सीमाशुल्क (अपील) आयुक्तका कार्यालय, अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD
चौथी मंज़िल 4th Floor, हडको बिल्डिंग HUDCO Building, ईश्वर भुवन रोड़ Ishwar Bhuvan Road,
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009.
दूरभाष क्रमांक Tel. No. 079-26589281

DIN - 20260671MN0000333DFA

क	फ़ाइलसंख्या FILE NO.	S/49-101/CUS/JMN/2023-24
ख	अपीलआदेशसंख्या ORDER-IN-APPEAL NO. (सीमाशुल्कअधिनियम, 1962 कीधारा 128ककेअंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) :	JMN-CUSTM-000-APP-20-26-27
ग	पारितकर्ता PASSED BY	Shri Vishwajeet Singh Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	30.06.2026
ङ	उदभूतअपीलआदेशकीसं. वदिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	16/Additional Commissioner/2023-24 dated 25.09.2023.
च	अपीलआदेशजारीकरनेकीदिनांकOR DER- IN-APPEAL ISSUED ON:	30.06.2026
छ	अपीलकर्ताकानामवपता NAME AND ADDRESS OF THE APPELLANT:	1. M/s Maxican Export, 8/132, Adankoli Road, Amarvathy Nagar, Karur-639002.

1	यहप्रतिउसव्यक्तिकेनिजीउपयोगकेलिएमुफ्तमेंदीजातीहैजिनकेनामयहजारीकियागयाहै.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्कअधिनियम 1962 कीधारा 129 डीडी (1) (यथासंशोधित) केअधीननिम्नलिखितश्रेणियोंकेमामलोंकेसम्बन्धमेंकोईव्यक्तिइसआदेशसेअपनेकोआहतमहसूसकरताहोतोइसआदेशकीप्राप्तिकीतारीखसे 3 महीनेकेअंदरअपरसचिव/संयुक्तसचिव (आवेदनसंशोधन) ,वित्तमंत्रालय, (राजस्वविभाग) संसदमार्ग,नईदिल्लीकोपुनरीक्षणआवेदनप्रस्तुतकरसकतेहै.
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखितसम्बन्धितआदेश/Order relating to :
(क(	बैगेज़केरूपमेंआयातितकोईमाल.
(a)	any goods imported
(ख(	भारतमेंआयातकरनेहेतुकिसीवाहनमेंलादागयालेकिनभारतमेंउनकेगन्तव्यस्थानपरउतारेनगए मालयाउसगन्तव्यस्थानपरउतारेजानेकेलिएअपेक्षितमालउतारेनजानेपरयाउसगन्तव्यस्थानपर उतारेगएमालकीमात्रामेंअपेक्षितमालसेकमीहो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग (	सीमाशुल्कअधिनियम, 1962 केअध्यायX तथाउसकेअधीनबनाएगएनियमोंकेतहतशुल्कवापसीकीअदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
.3	पुनरीक्षणआवेदनपत्रसंगतनियमावलीमेंविनिर्दिष्टप्रारूपमेंप्रस्तुतकरनाहोगाजिसकेअन्तर्गतउस कीजांचकीजाएगीऔरउसकेसाथनिम्नलिखितकागजातसंलग्नहोनेचाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्टफीएक्ट,1870केमदसं.6 अनुसूची 1 केअधीननिर्धारितकिएगएअनुसारइसआदेशकी 4 प्रतियां,जिसकीएकप्रतिमेंपचासपैसेकीन्यायालयशुल्कटिकटलगाहोनाचाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्धदस्तावेज़ोंकेअलावासाथमूलआदेशकी 4 प्रतियां,यदिहो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षणकेलिएआवेदनकी 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षणआवेदनदायरकरनेकेलिएसीमाशुल्कअधिनियम, 1962 (यथासंशोधित) मेंनिर्धारितफीसजोअन्यरसीद,फीस,दण्ड,जब्तीऔरविविधमदोंकेशीर्षकेअधीनआताहैमेंरु. 200/-(रूपएदोसौमात्र)यारु.1000/-(रूपएएकहज़ारमात्र),जैसाभीमामलाहो,सेसम्बन्धितभुगतानकेप्रमाणिकचलानटी.आर.6 कीदोप्रतियां. यदिशुल्क,मांगागयाब्याज,लगायागयादंडकीराशिऔररूपएएकलाखयाउससेकमहोतोऐसेफी

