



भारत सरकार/ Government of India
वित्त मंत्रालय/ Ministry of Finance
आयुक्त सीमा शुल्क एनएस-II का कार्यालय,
केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमा शुल्क भवन
न्हावा शेवा, तालुका-उरण, जिला -रायगढ़, महाराष्ट्र 707 400-
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-II
CENTRALIZED ADJUDICATION CELL,
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA
SHEVA,
DIST- RAIGAD, MAHARASHTRA-400707



F.No. : S/10-82/2025-26/ADC/LIC/NS-II/CAC/JNCH

CUS/LIC/MISC/521/2025-LIC

आदेशकीतिथि : 17-02-2026

जारी किए जाने की तिथि : 17-02-2026

SCN No. 349/2025-26/ADC/LIC/NS-II/CAC/JNCH Dated 26.06.2025

Order Passed by: डॉ. चितरंजन प्रकाश वाघ

Dr. Chittaranjan Prakash Wagh

अतिरिक्त आयुक्त, सीमा शुल्क

Additional Commissioner of Customs,

एनएस-II, जेएनसीएच.

(NS-II), JNCH, NHAVA SHEVA

Order No. : 1633/25-26/ADC/NS-II/LIC/CAC/JNCH

Name of Party : M/s Indoco Remedies Limited (IEC-0388050535)

मूल आदेश

Order-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 1, 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.

Sub:- Adjudication of Show Cause Notice No. 349/2025-26/ADC/LIC/NS-II/CAC/JNCH Dated 26.06.2025 issued to M/s Indoco Remedies Limited (IEC-0388050535):-reg.

BRIEF FACT OF THE CASE

An Alert Circular No. 07/2021 dated 26.07.2021 was issued by NCTC on the above-mentioned subject wherein NCTC has 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. Indoco Remedies Limited (IEC-0388050535), having address at Plot No. L-32/33/34, Verna Industrial Estate, Verna, Goa-403722 (hereinafter referred to as the "Exporter") was engaged in the export of goods declared as "**Febuxostat Tablet**" and "**Dicyclomine HCL**" (hereinafter referred to as '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.

2. During the post clearance audit, export data of the exporter were scrutinized and it was noticed that the exporter had filed Shipping Bills as mentioned in Annexure-A to the SCN and exported the goods "Dicyclomine HCL" and "Febuxostat Tablet" classifying the goods under CTH 29420090. However, the said goods appear to be correctly classifiable under CTH 29221990 and 29341000 respectively.

For ease of reference the relevant headings are reproduced below:

Sr. No.	CTH	Description of the goods as per first Schedule to the Customs Tariff Act, 1975.
1	29420090	Other Organic Compound (Not Classified Elsewhere); Other, Other
2	29224990	Oxygen-function amino-compounds. -Amino-acids, other than those containing more than one kind of oxygen function, and their esters; salts thereof
3	29341000	Nucleic acids and their salts; whether or not chemically defined; other heterocyclic compounds: Compounds containing an unfused thiazole ring in the structure

3. Classification of the exported goods :- For better understanding of the above tariff headings, explanatory notes to the relevant chapter heading are provided as under:-

**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 characterized by a carbonyl group ($>C=O$) but it is linked to the neighbouring carbon atom by a double bond (e.g., ketene, diphenyl ketene). 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) Di thymol di-iodide.

294200 - Other organic compound:

--- Cefadroxil & its salts, Ibuprofen, 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:-

29.22-Oxygen-function amino-compounds. -Amino-acids, other than those containing more than one kind of oxygen function, and their esters; salts thereof:

2922.11- Monoethanolamine and its salts

2922.12-Diethanolamine and its salts

2922.14- Dextropropoxyphene (INN) and its salts

2922.15-Triethanolamine

2922.16-Diethanolammonium perfluorooctane sulphonate

2922.17-Methyldiethanolamine and ethyldiethanolamine

2922.18-2-(N,N-Diisopropylamino) ethanol

2922.19- Other

2922.41-Lysine and its esters; salts thereof

2922.42-Glutamic acid and its salts

2922.43 Anthranilic acid and its salts

2922.44- Tilidine (INN) and its salts

2922.49 Other

2934: NUCLEIC ACIDS AND THEIR SALTS; WHETHER OR NOT CHEMICALLY DEFINED; OTHER HETEROCYCLIC COMPOUNDS:

2934 10 00 -Compounds containing an unfused THIAZOLE RING (whether or not hydrogenated) in the structure.

