

F. No.: GEN/ADJ/COMM/574/2024-Adjn-O/o Commr-Cus-Kandla

DIN:

SHOW CAUSE NOTICE

(Issued under Section 28(AAA) of the Customs Act, 1962)

Whereas it appears that,

M/s. Goodrich Aerospace Services Private Limited (presently called Collins Aerospace), Sy. No. 14/1 & 15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048 holding IEC No.0796010251 (hereinafter referred to as 'GASPL'), a 100% EOU, is engaged in manufacture and export of Aeroplane parts such as evacuation slides, seating system and power drive units etc.

BRIEF FACTS OF THE CASE:

2 Whereas, specific intelligence developed by the officers of DRI, Coimbatore Regional Unit (hereinafter referred as Officers of 'DRI') indicated that M/s. Goodrich Aerospace Services Private Limited, Sy. No. 14/1 & 15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048 holding IEC No.0796010251 (hereinafter referred to as 'GASPL'), a 100% EOU, who are engaged in the manufacture and export of Aeroplane parts such as evacuation slides, seating system and power drive units etc., have mis-classified the export items viz. seating system, lighting systems and power drive units, under CTH No. 8803 3000 (MEIS benefits @3%) instead of its correct classification, under CTH No. 94011000, 94051090 and 84313910 (MEIS benefits @2%) respectively and thereby availed excess benefits under Merchandise Export from India Scheme (MEIS). In addition, M/s. GASPL had availed excess MEIS Benefits due to adoption of wrong FOB Value (on the differential freight component) for the year 2015-16 and 2018-19.

INVESTIGATION

3.1. Whereas, in pursuance of the said intelligence, verification was caused at the factory premises of GASPL and a statement (**RUD No.1**) under Section 108 of the Customs Act, 1962 was recorded from Shri Karthick Murugesan, the then Deputy Manager (Finance) on 12.10.2020, wherein he inter-alia stated that,

- that M/s. Goodrich Aerospace Services Private Limited (M/s. GASPL) is a private limited company having Shri. Parag Wadhawan as its Managing Director and S/Shri. Sarathi Shah and Savya Sachi Srinivas as the Directors of the company; that M/s. GASPL is an 100% EOU having IEC number as 0796010251 and PAN number is AAACB8857H; that the company is engaged in the manufacture and export of aeroplane parts such as evacuation slides (CTH 88033000), seating systems (CTH 94011000), Power Drive Units and parts of cargo moving equipments (CTH 84313910), lighting systems / light fittings (CTH 94051090), etc.; that M/s. GASPL export its products to M/s. Goodrich Corporation, USA and Goodrich Lighting Systems GmbH, Germany, Goodrich Actuation System SAS, France and its customers in UK;
- that he is the tax manager and looks after the GST compliances and also MEIS related issues of the company and entrusted with the works related to the filing of MEIS applications and reports to Shri. Sarathi Shah who is the Finance Director of M/s. GASPL;
- that MEIS scheme is the only export incentives availed by M/s. GASPL;
- that the documentation works undertaken by the company for the exports is not known to him as the same was overseen by another staff of the company viz. Shri Ramesh Kannan and Ramesh Selvaraj of Logistics Department;
- that the product classification of the export products of the company is taken care by the International Trade Compliance section of M/s. GASPL, which is headed by one Shri. James Michael Mathews, who is the Senior Manager of ITC (International Trade Compliance);
- that he did not know about the CHAs of his company as the same was dealt with by the Logistics department of M/s. GASPL headed by Shri Daniel Kumar, Director (Supply Chain);
- that the classifications of the products of M/s. GASPL had been changed during the period 2017 and 2018 and the said details is known to Shri. James Michael Mathews, Senior Manager, International Trade Compliance;
- that no letter or correspondences made to the DGFT intimating about the reclassification of the export products of their company while claiming the MEIS benefits;
- that he had not been aware of the changes or the resultant excess availment of MEIS benefits; however, he had been made aware of the said details, only when the documents were shown to him by DRI that M/s. GASPL had availed excess MEIS benefits due to wrong classification followed;
- for the query that why M/s. GASPL had not paid the wrongly availed excess MEIS benefits, he stated that they had not been aware of the excess MEIS benefits availed due to wrong classification followed and thus not paid back such excess availed

MEIS benefits; that they would repay the excess wrongly availed MEIS benefits along with applicable interest within a week;

