

 सत्यमेव जयते	भारतसरकार/ Government of India वित्तमंत्रालय / Ministry of Finance आयुक्त सीमाशुल्क एन.एस.-II कार्यालय Office of Commissioner of Customs NS-II Jawaharlal Nehru Custom House, Nhava Sheva, Dist- Raigad, Maharashtra - 400 707	
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F.No.:CUS/LIC/MEIS/33/2025-LIC-O/O Commr-Cus-NS-II

Date: 17-11-2025

SCN No. 1327/2025-26/AC/LIC/NS-II/CAC/JNCH

DIN NO. 20251159XL000092495E

**DEMAND CUM SHOW CAUSE NOTICE ISSUED UNDER SECTION 124
READ WITH SECTION 28(4) READ WITH SECTION 28AAA OF THE
CUSTOMS ACT, 1962**

Subject- Post clearance Audit Objection for wrong availment of MEIS benefit under Sr. No. 1633 of MEIS schedule by mis-classifying the Exported goods under CTH 29420090 by M/s Morepen Laboratories Limited (IEC--2288001348).

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 29334900 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 Morepen Laboratories Limited, (IEC--2288001348), having address at Village Masulkhana, Parwanoo Dist, Solan, Himachal Pradesh-173220** (hereinafter referred to as the "Exporter") was engaged in the export of goods declared as "**Montelukast Sodium**" (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 Bill No 6757249 dated 25.11.2020** (as mentioned in Annexure-A to this notice) and exported the goods "**Montelukast Sodium**" classifying the goods under CTH 29420090. However, the said goods appear to be correctly classifiable under CTH 29334900.

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: --- Cefadroxil & its salts, Ibuprofen, Diazepam, Nifedipine, Ranitidine, Danes salt of D(-) Phenyl Glycine, D(-) para hydroxyl Dane's Salts:
2.	29334900	Heterocyclic Compound with Nitrogen hetero-atom(s)Only: Compound containing an unfused pyrazole ring (whether or not hydrogenated) 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 neighboring 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) Whereas, Custom Tariff Heading 2933 is reproduced as under:

2933: HETEROCYCLIC COMPOUNDS WITH NITROGEN HETERO -ATOM (S)
ONLY Compounds containing an unfused pyrazole ring (whether or not hydrogenated) in the structure.

MONTELUKAST SODIUM (29334900): - Montelukast sodium is a leukotriene receptor antagonist used primarily for the treatment of asthma and allergic rhinitis. It helps reduce inflammation and bronchoconstriction by blocking leukotrienes, which are chemicals involved in allergic reactions. It has Chemical Formula: **C₃₅H₃₆ClNO₃SNa**, Molecular Weight: **608.18 g/mol** and its Structure: Montelukast sodium consists of a quinoline core, a cyclopropane ring,

and a thioether linkage, making it highly selective for leukotriene receptors.

Uses:-

Asthma Management: Prevents wheezing and difficulty breathing. **Allergic Rhinitis:** Reduces nasal congestion and inflammation. **Exercise-Induced Bronchoconstriction:** Helps prevent airway narrowing during physical activity. **Long-Term Asthma Control:** Used as a maintenance therapy for chronic asthma. HSN Code 29334900 covers heterocyclic compounds with nitrogen heteroatoms. Montelukast sodium fits this classification because: It contains a quinoline ring, a nitrogen-containing heterocyclic structure. It is a pharmaceutical active ingredient used in medicinal formulations. It is categorized under organic chemicals, specifically heterocyclic compounds.

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. "**Montelukast Sodium**" would be out of the scope of Tariff Heading 2942 as claimed by the exporter and appears to correctly classifiable under CTH 29334900 which attracts MEIS @ 2% instead of 3% as claimed by the exporter

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.

4.3 Directorate General of Foreign Trade (DGFT), Ministry of Commerce vide Public Notice No. 61/2015-20 dated 07.03.2017 re-notifies the MEIS Schedule Appendix 3B (Table-2) harmonizing MEIS Schedule with ITC (HS), 2017. The MEIS entitlement as per Public Notice No. 61/2015-20 dated 07.03.2017 as amended, on the products classifiable under relevant HS Codes as per table-2 is as under:

Table-2

Sr No.	ITC (HS) Code2017 (Eight Digit)	Descriptions of goods as per ITC(HS)2017	MEIS Sr. No.	MEIS Reward Rate (In %)
1.	29420090	Other	1633	3%
2.	29334990	Other	1522	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:

- (a) The accuracy and completeness of the information given therein;
- (b) The authenticity and validity of any document supporting it, and
- (c) Compliance with the restrictions or prohibition, if any, relating to,

The goods under this Act or under any other law for the time being in force.

