,63,79,435/- (Rupees Seventy Nine Crores Sixty Three Lakhs Seventy Nine Thousand Four Hundred Thirty Five only) covered under 114 Shipping Bills, as detailed in Annexure-1 to the SCN. However, in view of the findings recorded in Paras (4.6.6), Para(4.6.7) & Para(4.6.8) supra, and upon exclusion of two (02) Shipping Bills, viz. No. 1993381 dated 24.07.2015 and No. 5511434 dated 29.09.2020, for the reasons recorded therein, I find that the scope of confiscation and allied proceedings, on account of misclassification of the exported goods, stands restricted to the remaining 112 Shipping Bills as detailed in Table-I, involving an aggregate FOB value of **Rs. 78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five only).**

**4.8.2.** The SCN proposes confiscation of goods under the provisions of Section 113 of the Customs Act, 1962. Section 113(i) provides for confiscation in cases where goods do not correspond in respect of any other particulars in respect of which the entry was made under the Act. This would also cover case of willful mis-classification of the subject goods by suppressing the fact of their true nature by the exporter. As there is willful misclassification of the impugned goods, resulting in availing excess benefit of MEIS, I find that the confiscation of the said exported goods, invoking Section 113(i) is justified and sustainable. I therefore hold that this intentional mis-classification and suppression of facts by the exporter with the intent to avail excess MEIS benefit have rendered the goods liable for confiscation under Section 113(i) of the Customs Act, 1962.

**4.8.3.** I also find that the Exporter had violated the provisions of Rule 11 of the Foreign Trade (Regulations), 1993 as well as the provision of section 50(2) of the Customs Act, 1962 by mis-classifying the subject exported goods and claimed undue MEIS which was not admissible to them and the reasons for the same have been discussed in the forgoing Paras, thereby rendering the exported goods covered by aforesaid 112 Shipping Bills, liable for confiscation under Section 113(i) of the Customs Act, 1962.

**4.8.4.** Further, I find that Rule 14(2) of Foreign Trade (Regulation) Rules, 1993 prohibits employing of any corrupt or fraudulent practice for the purpose of exporting any goods for obtaining any license and the reasons for the same have been discussed in the foregoing Para's. Hence, I find that the said goods are liable for confiscation in terms of Section 113(i) of the Customs Act, 1962 as the same were exported by mis-declaring the classification.

**4.8.5.** Therefore, for all the above-mentioned acts of commission and omission on the part of M/s Ashok Leyland Ltd., had rendered the goods exported under aforesaid 112 shipping Bills having declared FOB value of **Rs. 78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five only)** by resorting to mis-declaration in terms of classification of goods, rendering the subject exported goods, liable for confiscation under the provisions of Section 113(i) of the Customs Act, 1962.

**4.8.6.** However, I find that the goods exported are not available for confiscation, but I rely upon the order of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited [reported in 2018 (9) G.S.T.L. 142 (Mad.)] wherein the Hon'ble Madras High Court held:

*“23. The penalty directed against the Noticee under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularized, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, “Whenever confiscation of any goods is authorized by this Act ....”, brings out the point clearly. The power to impose redemption fine springs from the authorization of confiscation of goods provided for under Section 111 of the Act. When once power of authorization for confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant. The redemption fine is in fact to avoid such consequences flowing from Section 111 only. Hence, the payment of redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. We accordingly answer question No. (iii).”*

(Emphasis Supplied)

**4.8.7.** I further find that the above view of Hon’ble Madras High Court in case of M/s. Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), has been cited by Hon’ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd. reported in 2020 (33) G.S.T.L. 513 (Guj.). I find that the aforesaid case law would also be applicable in the present case wherein the impugned exported goods are liable for confiscation under Section 113 of the Customs Act, 1962. Therefore, Following the ratio of law laid down in above cases, I conclude that their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. Redemption fine can be imposed under Section 125 of Customs Act, 1962 when the goods are liable for confiscation under Section 113 *ibid.* even when same are not physically available for confiscation.