	सकेरूपमेंरु.200/- औरयदिएकलाखसेअधिकहोतोफीसकेरूपमेंरु.1000/-	
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.	
4.	मदसं. 2 केअधीनसूचितमामलोंकेअलावाअन्यमामलोंकेसम्बंन्धमेंयदिकोईव्यक्तिइसआदेशसेआहतमहसूसकरताहोतोवेसीमाशुल्कअधिनियम 1962 कीधारा 129 ए (1) केअधीनफॉर्मसी.ए.-3 मेंसीमाशुल्क,केन्द्रीयउत्पादशुल्कऔरसेवाकरअपीलअधिकरणकेसमक्षनिम्नलिखितपतेपरअपीलकरसकतेहैं	
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :	
	सीमाशुल्क, केंद्रीयउत्पादशुल्कवसेवाकरअपीलियअधिकरण**,**पश्चिमीक्षेत्रीयपीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरीमंज़िल,बहुमालीभवन,निकटगिरधरनगरपुल,असारवा,अहमदाबाद-380016	2nd Floor, BahumaliBhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए (6) केअधीन,सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए(1)केअधीनअपीलकेसाथनिम्नलिखितशुल्कसंलग्नहोनेचाहिए-	
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -	
(क)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपाँचलाखरूपएयाउससेकमहोतोएकहज़ाररुपए.	
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;	
(ख)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपाँचलाखरूपएसेअधिकहोलेकिनरुपयेपचासलाखसेअधिकनहोतो;पांचहज़ाररुपए	
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;	
(ग)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीरकमपचासलाखरूपएसेअधिकहोतो;दसहज़ाररुपए.	
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees	
(घ)	इसआदेशकेविरुद्धअधिकरणकेसामने,मांगेगएशुल्कके %10 अदाकरनेपर,जहांशुल्कयाशुल्कएवंदंडविवादमेंहैं,यादंडके %10	

	अदाकरनेपर,जहांकेवलदंडविवादमेंहै,अपीलरखाजाएगा।
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
6.	**उक्तअधिनियमकीधारा 129 (ए) केअन्तर्गतअपीलप्राधिकरणकेसमक्षदायरप्रत्येकआवेदनपत्र- (क) रोकआदेशकेलिएयागलतियोंकोसुधारनेकेलिएयाकिसीअन्यप्रयोजनकेलिएकिएगएअपील : - अथवा (ख) अपीलयाआवेदनपत्रकाप्रत्यावर्तनकेलिएदायरआवेदनकेसाथरुपयेपाँचसौकाशुल्कभीसंलग्नहोने चाहिए.**
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.

ORDER-IN-APPEAL

1. Brief facts of the case

1.1 M/s Maxican Export, 8/132, Adankoli Road, Amarvathy Nagar, Karur-639002. (herein after referred to as the Appellant for the sake of brevity) has filed the present appeal challenging the Order-IN-Original No. 16/Additional Commissioner/2023-24 dated 25.09.2023(hereinafter referred to as 'the impugned order') passed by the Additional Commissioner, Customs(Prev), Jamnagar (hereinafter referred to as 'adjudicating authority').

1.2 The Appellant bearing IE Code No. 0497022435, located at 8/132, Andankoil Road, Amaravathy Nagar, Karur, Tamil Nadu-639002 is a firm engaged in the manufacture and export of wide range of textile items such as "Bread Basket, Box Cushion, Beach Bed, Chair Pad, Placemat, Coaster, Glove, Pot Holder, Napkin, Table Cloth, Runner, Pouch, etc". They had exported their goods from Chennai Sea Port and Chennai Air Cargo Complex in Chennai Customs Zone by filing Shipping Bills.