- that he was not aware that reclassification of the export products had been undertaken by the company and also has no idea whether any technical opinion had been obtained in the matter, as they are dealt with by the International Trade Compliance Section of the company.
- that he had also noticed the changes in the description of the products in the shipping bill and the invoices; that their export invoices were generated through ERP (Enterprise Resource Planning) system known as SAP (System Application and Processing); that the classification of HSN was updated by the International Trade Compliance team of M/s. GASPL and SAP system captured all the operations that happens to the finished products being shipped; that once the Delivery Order number (DO number) was entered into SAP, the complete information of the product and the full set of documentation became available in the SAP; thus, the invoice generated from the SAP system was considered authentic, whereas the Shipping Bill details were entered by their CHAs such as FedEx Express and DHL Express (as their exports are only through Air Cargo from Bangalore), taking into account of the Customs classification of the product; and that this resulted in the difference in the description between the export invoice and the shipping bill; that the changes made in the SAP and controlled by their head office in the US, occurred on real time basis with prospective effect.
- that only after the visit of DRI, they came to know about the wrong availment of MEIS benefits in excess and were not aware that such excess availment of MEIS benefit was due to change in classification; that they would repay the excess availed MEIS benefits along with interest within a week;
- that M/s. GASPL receive all the export sale proceeds only through their bank accounts maintained with Bank of America and Deutsche Bank;
- that they had not received any communications or letters from DGFT authorities and Customs authorities regarding the wrong classification of their products;
- that M/s. GASPL had filed MEIS application till March 2020; that M/s. GASPL had started receiving MEIS benefits w.e.f 31.03.2017 through Cochin Special Economic Zone, Cochin (who is the competent authority for Karnataka and Kerala EOU units).
- that he would furnish the details viz., Shipping Bill & Date, Description, FOB Value, Country of Export, CTH Declared, MEIS rate availed, MEIS amount received, MEIS Scrip No. & Date, CTH revised, MEIS eligible %, MEIS eligible amount, Excess MEIS benefits received etc., in respect of goods where change in classification of goods had been adopted for the period from 01.04.2015 to 31.03.2020, which had resulted in excess availment of MEIS benefits along with all relevant copies of the export invoices, Shipping Bills, MEIS applications & MEIS Scrips, after making the

payment of the excess MEIS benefits wrongly availed by M/s. GASPL along with the applicable interest;

- that there had been cases of dropped shipments (change of destination) for the first time during the year 2015; that the export products were dispatched from the factory through export invoice / packing list, Annexure C (SDF form), shipping bill which were given to the CHA and after Customs clearance the goods were be handed over to the Customer nominated freight forwarder who forward the goods on INCO term basis (FCA – Free Carrier to); that their parent company at the US / UK would generate a new set of invoice in SAP about the country of destination and those invoices were made available in the SAP portal shared with the freight forwarders who download the same and dispatch the goods to the concerned destination; that in these cases, the invoices were billed to the parent company but goods were delivered to the customer location located somewhere else as listed in the list of countries “C” of MEIS scheme; that whereas, the MEIS applications were filed considering their parent company’s destination which would be in the country list “A” of the MEIS scheme; that the payments were routed through only their parent company and the same were received by them; that in such cases, considering the actual destination of goods exported could result in some excess availment of MEIS benefits; and
- that he submitted the copies of transfer pricing analysis and report for the period from 2015-16 to 2017-18; Sample copies of MEIS scrip, Shipping Bill and undertook to furnish a detailed statement of such shipment details along with the sample copies of documents such as export invoice, shipping bill copy, Airway Bill copy, proof of delivery, etc. on or before 18.10.2020.

3.2 Whereas, during the course of the investigation, GASPL had paid the differential MEIS benefits availed to the tune of Rs.9,33,38,650/- for the period 2015-16 to 2019-20 (April 2015 to March, 2020) due to mis-classification of the subject goods exported, in instalments. They had also paid interest of Rs.2,75,89,213/- in instalments. The details of payment made to the Department on account of excess availment of MEIS benefits are tabulated below. The differential MEIS benefit availed and repaid Challan wise, scrips-wise, are given in Annexure **(RUD No.2)**.

S. No.	DD Number & Date	Excess MEIS benefits availed	Interest	Total Amount	Date of TR 6 Challan Date	Remarks
1	109079/ 27.10.2020	64,96,171	0	64,96,171	19.11.2020	Towards excess Availed MEIS benefits due to misclassification of Power Drive Units exported. Details provided vide

						GASPL letter dated 27.10.2020.
2	109203/ 04.11.2020	12,73,006	29,56,008	42,29,014	17.11.2020	Towards excess Availed MEIS benefits due to misclassification of Lighting System exported and interest on differential MEIS Amount payable on PDU & Lighting. Details provided vide GASPL letter dated 04.11.2020.
3	109593/ 24.12.2020	2,69,31,543	56,27,485	3,25,59,028	08.01.2021	Towards excess Availed MEIS benefits due to misclassification of Seating Products exported and interest on differential MEIS Amount. Details provided vide GASPL letter dated 24.12.2020.
4	110046/ 11.02.2021	1,91,40,473	84,84,182	2,76,24,655	20.02.2021	Towards excess availed MEIS benefits due to misclassification of various products during the period 2017-2018 to 2019-20 with interest. Details provided letters GASPL dated 11.02.2021, 04.03.2021 and 15.04.2021.
5	110172/ 04.03.2021	1,15,16,132	36,92,388	1,52,08,520	20.03.2021	
6	110485/ 14.04.2021	2,63,72,203	63,86,439	3,27,58,642	28.04.2021	
7	112154/ 19.10.2021	16,09,122	4,42,711	20,51,833	19.10.2021	Towards differential MEIS Amount with interest in respect of 8 scrips which were having wrong details. Details provided vide letter GASPL dated 25.10.2021.
	TOTAL	9,33,38,650	2,75,89,213	12,09,27,863		

3.3. Whereas, the excess availment of MEIS benefits was brought to the notice of Additional Director General of Foreign Trade, Bangalore vide letter F. No. DRI/CRU/VIII/26/ENQ-1/INT-09/2020-CBE Dated 25.06.2021 **(RUD No.3)**

3.4. Whereas, M/s. GASPL had in their written submissions vide letters dated 24.11.2021 and 08.04.2022 **(RUD No.4)** interalia stated that:-

- The inhouse team had finished the review of the classification of exported products;
- On the basis of review of classification, M/s. GASPL had voluntarily deposited an amount of Rs.9,33,38,648/- towards the surrender of excess MEIS inadvertently

claimed along with interest of Rs.2,75,89,213/- totaling Rs.12,09,27,863/- through seven Demand Drafts on various dates as per the details given in Para 3.2.

