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|  <p>सत्यमेव जयते</p> | <p>भारतसरकार/ Government of India<br/>वित्तमंत्रालय / Ministry of Finance<br/>आयुक्त सीमाशुल्क एन.एस.-II का कार्यालय<br/>Office of Commissioner of Customs NS-II<br/>Jawaharlal Nehru Custom House, Nhava Sheva,<br/>Dist- Raigad, Maharashtra – 400 707</p> |  |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

F. No.: S/10-812/2024-25/ADC/LIC/NS-II/CAC/JNCH

CUS/LIC/OTH/736/2024-LIC-O/o- Commr-Cus-NS-II Date of Order: 30.09.2025

SCN NO. 1349/2024-25/AC/LIC/NS-II/CAC/JNCH Date of Issue: 30.09.2025

Order Passed by: Dr. Chittaranjan Prakash Wagh डॉ. चित्तरंजन प्रकाश वाघ

Addl. Commissioner of Customs, अपरआयुक्त सीमाशुल्क  
License (NS-II), JNCH, Nhava Sheva

O-in-O No: 907/2025-26/ADC/LIC/NS-II/CAC/JNCH

M/s. Zeon Health Industries (IEC-0308026501)

DIN: 20250918 NT 0000000 B9 C9

मूल आदेशOrder-In-Original

1. यह प्रति जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।

1. This copy is granted free of charge for the use of the person to whom it is issued.

2. इस आदेश के विरुद्ध अपील सीमाशुल्क अधिनियम 1962 की धारा 128 (1) के तहत इस आदेश की संसूचना की तारीख से साठ दिनों के भीतर सीमाशुल्क आयुक्त (अपील), जवाहरलाल नेहरू सीमाशुल्क भवन, शेवा, ता.उरण, जिला - रायगढ़, महाराष्ट्र - 400707 को की जा सकती है। अपील दो प्रतियों में होनी चाहिए और सीमाशुल्क (अपील) (नियमावली, 1982 में संलग्न फॉर्म सी.ए1. में की जानी चाहिए। अपील पर न्यायालय फीस के रूप में 2.00 रुपये मात्र का स्टॉप लगाया जायेगा और साथ में यह आदेश या इस की एक प्रति लगायी जायेगी। यदि इस आदेश की प्रति संलग्न की जाती है तो इस पर न्यायालय फीस के रूप में 2.00 रुपये का स्टॉप भी लगाया जायेगा जैसा कि न्यायालय फीस अधिनियम 1870 की अनुसूची 1, मद 6 के अंतर्गत निर्धारित किया गया है।

2. An appeal against this order lies with the Commissioner of Customs (Appeals), Jawaharlal Nehru Custom House, Nhava Sheva, Uran, Raigad under Section 128 (1) of the Custom Act, 1962 within sixty days from the date of communication of this order. The appeal should be in duplicate and should be filed in Form CA 1 appeared in Custom (Appeals) Rule, 1982. The appeal should bear a court fee stamp of ₹ 2.00 paisa paid only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a court fee stamp of ₹ 2.00 paisa only as prescribed under Schedule I, item 6 of the Court Fees Act, 1870.

3. इस निर्णय या आदेश के विरुद्ध अपील करनेवाला व्यक्ति अपील अनिर्णीत रहने तक, शुल्क या शास्ति के संबंध में विवाद होने पर माँगे गये शुल्क के 7.5%का, अथवा केवल शास्ति के संबंध में विवाद होने पर शास्ति का भुगतान करेगा।

3. Any person desirous of appealing against this decision or order shall, pending the appeal, make payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

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**Sub: Adjudication of Show Cause Notice No. 1349/2024-25/AC/LIC/NS-II/CAC/JNCH dtd. 06.11.2024 and corrigendum dated 22.01.2025 issued to M/s. Zeon Health Industries (IEC-0308026501).**