C) Further Febuxostat Tablet and Dicyclomine Hydrochloride are defined as under:-

1.	Febuxostat Tablet	29420090	1633	Other organic Compound	3%	29341000	1539, 2%
2.	Dicyclomine HCL	29420090	1633	Other organic Compound	3%	29221990	1399, 2%

5. On introduction of self-assessment vide Finance Act, 2011; it is the onus on the Exporter to make true and correct declaration in all aspects like classification, valuation, including calculation of duty & claim of Customs incentive/ benefit, etc. Further, as per provisions of section 50(2) of the Customs Act, 1962, the Exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents. 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:

- The accuracy and completeness of the information given therein;
- The authenticity and validity of any document supporting it, and
- 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.

6. However, it appeared in the instant case 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 appears to have mis-classified the goods with an intention to claim higher export benefits in form of the MEIS as explained above. Thus, by misclassifying the goods, undue MEIS benefits amounting to **Rs. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine Only)** appeared to have been wrongly claimed by the Exporter.

7. Therefore, in terms of the provisions of Section 28(4) the Exporter was advised to pay the undue MEIS benefit amounting to **Rs. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine Only)** along with interest and penalty as detailed in Annexure-A of C.L. No. 155/2023-24/JNCH (AI) dt. 03.05.2023. However, the Exporter has not paid the differential duty along with interest and penalty till date.

8. **WILLFUL MIS-DECLARATION & SUPPRESSION OF FACT:** It appeared that in the instant case 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 has not correctly classified the exported goods and therefore wrong MEIS benefit @ 3% instead of applicable MEIS @ 2% of FOB value on the subject goods was claimed by the exporter. Hence, it appeared that the Exporter had submitted a false declaration under section 50(2) of the Customs Act, 1962 which amounts to willful mis-declaration. Further, it appeared that the Exporter had suppressed the facts of applicability of Correct MEIS benefit @2% while claiming MEIS benefit from DGFT and intentionally claimed undue MEIS benefit on the goods exported vide Shipping bills as mentioned in Annexure-A of the SCN. This act of exporter

appeared to have accrued monetary benefit to the them. Therefore, it appeared that the 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 misclassification of the subject exported goods, it appeared that the same was done deliberately by misclassification of the said goods in the above said Shipping bills during self-assessment which amounts to willful mis-declaration.

9. RELEVANT PROVISIONS OF LAW APPLICABLE IN THIS CASE:-

The relevant provisions of the Customs Act relating to export of goods in general, the liability of the goods to confiscation and liability to penalty for improper exportation under the provisions of the Custom Act, 1962, Foreign Trade (Development & Regulation) Act, 1992, Foreign Trade (Regulation) Rules, 1993 are summarized as under:

(i) Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992:- "No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made there under and the export and import policy (now termed as Foreign Trade Policy) for the time being in force".

(ii) Section 11H(a) of the Customs Act, 1962: "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;

(iii) Section 17(1) of the Customs Act, 1962: After an importer has entered any imported goods under section 46 or an exporter has entered any export goods under section 50, the imported goods or the export goods, as the case may be, or such part thereof as may be necessary may, without undue delay, be examined and tested by the proper officer.

(iv) Section 28 (4) of the Customs Act, 1962: Where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part paid or erroneously refunded, by reason of,

(a) collusion; or

(b) any willful mis-statement; or

(c) suppression of fact,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

(v) Section 28 (5) of the Customs Act, 1962:- Where any [duty has not been levied or not paid or has been short-levied or short paid] or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the

interest payable thereon under section 28AA and the penalty equal to [fifteen per cent.] of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

(vi) Section 28AA Of the Customs Act, 1962: Interest on delayed payment of duty:-

(1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made there under, the person, who is liable to pay duty in accordance with the provisions of section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section.

(2) Interest at such rate not below ten per cent and not exceeding thirty-six per cent per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

(3) Notwithstanding anything contained in sub-section (1), no interest shall be payable where:

(a) The duty becomes payable consequent to the issue of an order, instruction or direction by the Board under section 151A; and

(b) Such amount of duty is voluntarily paid in full, within forty-five days from the date of issue of such order, instruction or direction, without reserving any right to appeal against the said payment at any subsequent stage of such payment.