- They had requested an independent Chartered Accountant to reconcile the amount deposited towards surrender of excess MEIS inadvertently claimed and the actual amount of excess MEIS inadvertently claimed.
- The independent Chartered Accountant observed that there were duplication errors and arithmetical errors while calculating the differential MEIS amount excessively claimed by their internal team. They had made excess deposit of Rs.1,26,12,043/- as provided in the table below. The independent Chartered Accountant had also issued a Certificate dt. 26.11.2021 evidencing the excess payment of Rs.1,26,43,181/--(Annexure to RUD No. 4)

Sl. No.	Description/ Financial year	Differential MEIS Paid including interest	Differential Payable interest	MEIS including	Excess paid to be refunded
1	Power Drive Unit	89,33,426		87,71,196	1,62,230
2	Seating	17,91,759		17,82,585	9,174
3	Lighting	3,25,59,028		3,20,32,513	5,26,515
4	2015-16	2,97,89,555		2,96,91,415	98,410
5	2016-17	1,52,08,520		1,51,81,450	27,070
6	2017-18	69,32,152		69,32,152	0
7	2018-19	87,28,123		76,70,972	10,57,151
8	2019-20	1,49,33,467		44,87,158	1,04,46,309
9	Last Payment	20,51,866		17,35,241	3,16,592
	TOTAL	12,09,27,863		10,82,84,682	1,26,43,181

- The abstract of the amount deposited with breakup of MEIS Amount and Interest is provided in the table below.

Particulars	Amount deposited towards MEIS in Rs.	Amount deposited towards interest in Rs.	Total Amount deposited in Rs.
Amount already deposited	9,33,38,650/-	2,75,89,213/-	12,09,27,963/-
Actual Amount required to be deposited	8,27,23,093/-	2,55,61,589/-	10,82,84,682/-
Excess Amount Deposited	1,06,15,557/-	20,27,624/-	1,26,43,181/-

- They had mistakenly deposited an excess amount of Rs.1,26,43,181/- and requested for refund.

4.1. Whereas, in continuation of the investigation, a summon dated 12.01.2022 was issued to M/s. GASPL to appear and produce the following documents

- a) Technical literature for goods viz., Seating System, Lighting System and Power Drive Units;
- b) Shipping Bill wise details of MEIS Benefits availed;
- c) Details of sale of MEIS Scrips, i.e., MEIS No., Name of the Purchaser & their IEC number.

4.2. Whereas, in reply to the Summon, M/s. GASPL in their letter dated 21.01.2022 (**RUD No.5**) had furnished the following details.

- The details regarding Technical literature and shipping bill wise details of MEIS benefits availed had already been submitted vide their letter dated 11.02.2021 which was sought through email dated 05.01.2021.
- It was further mentioned that since they had repaid the excess MEIS claimed, the requirement for details of Sale of MEIS Scrips may be waived.
- They further stated that as soon as DRI commenced the investigation against the company for excess claim of MEIS benefits due to wrong classification, their Company constituted an internal technical team to review the classification adopted for the exported products. It was further stated that their inhouse team determined the appropriate Customs Tariff Headings (CTH) applicable for the exported goods and arrived at the amount of excess MEIS benefits claimed in view of the change in classification of the products. They had repaid the wrongly claimed excess MEIS benefit of Rs.9,33,38,650/- with interest of Rs.2,75,89,213/-
- The Company had obtained 418 number of MEIS Scrips for the exports made from April, 2015 and all the MEIS Scrips were sold to various buyers in India. They expressed the difficulty in furnishing the details of MEIS Scrips under which excess MEIS amount was claimed as MEIS Scrip could contain the shipping bills under which MEIS is correctly claimed and a few shipping bills under which MEIS had been wrongly claimed. It was further stated since wrongly availed MEIS amount was surrendered by them, they requested to waive the requirement of submission of said details of sale of MEIS Scrips.
- It was requested that due to Covid situation, the requirement of personal visit may be waived.

5.1. Whereas, during the course of visit of the GASPL team in response to the Summons sent through mail dated 27.06.2022, to DRI office on 29.06.2022, the following further particulars were called for:

1. Correspondence made among the respective teams of their company, with respect to the change of classification of subject goods under investigation and
2. Details of first claim made for MEIS benefits.

5.2. Whereas, since the above details were not received, a reminder mail dt.06.07.2022 was sent to GASPL. In response to which, GASPL vide mail dt. 07.07.2022 (**RUD NO.6**) inter-alia stated that:

- They have filed the first MEIS application online on 05.12.2016.
- With respect to sharing the correspondences made among the respective teams of company on change of classification, the team which was handling the earlier issue had moved on and new personnel had come into their place. Based on oral discussion in this regard, they had begun working on retrieving the documents among the various teams on the issue of classification.