**4.9. Whether the Penalty under Section 114(iii) of the Customs Act, 1962 read with the Section 11 of the Foreign Trade (Development & Regulation) Act, 1992, and further, Penalty under Section 114AB & 114AA should be imposed on M/s. Ashok Leyland Ltd.**

**4.9.1.** As discussed above, I find that the aforesaid 112 Shipping Bills(detailed at Table-I) were filed by mis-classifying the impugned goods by the exporter, M/s. Ashok Leyland Ltd. They were well aware of the proper classification of the exported goods. However, they willfully suppressed the said fact and in turn suppressed the correct classification of the same before Customs authorities. The said act of exporter has resulted into excess availment of the MEIS benefit on impugned goods. Under Section 50 of the Customs Act, 1962 and further, Rule(11) of the Foreign Trade(Regulation), Rules, 1993, it is obligatory on the part of exporter to declare truthfully all the particulars relevant to the assessment of the goods, ensuring their accuracy and authenticity, which the exporter, M/s Ashok Leyland Ltd. clearly failed to do so.

**4.9.2.** As established in the preceding paragraphs, the exporter, despite being fully aware of the classification of the exported goods, deliberately withheld relevant information and willfully mis-classified the said goods, as uncovered only during the audit proceedings conducted by the Audit Commissionerate, NCH, Mumbai and thereby clearly indicating the existence of mens rea. Even otherwise, the Supreme Court in UOI v. Dharmendra Textile Processors [2008 (231) E.L.T. 3 (SC)] clarified that mens rea is not a prerequisite for civil penalties under tax laws unless specifically stated. Similarly, in Chairman, SEBI v. Shriram Mutual Fund [(2006) 5 SCC 361], the Apex Court held that for contraventions under civil statutes, proving intention is unnecessary- mere breach of the statutory obligation attracts penalty. Further support is drawn from Comex Co. vs. Collector of Customs, Madras-I [1997 (96) E.L.T. 526 (Mad.)], where the Madras High Court held that under Section 112(a), mens rea need not be established for imposition of personal penalties in departmental proceedings; proof of contravention suffices. I find that the exporter has intentionally mis-classified the subject goods to avail excess MEIS benefit. Since, the impugned goods have already been held liable to confiscation under Section 113(i) of the Customs Act, 1962 and the claimed inadmissible excess MEIS duty credit scrips is demanded under Section 28AAA of the Customs Act, 1962 along with applicable interest under Section 28AA, of the Customs Act, 1962, the exporter has rendered itself liable to the following Penalties for their acts/omissions and the above said deliberate mis-classification and wrong availment of MEIS benefits.

**4.9.3.** Therefore, I find that by misclassifying the goods with an intention to avail wrongful/ineligible/undue MEIS benefits, M/s Ashok Leyland Ltd. had violated the provisions of Customs Act and thereby rendered the goods liable for confiscation under the provisions of Section 113(i) of the Customs Act, 1962 Further, all the above-mentioned acts of commission and omission on the part of M/s Ashok Leyland Ltd. had rendered themselves liable for penal action under Section 114(iii), of the Customs Act, 1962 with respect to the goods exported in respect of aforesaid 112 Shipping Bills.

**4.9.4.** I also find that the Exporter have knowingly and intentionally made the declaration in the subject shipping bills which is false or incorrect with respect to the classification of the subject goods for undue claim of export benefits under MEIS. Therefore, this act of M/s Ashok Leyland Ltd. had rendered themselves liable to penal action under Section 114AA of the Customs Act, 1962 for signing false declaration in respect of aforesaid 112 Shipping Bills.

**4.9.5.** I also find that M/s Ashok Leyland Ltd. had claimed the instrument viz. MEIS benefits @3% of the FOB value instead of 2% and 0% by intentional mis-declaration of classification of the impugned exported goods. Therefore, the exporter, M/s Ashok Leyland Ltd. are also liable for penalty under Section 114AB of Customs Act, 1962 for this intentional mis-declaration of classification.

**5.** In view of the discussions and findings above, I pass the following order: -

### ORDER

- i.** I reject the classification of the exported goods classified under CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 in respect of 112 Shipping Bills, as mentioned at Sr. Nos. 1 to 9, 11 to 110 and 112 to 114 of Table-I above, having a total FOB value of **Rs.78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five only)**, out of the total 114 Shipping Bills with an aggregate FOB value of Rs.79,63,79,435/-(Rupees Seventy Nine Crores Sixty Three Lakh Seventy Nine Thousand Four Hundred and Thirty Five Only), after excluding two(02) Shipping Bills No. 1993381 dated 24.07.2015 having FOB value of Rs.47,32,500/-(Rupees Forty Seven Lakhs Thirty Two Thousand Five Hundred Only) & No.5511434 dated 29.09.2020 having FOB value of Rs.1,11,22,500/-(Rupees One Crore Eleven Lakh Twenty Two Thousand Five Hundred Only). I further order re-classification of the exported goods in respect of aforesaid 112 Shipping Bills under CTIs

87042219 or 87042319(as applicable) of the Customs Tariff Act, 1975.