1.3. During the course of post clearance audit of the exports effected by the Appellant by the Officers of Audit Commissionerate, Custom House, Chennai, it was observed that they had been exporting assorted textile goods viz., Bread Basket, Box Cushion, Beach Bed, Chair Pad, Placemat, Coaster, Glove, Pot Holder, Napkin, Table Cloth, Runner, Pouch, etc. by classifying these items under the Customs Tariff Heading 63079020 and 63079090 in their shipping bills. The shipping bills filed by the appellant for the period from 01.04.2015 to 25.03.2019 were retrieved from EDI (ICES) System and it was noticed that during the said period, nearly 12 different types of textile home furnishing items have been exported classifying all goods under CTHS 63079020 and 63079090 in all the shipping bills. Further, it was also noticed that the Appellant has claimed benefit under Merchandise Exports from India Scheme (MEIS) @ 5% for the period from 01.04.2015 to 31.10.2017 and 7% for the period from 01.11.2017 to 25.03.2019 in respect of the said exports made by them.

1.4 The Government of India introduced the MEIS through the Foreign Trade Policy 2015-20 to offset infrastructural inefficiencies and incentivize exporters. The scheme rewards exporters with Duty Credit Scrips based on a percentage (2% to 7%) of the realized Free on Board (FOB) value of eligible exports. These scrips can be utilized to pay various import duties or can be legally transferred and sold to other corporate entities.

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1.5 During the post-clearance audit spanning the period from April 1, 2015, to March 25, 2019, customs authorities discovered that Appellant deliberately misclassified an array of 12 distinct textile products. Goods such as bread baskets, placemats, coasters, gloves, napkins, and pouches were universally declared under general Customs Tariff Headings (CTHs) 63079020 ("made-up articles of cotton") and 63079090 ("Other"). By strategically choosing these broader classifications, the exporter fraudulently claimed MEIS rewards at the inflated rates of 5% and 7%.

1.6 According to the General Interpretative Rules (GIR) of the Harmonized System, these items should have been declared under specific CTHs (such as 63029190 for placemats or 62160010 for gloves), which only qualify for MEIS rewards of 2% and 4%. This willful misstatement resulted in an excess reward payout of 3% on the FOB value of the shipments. Based on the falsified self-assessed shipping bills, the Directorate General of Foreign Trade (DGFT) issued seven MEIS licenses to the Appellant. The exporter subsequently transferred these illicitly acquired Duty Credit Scrips to six different importers, including prominent companies like M/s Kaleesuwari Refinery Pvt. Ltd. (IEC:495008257),M/s MGM Edible Oils Private Limited (IEC: 3505003948).M/s KOG-KTV Food Products (India) Pvt. Limited (IEC: 505016478).M/s Lohiya Industries (IEC: 997006218).M/s Manickavel Edible Oils (P) Ltd (IEC: 3504003618).M/s Shah Foils Limited (IEC: 804004501).These third-party importers used the void scrips to offset Rs. 5,24,779 in customs duties across multiple Indian ports. Since the scrips were originally obtained through the suppression of facts, the customs duty is deemed to have never been legitimately exempted.

1.7 The Customs Authority opinionated that Appellant, as a leading manufacturer with a sizable turnover, possessed the requisite knowledge of customs procedures, making the misclassification a conscious and willful act designed to cause considerable revenue loss to the Exchequer. Consequent to the introduction of the self-assessment procedure vide the Finance Act, 2011, it remains entirely the exporter's legal obligation to ensure complete accuracy in their declarations.

