

	<p>सीमाशुल्क आयुक्त का कार्यालय, एनएस-II OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-II केंद्रीकृत निर्यात आकलन कक्ष, जवाहरलाल नेहरू सीमाशुल्क भवन CENTRALIZED EXPORT ASSESSMENT CELL, JAWAHARLAL NEHRU CUSTOM HOUSE, न्हावा शेवा, तालुका -उरण, जिला- रायगढ़, महाराष्ट्र -400 707 NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA-400707</p>
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F. No.- CUS/ASS/AMND/3247/2025-CEAC

DIN: 20260178NT0000666F7D	
आदेश की तिथि Date of Order	: 14.01.2026
जारी किए जाने की तिथि Date of Issue	: 15 .01.2026
आदेश सं. Order No.	360/2025-26/आयुक्त/सीईएसी/एनएस- : II/सीएसी/जेएनसीएच 360/2025-26/Commissioner/CEAC/NS-II/CAC/ JNCH
पारितकर्ता Passed by	श्री गिरिधर जी. पई Sh. Giridhar G. Pai : आयुक्त, सीमाशुल्क (एनएस-II), जेएनसीएच, न्हावाशेवा Commissioner of Customs (NS-II), JNCH, Nhava Sheva
पक्षकार (पार्टी)/नोटिसी का नाम Name of Party/Noticee	मै. जय जगदंबा प्रोफाइल्स प्रा. लिमिटेड (आईईसी नंबर : 0314037551) M/s. Jay Jagdamba Profiles Pvt. Limited (IEC NO. 0314037551)

मूल आदेश

ORDER-IN-ORIGINAL

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।

The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम, १९६२ की धारा १२९ए के तहत इस आदेश के विरुद्ध सी ई एस टी ए टी, पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीज़नल बेंच, ३४, पी. डी. मेलोरोड, मस्जिद (पूर्व), मुंबई-४००००९ को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

3. अपील दाखिल करने संबंधी मुख्य मुद्दे:-

Main points in relation to filing an appeal: -

फार्म Form	:	फार्म नं. सीए-३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए) Form No. CA-3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy)
समय सीमा Time Limit	:	इस आदेश की सूचना की तारीख से तीन महीने के भीतर Within 3 months from the date of communication of this order.
फीस Fee	:	(क) एक हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम पाँच लाख रुपये या उस से कम है। (a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less. (ख) पाँच हजार रुपये- जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम पाँच लाख रुपये से अधिक परंतु पचास लाख रुपये से कम है। (b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakh (ग) दस हजार रुपये-जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम पचास लाख रुपये से अधिक है। (c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.
भुगतान की रीति Mode of Payment	:	क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सी ई एस टी ए टी, मुंबई के पक्षमें जारी किया गया हो तथा मुंबई में देय हो। A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.
सामान्य General	:	विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, १९६२, सीमाशुल्क (अपील) नियम, १९८२ सीमाशुल्क, उत्पादन शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, १९८२ का संदर्भ लिया जाए। For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उस में माँगे गये शुल्क अथवा उद्गृहीत शास्ति का ७.५ % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमाशुल्क अधिनियम, १९६२ की धारा १२९ के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी।

Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of 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.

Sub: - Request for Conversion of Shipping Bills from Non-MEIS to MEIS Scheme by M/s. Jay Jagdamba Profiles Pvt. Limited -Reg.

M/s. Jay Jagdamba Profiles Pvt. Limited, IEC No., 0314037551 located at Gut No-44(P), 46/2(P) & 60(P), Village-Abitghar, Shahapur road, Tal Wada, THANE, PALGHAR, MAHARASHTRA, 421303 (hereinafter referred to as "the exporter") has requested for conversion of Eighteen (18) Shipping Bills pertaining to exports made during the period February, 2016 to March, 2016 from Non-MEIS to MEIS Scheme vide their letter dated 11.11.2025, details of which are tabulated below:

Table - I

Sl. No.	Shipping Bill No.	Shipping Bill Date	LEO Date	Scheme in which shipping bill filed	Scheme to which conversion sought
(1)	(2)	(3)	(4)	(5)	(6)
1	5591329	01.02.2016	03.02.2016	Reward-NO Scheme Code-19 (Drawback)	Reward-YES Scheme Code-19 (Drawback)
2	5591428	01.02.2016	03.02.2016		
3	5822746	12.02.2016	13.02.2016		
4	5824243	12.02.2016	13.02.2016		
5	5885281	16.02.2016	17.02.2016		
6	5896862	16.02.2016	17.02.2016		
7	5980752	20.02.2016	20.02.2016		
8	5981551	20.02.2016	20.02.2016		
9	5981856	20.02.2016	20.02.2016		
10	6157474	29.02.2016	01.03.2016		
11	6157746	29.02.2016	01.03.2016		
12	6439759	14.03.2016	14.03.2016		
13	6432389	14.03.2016	14.03.2016		
14	6488239	16.03.2016	16.03.2016		
15	6488457	16.03.2016	16.03.2016		
16	6490106	16.03.2016	16.03.2016		
17	6488009	16.03.2016	17.03.2016		
18	6768996	30.03.2016	30.03.2016		