5.3. Whereas, in continuation to the above mail, GASPL vide letter dt. 15.07.2022(**RUD No.6**), inter-alia stated that:

- That the Company was under bonafide belief that the parts imported for manufacture of products, viz., Seating products, Lighting, Power Drive Units etc., were classifiable under the Customs Tariff Heading CTH 8803, the heading covering ‘the Parts of Aircraft’.
- They further submitted that in the month of October, 2018, the Deputy Commissioner, Special Intelligence and Investigation Branch (SIIB), Bengaluru vide letter dated 23.10.2018 (**RUD No.7**) stated that M/s. GASPL had cleared Aircraft parts like Cable, Wiring harness etc. under 88039000 instead of correct CTH 85443000 and thereby paying IGST @ 5% as per Sl. No.245 of Schedule of Notification No.01/2017-IGST (Rate) dt. 28.06.2017 during July, 2017 to August, 2018. The letter also provided the reason for their contention and quantified that there was *short payment of IGST to the tune of Rs.38,11,789/-* M/s. GASPL (**RUD No.8**), vide their letter dt.16.01.2019, inter alia stated that on receipt of the letter from SIIB, the Company took up the exercise of reviewing the classification of imported goods and as a result the Company paid differential IGST of Rs.30,76,894/- along with applicable interest of Rs.6,53,921/- in the month of February, 2019. Further they stated that necessary classification changes were made in the Company’s internal database. No additional correspondence was made among the respective teams of the Company with respect to the change of classification of imported goods.
- The earlier investigation carried out by the SIIB, Bangalore was with respect to classification of imported goods, whereas the present investigation was with respect

to the goods exported by the Company. The investigation by the DRI, Coimbatore commenced in October, 2020 with respect of excess claim of MEIS due to wrong classification of exported Aerospace products.

- The Company surrendered the entire amount of excess MEIS inadvertently claimed for the period from April, 2015 to March, 2020 along with the applicable interest.
- The Company had claimed the benefits or paid the duties and taxes, as the case may be, based on the bona fide belief with the respect to the classification of imported and exported goods, as the case may be. They had voluntarily surrendered the excess MEIS claimed amount with applicable interest as soon as it was brought to their notice that they had wrongly claimed excess MEIS.
- They further requested to close the issue without issue of Show Cause Notice as they had voluntarily surrendered the entire excess MEIS claimed amount with interest.

6.1. In furtherance to the investigation, a letter was sent was sent through email on 13.09.2022 to submit the following

- Annual Report of the Company along with all the annexures and attachments for the years 2015-16 to 2020-2021.
- Details of sale of MEIS Scrips.
- Company's internal correspondences/note approving the re-classification along with reasons for availing the benefit at a higher rate of MEIS in spite of re-classification.

6.2. Whereas, in reply to the above mail, M/s GASPL vide their letter dated 12.10.2022 (**RUD No.9**) had furnished copy of Annual Report along with all Annexures and attachments for the years 2015-16 to 2020-21. It was also stated that they had sold all the 418 number of MEIS Scrips, which they had obtained for the exports made from April, 2015, to the dealers in India. The details of sale of scrip are given in Annexure (**RUD No.10**). Regarding the internal correspondence approving the classification, the Company submitted that being engaged in the manufacture of Aircraft components, it was under the bonafide belief that the parts imported for manufacture of finished goods were classifiable under CTH No.8803. It was stated that once DRI had commenced investigation in October, 2020 with regard to excess of MEIS benefits due to wrong classification of exported Aircraft Products, they immediately took up internal review of classification of the various aircraft products exported by them and arrived at the excess MEIS claimed from April, 2015. They had deposited the differential Duty amount with interest on different dates. It was further stated that they have made necessary changes in the internal accounting software by way of raising the system generated tickets and no correspondence were made among the respective teams of the Company with respect to the change of classification of imported goods.

7. Whereas, further, in the statement given by Shri Karthick Murugesan, the then Deputy Manager (Finance) on 12.10.2020, it was stated that Shri James Michael Mathews, Senior Manager (Global Trade Compliance) in GASPL was in-charge of classification of goods imported and exported. Accordingly, Summons dated 03.10.2022 under Section 108 of the Customs Act, 1962 was issued to Shri James Michael Mathews, Senior Manager (Global Trade Compliance) in GASPL, to appear on 17.10.2022 to produce the above documents.

8 . Whereas, in response to the summons, Shri James Michael Mathews, Senior Manager (Global Trade Compliance) appeared on 17.10.2022 and submitted a written submission dated 12.10.2022 and a statement (**RUD No.11**) was recorded, wherein, he inter-alia stated that,