1.8 Accordingly, show cause notice dated 24.03.2022 was issued to the appellant as to why:-

(i) the export goods covered under the 17 Shipping bills exported from Chennai Sea Port (INMAA1) by them having total FOB value of Rs. 1,56,83,812/- (Rupees: One Crore Fifty Six Lakhs Eighty Three Thousand Eight Hundred Twelve only) should not be appropriately classified under appropriate Customs

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Tariff Heading as detailed in Para 4 above instead of "63079020" and "63079090";

(ii) the export goods which were mis-classified under Customs Tariff Heading "63079020" and "63079090" and exported through Chennai Sea Port (INMAA1) covered under the said 17 Shipping Bills, the total FOB value of which is Rs. 1,56,83,812/- (Rupees: One Crore Fifty Six Lakhs Eighty Three Thousand Eight Hundred Twelve only) should not be held liable for confiscation under Section 113(i) of the Customs Act, 1962;

(iii) The excess/ undue MEIS benefit amounting to Rs.4,70,514/-(Rupees Four Lakhs, Seventy Thousand, Five Hundred and Fourteen only), which has already been availed, in respect of the subject export goods that were exported under Customs Tariff Heading "63079020" and "63079090", through Chennai Sea Port (INMAA1), covered under the said 17 Shipping Bills, should not be rejected;

(iv) the amount to Rs.4,70,514/- (Rupees Four Lakhs, Seventy Thousand, Five Hundred and Fourteen only), equivalent to the excess/undue differential value of the MEIS Duty Credit Scrips issued to M/s. Maxican Export should not be recovered from them under Section 28AAA of the Customs Act, 1962 in as much as this amount has been utilized by the importers to whom the fraudulently obtained MEIS Duty Credit Scrips have been sold;

(v) penalty should not be imposed upon them under the provisions of Section 114(iii), 14AA and 117 of the Customs Act, 1962 for goods mentioned at (iii) above.

1.9 The show cause notice dated 24.03.2022 was adjudicated vide Order-In-Original No. 16/Additional Commissioner/2023-24 dated 25.09.2023.

(i) The Adjudicating Authority classified the goods covered under 17 shipping bills as under: -

Sl. No.	Description of goods	Declared CTH (MEIS – 5% & 7%)	Appropriate CTH (MEIS – 2% & 4%)
1	Bread Basket	63079020	63029190
2	Box Cushion	63079020	63049299
3	Beach Bed	63079020	63022190
4	Chair Pad	63079020	63049299
5	Placemat	63079020/63079090	63029190
6	Coaster	63079020	63029190
7	Glove	63079020/63079090	62160010
8	Pot Holder	63079020/63079090	62160010
9	Napkin	63079020	63049229
10	Table Cloth	63079020	63049249
11	Runner	63079020	63049249
12	Pouch	63079020	63052000

(ii) The Adjudicating Authority further ordered that excess/undue benefit amount of Rs. 4,70,514/- which has already been availed in respect of the subject export goods that were exported under Custom Tariff Heading "63079020" and "63079090 through Chennai Sea Port covered under the 17 shipping bill be rejected.

(iii) The Adjudicating Authority also ordered that the amount to Rs.4,70,514/- (Rupees Four Lakhs, Seventy Thousand, Five Hundred and Fourteen only), equivalent to the excess/undue differential value of the MEIS Duty Credit Scrips issued to M/s. Maxican Export rejected and recovered from them under Section 28AAA of the Customs Act, 1962 in as much as this amount has been utilized by the importers to whom the fraudulently obtained MEIS Duty Credit Scrips have been sold, in addition to such duty, to pay interest at the rate fixed by the Central Government under Section28AA and the amount of such interest will be calculated for the period beginning from the date of utilization of the instrument till the date of recovery the date of such duty;

(iv) The Adjudicating Authority also imposed penalty of Rs.2 Lakhs (Rs. Two Lakhs only) on M/s. Mexican Imports under the provisions of Section 114(iii) of the Customs Act, 1962 for goods mentioned at above.