2. The exporter M/s Jay Jagdamba Profiles Pvt. Limited vide above referred letter stated that while filing the 18 Nos. of shipping bills, an inadvertent clerical lapse occurred in the reward column, wherein the system reflected "N" (No) instead of "Y" (Yes) for MEIS intent. However, their intention to claim MEIS benefits has always been clear and is reflected in the contemporaneous export documentation. The error was purely technical and arose from the data-entry stage in the EDI system, without any intention to forgo the benefits under the scheme. The inadvertent error in ticking "N" has prevented electronic transmission of these shipping bills for reward purposes. Therefore, it is necessary that the shipping bills be amended under Section 149 of the Customs Act, 1962, and transmitted to DGFT for processing and grant of benefits.

2.1. The exporter has further stated that their amendment under Section 149 of the Customs Act, 1962 is legally sustainable and procedurally compliant as per Notification No. 21/ 2025-Cus (NT) dated 03.04.2025, which allows conversion of shipping bills issued prior to 22.02.2022 for a period of one year i.e., up to April 2026. Further, from 01.06.2015, EDI exports were mandatorily required to declare intent "Y" in the reward column for claiming MEIS. However, DGFT subsequently accepted EDI shipping bills filed up to 30.09.2015 where declaration existed but "N" was ticked in the reward field – indicating that declaration was treated as sufficient for EDI. Hence it was immaterial for EDI shipping bill to carry declaration, as only requirement was to mention "Y" in reward column. The same has been reflected in countless cases where MEIS was denied despite shipping bills having declaration to claim MEIS with "N" in reward column. Thus, Customs can issue an amendment to "Y" irrespective of whether the declaration was printed separately.

2.2. Further, the exporter has drawn attention towards observations made by the Hon'ble Bombay High Court in the matter of M/s Portescap India Pvt. Ltd. v. Union of India (2021) 376 ELT 161 – It was held that an inadvertent marking of "N" instead of "Y" in the reward column cannot be a ground to deny MEIS benefits. In this case, the exporter had neither selected "Y" nor recorded any declaration in the remarks column. The Court nevertheless directed the Customs authorities to permit amendment under Section 149 and process the claim, holding that a mere clerical or data-entry error cannot deprive an exporter of legitimate incentives under a beneficial scheme intended to promote exports.

2.3. They have also mentioned in their submissions that in the case of M/s Technocraft Industries (India) Ltd. v. Union of India (2023 SCC Online Bom 280) – held that once amendment under Section 149 is permitted, DGFT is bound to accept the corrected shipping bills for MEIS and cannot rely on system constraints. They have also stated about similar observations made by Bombay High Court in Larsen & Toubro Ltd. v. Union of India (2024 SCC Online Bom 3565), the Hon'ble Bombay High Court reaffirmed that systemic limitations cannot override legal rights and in the BFN Forgings Pvt. Ltd. v. Union of India (Bom HC, 2025) – directed DGFT to process MEIS claims despite system constraints.

2.4. They have further stated that the MEIS benefit is not subject to any separate assessment or verification by Customs. It relies solely on the exporter's declaration of intent in the shipping bill, with eligibility scrutiny carried out subsequently by DGFT at the time of MEIS application. Therefore, once a shipping bill has been duly assessed under a monitored scheme such as Drawback or Advance Authorisation, no additional Customs verification is warranted for the same consignment. Permitting amendment of such shipping bills would not alter their nature, character,

or assessment, since the underlying export transaction has already been examined under existing Customs procedures.

3. Following the principles of natural justice, a personal hearing was granted on 11.12.2025. Shri Rohit Shah, Company CA, Authorised representative of M/s Jay Jagdamba Profiles Pvt. Limited appeared before me and requested for conversion 18 nos. of shipping bills wherein they had mentioned "N" (for No) instead of "Y" (for Yes) for MEIS. They sought to rely on the written submission made in the application dated 11.11.2025.

4. The exporter, vide their submission dated 11.11.2025, has also given an undertaking declaring non-availment of MEIS benefits in respect of 18 shipping bills covered under the said conversion application. The exporter has stated therein, in favor of the Department, confirming that no MEIS benefits or any other export incentives have been availed, received, or claimed, and that there has been no change of intent from "No" to "Yes" under the MEIS scheme for the aforementioned shipping bills (as detailed in Table-I).

DISCUSSIONS AND FINDINGS

5. I have carefully gone through the request made by the exporter vide their application dated 11.11.2025 along with enclosures, for amendment by way of conversion of shipping bills from Non-MEIS to MEIS, the submissions made by the exporter at the time of personal hearing and the relevant provisions of Customs Act, 1962, which govern the conversion of shipping bills.