(vii) Section 28AAA Of the Customs Act. 1962: 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) willful misstatement; or

(c) suppression of facts,

for the purposes of this Act or the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), by such person or his agent or employee and such instrument is utilized under the provisions of this Act or the rules made or notifications issued there under, by a person other than the person to whom the instrument was issued, the duty relatable to such utilization 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.

(viii) Section 50 (2) of the Customs Act, 1962: - The exporter of any goods, while presenting a Shipping bill or bill of export, shall at the foot thereof make and subscribe to a declaration as to the truth of its contents.

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

(x) Section 113 (i) of the Customs Act, 1962: - Confiscation of goods attempted to be improperly exported, etc. The following export goods shall be liable to confiscation- any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act.

(xi) Section 114 (iii) of the Customs Act, 1962: - in the case of any other goods, to a penalty not exceeding the value of the goods, as declared by the exporter or the value as determined under this Act, whichever is the greater.

(xii) Section 114AA of the Customs Act, 1962: - If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

(xiii) Section 114 AB of the Customs Act, 1962: - (Penalty for obtaining Instrument by fraud etc.): Where any person has obtained any instrument by fraud, collusion, willful misstatement or suppression of facts and such instrument has been utilized by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument.

10. VIOLATION OF VARIOUS LEGAL PROVISIONS OF CUSTOMS ACT, 1962 BY M/S INDOCO REMEDIES LIMITED (IEC-388050535):-

From the Chapter notes, chapter headings and reasons as elaborated in foregoing paras, it appeared that the Exporter 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 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 appeared that the Exporter by resorting to such acts have contravened various provisions of Customs Act, 1962.

11. 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, the Exporter have deliberately contravened the above said provisions with an intention to wrongfully avail excess MEIS benefit fraudulently, which were legitimately due to them.

12. From the facts discussed in the foregoing paras, it appears that the Exporter had misclassified the subject goods under CTH 29420090 instead of correct CTH as discussed above. Accordingly, it appears that the Exporter 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.

13. It further appeared that M/s. Indoco Remedies Limited (IEC-0388050535), 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. Indoco Remedies Limited (IEC-0388050535), has deliberately mis-classified the export goods under CTH 29420090 in shipping bills having FOB value of **Rs. 1,97,63,949/- (Rupees One Crore Ninety-Seven Lakh Sixty-Three Thousand Nine Hundred and Forty-Nine only)** during the calendar year 2019 and 2020, as detailed in Annexure-B to the SCN, to claim and avail undue MEIS benefits which were not due to them. M/s. Indoco Remedies Limited (IEC-0388050535), thus claimed undue export benefit in terms of MEIS through impugned Shipping Bills for **Rs. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine Only)** as enumerated in Annexure-B to the SCN. The amount of **Rs. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine Only)** appeared to be recoverable as per section 28(4) and/or 28AAA of the Customs Act, 1962, as applicable.

14. CULPABILITY AND LIABILITY OF NOTICEES:-

Whereas the audit conducted, as discussed in the foregoing paras, revealed that the Exporter by way of willful 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. The Exporter has 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.

15. 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 the Exporter 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 the Exporter have rendered various goods exported by

resorting to mis-declaration in terms of classification of goods, with declared FOB value as detailed in Annexure-A to the SCN, liable for confiscation under the provisions of Section 113 (i) of the Customs Act, 1962.

16. By misclassifying the goods with an intention to avail wrongful/ ineligible/ undue MEIS benefit, the Exporter has violated the provisions of Customs Act and have 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 the Exporter 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-declaring the classification.

17. It is evident that MEIS benefit, covered by Customs Notification No.24/2015- Customs dated 08/4/2015, as amended, is a custom duty exemption by way of debit through MEIS Scrips. 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, have been obtained by M/s. Indoco Remedies Limited (IEC-388050535), by mis- classification of the export goods as discussed in the foregoing paras, are therefore liable for suspension/ cancellation/ restriction. Hence 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 same is required to be recovered from M/s. Indoco Remedies Limited (IEC-388050535).