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**BRIEF FACT OF THE CASE**

It is observed that some of the Exporters have availed wrong MEIS benefit @3% of FOB value by mis-classifying the goods under CTH 29420090 instead of correct CTH 2901 to 2941 where MEIS benefit was @2% of FOB value. Accordingly, an Audit was conducted to verify correct CTH of respective goods and found that **M/s Zeon Health Industries (IEC-0308026501)** (hereinafter referred to as the “Exporter”), having address at **101, Sai Siddhi Building, Plot No. 264 H, Sector-3, Airoli, Navi Mumbai-400708** was engaged in the export of goods declared as “Gabapentin USP, Diclofenac Sodium, Diclofenac Potassium, Meloxicam, Lidocaine HCL, Febuxostat in House , Aripiprazole USP, Pregabalin, Lacosamide, Aceclofenac, Orphenadrine Citrate, Itopride HCL, Dicyclomine HCL, Fluoxetine HCL Clomiphene Citrate BP”(hereinafter referred to as the “the said goods”), classifying the goods under CTH 29420090 of the first schedule of the Customs Tariff Act, 1975 which covers “Other organic compounds; other,” and claimed MEIS benefit @ 3% of FOB value. During the post-clearance audit, export data of **M/s Zeon Health Industries (IEC-0308026501)** was scrutinized and it was noticed that they had filed Shipping bills as mentioned in Annexure-A to show cause notice for export of goods “**Organic products**”, classifying them under CTH 29420090 of the first schedule of the Customs Tariff Act, 1975 which covers “OTHER ORGANIC COMPOUNDS; other,” claiming MEIS benefit @ 3% of FOB value. However, the said goods appeared to be correctly classifiable under CTH 29224990, 29221990, 29242990, 29337990 & 29341000.

**3. Classification of exported goods.**

For better understanding of the above relevant tariff headings, relevant chapter notes are reproduced as below:

**A) Custom Tariff Heading 2942 is reproduced as under:**

**2942 Other Organic Compound ( Not classified elsewhere) :This heading covers separate chemically defined organic compounds not classified elsewhere.**

1. Ketenes\*. Like ketones, these are characterised by a carbonyl group (>C=O) but it is linked to the neighbouring carbon atom by a double bond (e.g., ketene, diphenylketene). This heading however excludes diketene which is a lactone of heading 29.32.
2. Boron trifluoride complexes with acetic acid, diethyl ether or phenol\*.

3. Dithymol di-iodide.

**294200 - Other organic compound:**

--- Cefadroxil& its salts, Ibuprofane, Diazepam, Nifedipine, Ranitidine, Danes salt of D(-) Phenyl Glycine, D(-) para hydroxyl Dane’s Salts:

29420090--- Other

**B) Custom Tariff Heading 2922 is reproduced as under:**

**2922- Oxygen-function amino-compounds**

**29224990 – Other**

2922 19 90- Other Amino-naphthols and other amino-phenols, other than those containing more than one kind of oxygen function, their ethers and esters; salts thereof :

**C) Custom Tariff Heading 2924 is reproduced as under:**

**2924-CARBOXYAMIDE-FUNCTION COMPOUNDS; AMIDE-FUNCTION COMPOUNDS OF CARBONIC ACID**

**29242990—Other**

**D) Custom Tariff Heading 2933 is reproduced as under:**

2933- Heterocyclic compounds with nitrogen hetero-atom(s) only

29337990- Other

**E) Custom Tariff Heading 2934 is reproduced as under:**

2934– Nucleic acids and their salts, whether or not chemically defined: other heterocyclic compounds

29341000 – Compounds containing an unfused thiazolering(whether or not hydrogenated) in the structure.

**4. EXPORT INCENTIVES UNDER DUTY CREDIT SCRIPS-MERCHANDISE EXPORTS FROM INDIA SCHEME (MEIS): -**

4.1 In terms of Chapter 3 of the Foreign Trade Policy (FTP) 2015-2020 exporters are issued duty credit scrips under two schemes for exports of Merchandise and Services namely (i) Merchandise Exports from India Scheme (MEIS) & (ii) Service Exports from India Scheme (SEIS) with an objective to provide rewards to the exporter to offset infrastructural inefficiencies and associated costs involved in export of goods/ products, which are produced/ manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness.

4.2 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 Hand book of Procedures (HBoP) in the form of Duty Credit Scrips. Appendix 3B also lists the rate(s) of rewards on various notified products [ITC (HS) code wise). The basis of calculation of reward would be 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.