6. In the instant case, I find that the exporter had filed the Shipping bills mentioned in Table-I above, under the Scheme- Drawback (Scheme Code-19) and without claiming MEIS benefits. However, the exporter has requested for conversion from Non-MEIS to MEIS vide their letter dated 11.11.2025. Now, the issue to be decided is whether the exporter is eligible for amendment sought by them for conversion of the said shipping bills.

7. Conversion of shipping bill is governed by Section 149 of the Customs Act, 1962. In the instant case, the shipping bills were filed during the period from Feb, 2016 to March, 2016. Since the application for amendment has been filed on 11.11.2025, the same shall be dealt with under Section 149 of the Customs Act as it exists today. The same is reproduced as under:

Section 149. Amendment of documents- Save as otherwise provided in section 30 and 41, the proper officer may, in his discretion, authorise any document, after it has been presented in the custom house to be amended in such form and manner, within such time, subject to such restrictions and conditions, as may be prescribed:

Provided that no amendment of a bill of entry or a shipping bill or bill of export shall be so authorized to be amended after the imported goods have been cleared for home consumption or deposited in a warehouse, or the export goods have been exported, except on the basis of documentary evidence which was in existence at the time the goods were cleared, deposited or exported, as the case may be"

7.1. The shipping bills mentioned in Table-I had been granted LEOs (Let Export Order) during the period from Feb'2016 to March'16. I find that Export Entry (Post export conversion in relation to instrument based scheme) Regulations, 2025 have been notified vide notification No.21/2025-Customs (N.T.) dated 03.04.2025. Further, as per sub-regulation (2) to Regulation (3) of the said regulations time limit of one year for export entries filed before 22.02.2022, shall be reckoned from the date on which these regulations have come in force, relevant Para is as under:

"(2) Where an export entry is filed before the 22nd February, 2022, the period of one year specified under sub-regulation (1) shall be reckoned from the date on which these regulations have come into force."

Other relevant Provision of the said regulations are as under:

Regulation 2(1)(b): "conversion" means amendment of the declaration made in the export entry to any one or more instrument-based scheme, after the export goods have been exported.

Regulation 2(1)(c): "export entry" means entry relating to export as defined in clause (16) of section 2 of the Act and includes an entry made in the Shipping Bills or Bills of Exports under Section 50 or entries made for goods to be exported by post or courier under Section 84 of the Act.

Regulation 2(1)(d): "instrument-based scheme" means a scheme involving utilization of instrument referred to in explanation 1 to sub-section (1) of section 28AAA of the Act.

Regulation 4(e): The export entry of which the conversion is sought is one that has been filed in relation to instrument based scheme, or under drawback or for fulfilment of any export obligation or combination thereof.

Explanation 1 to Section 28AAA of the Customs Act, 1962:

Explanation 1 : For the purpose of this sub-section, "instrument" means any scrip or authorization or license or certificate or such other document, by whatever name called, issued under the Foreign Trade (Development and Regulation) Act, 1992 with respect to a reward or incentive scheme or duty exemption scheme or duty remission scheme or such other scheme bestowing financial or fiscal benefits, which may be utilized under the provisions of this act or the rules made on notifications issued thereunder".

8. From the above provisions it emerges that for export entries filed before 22.02.2022, the request for conversion shall be determined under the Export Entry

(Post Export Conversion in relation to Instrument Based Scheme) Regulations, 2025 and the time limit of one year shall be from the date on which these Regulations have come into force i.e., 03.04.2025. Further, a conjoint reading of these provisions indicates that the regulations apply only to such shipping bills which were filed in relation to instrument based scheme, or under drawback or for fulfilment of any export obligation or combination thereof and the request for amendment in the shipping bill is for conversion to any one or more instrument-based scheme. The instant shipping bills were filed in Scheme code 19 i.e. Drawback, and the conversion is sought from Drawback & Reward "No" to Drawback & Reward "Yes", Thus, I find that the Export Entry Regulations, 2025 are applicable to the instant case.

9. Regulations 3 and 4 of the Export Entry (Post export conversion in relation to instrument based scheme) Regulations, 2025 prescribe the manner and time for applying for conversion and the conditions and restrictions for conversion respectively. These are reproduced below.

3. Manner and time limit for applying for post export conversion of export entry. –

(1) The application for conversion shall be filled by an exporter in writing within one year from the date of clearance of goods under sub-section (1) of section 51 or section 69 of the Act or from the date of entry made under section 84 of the Act, as the case may be:

Provided that the jurisdictional Commissioner of Customs may, for the reasons to be recorded in writing, extend the time limit not exceeding six months, if it is satisfied that the circumstances were such which prevented the exporter from filing an application within the period specified under sub-regulation (1):

Provided further that the jurisdictional Chief Commissioner of Customs may, for the reasons to be recorded in writing, extend the time limit not exceeding six months, if it is satisfied that the circumstances were such which prevented the exporter from filing an application for a period exceeding one year and six months.