- M/s. GASPL is a private limited company having Shri Parag Wadhawan as its Managing Director and S/Shri Sarathi Shah and Savya Sachi Srinivasan the Directors of the company; that their company is an 100% EOU having IEC number as 0796010251 ; PAN number as AAACB8857H and their company is engaged in the manufacture and export of aeroplane parts such as evacuation slides (CTH 88033000), seating systems (CTH 94011000), Power Drive Units and parts of cargo moving equipments (CTH 84313910), lighting systems / light fittings (CTH 94051090), etc.; that they exported their products to various legal entities around the world including, but not limited to M/s. Goodrich Corporation, USA and Goodrich Lighting Systems GmbH, Germany, Goodrich Actuation System SAS, France and our customers in the UK;
- that he was the Senior Manager (Global Trade Compliance) and responsible for ensuring compliance with the company's Import and Export policies and procedures, in co-ordination with the appropriate Governmental Agencies and he would report to Ms. Fernanda Gutierrez who is an Associate Director for the Global Trade Compliance of M/s. GASPL.
- that he had not been aware of any export benefits of M/s. GASPL until the investigation of DRI was initiated and the only export incentive availed by the company during the period 2015-2020 was under MEIS scheme and the company was not availing any export benefits at present;
- that he agreed with the statement of Shri Karthick Murugesan, former Deputy Manager (Finance), dated 12.10.2020 to the effect that his team, i.e., Global Trade Compliance, was responsible for the classification of all imported and exported items, although he was not directly involved in the classification process;
- regarding a query on classification, he further stated that a classification request had

to be raised for any products which had not yet been classified in the company's internal system and this request would then be routed to a trained classifier from the concerned Business Vertical; that all trained classifiers for products exported from India were based in Bangalore and the trained classifier would examine the part specifications and determine the classification; that the resulting classification would be subsequently uploaded into their internal system; that the Technology Management Team would conduct the monthly transactional testing to ensure the accuracy of all new classifications.

- that with regard to the re-classification of products, he stated that the local Technology Management Team, together with the Central Technology Management Team (based in the USA), would examine the product specifications to determine the correct classification of the product; that if the existing classification was incorrect, the Central Technology Management Team in USA would change the classification for the part/product in the internal system by; that this re-classification would be made effective globally at the 6-digit level and the corresponding complete local classification would then be entered into the system directly by the local team, for each country, as appropriate; that the entry for re-classification for India was made by the local team, and he would not necessarily be aware of when such a change was effected;
- that the classification of certain products exported by the Company had been changed in 2020, after the investigation was initiated by the department; that based on this re-classification, M/s. GASPL had also repaid the excess MEIS benefits availed along with interest for the entire period and those relevant details could be obtained from the Finance Department of the Company;
- that he was not aware of the documentation work undertaken by M/s. GASPL for the exports made as the same was overseen by the Logistics Department in coordination with Finance Department of the company;
- that as mentioned earlier, the work of filing of MEIS applications was overseen by the Logistics Department in coordination with Finance Department of the company;
- that for the query related to correspondences made with DGFT regarding reclassification of export products by M/s. GASPL, he stated that neither he nor his team was involved in the documentation related to MEIS;
- that prior to the investigation of the department, he had not been aware of the incorrect classification adopted by M/s. GASPL which resulted in excess avilment of MEIS benefits, however, he now understood that certain classifications were incorrect which resulted in excess avilment of MEIS benefits through the Finance Department of the company;
- regarding a query on line of communication after re-classification was made in the company, he stated that the entry for re-classification in respect of India, was made

by their local team and he would not necessarily be aware of when that change was effected; and

- further stated that classifications, whether for new parts or for parts being re-classified, once entered into their internal system (internal classification repository), were instantaneously fed into the invoice generation system (i.e., SAP); that when classifications were entered into the repository, no communication was sent out informing everyone about the classification / re-classification and to determine the classification of a part on a particular date, one had to enter the part number of the product along with the country into the repository and perform the search.

9. Whereas, as a part of investigation, GASPL was visited on 30.11.2022 and 01.12.2022 and a statement (**RUD No.12**) was recorded from Shri. Pankaj Kumar, the person-in-charge of the Finance and Taxation Department of GASP on 30.11.2022, wherein he inter-alia stated that,

- M/s. GASPL is a private limited company having Shri Parag Wadhawan as its Managing Director and S/Shri Sarathi Shah and Savya Sachi Srinivasan the Directors of the company; that their company is an 100% EOU having IEC number as 0796010251; PAN number as AAACB8857H and their company is engaged in the manufacture and export of aeroplane parts such as Evacuation Slides, Seating systems, Power Drive Units and parts of cargo moving equipments, lighting systems / light fittings, etc.; that the product classification is being managed by the Global Trade Compliance Team and the company export their products to M/s. Goodrich Corporation, USA; Goodrich Lighting Systems GmbH, Germany; Goodrich Actuation System SAS, France; and to their customers in the UK;
- that he holds the position of Senior Manager at M/s. GASPL and he look after the FP&A (Financial Planning and Analysis), Taxation areas (Direct and Indirect Tax) and report to the Director (Finance) of M/s. GASPL;
- that the only export incentive availed by M/s. GASPL was MEIS scheme and at present, the company neither avail nor eligible for any export related incentives as per new DGFT norms;
- that the export documentation of the company was being handled by their Logistics Team, headed by Shri Nandagopal Velu at present;
- that the product classification of the export products of M/s. GASPL was managed by Global Trade Compliance Department of their company, which was headed by Shri James Michael Mathews, who is the Senior Manager of GTC (Global Trade Compliance).
- that the company had one CHA viz., M/s. Capital Shipping Pvt Ltd, Bangalore, a

Private Limited Company and the Managing Director was Shri Kumar, its PAN No. was AABCC1595N and Office Address was No. 2707B, 2707C, 62 & 62A, Ground Floor, 4th Cross, 14th Main Road, E Block, Sahakara Nagar, Bangalore – 560 092 and the email id of the CHA was waskumar@capitalblr.com & mobile phone no. was 9845021733;