6. However, it appears in the instant case that the Exporter has 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. 9,831/- (Rupees Nine Thousand Eight Hundred and Thirty-One Only)** appears 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. 9,831/- (Rupees Nine Thousand Eight Hundred and Thirty-One Only)** along with interest and penalty as detailed in Annexure-A of C.L. No. 187/2023-24/JNCH (A1) 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 appears that in the instant case the exporter has 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 appears that the Exporter has submitted a false declaration under section 50(2) of the Customs Act, 1962 which amounts to willful mis-declaration. Further, it appears 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. This act of exporter appears to have accrued monetary benefit to them. Therefore, it appears that the Exporter has 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 appears 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 Customs 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 114AB 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.

VIOLATION OF VARIOUS LEGAL PROVISIONS OF CUSTOMS ACT, 1962 BY M/s MOREPEN LABORATORIES LIMITED (IEC-2288001348).

10. From the Chapter notes, chapter headings and reasons as elaborated in foregoing paras, it appears that the Exporter has 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 appears 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 "**Montelukast Sodium**" under CTH 29420090 instead of correct CTH 29334900. 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 appears that **M/s Morepen Laboratories Limited** presented a large number of shipping bills before DGFT to obtain MEIS License/Scrips. The duty credit/granted on such MEIS License/Scrips includes MEIS credit earned on correctly classifiable goods at appropriate eligible rates. However, it appears that **M/s Morepen Laboratories Limited** has deliberately mis-classified the export goods under CTH 29420090 in shipping bills having **FOB value of Rs. 9,83,063/- (Rupees Nine Lakh Eighty-Three Thousand and Sixty-Three Only)** during the calendar year 2019 and 2020, as detailed in Annexure-B to this notice, to claim and avail undue MEIS benefits which were not due to them. **M/s Morepen Laboratories Limited**, thus claimed undue export benefit in terms of MEIS through impugned Shipping Bills for **Rs. 9,831/- (Rupees Nine Thousand Eight Hundred and Thirty-One Only)** as enumerated in Annexure-B to this notice. The amount of **Rs. 9,831/- (Rupees Nine Thousand Eight Hundred and Thirty-One Only)** appears 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 of Rs. 9,83,063/- (Rupees Nine Lakh Eighty-Three Thousand and Sixty-Three Only)** as detailed in Annexure-A to this notice, 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 Morepen Laboratories Limited** 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 Morepen Laboratories Limited.**

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 Morepen Laboratories Limited, (IEC-2288001348), having address at Village Masulkhana, ParwanooDist, Solan, Himachal Pradesh-173220** is hereby called upon to show cause in writing to the Assistant 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 "**Montelukast Sodium**" as mentioned in the shipping bills under CTH 29420090 should not be rejected and the subject goods should not be re-classified under CTH 29334900 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. 9,83,063/- (Rupees Nine Lakh Eighty-Three Thousand and Sixty-Three Only)** (as detailed in Annexure- A), 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. 9,831/- (Rupees Nine Thousand Eight Hundred and Thirty-One 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

19. The noticee shall indicate in their written reply as to whether they want to be heard in person before the case is decided and if no reply is received within the stipulated time or no indication is given as to whether they require personal hearing, it will be presuming that they do not require personal hearing. Further, it is also informed hereby that if no reply is received within the stipulated time or no representation is made or caused when the case is posted for personal hearing, the case will be decided on the basis of details on record without any further reference.

20. The notice is issued relying on the document listed into Annexure-A to this notice.

21. Department reserves its right to amend, modify or supplement this notice at any time prior to the adjudication of the case.

22. In case the Noticee is eligible to avail the facility of settlement of the case as per the chapter XIVA of the Customs Act, 1962 and interested in

the same, he may apply to the Settlement Commission as per prescribed procedure and also inform the same to the adjudication authority.

23. Your attention is also invited to section 28(5) and 28(6) of the Customs Act, 1962 which reads as under:

28(5) Where any 12[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 wilful 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 percent 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.

28(6) Where the importer or the exporter or the agent or the employee of the importer or the exporter, as the case may be, has paid duty with interest and penalty under sub-section (5), the proper officer shall determine the amount of duty or interest and on determination, if the proper officer is of the opinion — (i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or (ii) that the duty with interest and penalty that has been paid falls short of the amount actually payable, then, the proper officer shall proceed to issue the notice as provided for in clause (a) of sub-section (1) in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of 1 [two years] shall be computed from the date of receipt of information under sub-section (5)

24. This Show Cause Notice is being issued without prejudice to any other action that may be taken in respect of the above services and / or the persons / firms mentioned in the notice under the provisions of the Customs Act, 1962 the foreign trade (development and regulation) act, 1992 (as amended), foreign trade policy, 2015-20 or any provisions / law made thereof and / or any other law for the time being in force, in the republic of India.

Digitally signed by
Palanivel Murugesan
(Palanivel Murugesan)
Date: 17.11.2025
Asst. Commissioner of Customs
16:48:47
NS-II, JNCH, Nhava-Sheva.

ENCL: Annexure-A (RUDs), Annexure-B (Shipping Bills details).