18. Now, therefore, in exercise of the powers conferred by Section 124 read with Section 28(4) and Section 28AAA of the Customs Act, 1962, **that M/s. Indoco Remedies Limited (IEC-0388050535), having address at Plot No. L-32/33/34, Verna Industrial Estate, Verna, Goa is hereby called upon to show cause in writing to the Additional Commissioner of Customs, License Section, NS-II, Jawaharlal Nehru Customs House, Nhava-Sheva, Dist.-Raigad within 30 (Thirty) days of receipt of this notice, as to why:-**

(i) The declared classification of the subject goods "**Febuxostat Tablet**" and "**Dicyclomine HCL**" as mentioned in the shipping bills under 29420090 should not be rejected and the subject goods should not be re-classified under **CTH 29341000 and 29221990** 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. 1,97,63,949/- (Rupees One Crore Ninety-Seven Lakh Sixty-Three Thousand Nine Hundred and Forty-Nine only)** 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. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine 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

19. In line with the principles of natural justice, letters were issued to the Exporter with a request to appear before Adjudicating Authority for personal hearing. Shri Vikas Rajput (General Manager) attended personal hearing on 08.08.2025 in virtual mode and stated that they would submit their written submission. Exporter vide letter dated 08.08.2025 submitted that *“as explained in the personal hearing stating that M/s Indoco Remedies Ltd. had not claimed MEIS Incentive against the shipping bill nos. 4821953 dated 29.08.2020 and 6163451 dated 28.10.2020. As per notification 30/01.09.2020 issued by Govt. of India, Department of Commerce, they are allowed to claim only 2 Cr for the export made during the period of 01.09.2020 till 31.12.2020”*. They had requested to closure of Show Cause cum Demand Notice. Further, Exporter had submitted “No Incentive Certificate” dated 01.12.2025 vide F. No. 03/92/1002/AM26/DES D issued by Shri Prashant S. More, FTDO O/o The Addl. DFGT, Mumbai w.r.t. the shipping bill nos. 4821953 dated 29.08.2020 and 6163451 dated 28.10.2020.

DISCUSSION AND FINDINGS

20. I have carefully examined the Show Cause Notice, the relied upon documents, written submissions filed by M/s Indoco Remedies Limited, the submissions made during personal hearing, and the material available on record. The adjudication requires determination of the following issues:

(i) Whether the declared classification of the subject goods **"Febuxostat Tablet" and "Dicyclomine HCL"** as mentioned in the shipping bills under 29420090 should be rejected and the subject goods should not be re-classified under **CTH 29341000 and 29221990** of the first schedule to the Customs Tariff Act, 1975 and the said shipping bills should be re-assessed.

(ii) Whether the exported goods, having total declared FOB value of **Rs. 1,97,63,949/- (Rupees One Crore Ninety-Seven Lakh Sixty-Three Thousand Nine Hundred and Forty-Nine only)** as mentioned in calculation sheet, should be held liable to confiscation under Section 113 (i) of Customs Act, 1962 although the same are not available for confiscation.

(iii) Whether Export benefit availed by the Exporter in terms of MEIS through shipping bills as detailed in Annexure- A for **Rs. 1,97,639/- (Rupees One Lakh Ninety-Seven Thousand Six Hundred and Thirty-Nine Only)** should 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) Whether Penalty should be imposed upon them under the provisions of Sections 114 (iii), 114AA & 114AB of the Customs Act, 1962.

21. I have carefully examined the competing tariff entries, explanatory notes, chemical characteristics of the goods, and the submissions on record. I find that Heading 2942 is a residuary entry applicable only where classification under a more specific heading is not possible.

The material placed on record indicates that **Febuxostat** contains an unfused thiazole ring in its molecular structure and is therefore more appropriately classifiable under **CTH 29341000**, while **Dicyclomine HCL**, being an oxygen-function amino compound, merits classification under **CTH 29221990**. The exporter has not produced any technical justification warranting classification under the residual heading. Applying the settled principle that specific descriptions prevail over residuary entries, I hold that the classification declared under CTH 29420090 is unsustainable and the reassessment of the impugned shipping bills under the aforesaid CTHs is warranted.

22. I have carefully considered the facts of the case, the provisions of law, and the material available on record. I find that the exporter declared an incorrect classification of the subject goods in the shipping bills, which has been held unsustainable in the foregoing findings. Such incorrect declaration constitutes misdeclaration in a material particular within the meaning of Section 113(i) of the Customs Act, 1962. The obligation to ensure correct and complete declaration rests upon the exporter under the self-assessment regime and Sections 17 and 50 of the Act. By declaring an inappropriate tariff classification resulting in ineligible export incentive eligibility, the exporter failed to discharge this statutory obligation, thereby rendering the goods liable to confiscation under Section 113(i) of the Customs Act, 1962.