- that the Finance Department, in which he was a part, was entrusted with the work of filing of MEIS applications.
- that there had been a revision in the classifications of the export products prior to his taking responsibility for the Taxation Team of the company.
- that no intimation or correspondences had been made with DGFT regarding reclassification of export products while claiming MEIS benefits;
- that the reclassification of export products was under the responsibility of the Global Trade Compliance Team, of which Shri James Michael Mathews was a part;
- that, he was aware that prior to the DRI investigation, the company had been under the impression that the product classification in the system was correct; that after the DRI investigation, the company internally reviewed the product classification for all parts and found that there had been inadvertent errors in a few parts, which had resulted in excess availment of MEIS benefits by M/s. GASPL; that based on this analysis, an amount of INR 12 crores (including interest) had been paid by M/s. GASPL and vide their mail dated 25 October 2021, citing part payment had been submitted to the department;
- that export documentation was being handled by the Logistics Team, while Finance Department took care of the receipt of Export proceeds and other finance matters related to exports;
- that once M/s. GASPL received the MEIS Scrips, they would be registered with the Customs Port from where the exports were carried out; that their CHA viz., M/s. Capital Shipping Pvt. Ltd would provide the assistance in obtaining the endorsement from Customs and after the endorsement, the accounting was done under the head “Other Income”;
- for a query regarding the difference in description of goods between the Shipping bill and the Export invoice, he stated that, the export invoices were generated through the ERP (Enterprise Resource Planning) system known as SAP (System Application and Processing); that the classification of HSN codes was updated by the Global Trade Compliance Team of the company and the SAP system captured all operations related to the finished products that are shipped; that once the Delivery Order (DO) number was entered into SAP, complete product information along with the full set of documentation could be obtained from the SAP; thus, the invoice generated from the SAP was authentic, whereas, the commercial invoice (export invoice) was generated in the EO Soft tool, and the Shipping Bill details were entered by their

CHA, M/s. Capital Shipping Pvt. Ltd.; that prior to his taking over the responsibility for the Taxation Department, there had been differences in the HSN classification of the products maintained in SAP and those in the export invoices and shipping bills generated through EO Soft by the company and the CHA, respectively; hence as a corrective measure, the EO Soft invoice was now generated using data from the ZSD-Bill Report (an SAP-based report);

- for a query that why company had not taken steps to rectify the changes retrospectively, he stated that the error in classification had been rectified by Global Trade team and process controls had been put in place; that the document regarding the new MEIS internal process devised after DRI investigation, had been submitted to the department vide their mail dated 21.12.2021;
- that M/s. GASPL received the quotes from the external parties interested in buying MEIS scrips and the sale was made based on the evaluation of best quote;
- that M/s. GASPL had not received any letter / notice from DGFT Authorities or Customs Authorities regarding wrong classification of their export products, whereas had received letter / notice in this regard only from DRI, Coimbatore;
- that M/s. GASPL had filed MEIS application for exports made till Dec 2021;
- that the first MEIS application had been filed on 19-Sep 2017 by M/s. GASPL and the first MEIS Scrip had been received on 09-Jan -2018;
- that he is submitting all 389 copies of the MEIS Scrips, in which the company had paid the excess benefits availed under the Scheme along with interest, amounting to Rs. 12.09 crores; that he further stated that for the some of the Scrips, he was submitting random copies of the MEIS applications, respective MEIS Scrips and Invoices raised towards MEIS Scrip sales, as required;
- that he was not aware of any incident regarding the change in destination in respect of export products happened at M/s. GASPL and subsequent availment of MEIS benefits;
- that after commencement of investigation by DRI in October 2020 with respect of inadvertent excess claim of benefits under MEIS due to incorrect classification of exported Aerospace products, the company viz., M/s. GASPL being a law-abiding company had immediately undertaken an exercise to review the classifications adopted for all the exported Aerospace parts beyond those parts identified by DRI office; and
- that their internal team reviewed all the parts and observed that the classification of majority parts was appropriate, while there had been inadvertent errors in classification of few Aerospace products and consequently, the company had voluntarily paid the amount towards the excess MEIS benefits inadvertently claimed along with interest.

10. Whereas, further, at the time of visit to GASP on the basis of interaction with Shri James Michael Mathews, Senior Manager, GTC, a detailed letter dt.30.11.2022 (**RUD No.13**) was furnished, wherein, it was stated that:

- The Commercial Invoice that is submitted to Indian Customs was generated in their EO Soft;
- At the time GASPL submitted its MEIS applications, EO Soft and SAP were not linked. Accordingly, the material master (containing the part number and HS Classification) had to be downloaded from SAP and manually uploaded into EO Soft;
- Prior to 2017, there were no India-HSN classifications in SAP. As such, the material master that was downloaded from SAP and uploaded into EO Soft did not contain any Indian HS Classifications;
- Since there were no India-HS classifications in the EO Soft material master at that time, their MEIS Applications were filed using an HS Classification that was based on the US Classification in the SAP (i.e. 88033000);
- The material master in EO Soft was not being regularly updated during the period that they were filing the MEIS Applications, that which were the subject of this investigation. As such, the HS Classifications that were added in SAP for India were not reflecting in the EO Soft material master dump;
- EO Soft and SAP were not linked to till that date. To generate the EO Soft invoice (used for Indian Customs), the ZSDBill report must be directly downloaded from SAP and uploaded into EO Soft. The EO Soft invoice was generated using the data from the ZSDBill report. As a result, there was no longer a difference between the HS Classification in SAP and the HS Classification in their EO Soft Invoices. They began generating the ZSDBill report following the implementation of GST, from September 2017;
- All HS Classification in SAP had been performed by trained and certified HS Classifiers. Further, a sample set classifications of these were audited monthly by their Technology Manager for GASPL;
- He was authorized to sign and execute all documents for Customs and International Trade compliance on behalf of the Company.