**Table-1**

| Sr No. | ITC Code (HS) 2017 (Eight Digit) | Descriptions of goods as per ITC(HS) 2017                                          | MEIS Sr. No. | MEIS Reward Rate (In %) |
|--------|----------------------------------|------------------------------------------------------------------------------------|--------------|-------------------------|
| 1.     | 29420090                         | Other organic compound                                                             | 1633         | 3%                      |
| 2.     | 29221990                         | Oxygen-function amino-compound – Other                                             | 1399         | 2%                      |
| 3.     | 29224990                         | Oxygen-function amino-compound – Other                                             | 1428         | 2%                      |
| 4      | 29242990                         | Carboxyamide-function compounds ;amide-function compounds of carbonic acid ; other | 1449         | 2%                      |
| 5      | 29337990                         | Heterocyclic compounds with nitrogen hetero-atom(s) - other                        | 8117         | 2%                      |
| 6      | 29341000                         | Nucleric acids and their salts – compounds containing unfused thiazole ring        | 1539         | 2%                      |

5. It appeared that the said exporter had not made correct and truthful declaration of the material facts in their shipping bills by misclassifying their goods and thereby claimed undue MEIS benefits @ 3%, instead of applicable 2%, amounting to **Rs. 126105.26 /- (Rupees One Lakh Twenty Six Thousand One Hundred Five and Twenty Six Paise Only)** which were utilized for payment of customs duty towards the imports by them vide advised C. L. No. 244/2023-24/JNCH(A1) dt.03.05.2023.

6. From the Chapter notes, chapter headings and reasons as elaborated in foregoing paras, it appears that **M/s. Zeon Health Industries (IEC-0308026501)** have wilfully 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 as well as DGFT 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 becomes invalid and it can be termed that they were obtained fraudulently. It appears that **M/s. Zeon Health Industries (IEC-0308026501)** by resorting to such acts, have contravened various provisions of Customs Act, 1962.

7. Vide Finance Act, 2011 with effect from 08.04.2011 “Self-Assessment” has been introduced under the Customs Act, 1962. Section 17 of the said Act provides 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. Thus, under self-assessment, it is the importer or exporter who will ensure that he declares 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, **M/s. Zeon Health Industries (IEC-0308026501)** have deliberately contravened the above said provisions with an intention to wrongfully avail excess MEIS benefit fraudulently, which were legitimately due to them.

8. From the facts discussed in the foregoing paras, it appears that:

8.1 The exporter **M/s. Zeon Health Industries (IEC-0308026501)** had misclassified the goods declared as "Gabapentin USP, Diclofenac Sodium, Diclofenac Potassium, Meloxicam, Lidocaine HCL, Febuxostat in House, Aripiprazole USP, Pregabalin, Lacosamide, Aceclofenac, Orphenadrine Citrate, Itopride HCL, Dicyclomine HCL, Fluoxetine HCL Clomiphene Citrate BP" under CTH 29420090 instead of correct CTH 29224990, 29221990, 29242990, 29337990 & 29341000. Accordingly, it appears that **M/s. Zeon Health Industries (IEC-0308026501)** had deliberately claimed wrong classification with intent to fraudulently avail the benefit of MEIS at higher rate of 3% instead of 2% of FOB value. Further, the undue benefits of MEIS availed and utilized by mis-classifying the said exported goods is required to be denied.

8.2 **M/s. Zeon Health Industries (IEC-0308026501)** presented a large number of shipping bills before DGFT to obtain MEIS License/Scripts. The duty credit/granted on such MEIS License/Scripts includes MEIS credit earned on correctly classifiable goods at appropriate eligible rates. However, it appears that **M/s. Zeon Health Industries (IEC-0308026501)** has deliberately mis-classified the export goods under CTH 29420090 in shipping bills having FOB value of **Rs. 1.26 Crores/-** as mentioned in calculation sheet to the SCN appears to be recoverable as per section 28(4) and/or 28AAA of the Customs Act, 1962, as applicable.

## 9. CULPABILITY AND LIABILITY OF NOTICEES

Whereas the audit conducted, as discussed in the foregoing paras, revealed that the **M/s. Zeon Health Industries (IEC-0308026501)** by way of wilful mis-statement, misrepresentation and suppression of facts as regards the classification of goods, presented the subject goods for export before the designated authority of Customs with intent to fraudulently avail benefit of MEIS. **M/s. Zeon Health Industries (IEC-0308026501)** have violated the provisions of Section 17 and 50 of the Customs Act, 1962 which was their duty to comply with. In view of the above, it, therefore, appears that the Exporter have indulged in fraudulent export of goods by mis-declaring the actual classification of goods so exported, which squarely falls 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.