(2) Where an export entry is filed before the 22nd February, 2022, the period of one year specified under sub-regulation (1) shall be reckoned from the date on which these regulations have come into force.

(3) Where filing of an application under sub-regulation (1) was prevented due to stay or an injunction passed by any court or tribunal, then, in computing the period specified therein, the period of continuance of the stay or order, the day on which it was issued or made, and the day on which it was withdrawn, shall be excluded.

(4) The jurisdictional Commissioner of Customs, may, in his discretion, authorise the conversion of export entry, subject to the following, namely: –

(a) on the basis of documentary evidence, which was in existence at the time the goods were exported;

- (b) subject to conditions and restrictions for conversion provided in regulation 4;*
- (c) on payment of a fee in accordance with Levy of fees (Customs Documents) Regulations, 1970.*

(5) Subject to the provision of sub-regulation (1), the jurisdictional Commissioner of Customs shall, where it is possible so to do, decide every application for conversion within a period of thirty days from the date on which it is filed.

Regulation 4. Conditions and restrictions for conversion of Shipping Bill. –

(1) The conversion of shipping bill and bill of export shall be subject to the following conditions and restrictions, namely: -

(a) fulfilment of all conditions of the instrument-based scheme to which conversion is being sought;

(b) the exporter has not availed or has reversed the availed benefit of the instrument-based scheme from which conversion is being sought or reversed the amount of drawback or any other benefit, in case drawback or such scheme is not admissible in the scheme to which conversion is being sought, as the case may be;

(c) no condition, specified in any regulation or notification, relating to presentation of shipping bill or bill of export in the Customs Automated System, has not been complied with;

(d) no contravention has been noticed or investigation initiated against the exporter under the Act or any other law, for the time being in force, in respect of such exports;

(e) the export entry of which the conversion is sought is one that had been filed in relation to instrument based scheme, or under drawback or for fulfilment of any export obligation or combination thereof.

10. Considering the fact that the said Shipping Bills were granted LEO prior to 22.02.2022, a conjoint reading of Section 149 of the Customs Act, 1962 and the Export Entry (Post export conversion in relation to instrument based scheme) Regulations, 2025, provides for the following criteria for conversion of shipping bills-

A. The application for conversion shall be filed in writing within a period of one year from the date of order for clearance of goods. Further, in the case where export entry is filed before the 22nd February, 2022, the period of one year shall be reckoned from the date on which these regulations have come into force.

B. Conversion of the shipping bill may be authorised on the basis of documentary evidence, which was in existence at the time the goods were exported,

- C. On payment of a fee in accordance with Levy of fees (Customs Documents) Regulations, 1970, as amended,
- D. All conditions of the instrument-based scheme to which conversion is being sought should be fulfilled,
- E. Exporter has not availed or has reversed the benefit of the instrument-based scheme from which conversion is being sought,
- F. All conditions relating to shipping bill have been complied with,
- G. No contravention noticed against the shipping bill,
- H. Shipping bill Conversion shall be allowed from one instrument-based scheme, or drawback to another instrument-based scheme.

11. Now, I proceed to examine the shipping bills (as detailed in Table-I) in terms of each of the criteria as given above.

A. The application for conversion shall be filed in writing within a period of one year from the date of order for clearance of goods and where an export entry is filed prior to 22nd February, 2022, the period of one year specified under sub-regulation (1) shall be reckoned from the date on which these regulations have come into force:

As discussed above, I find that the issue related to the time limit has already been regularised in the Export Entry Regulations 2025. In the instant case, since the export entry in respect of the Shipping bills mentioned in Table-I above is prior to 22.02.2022 and the application is being considered within the period of one year from the date on which the Export Entry Regulations, 2025 have come into force, i.e., 03.04.2025, the application is well within the prescribed time limit in terms of Regulation 3(2) of the said Regulations.

B. Conversion of the shipping bill may be authorised on the basis of documentary evidence, which was in existence at the time the goods were exporter:

(a) From the plain reading of Section 149 of the Customs Act, 1962, it may be seen that the exporter cannot be allowed to claim amendment by way of conversion in a routine manner and as a matter of right. Depending on the conversion sought, the physical verification and examination of goods in addition to verification of documents is required to be done as the conversion can change the entire nature and character of the shipping bill. Needless to mention that it is now well-settled that conversion from one scheme to another is not an amendment simpliciter. It is

therefore necessary that the request for conversion needs to be examined carefully on case-to-case basis solely on merit.