11.1. GASPL was requested vide email dated 07.12.2022 to provide the logs that were available in the SAP for change of classification and a screen shot of the lot showing change of classification for the years 2017-18, 2018-19, 2019-20. Further, it was requested to attach with these logs MEIS applications where GASPL had received a benefit at a higher rate, which had been subsequently paid back.

11.2. Whereas, in response to the e-mail, Shri Pankaj Kumar, had submitted a letter

dated 23.12.2022 (**RUD No.14**), wherein, he inter-alia stated the following

- After conducting a thorough review of their SAP classification records for the parts that they claimed MEIS benefits, they wished to confirm that the HTS classifications referred in the MEIS Applications were not pulled from their SAP System. The Indian HTS classifications were not being tracked in their SAP prior to October, 2017, and that a vast majority of the classifications that were there for the United States did not align with their MEIS applications.;
- They had attached screenshots of parts that they claimed MEIS benefits along with an explanation that those items were not classified in India at the time of submitting those applications;
- The MEIS applications under investigation were submitted several years ago and the individuals who worked on those applications were no longer with the company;
- They were not entirely sure how these incorrect HS were used in their MEIS applications. It appears that the HS classification for the parts used in the MEIS applications may had been manually uploaded into the EoSoft Tool from which their export invoices were generated and fed into their MEIS applications;
- The process of populating HS in their export Invoices had since been corrected, whereby the data from SAP (incl HSNs) was downloaded prior to each export shipment and uploaded into the EoSoft. The export invoices and the Shipping Bills for all the exports made by Goodrich, then reflected the HTS from SAP;
- At the time of submitting the subject MEIS applications, GASPL did not have a team of trained and certified HS classifiers, in place. That gap had since been addressed. They then had a team of classifiers in place who perform all Indian HS classifications for their site. Had that team been in place at the time of submission of the MEIS Applications, incorrect HS classifications in their MEIS applications would not been an issue.
- They had addressed the above internal procedural gaps that lead to the incorrect HS Classifications and they had paid back the differential MEIS amount with interest and hence requested to close the investigation.

11.3. Along with the above letter, Shri James Michael Mathews had submitted a note making some amendments to his earlier letter dated 30.11.2022;

- In his earlier statement dt. 17.10.2022, he had stated that, "*Since there were no India-
HS classifications in the EoSoft material master at that time, their MEIS
Applications were filed using an HS Classification that was based on the US
Classification in the SAP (i.e. 88033000)*". However, on further verification as to

whether MEIS Applications might have been based on US-HSN classification in SAP for approximately 200 parts for which they claimed MEIS benefits, only in two of the cases the HTS in their MEIS Application matched the US-HTS SAP. Therefore, in a vast majority of HTS in their MEIS applications could not have been based on the US classifications in SAP;

- By referring to “8803” in the statement dt. 17.10.2022, it might give an appearance that the issue of incorrect HTS Classifications in their MEIS applications would be limited to 8803 tariff heading. But on reviewing the above sample list of the parts on which they claimed MEIS benefits, many of the incorrect HTS fell under tariff headings other than “8803”;

12. Whereas, as Shri Pankaj Kumar had stated that CHA M/s. Capital Shipping Pvt. Ltd. had prepared the documents related to Import and Export, Shri Kumar G.M., Director of M/s. Capital Shipping Pvt. Ltd., Bengaluru was served with summon under Section 108 of the Customs Act, 1962. Shri Kumar appeared on 28.04.2023 and a statement (**RUD No.15**) was recorded. In his statement, he interalia deposed that

- They are associated with M/s. GASPL, Bengaluru for more than 9 years.
- They rendered customs clearance to part of the export and imports made by M/s.GASPL. He agreed that the Company M/s.GASPL had provided pre-approved HS classification for imports made after the investigation of SIIB on imports made.
- M/s/GASPL being a Corporate Company, they had their own Taxation and Legal Departments and hence, they didn't have any role in the classification of export or import products of M/s.GASPL. Whatever data provided and classification mentioned in the documents submitted by M/s.GASPL was used for preparation of Import and Export documents.
- They were not aware of the discrepancy in the classification between Import and Export Documents.