Although the goods are no longer available for physical confiscation, I hold that the same are liable to confiscation in terms of the said provision. Since the goods are not available, no option for redemption under Section 125 of the Customs Act, 1962 can be extended and no redemption fine is imposable. The liability to confiscation is nevertheless taken into account for the purpose of determining consequential penal action.

23. I have carefully examined the proposal in the Show Cause Notice for recovery of MEIS benefit amounting to Rs. 1,97,639/- along with applicable interest, in light of the submissions made by the exporter and the documentary evidence placed on record. I observe that the exporter has produced a "No Incentive Certificate" issued by the competent DGFT authority certifying that MEIS benefit was not claimed in respect of the relevant shipping bills. Since the grant and administration of incentives under the MEIS scheme fall within the jurisdiction of DGFT, such certification carries evidentiary value in determining actual availment of benefit. In the absence of any material on record establishing that the exporter had been granted or had utilised the said MEIS benefit, the foundational basis for recovery under Sections 28(4) and/or 28AAA of the Customs Act, 1962 does not sustain. Accordingly, I hold that the proposed recovery of MEIS benefit along with interest is not maintainable and is liable to be dropped.

24. I have carefully considered the proposal for imposition of penalty under Sections 114(iii), 114AA and 114AB of the Customs Act, 1962 in light of the findings recorded above. I find that the exporter declared an incorrect tariff classification in the impugned shipping bills, thereby failing to ensure the accuracy and completeness of declarations as required under Sections 17 and 50 of the Act. Such misdeclaration rendered the goods liable to confiscation under Section 113(i) and attracts penal consequences under Section 114(iii) of the Customs Act, 1962.

At the same time, I note from the material available on record, including certification

issued by the competent DGFT authority, that MEIS benefit was not claimed or availed in respect of the relevant shipping bills. Consequently, the contravention did not result in wrongful availment of export incentive or demonstrable revenue loss. Further, no evidence has been brought on record to establish deliberate falsification of documents or fraudulent intent so as to justify invocation of the more stringent provisions of Sections 114AA or 114AB of Customs Act, 1962.

In view of the above, I hold that the exporter is liable to penal action under Section 114(iii) of the Customs Act, 1962 for the established contravention, while the proposals for penalty under Sections 114AA and 114AB are not sustainable.

25. In view of the above, I pass the following order.

ORDER

- i. The classification declared by M/s Indoco Remedies Limited (IEC-0388050535) under CTH 29420090 in the impugned shipping bills in respect of “Febuxostat Tablet” and “Dicyclomine HCL” is rejected, and the said goods are held classifiable under CTH 29341000 and CTH 29221990 respectively. The concerned shipping bills shall be reassessed accordingly.
- ii. The exported goods covered under the impugned shipping bills, having a total declared FOB value of Rs. 1,97,63,949/- (Rupees One Crore Ninety-Seven Lakh Sixty-Three Thousand Nine Hundred and Forty-Nine only), are held liable to confiscation under Section 113(i) of the Customs Act, 1962. However, as the goods are not available for confiscation, no order of confiscation or redemption fine is passed.
- iii. The proposal for recovery of MEIS benefit amounting to Rs. 1,97,639/-, along with applicable interest, under Sections 28(4) and/or 28AAA read with Section 28AA of the Customs Act, 1962, is dropped.
- iv. M/s Indoco Remedies Limited is liable to penalty under Section 114(iii) of the Customs Act, 1962 and I hereby impose a penalty of Rs. 25,000 /- (Rupees Twenty Five Thousand only) on them. The proposals for imposition of penalty under Sections 114AA and 114AB of the Customs Act, 1962 are dropped.

26. This order is issued without prejudice to any other action which may be taken in respect of the goods in question and/or against the persons concerned or any other persons, if found involved under the provisions of the Customs Act, 1962 and/or other law for the time being in force in the Republic of India.

(Dr. Chittaranjan Prakash Wagh)

Addl. Commissioner of Customs
NS-II, JNCH, Nhava Sheva.

To.

M/s Indoco Remedies Limited (IEC-0388050535)

Plot No. L-32/33/34, Verna Industrial Estate, Verna, Goa-403722.

Copy To:

1. The Commissioner of Customs, NS-II, JNCH, Nhava-Sheva
2. The DC/ CRRC, JNCH
3. The DC/ Review Cell (CRAC), JNCH
4. The DC EPSMMC Cell, JNCH.
5. The AC/DC of EDI, JNCH for uploading on website
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