(b) The Director General of Foreign Trade (hereinafter to be referred as "DGFT" for the sake of brevity) vide Public Notice No. 09/2015 dated 16th May, 2016 has made the amendments in Paragraph 3.14(a) of the Handbook of Procedures 2015-20. Therefore, Paragraph 3.14(a) of the Handbook of Procedures 2015-20 as it existed prior to its amendment and post-amendment is reproduced as under:

Paragraph prior to amendment:

Paragraph 3.14: Declaration of Intent on shipping bills for claiming rewards under MEIS including export of goods through courier or foreign post offices using eCommerce

- (a) *Export shipments filed under all categories of the Shipping Bills would need the following declaration on the Shipping Bills in order to be eligible for claiming rewards under MEIS: "We intend to claim rewards under Merchandise Exports from India Scheme (MEIS)". Such declaration shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP. In the case of shipping bills (other than free shipping bills), such declaration of intent shall be mandatory with effect from 1st June 2015.*

Amended Paragraph:

Paragraph 3.14: Procedure for Declaration of Intent on EDI and Non-EDI shipping bills for claiming rewards under MEIS including export of goods through courier or foreign post offices using e-Commerce

- (a) (i) *EDI Shipping Bills: Marking/ ticking of "Y" (for Yes) in "Reward" column of shipping bills against each item, which is mandatory, would be sufficient to declare intent to claim rewards under the scheme. In case the exporter does not intend to claim the benefit of reward under Chapter 3 of FTP exporter shall tick "N" (for No). Such marking/ticking shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP*
- (ii) *Non-EDI Shipping Bills: In the case of non-EDI Shipping Bills, Export shipments would need the following declaration on the Shipping Bills in order to be eligible for claiming rewards under MEIS: "We intend to claim rewards under Merchandise Exports from India Scheme (MEIS)". Such declaration shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP.*

Effect of this Public Notice: *The procedure for declaration of intent in Paragraph 3.14(a) of the Handbook of Procedures 2015-20 for EDI is simplified. The marking of tick in pursuance of the earlier **Public Notice No.47, dated 8th December 2015** shall be treated as declaration of intent in case of EDI shipping bills. The marking of tick in the appropriate tick boxes are mandatory in EDI shipping bills.*

(c) As per paragraph 3.14 of Handbook of Procedures 2015-20, for claiming benefit under Merchandise Exports from India Scheme (hereinafter referred as 'MEIS') it is mandatory on the part of the exporter to file the EDI shipping bills by Marking/ticking of "Y" (for Yes) in "Reward" column of shipping bills against each item, which is sufficient to declare intent to claim rewards under MEIS scheme. The shipping Bills mentioned above had been Marked/ticked "N" (for 'No') in "Reward" column of shipping bills against each item.

(d) I observe that the exporter has relied upon the judgment of the Hon'ble High Court, Bombay in the case of M/s. Larsen & Toubro (Writ Petition no. 3667 of 2024), Judgement given in the earlier decision in the matter of M/s. Technocraft Industries (India) Limited Vs. Union of India (Writ Petition no. 3202 of 2022) and the Hon'ble Bombay High Court's similar directions in the matter of M/s. BFN Forgings Pvt Ltd. Vs UOI (Writ petition 3681 of 2024). The Hon'ble High Court's directions in above mentioned writ petitions address the denial of MEIS benefits by the Directorate General of Foreign Trade (DGFT) due to technical or procedural errors in the system, such as incorrect flags in the export documentation or system glitches preventing proper claim submissions. In each case, the courts directed the DGFT and Customs authorities to process the claims, emphasizing that exporters should not be penalized for technical issues. The Hon'ble Courts reinforced the principle that systemic issues should not be used to deny exporters their legitimate benefits under the Merchandise Exports from India Scheme (MEIS), especially when corrective measures (like amendments under Section 149 of the Customs Act, 1962) have been taken, further directs the authorities to improve coordination and ensure systems align to facilitate the rightful claims of exporters. Subsequent to these directions, DG System issued an Advisory no. 07/2023 dated 11.04.2023, regarding transmission of shipping bills from systems' backend to DGFT for MEIS benefits for certain cases, and in this regard, a Public notice 30/2023 dated 11.04.2023 was also issued by JNCH.

(e) In the instant case, at the time of filing the shipping bills, the exporter had mentioned 'No' instead of 'Yes' in the Reward Item Column. However, they mentioned in the shipping bills that "We intend to claim Rewards under Merchandise Exports from India Scheme (MEIS)". Snapshots of 1st page of the shipping bill bearing No. 6488009 dated 16.03.2016 & 6488239 dated 16.03.2016 are being reproduced for ready reference.