(v) The Adjudicating Authority also imposed penalty of Rs.2 Lakhs (Rs. Two Lakhs only) on M/s. Mexican Imports under the provisions of Section 14AA of the Customs Act, 1962 for goods mentioned above.

(vi) The Adjudicating Authority refrained from imposing any penalty on M/s. Mexican Imports under the provisions 117 of the Customs Act, 1962.

1.10. Being aggrieved by the Order-In-Original, the appellant preferred appeal before Commissioner(Appeals), Ahmedabad.

2. SUBMISSIONS OF THE APPELLANT:

2.1 The appellant challenged Order-In-Original No. 16/Additional Commissioner/2023-24 dated 25.9.2023 wherein the goods exported by the Appellant have been classified under different Custom tariff heading and ordered for recovery of excess benefit of Rs. 4,70,514/- under MEIS scheme under the provisions of Section 28AAA of the Customs Actalong with interest

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under Section 28AA of the Customs Actand penalty under Section 14AA and 117 of the Customs Act, 1962.

2.2 The appellant submitted following grounds of appeal :-

2.3 The Appellant submitted that the products that they exported, the price per piece at the time of export and their classification we declared and approved by the customs are as under:

S.No.	Description of goods	Classification of goods	Price
1	Bread Basket	63079020	2.00 USD
2	Box Cushion	63079020	2.65 USD
3	Beach Bed	63079020	4.75 USD
4	Chair Pad	63079020	1.50 USD
5	Placemat	63079020/63079090	1.50 USD
6	Coaster	63079020	30 cents per piece
7	Glove	63079020/63079090	2.15 USD
8	Pot Holder	63079020/63079090	1.45 USD
9	Napkin	63079020	0.54 cents per piece
10	Table Cloth	63079020	4.50 USD
11	Runner	63079020	2.90 USD
12	Pouch	63079020	3.50 USD

The audit proposed revised classification for the above product as under:

S.No.	Classification of goods declared	Classification of goods proposed
1	63079020	63029190
2	63079020	63049299
3	63079020	63022190
4	63079020	63049299
5	63079020/63079090	63029190
6	63079020	63029190
7	63079020/63079090	62160010
8	63079020/63079090	62160010
9	63079020	63049229
10	63079020	63049249
11	63079020	63049249
12	63079020	63052000

2.4 The Appellant further submitted that it is clear that when they classified the product under chapter main heading 6307, the audit proposed classification under 6302, 6304, 6216 and 6305.

2.5 The main chapter heading 6302, (under which the sub heading 9190 is coming) is meant for bed linen, table lines, toilet linen, kitchen linen all goods of sale value exceeding Rs.1000/- per piece. The main chapter heading 6304 (under which the sub heading 9299, 9229 and 9249 are coming) is meant for Other furnishing articles (bedsheets, bed spread, bed covers,

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pillows, table clothes, terry towel, cushion cover etc, value exceeding Rs.1000/- per piece. The main chapter heading 6216 (under which the sub heading 0010 is coming) is meant for Gloves, mittens, value exceeding Rs.1000/- per piece. 7. The main chapter heading 6305 (under which the sub heading 2000 is coming) is meant for Sacks & Bags, value exceeding Rs.1000/- per piece.

2.6. The Appellant further submitted that from the above it is clear that the price of the articles under tariff sub-heading, proposed by the audit should be more than Rs.1000/- per piece. In other words when the article is fetching price more than Rs.1000/- per piece alone would be classified in the chapter heading proposed by the audit, whereas their products at the time of export were priced between 1 to 5 dollars at the maximum and so the proposed classification by the audit is not correct in respect of the product we exported.