- ii.** I drop the proceedings initiated under Show Cause Notice against the two (02) Shipping Bills No.1993381 dated 24.07.2015 having FOB value of Rs.47,32,500/-(Rupees Forty Seven Lakhs Thirty Two Thousand Five Hundred Only) & No. 5511434 dated 29.09.2020 having FOB value of Rs.1,11,22,500/-(Rupees One Crore Eleven Lakh Twenty Two Thousand Five Hundred Only), wherein goods are correctly classified under CTH 87021099 & CTH 87021028, respectively, as per their declared description.
- iii.** I reject the MEIS benefits availed under incorrect CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 and order to re-determine the MEIS duty credit scrips in accordance with the benefits admissible under CTIs 87042219 and 87042319, as applicable, in respect of (79) shipping bills, as mentioned at Sr. No. 35 to 110 and Sr. No. 112 to 114 of the Table-I above.
- iv.** I confirm the demand and order for recovery of the claimed inadmissible excess MEIS duty credit scrips totally amounting to **Rs.80,66,845/- (Rupees Eighty Lakhs Sixty Six Thousand Eight Hundred Forty Five Only)** in respect of (79) shipping bills, as mentioned at Sr. No. 35 to 110 and Sr. No. 112 to 114 of the Table-I above, from the exporter, M/s. Ashok Leyland Ltd., under the provisions of Section 28AAA of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962 and drop the demand of MEIS Duty credit of **Rs.1,11,225/- (Rupees One Lakh Eleven Thousand Two Hundred and Twenty Five Only)** which has been rightly availed under Shipping Bill No. 5511434 dated 29.09.2020.
- v.** I order confiscation of the goods, exported by misclassifying them under CTIs 87060019, 87060029, 87060042, 87060043, 87060049 & 87060050 instead of correct CTI's 87042219 or 87042319 in respect of 112 Shipping Bills as mentioned at Sr. No. 1 to 9, Sr. No.11 to 110 and Sr. No. 112 to 114 of the Table-I above, having a total FOB value of **Rs. 78,05,24,435/- (Rupees Seventy Eight Crores Five Lakhs Twenty Four Thousand Four Hundred Thirty Five only)**, under Section 113(i) of Customs Act, 1962. As the said goods are not available for confiscation, therefore, in lieu of confiscation, I impose a Redemption Fine of **Rs.8,00,00,000/-(Rupees Eight Crore Only)** under Section 125 of the Customs Act, 1962.

- vi.** I impose a Penalty of **Rs.1,00,00,000/- (Rupees One Crore Only)** on M/s. Ashok Leyland Ltd. under Section 114(iii) of the Customs Act, 1962 read with the Section 11 of the Foreign Trade (Development & Regulation) Act, 1992.
- vii.** I impose a Penalty of **Rs.1,00,00,000/- (Rupees One Crore Only)** on M/s. Ashok Leyland Ltd. under Section 114AA of the Customs Act, 1962 for use of false and incorrect material in transaction of business under this Act.
- viii.** I impose a Penalty of **Rs.80,00,000/- (Rupees Eighty Lakhs Only)** on M/s. Ashok Leyland Ltd. under Section 114AB of the Customs Act, 1962 for obtaining instruments/scrips by fraud, collusion, willful misstatement or suppression of facts under this Act.

**6.** This order is issued without prejudice to any other action that may be taken in respect of the goods in question and/or the persons/firms concerned, covered or not covered by this Show Cause Notice, under the provisions of the Customs Act, 1962, and/ or any other law, for the time being in force in the Republic of India.



*Aslam Hassan*  
10/04/2026

**(ASLAM HASSAN)**  
COMMISSIONER OF CUSTOMS (EXPORT)  
NEW CUSTOM HOUSE, MUMBAI CUSTOMS ZONE-I

**To**

1. M/s. Ashok Leyland Limited (IEC-0488014336),  
No. 1, Sardar Patel Road, Guindy,  
Chennai-600032.

**Copy to:**

- (i) The Principal Chief Commissioner of Customs, New Custom House, Mumbai Customs Zone-I.
- (ii) ADC/AC, Export Assessment Cell, Export Commissionerate, New Custom House for appropriate actions as required.
- (iii) AC/Recovery Cell, Export Commissionerate, NCH.
- (iv) AC/CHS to display on Notice Board.

- (v) DC/EDI, New custom House, Mumbai.
- (vi) Office Copy.