PUNJAB CON
E.D.I. Service

EXCHANGE CONTROL
LEQ No : 28/90

LEQ Date: 17/03/2016

Indian Customs EDI System (ICES)

JNCH, NHAVA SHEVA, TAL:URAN, DIST:RAIGAD-400707
Shipping Bill for Export

SB No : 6488009 / 16/03/2016 BRC Realisation Date : 31/12/2016
CHA : AACFIS528FCH002 INDIAN SHIPPING SERVICES
Print Date : 17/03/2016 12:50
Port of BL : IRBND
Country of BL : IR
Port Of Ldg-Code : INNSA1 State of Origin : MAHARASHTRA

EXPORTER DETAILS		CONSIGNEE	
0314037551()	BIN No. : AAFCM0013PFT001		
JAY JAGDAMBA PROFILE PRIVATE LIMITED	M/S.E		
Branch # 1 GUT NO.44/P, 46/2/P & 50/P, ABUAE	UNITED ARAB EMIRATES		
AR, WADA,			
PALGHAR, MAHARASHTRA			
421303			
Factory Sealed Address Details			
IEC : X	Name : X		
Port of Loading : JNCH, NHAVA SHEVA, T	Total Pkgs. : 37		
Port of Discharge: Bandar Abbas	Loose pkcts : 0		
Gross Wt (KGS) : 27308.000	Net Wt (KGS) : 27271.000		
Country of Dest : IRAN	No. of Ctrs. : 1		
Rotation No. : 102218	Rotation Date : 26/02/2016		
Nature of Cargo : C			
Marks and Nos. : AS PER INVOICE * WE INTEND TO CLAIM REWARDE UNDER MERCHNADISE E (MEIS)AS PER INVOICE			
FOREX BANK ACC:408105010000200			
RBI Waiver No/Date: /			
FOB VALUE (INR) : E3746103.56	F DBK+STR(INR): E74922.00	F	
Total Drawback(INR) E74922.00	F Service Tax Refund(INR): E0.00	F	
AD. Code : 0290192	Bank a/c No : 408105010000200		
I.F.S. Code : UBIN0540811	ST / Excise Regn. :		

INVOICE DETAILS Invoice 1/1

Inv.val	:3751593.46	INR	56035.75	USD
FOB val	:3746103.56	INR		
Inv.no.	:EXP/P-014	Inv Dt	:15/03/2016	
Nat. of con	: ECIF	FCurr(inv):	USD	
Exp Contract No:				
Exchange rate	:1.00	(USD) =	66.950 (INR)	

	Rate	Currency	Amount
Insurance	0.00	USD	12.00
Freight:		USD	70.00
Discount:	0.00		0.00
Commission:	0.00		0.00
Other Deductions:	0.00		0.00
Packing Charges:		USD	0.00
Nature of payment: AP		Period of Payment:	
Buyer Name & Address			
M/S.E			
UAE			

42/1

PUNJAB CONWARE
E.D.I. Service centre

LED Date: 16/03/2016
Indian Customs EDI System (ICES)

EXCHANGE CONTROL C
LEO No : 28/443

JNCH, NHAVA SHEVA, TAL:URAN, DIST-RAIGAD-400707
Shipping Bill for Export

SE No : 6488239 / 16/03/2016 BRC Realisation Date : 31/12/2016
CHA : AACF16528FCH002 INDIAN SHIPPING SERVICES
Print Date : 16/03/2016 17:03
Port of BL : IRBND
Country of BL : IR
Port of Ldg-Code : INNSAI State of Origin : MAHARASHTRA

EXPORTER DETAILS		CONSIGNEE	
0314037551()	BIN No. : AAF0M0013PFT001		
JAY JAGDAMBA PROFILE PRIVATE LIMITED	M/S.E		
Branch # 1 GUT NO.44/P, 46/2/P & 60/P, ABUAE			
AR, WADA, PALGHAR, MAHARASHTRA	UNITED ARAB EMIRATES		
- 421303			
Factory Sealed Address Details			
IEC :K	Name :X		
Port of Loading : JNCH, NHAVA SHEVA,	T Total Pkgs. : 31		
Port of Discharge: Bandar Abbas	Loose pkts : 0		
Gross Wt (KGS) : 27592.000	Net Wt (KGS) : 27561.000		
Country of Dest : IRAN	No. of Ctrs. : 1		
Rotation No. : 2003	Rotation Date : 26/02/2001		
Nature of Cargo : C			
Marks and Nos.: AS PER INVOICE * WE INTEND TO CLAIM REWARDE UNDER MERCHNADISE EX (MEIS) AS PER INVOICE			
FOREX BANK ACC:408105010000200			
RBI Waiver No/Date:			
FOB VALUE (INR) : E3500407.11	F DSK+STR(INR): E70008.00	F	
Total Drawback(INR) E70008.00	F Service Tax Refund(INR): E0.00	F	
AD. Code :0290192	Bank a/c No :408105010000200		
I.F.S. Code : UBIN0540811 ST / Excise Regn. :			

INVOICE DETAILS Invoice 1/1
 Inv.val : 3505897.01 INR 52365.90 USD
 FOB Val : 3500407.11 INR
 Inv.no. : EXP/P-015 Inv Dt : 15/03/2016
 Nat. of con : ECIF FCurr(inv):USD
 Exp Contract No:
 Exchange rate : 1.00 (USD) = 66.950 (INR)

	Rate	Currency	Amount
Insurance	0.00	USD	12.00
Freight:		USD	70.00
Discount:	0.00		0.00
Commission:	0.00		0.00
Other Deductions:	0.00		0.00
Packing Charges:		USD	0.00
Nature of payment: AP	Period of Payment:		
Buyer Name & Address			
M/S.E			
UAE			