2.7. The Appellant also submitted that they received the SCN from the Chennai IV Commissionerate and they promptly filed reply to the said SCN, but the said issue was transferred to Customs Commissionerate, (Preventive) Jamnagar, Gujarat. In the said corrigendum dated 10.07.2023, there was a mentioning of notification 28/20222-Customs (N.T) and 29/2022-Customs (N.T) It was also informed that the issue was transferred to Jamnagar in view of the highest duty demand. Further the adjudication proceedings were transferred from the purview of the Commissioner of Customs, Chennai – IV to the Additional Commissioner of Customs Jamnagar, Gujarat. The SCN was issued demanding the recovery of Rs.4,70,514/- only. As such the adjudication power is well with the purview of Deputy Commissioner of Customs or Assistant Commissioner of Customs. In their case the adjudications should have been done by Deputy / Assistant Commissioner of Customs Chennai – IV only. They do not know how their issue was transferred from Chennai to Jamnagar. We never requested any change in the Adjudicating Authority. They were also not informed about the common adjudicating authority. The absence of authority under which the adjudication proceedings were transferred to Jamnagar from Chennai – IV makes the entire proceedings invalid.

2.8 The Appellant also submitted that even if it is assumed that, Additional Commissioner of Customs (Preventive) Jamnagar, was appointed as common adjudicating authority, the Appellate jurisdiction will have to be only Commissioner of Customs (Appeals) Chennai and not Commissioner of Customs (Appeals) Ahmedabad. The common adjudicating authority, Jamnagar, while adjudicating our issue coming under the purview of

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Chennai – IV Commissionerate, is adjudicating the case in the capacity of Additional Commissioner of Customs, Chennai – IV only. So it is wrong to direct them to file Appeal before the Commissioner of Customs (Appeals), Ahmedabad.

2.9 In view of the above, the O-in-O passed by the Additional Commissioner of Customs (Preventive), Jamnagar is lacking jurisdiction and the Appeal jurisdiction also will not lie with the Commissioner of Customs (Appeals) Ahmedabad.

2.10 The Appellant further submitted that the MEIS benefit, allegedly to have been obtained wrongly, was under 14 shipping bills as in Annexure-C of the consultative letter of the audit Commissionerate of Custom House, Chennai. The said shipping bills under the export documents were having clear description of the product we exported and also the chapter heading they declared. The exported goods under all 14 shipping bills were properly examined and the export clearance was permitted. Further, while applying for MEIS benefit also, they enclosed all the relevant export documents along with the BRC. After scrutiny of all the documents which contained the description and classification of the products they exported, the MEIS benefits were granted to them. As such suppression of fact, wilfulmis-statement or mis-declaration with intention to avail ineligible incentives cannot be alleged. The SCN issued under section 28(4) and 28AAA of the Customs Act, 1962 is clearly time barred.

2.11. The Appellant further summed up as under:-

a. The Additional Commissioner of Customs, (Preventive) Ahmedabad is not the proper officer to adjudicate the issue in respect of the exports made through Chennai-IV Commissionerate
b. There was no communication or observation in O-in-O with regard to the appointment of common adjudication authority
c. Even if common adjudicating authority is appointed the Appellate jurisdiction will be with the Commissioner of Customs (Appeals), Custom House, Chennai, only and not Ahmedabad.
d. The classification proposed by the audit was not correct in view of the cap on the value of the item exported as in the tariff sub-heading.
e. The product we classified originally is correct and matching to the chapter heading we declared in the export documents.
f. The SCN issued under section28(4) of the Customs Act, 1962 is clearly time barred as the export consignment under dispute were

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examined by the officers of customs, CH, Chennai and extended period could never be invoked.