9.1. Whereas 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. Further, 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. The above-mentioned acts of commission and omission on the part of **M/s. Zeon Health Industries (IEC-0308026501)** have rendered the goods exported by resorting to mis-declaration in terms of classification of goods, liable for confiscation under the provisions of Section 113 (i) of the Customs Act, 1962. The above-mentioned acts of commission and omission on the part of **M/s. Zeon Health Industries (IEC-0308026501)** have rendered various goods exported by resorting to mis-declaration in terms of classification of goods, with declared FOB value of **Rs. 1.26 Crores/- as mentioned in the calculation sheet** to the SCN, liable for confiscation under the provisions of Section 113 (i) of the Customs Act, 1962.

9.2. By misclassifying the goods with an intention to avail wrongful/ ineligible/ undue

MEIS benefit, **M/s. Zeon Health Industries (IEC-0308026501)** has violated the provisions of Customs Act and has 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. Zeon Health Industries (IEC-0308026501)** have rendered them liable for penal action under Section 114(iii), 114AA & 114AB of the Customs Act, 1962 with respect to the goods exported by mis-classifying the classification.

10. **M/s. Zeon Health Industries (IEC-0308026501)** had contravened the provisions of Section 50(2) of the Customs Act, 1962 by willfully mis-declaring/misclassifying their export goods and intentionally claimed undue MEIS benefit which resulted in loss of government revenue of **Rs. Rs. 126105.26 /- (Rupees One Lakh Twenty Six Thousand One Hundred Five and Twenty Six Paise Only)** on culmination of the investigation, the subject show cause notice was issued to **M/s. Zeon Health Industries (IEC-0308026501)**, calling upon them to show cause as to why:

(i) The declared classification of the subject goods i.e **“Organic Product”** as mentioned in the shipping bills under CTH 29420090 should not be rejected and the subject goods should not be re-classified under CTH 29224990, 29221990, 29242990, 29337990 & 29341000 of the first schedule to the Customs Tariff Act, 1975 and the said shipping bills should not be re-assessed.

(ii) The exported goods, having total declared FOB value of Rs. 1.26 Crores/- as mentioned in calculation sheet, should not be held liable to confiscation under Section 113 (i) of Customs Act, 1962 although the same are not available for confiscation;

(iii) Export benefit availed by the Exporter in terms of MEIS through shipping bills as detailed in Annexure- A for **Rs.1,26,105.26 /- (Rupees One Lakh Twenty Six Thousand One Hundred Five and Twenty Six Paise Only)** should not be recovered as per Section 28(4) read with Section 28AAA, of the Customs Act, 1962 along with interest as applicable thereon under Section 28AA, 28(5) of the Customs Act, 1962.

(iv) Penalty should not be imposed upon them under the provisions of Sections 114 (iii), 114AA & 114AB of the Customs Act, 1962.

#### RECORD OF PERSONAL HEARING

12. In order to comply with the principal of natural justice, letters were issued to the Exporter at the address as mentioned in the SCN and IEC, with a request to appear before Adjudicating Authority for personal hearing on various occasions viz. on 13.06.2025, 14.07.2025, 05.08.2025 and 29.08.2025. However, neither the noticee nor any representative on his behalf, turned up for hearing on given date in the subject matter. Further, no submission from the importer is found to have been submitted in this office till date.

12.1 Further, if there was any change of address, the Noticee should have informed the Department, so that said PH letters could be served to them on that address. Hence the principles of natural justice have been followed and no purpose will be served in delaying the case hence, I proceed to decide the case.

### **DISCUSSION AND FINDINGS**

13. I have carefully gone through the entire records of the case and the case has been examined in the light of the evidences produced by the department, applicable laws/rules in the matter. I find that the subject Show Cause Notice was issued on 06.11.2024 under Section 124 read with Section 28(4) read with Section 28AAA of the Customs Act 1962 for alleged misclassification of goods. Further, in compliance to the provisions of Section 28(8) and Section 122(b) of the Customs Act, 1962 and in terms of the principles of natural justice, I find that ample opportunities for Personal Hearing (PH) have been granted to the Noticee on various occasions viz. on 13.06.2025, 14.07.2025, 05.08.2025 and 29.08.2025 well in advance on the address given in the SCN and IEC to be heard in person and to submit their reply/defense submission against the Show Cause Notice. However, neither any written submission/reply to the Show Cause Notice has been submitted by the noticee nor any of their representatives turned up for the said personal hearing. Further, if there was any change of address, the Noticee should have informed the Department, so that said PH letters could be served to them on that address. Hence, the principles of natural justice have been followed during the adjudication proceedings. Having complied with the requirement of the principle of natural justice and no purpose will be served in delaying the case. Therefore, I am left with no option other than to decide the case ex-parte on the basis of records available and the existing legal position at the relevant point of time.