(f) In the matter of M/s. Pasha International Vs. Commissioner of Customs, Tuticorin [[2019 (365) E.L.T. 669 (Mad.) [10-01-2019]]; Hon'ble High Court of Madras and the Learned Counsel appearing for the Writ petitioner points out that in an identical situation, the High Court of Kerala in the decision reported in 2018 (361) E.L.T. 1000 (Ker.) (Saint Gobain India Pvt. Ltd. v. Union of India), held as follows: -

"6. ... it is the specific contention of the 3rd respondent that there can be no amendment in the shipping bills, since the entire procedure is operated by the system. However, it is stated that the 3rd respondent is ready to issue 'No Objection

Certificate' to enable the petitioner to avail the benefits from the 4th respondent. In the above view of the matter, there will be a direction to the 3rd respondent to issue the necessary 'No Objection Certificate' to the petitioner. The petitioner shall produce the said NOC before the 4th respondent and seek the benefits from the 4th respondent. The 4th respondent shall consider such claim and pass orders thereon expeditiously, at any rate within a period of three months from the date of receipt of a copy of this Judgment."

Considering the facts and circumstances of this case, the Hon'ble High Court of Madras has ordered as follows;

"I am of the view that a similar direction can be given in the present case also. Of course, in the present case, the Learned Counsel for the respondent is only seeking time. Considering the facts and circumstances of this case, the second respondent can be directed to issue N.O.C. to enable the petitioner to avail the benefit from the third respondent. The third respondent shall consider the claim of the Writ petitioner and pass appropriate orders thereon expeditiously. This order is passed, taking note of the fact that only due to inadvertence, the Writ petitioner instead of putting "Yes", had put "No" in the form."

(h) In this regard, I also quote from the latest judgment dated 19.08.2025 of the Hon'ble Supreme Court in the case of M/s Shah Nanji Nagsi Exports Pvt. Ltd. v/s UoI & Ors. [SLP (C) No.14919/2021]

"10. The principal question for consideration is whether an inadvertent error in the shipping bills, which was permitted to be corrected under Section 149 of the Customs Act, can defeat an exporter's claim under the MEIS?

11. This issue has received judicial consideration in a line of decisions of the Bombay High Court. In Portescap India Private Limited (supra), the Bombay High Court dealt with a similar situation where an exporter had inadvertently marked "N" (for No) instead of "Y" (for Yes) while filing shipping bills. The High Court held that such a mistake was purely procedural and, once corrected, could not extinguish substantive entitlement. The Court directed the authorities to process the claim, emphasising that the purpose of Chapter 3 of the FTP is to incentivise exports and that this object would be frustrated if inadvertent mistakes were treated as insurmountable. The ratio of Portescap (supra) is squarely applicable to the present case.

12. The principle was reiterated in Technocraft Industries (India) Limited v. Union of India and Others, where the Bombay High Court again considered denial of MEIS benefits despite the shipping bills having been corrected under Section 149. The High Court noted the hardship faced by exporters and directed the Customs and DGFT authorities to take appropriate steps to prevent recurrence of such disputes, observing

that systemic rigidity cannot be allowed to defeat substantive rights. The facts of the present case furnish an illustration of the very mischief which Technocraft (supra) sought to remedy.

13. In Larsen and Toubro Limited v. Union of India and Others, the Bombay High Court dealt with a similar rejection of MEIS claims despite amendment under Section 149. The High Court deprecated the rejection, holding that technical or systemic constraints cannot override statutory entitlements. The High Court went to the extent of imposing costs upon the DGFT. While we do not consider it necessary to adopt that course, we find ourselves in respectful agreement with the principle enunciated that beneficial schemes must be construed liberally and that procedural lapses, once rectified, cannot be allowed to defeat substantive rights.

14. These decisions, read together, demonstrate a consistent judicial approach that distinguishes between procedural formalities and substantive entitlements. The scheme under Chapter 3 of the FTP is a beneficial one, intended to reward exporters. Once exports are genuine and fall within the notified category, inadvertent mistakes of procedure cannot be treated as fatal, especially where they are corrected under statutory authority. The rejection by the PRC, bereft of reasons and passed without hearing, falls foul of the principles of natural justice. The High Court's view that the appellant may proceed against the customs broker fails to address the statutory entitlement which accrues to the exporter under the scheme. Administrative technology must aid, not obstruct, the implementation of the law."

(i) It is a well-settled principle of law that procedural lapse or inadvertent mistakes cannot take away the substantial benefits. Substantial benefit cannot be denied due to such an error. I refer to case laws of Portescap India Pvt. Ltd. Vs. Union of India & Ors., MANU/MH/0571/2021, Mangalore Chemicals and Fertilizers Limited Vs. Deputy Commissioner 1991 (55) ELT 437 (SC).