2.12 Based on the submission made above,the Appellant respectfully pleaded that the O-in-O impugned may kindly be set-aside or any other direction may be given to us to overcome the issue of jurisdiction, wrong classification proposed by the audit and the wrong invoking of extended period

3. PERSONAL HEARING:

A personal hearing was granted to the Appellants on 21.05.2026following the principles of natural justice wherein the authorized representative of the Appellant, Shri N. Arunaasalam, advocate appeared and reiterated the submissions so made in the appeal. The authorized representative also emphasized that

a. The SCN is time barred

b. The Additional Commissioner of Customs (Preventive), Jamnagar, was not the proper officer to adjudicate the issue in respect of exports made through Chennai Customs Port

c. In as for as demanding the MEIS benefit, Customs is not having a jurisdiction

d. Only DGFT Authorities are the proper officers to issue notice and order for recovery of MEIS benefit, granted by them

e. The judicial decisions including the latest one passed by The High Court of Madras, Madurai Bench, in WA No. 1030/2025 dated 25.06.2025 in the case of KwaliteFabs, Karur, wherein it was held that MEIS benefit recovery is to be made only by the authority under FTDR Act, is in favour of the exporter.

4. DISCUSSION AND FINDINGS:

4.1 I find that the appeal was filed by the appellant and the same was received by this office on 05.12.2023 and the order was issued on 25.09.2023. The Appellant has submitted documentary evidence proving the fact that the hard copy of the OIO was dispatched from Jamnagar Postal Service on 26.09.2023 and received at Karur on Postal Service 04.10.2023. Further, as per the documentary evidence available the Appellant dispatched the appeal on 29.11.2023 i.e. well within the time period of 60 days as prescribed under Customs Act, 1962. Further, CESTAT, Allahabad in its order in Service Tax Appeal No.70099 of 2026 in the case of M/s Deshraj Singh (Loriya Patti, Sonkh, Mathura-281006) Vs Commissioner of Central Excise And Cgst Agra (Commissionerate, CGST Agra) (reported in 2026-TIOL-884-CESTAT-ALL) held

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that when an appeal is dispatched to the appellate authority within the prescribed period, subsequent receipt beyond the limitation period would not render the appeal time-barred. Therefore, in terms of above, I find that the Appellant has filed the appeal well within the time period prescribed under Customs Act, 1962. Even if the appeal is time-barred by 09 days, the 09 day delay is well within the 30 day extended period that the Commissioner (Appeals) is legally authorized to condone.

4.2 The Appellant vide E challan dated 28.10.2025 deposited the amount of Rs. 35,289/- as 7.5% pre deposit of disputed amount of Rs. 4,70,514/-

4.3 I have carefully gone through the case records, show cause notice and corresponding order passed by the adjudicating authority and the defense put forth by the Appellants in their appeal. The following issues arise for determination:

a. Whether, the Additional Commissioner of Customs, (Preventive) Ahmedabad is not the proper officer to adjudicate the issue in respect of the exports made through Chennai-IV Commissionerate
b. Whether there was no communication or observation in O-in-O with regard to the appointment of common adjudication authority
c. Whether the common adjudicating authority is appointed, the Appellate jurisdiction will be with the Commissioner of Customs (Appeals), Custom House, Chennai, only and not Ahmedabad.
d. Whether, the classification proposed by the audit was not correct in view of the cap on the value of the item exported as in the tariff sub-heading.
e. Whether, the product classified originally is correct and matching to the chapter heading we declared in the export documents.
f. Whether, the SCN issued under section28(4) of the Customs Act, 1962 is clearly time barred as the export consignment under dispute were examined by the officers of customs, CH, Chennai and extended period could never be invoked.

4.4 The appellant has contested the transfer of the case from Chennai-IV Commissionerate to the Additional Commissioner of Customs (Preventive), Jamnagar, Gujarat, and the subsequent direction to file this appeal in Ahmedabad. In this regard, I find that under Sections 4 and 5 of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs (CBIC) has the power to appoint a Common Adjudicating Authority via a Notification (such as the cited Notifications 28/2022-Customs (N.T.) and 29/2022-Customs (N.T.).