14. The main issues for consideration before me are as under:

i. whether the impugned export goods, i.e. "Gabapentin USP, Diclofenac Sodium, Diclofenac Potassium, Meloxicam, Lidocaine HCL, Febuxostat in House, Aripiprazole USP, Pregabalin, Lacosamide, Aceclofenac, Orphenadrine Citrate, Itopride HCL, Dicyclomine HCL, Fluoxetine HCL Clomiphene Citrate BP" were misclassified by the Noticee under CTH 29420090 instead of CTH 29224990, 29221990, 29242990, 29337990 & 29341000 as per the show cause notice.

ii. whether the alleged mis-classification, if any, was done wilfully and deliberately with an intent to avail inadmissible MEIS benefits.

iii. whether the Noticee are liable for further consequential action under various sections of Customs Act, 1962 as detailed in the subject show cause notice.

15. I observed from relevant chapter notes that-

**Custom Tariff Heading 2922 is reproduced as under:**

**2922- Oxygen-function amino-compounds**

**29224990 – Other**

**2922 19 90-** Other Amino-naphthols and other amino-phenols, other than those containing more than one kind of oxygen function, their ethers and esters; salts thereof :

**Custom Tariff Heading 2924 is reproduced as under:**

**2924-CARBOXYAMIDE-FUNCTION COMPOUNDS; AMIDE-FUNCTION COMPOUNDS OF CARBONIC ACID**

**29242990—Other**

**Custom Tariff Heading 2933 is reproduced as under:**

**2933- Heterocyclic compounds with nitrogen hetero-atom(s) only**

**29337990- Other**

**Custom Tariff Heading 2934 is reproduced as under:**

**2934- Nucleic acids and their salts, whether or not chemically defined: other heterocyclic compounds**

**29341000 – Compounds containing an unfused thiazolering(whether or not hydrogenated) in the structure.**

15.1 Further, from above it is evident that only those organic compounds which are not specified elsewhere can be classified under heading 2942. In the present case, as per chapter notes as discussed supra, the exported items, i.e. "Gabapentin USP, Diclofenac Sodium, Diclofenac Potassium, Meloxicam, Lidocaine HCL, Febuxostat in House, Aripiprazole USP, Pregabalin, Lacosamide, Aceclofenac, Orphenadrine Citrate, Itopride HCL, Dicyclomine HCL, Fluoxetine HCL Clomiphene Citrate BP" would be out of the scope of Tariff Heading 2942 as claimed by the exporter and appears to be correctly classifiable under CTH 29224990, 29221990, 29242990, 29337990 & 29341000 which attracts MEIS @ 2% instead of 3% as claimed by the exporter.

16. Now, the next issue before me is whether the Exporter had mis-classified the impugned goods wilfully and deliberately with the intention to avail MEIS benefits on higher side. 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.

17. I find that the exporter by way of wilful mis-statement, mis-representation and suppression of facts as regards the classification of goods, presented the subject goods for export before the designated authority of Customs with intent to fraudulently avail benefit of MEIS. Exporter had violated the provisions of Section 17 and 50 of the Customs Act, 1962 which was their duty to comply with.

17.1 In view of the above, I find that the Exporter has indulged in fraudulent export of goods by mis-declaring the actual classification of goods so exported, which squarely falls 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.

17.2 Further I find that the 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. Hence, 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. The above-mentioned acts of commission and omission on the part of M/s. Zeon Health Industries (IEC-0308026501) had rendered the goods exported by resorting



to mis-declaration in terms of classification of goods, liable for confiscation under the provisions of Section 113(i) of the Customs Act, 1962. The above-mentioned acts of commission and omission on the part of **M/s. Zeon Health Industries (IEC-0308026501)** had rendered the impugned goods exported by resorting to mis-declaration in terms of classification of goods, liable for confiscation under the provisions of Section 113(i) of the Customs Act, 1962.

17.3 I notice that by misclassifying the subject goods with an intention to avail wrongful/ineligible /undue MEIS benefit amounting to **Rs.1,26,105.26 /- (Rupees One Lakh Twenty Six Thousand One Hundred Five and Twenty Six Paise Only)**. **M/s. Zeon Health Industries (IEC-0308026501)** had violated the provisions of Customs Act and other violations on the part of the exporter as discussed hereinabove and subsequently, have rendered the impugned goods liable for confiscation under the provisions of Section 113(i) of the Customs Act, 1962. Further, I find that for all the above-mentioned acts of commission and omission on the part of **M/s. Zeon Health Industries (IEC-0308026501)** had rendered themselves liable for penal action under Section 28AA, 114(iii), 114AA & 114AB of the Customs Act, 1962 with respect to the goods exported.