To

M/s Morepen Laboratories Limited, (IEC-2288001348),

**Village Masulkhana, Parwanoo Dist,
Solan, Himachal Pradesh-173220.**

**M/s Morepen Laboratories Limited, (IEC-2288001348),
Village Nalagarh Road, Near Baddi Dist,
Solan, Himachal Pradesh-173205**

Copy to: -

1. The Additional Director General of foreign trade, office of Additional General

Of Foreign trade, CGO Office, New Building, SE wing New Marine lines, Churchgate

2. The Dy./Asstt. Commissioner of Customs, CAC, JNCH.
3. The Assistant Deputy Commissioner of Customs, Audit, JNCH
4. The CHS Section, JNCH for display of notice board in terms of section 153 of Customs

Act, 1962.

5. The Dy./Asstt. Commissioner of Customs, EDI, JNCH
6. IRMC-Investigation Report Monitoring Cell, NS-II
7. Office copy.



OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-IV),
AUDIT COMMISSIONERATE, JAWAHARLAL NEHRU CUSTOMS
HOUSE, NHAVA SHEVA, TAL-URAN, DISTT: RAIGAD,
MAHARASHTRA-400 707.

F.No. S/2-PCAO-725/2021-22/JNCH (A1)

Date: .05.2023

DIN NO. – 20230578NY000000DF5

C. L. No. 187 /2023-24 (A1)

To

M/s. MOREPEN LABORATORIES LTD.,
(IEC –2288001348
VILL MASULKHANA, PARWANOO DIST. SOLAN, HIMACHAL PRADESH

Sir,

Subject: Post Clearance Audit Objection for wrong availment of MEIS benefit under Sr. No. 1633 of MEIS schedule BY MIS-CLASSIFYING THE EXPORT GOODS UNDER cti 29420090 - reg.

During the course of audit, it was observed that exporter M/s. MOREPEN LABORATORIES LTD. (IEC-2288001348 has exported organic products classifying under CTH 29420090 vide various Shipping bills availing MEIS benefit under Sr. No.1633 of MEIS schedule. The goods were cleared for export by claiming MEIS at the rate of 3%.

2. Export clearances under CTH 29420090 were analyzed with regard to their classification and it was noticed that many items falling under CTH 2901 to 2941 had been mis-classified here.

3. It is noticed that you have wrongly availed MEIS benefit under Sr. No.1633 of MEIS schedule for various Shipping bills by wrongly classifying the goods under CTH 29420090 where prescribed MEIS Benefit was @ 3% of FOB. Therefore, it appears that goods were misclassified with intention to claim higher MEIS benefit by classifying the goods under CTH 29420090 Instead of correct CTH mentioned in Annexure.

4. The differential MEIS amount payable for the various Shipping Bills for the period of calendar year 2019 and 2020 based on RMS data have been computed as per Annexure-A attached with this letter. As per annexure attached, the total assessable value of the goods comes to INR 983062.5 /- and differential MEIS amount of INR 9830.63 /- along with applicable interest and penalty is recoverable from you.

5. After introduction of self-assessment vide Finance Act, 2011, it is the onus on the importer/exporter to make true and correct declaration in all aspects including calculation of

duty. But, in the instant case the undue MEIS has been availed by you by wrong availment of MEIS benefit under Sr. No.1633 of MEIS schedule as the said benefit is not available to such goods covered under the S/Bs as per annexure.

6. Therefore, in terms of the provisions of section 28(4) of the Customs Act, 1962, you are advised to pay the differential meis amounting to INR 9830.63 /- as detailed in the Annexures (duly enclosed), along with applicable interest & penalty within 15 days of receipt of this letter. You are advised that you may avail the benefit of lower penalty in terms of section 28(5) of the Customs Act, 1962, by early payment of meis amount and interest along with penalty @15%, failing which you may become liable for higher penalty equal to the meis amount and interest. You are also advised to enlist any other Shipping Bills cleared by you in respect of this issue, which have not been included in the enclosed Annexure.

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


(J.R. BHENWAL)
Asstt. Commissioner of Customs,
Audit(A1)/NS – IV

EXPORTER NAME	S.B No.	S.B Date	CC ZONE	Location	Exporter Name	IE Code	FOB VALUE (In cr)	RITC Code	DESCRIPTION	MEIS RATE CLAIMED	MEIS AMOUNT CLAIMED	CORRECT CTI	MEIS S. No.		MEIS RATE	MEIS AMOUNT	DIFF. MEIS(IN CR.)	DIFF. MEIS (IN RUPEES)
MOREPEN LABORATORIES LTD.	6757249	25-11-2020	MUM II	INN SA I	MOREPEN LABORATO RIES LTD.	2.29E+09	0.10	29420090	PHARMACEUTIC AL ALLOPATHIC RAW MATERIAL - MONTELUKAST SODIUM IH (DETAILS AS PER INVOICE)	3	0.002949	29334900	1522		2	0.001966	0.0005983	9830.63
																TOTAL		9830.63