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4.5 The Appellate has contested that about jurisdiction for filing appeal.The Appellant submitted that the Appellate jurisdiction will have to be only Commissioner of Customs (Appeals) Chennai and not Commissioner of Customs (Appeals) Ahmedabad. In this regard, I find that when a Common Adjudicating Authority passes an order, the appeal under Section 128 of the Customs Act traditionally lies with the Commissioner (Appeals) having jurisdiction over the seat of that Adjudicating Authority (in this case, Ahmedabad/Gujarat), unless explicitly carved out in the Board's order. While the Appellant's grievance regarding geographical hardship is valid, the present appellate forum in Ahmedabad technically holds the statutory jurisdiction to hear the appeal against an order passed by an officer located in Jamnagar.

4.6 The Appellant has contested that they classified the product under chapter main heading 6307, the audit proposed classification under 6302, 6304, 6216 and 6305. The main chapter heading 6302, (under which the sub heading 9190 is coming) is meant for bed linen, table lines, toilet linen, kitchen linen all goods of sale value exceeding Rs.1000/- per piece. The main chapter heading 6304 (under which the sub heading 9299, 9229 and 9249 are coming) is meant for Other furnishing articles (bedsheets, bed spread, bed covers, pillows, table clothes, terry towel, cushion cover etc, value exceeding Rs.1000/- per piece. The main chapter heading 6216 (under which the sub heading 0010 is coming) is meant for Gloves, mittens, value exceeding Rs.1000/- per piece. The main chapter heading 6305 (under which the sub heading 2000 is coming) is meant for Sacks & Bags, value exceeding Rs.1000/- per piece.

4.7. The Appellant further submitted that from the above it is clear that the price of the articles under tariff sub-heading, proposed by the audit should be more than Rs.1000/- per piece. In other words when the article is fetching price more than Rs.1000/- per piece alone would be classified in the chapter heading proposed by the audit, whereas their products at the time of export were priced between 1 to 5 dollars at the maximum and so the proposed classification by the audit is not correct in respect of the product we exported.

4.8 Thus, based on the above, I find that the goods exported by the Appellant needs to be reconsidered for classification after taking into consideration, the submission made by the Appellant regarding its contention that the goods merit classification in a different heading due to the sale price of the goods. The comparison between the Appellant's declared value and the statutory

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requirements of the Audit's proposed headings is required to be taken into consideration for arriving at the classification of the exported goods. The illustration of one the goods is as under: -

Declared Product	Export Price (Per Piece)	Audit's Proposed Chapter (6302, 6304, 6216, 6305) Statutory Condition	Remark
Bread Basket, Cushions, Placemats, etc.	$0.30 to $4.75	Articles of sale value **exceeding Rs. 1000/- per piece**	Whether the goods exported pass the condition

4.9 The Appellant's export documents, approved by Customs at the time of export, clearly show the goods were priced between $0.30 and $4.75 (well below the Rs. 1000 threshold). Consequently, attempting to force the Appellant's goods into Chapters 6302, 6304, 6216, and 6305 is required to be reconsidered. The Appellant's contention for classification under Chapter 6307 is required to be reconsidered after due verification of all the facts and statutory provisions that aligns with the nature and valuation of the exported goods.

4.10 In light of the above discussions and findings, I am of the firm opinion that the matter is required to re-examined in the light of submission made by the Appellant as discussed above and each shipping bill is to be rechecked for the valuation purpose also.

5. The impugned Order-in-Original is set aside. The matter is remanded to original Adjudicating Authority for reconsideration on merit after taking into account all the submissions made by the Appellant and classification proposed by audit for correct classification of goods exported by the Appellant.

30.06.2026

Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-101/CUS/JMN/2023-24

Date: 30.06.2026

सत्यापित/ATTESTED

अधीक्षक/SUPRERINTENDENT
सीमा शुल्क (अपील्स), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD

By Registered post A.D

To,

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad. (email: ccoahm-guj@nic.in)
2. M/s Maxican Export, 8/132, Adankoli Road, Amarvathy Nagar, Karur-639002.
3. The Deputy/Assistant Commissioner of Customs (Review), Commissioner of Customs, Customs(Prev), Jamnagar.
4. Guard File.