17.4 I find that since the above act of omission and commission on the part of the Exporter had rendered the goods liable for confiscation u/s 113(i) of the Customs Act, 1962, the Exporter had rendered themselves liable to penalty under Section 114(iii) of the Customs Act, 1962.

17.5 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. Zeon Health Industries (IEC-0308026501)**, had rendered themselves liable to penal action under Section 114AA of the Customs Act, 1962 for signing false declaration in the shipping bill.

17.6 I find that **M/s. Neon Pharma Chem (IEC - AJGPM2901H)** claimed the instrument viz. MEIS benefits @ 3% of the FOB value instead of 2% by intentional mis-declaration of classification of the exported goods. Therefore, **M/s. Zeon Health Industries (IEC-0308026501)** is also liable for penalty u/s 114 AB of Customs Act, 1962 for this intentional mis-declaration of classification.

18. In view of foregoing discussion above made in the light of the facts of investigation and relied upon documents, I pass following order: -

#### ORDER

(i) I reject the declared classification under 29420090 of the subject goods in the Shipping Bills (as detailed in Annexure-A to the SCN) and re-classify the said goods under respective Customs Tariff Heading 29224990, 29221990, 29242990, 29337990 & 29341000 of the First Schedule to the Customs Tariff Act, 1975.

(ii) I confiscate the impugned exported goods, having total declared FOB value of **Rs. 1.26 Crores/-** (as mentioned in calculation sheet) under Section 113(i) of Customs Act, 1962. However, in lieu of confiscation, I impose redemption fine of **Rs.10,00,000 /-** (Rs. Ten Lakh only) under section 125 of the Customs Act, 1962;

(iii) I reject the export benefit availed in terms of MEIS through Shipping Bills as detailed in Annexure-A to the SCN amounting to **Rs.1,26,105.26 /- (Rupees One Lakh Twenty Six Thousand One Hundred Five and Twenty Six Paise Only)** and I order to

recover the same from M/s. **Zeon Health Industries (IEC-0308026501)** under section 28(4) and/or 28AAA of the Customs Act, 1962 along with interest thereon under section 28AA of the Customs Act, 1962, as applicable.

(iv) I impose penalty of Rs. 1,00,000/- (Rs. One Lakh Only) under section 114(iii) of the Customs Act, 1962 upon M/s. **Zeon Health Industries (IEC-0308026501)**.

(v) I impose penalty of Rs.1,00,000/- (Rs. One Lakh only) under section 114AA of the Customs Act, 1962 upon M/s. **Zeon Health Industries (IEC-0308026501)**.

(vi) I impose penalty of Rs. 1,00,000/- (Rs. One Lakh only) under Section 114AB of the Customs Act, 1962 upon M/s. **Zeon Health Industries (IEC-0308026501)**.

19. This order is issued without prejudice to any other action that may be taken against the noticee(s) or against any other person(s)/ Entities concerned, under the Customs Act, 1962, and/or under any other law for the time being in force in India.

Digitally signed by  
Wagh Chittaranjan Prakash  
Date: 30-09-2025 17:26:38  
(Dr. Chittaranjan Prakash Wagh)  
Addl. Commissioner of Customs  
NS-II, JNCH, Nhava Sheva.

To,

M/s. **Zeon Health Industries (IEC-0308026501)**

101, Sai Siddhi Building, Plot No. 264 H,

Sector-3, Airoli, Navi Mumbai-400708 **EM98 69130071N**

Copy to :

1. The Commissioner of Customs, NS-II, JNCH, Zone-II.
2. The Addl. Director General of Foreign Trade, CGO Office, Chhatrapati Shivaji Maharaj, Mumbai-400020. **EM98 69226571N**
3. The Asst./Deputy Commissioner of Customs, Audit(A1), JNCH.
4. The Asst./Deputy Commissioner of Customs, CRRC, JNCH.
5. The Asst./Deputy Commissioner of Customs, Review Cell
6. The Asst./Deputy Commissioner of Customs, CEAC
7. The Asst./Deputy Commissioner of Customs, EDI, JNCH for uploading on website.
8. CHS Section for display on notice board.
9. Master File
10. The Asst./Deputy Commissioner of Customs, License Section/JNCH