C. On payment of a fee in accordance with Levy of fees (Customs Documents) Regulations, 1970, as amended:

The amendments, if approved, in this regard shall be carried out in ICES system as per the procedure laid down in Advisory No: 16/2025 dt. 25.03.2025 regarding Post EGM Amendment Module and the same to be allowed only after payment of applicable amendment fees as prescribed under Levy of Fees (Customs Documents) Amendment Regulation, 2017.

D. All conditions of the instrument-based scheme to which conversion is being sought should be fulfilled:

As discussed in the preceding paragraphs, although the exporter did not mark "YES" under the reward column in the Shipping Bills, their intention to avail benefits under the MEIS scheme was clearly evident. Furthermore, the goods were

exported under Scheme Code 19 (Drawback), classified under ITC(HS) Code 72222012. As per the Appendix 3B of the MEIS Schedule, the said goods were eligible for benefits under the MEIS scheme.

E. Exporter has not availed or has reversed the benefit of the instrument-based scheme from which conversion is being sought:

(a) The exporter has filed shipping bills under Scheme- Drawback (Scheme Code-19) with remark "No" under reward column. As the conversion is sought from Scheme Reward-No to Scheme Reward-Yes, i.e., from Non-MEIS to MEIS and there is no benefit available under non-MEIS shipping bills and EOU benefits were applicable at both ends, i.e., the scheme into which the said shipping bills were filed (Drawback & Non-MEIS) and the scheme into which conversion is being sought (Drawback & MEIS) and thus it is evident that benefits of Drawback were available at both ends. Thus, precondition of non-availment/reversal of the benefit of the scheme under which the goods were exported does not arise in the instant case. Further, from the ICES 1.5 System (under comment tab), I find that nothing adverse has been mentioned against the said shipping bills.

(b) The exporter have also indemnified the department confirming that no MEIS benefits or any other export incentives have been availed, received, or claimed, and that there has been no change of intent from "No" to "Yes" under the MEIS scheme for the aforementioned shipping bills.

F. All conditions relating to shipping bill have been complied with:

(a) As discussed in the preceding paragraphs, although the exporter has not ticked the reward column as Yes, but the exporter has explicitly shown their intention to avail the benefits under the MEIS scheme. This is evident in the shipping bills itself, where the exporter had shown the intent to claim MEIS as per the Para 3.14 (as amended) of Handbook of Procedure 2015-2020. These entries provide clear evidence of the exporter's intent to claim the benefits under the MEIS Scheme for the shipments in question.

(b) Hence, there is no denial to the fact that the exporter at the time of said exports was eligible for claiming export benefits under the MEIS scheme against the shipment covered under the shipping bills mentioned in Table-I above.

G. No contravention noticed against the shipping bill:

On perusal of the ICES 1.5 system (under the comment tab), I find that nothing adverse has been mentioned against the said shipping bills.

H. Conversion shall be allowed from one instrument-based scheme, or drawback to another instrument-based scheme:

The exporter has requested for conversion of the said shipping bill from Drawback & Non-MEIS to Scheme-Drawback & MEIS and as discussed in Para 10 above, the said conversion falls under the ambit of the Export Entry (Post export conversion in relation to instrument based scheme) Regulations, 2025. Thus, I find that this condition is fulfilled in the present case.

12. In view of the above discussion, I hold that the conversion of 18 nos. of shipping bills from Scheme Non-MEIS to Scheme MEIS as tabulated under Table - I above may be allowed. Accordingly, I pass the following order:

ORDER

- I. I allow the conversion of 18 nos. of shipping bills as detailed in TABLE-I above from Reward "No" to Reward "Yes".
- II. An amendment in this regard shall be carried out in ICES system as per the procedure laid down in Advisory No: 16/2025 dt. 25.03.2025 regarding Post EGM Amendment Module only after payment of amendment fee as prescribed under Levy of Fees (Customs Documents) Amendment Regulation, 2017.
- III. All these shipping bills may also be transmitted to DGFT as per the prescribed conditions and procedure laid down in DG System Advisory No. 07/2023 dated 11.04.2023.

(Giridhar G. Pai)
Commissioner of Customs, NS-II
JNCH, Nhava Sheva

To:

M/s. Jay Jagdamba Profiles Pvt. Limited, IEC No., 0314037551
Gut No-44(P), 46/2(P) & 60(P),
Village-Abitghar, Shahapur road,
Tal Wada, THANE, PALGHAR,
MAHARASHTRA, 421303

Copy to:

- I. The Dy./ Asstt. Commissioner of Customs, CCO, JNCH, Nhava Sheva.
- II. The Dy./ Asstt. Commissioner of Customs, CEAC, JNCH, Nhava Sheva.
- III. DGFT, Mumbai, CGO Office, New Building, SE Wing, New Marine Lines, Church Gate, Mumbai-400 020.
- IV. EDI Section, for uploading on JNCH website.
- V. Office copy.