13. Whereas, in addition, as Shri Pankaj Kumar had mentioned in his statement dated 30.11.2022 that Logistic Department was in charge of documentation works, Shri Nanadagopal Velu, Deputy Manager, Logistic Department of M/s.GASPL was served with summon under Section 108 of the Customs Act, 1962. Shri Nandagopal Velu, Deputy Manager of Logistic Department, GASPL, Bengaluru appeared on 01.05.2023 and a statement (**RUD No.16**)was recorded. In his statement, he inter-alia deposed that,

- CHAs were operationally handled by Logistic Department.
- Based on the GASPL invoice generated through the system, CHAs prepare the shipping bill and further clear the goods through Customs,

- Nominate freight forwarder, tracking the shipment till delivery.
- They didn't have any role in the content of the invoice.
- Taxation team was preparing filing and procuring the MEIS Scrips.
- The import classification and export classification were never compared. Hence, the difference in classification was not noticed.

14.1. Whereas, during the course of investigation, it was noticed on verification of the MEIS Applications filed by M/s.GASPL with DGFT that they had adopted different yardsticks for arriving at the FOB value for each financial year. It was noticed that for the year 2015-16 and 2018-19, in the MEIS Applications, for calculating the FOB value declared, the Company had reduced the freight declared in the Shipping Bill from the invoice value. But for the years, 2016-17, 2017-18 and 2019-20, the Company had reduced @ 3% towards freight from the Invoice value to arrive at the FOB value. The main condition for availing the MEIS Benefit is that it should be computed from the realized FOB Value. For arriving at the realized FOB value, the actual freight paid should be reduced from the Cum Freight value given in the invoice. Since the company had adopted different methods for arriving at the FOB value, the Company was addressed to clarify on the issue. It was clarified by M/s.GASPL vide their letter dated 06.10.2023, that M/s. GASPL had utilized the services of M/s. E&Y for the year 2015-16 & 2018-19 and the services of M/s. KPMG for the years 2016-17, 2017-18 & 2019-20 for filing MEIS Applications. It was noticed that in the case of M/s. E&Y, the FOB Value in the MEIS Applications had been arrived as per the details provided while filing shipping bill. In the case of M/s. KPMG, the net FOB value in the MEIS Applications had been arrived by standardly reducing @ 3% towards notional freight from the invoice value. It was further noticed that Shri Karthik Murugesan the then Deputy Manager of M/s.Goodrich Aerospace Services (P) Ltd., Bengaluru had mentioned about drop shipments in his statement dated 20.10.2020.

14.2. Whereas, in order to complete the investigation, one more summon was issued to Shri Pankaj Kumar, Associate Director (Finance), GASPL to appear in this Office on 16.11.2023. Shri Pankaj Kumar appeared on 16.11.2023 (**RUD NO.16-A**) and a statement was recorded, wherein, he inter-alia stated that,

- M/s. GASPL had taken the services of M/s. KPMG for filing MEIS Applications for the year 2016-17, 2017-18 and 2019-20 and services of M/s.E&Y for filing MEIS Applications for the year 2015-16 and 2018-19;
- that M/s. E&Y had deducted the notional value of freight mentioned in the Shipping Bill to arrive at the FOB value for filing MEIS Claims, whereas, M/s. KPMG had deducted flatly @ 3% towards freight to arrive at the FOB Value for filing MEIS

Applications;

- that the actual freight incurred by the company during 2015-16 & 2018-19 was higher than the notional freight declared in Shipping Bills and MEIS applications, whereas for the years 2016-17, 2017-18 & 2019-20, the notional freight value arrived for filing MEIS Applications was more than the actual freight paid;
- that had taken up the issue with M/s. KPMG to enable them to furnish the parameters taken into consideration to arrive at the notional freight value adopted by M/s. KPMG in the MEIS applications;
- Thathe was not aware of the reason why M/s.KPMG and E&Y had adopted different yardsticks to arrive at the FOB value for filing MEIS applications.
- for the query regarding furnishing of details viz., Shipping Bill No. & Date, Invoice No. & Date, Notional freight declared in SBs & Invoices, FOB value arrived by deducting notional freight value, Actual Freight paid for the Invoice & SB, FOB value arrived by deducting the actual freight value, MEIS claimed on FOB value arrived by means of notional freight value and MEIS eligible on FOB value by deducting actual freight value, Difference between MEIS claimed and MEIS Eligible, for the period from 2015-16 and 2018-19, he stated that only 50% of the data had been worked out so far as the data was voluminous and pertained to year 2015-16 and 2018-19 and that they required additional time of minimum of one month to furnish the full data; further, he stated that, the actual freight incurred had been furnished as outward freight in the financial statements for the respective years and the present actual freight percentage was within the same range, which could be seen from the work completed so far and submitted the copy of the same;
- for the specific query regarding reply of Shri. Karthik Murugesan, then Deputy Manager of M/s. GASPL to Question No. 20 in his statement dated 12.10.2020 regarding drop shipments, he stated that he read the said reply and understood the contents and stated that as stated by Shri. Karthik Murugesan, there were 55 instances of drop shipments during 2015-16 and 2016-17 (Upto 3rd May, 2016) where the group classification was in existence; that out of 55 Shipping Bills, there was change in destination in 54 Shipping bills, however no change in Group and all countries remained in the same Group A List, thus no change in rate was involved; that in only one Shipping Bill, there was change in Group from Group A to B due to change in destination, which resulted in change in MEIS rate;
- that due to change in destination, there was only one occasion in which Group was changed from A to B, and the corresponding difference in MEIS rate benefits had been paid back on 24.12.2020 and submitted the details of dropped Shipments (change in destination) for the year 2015-16 & 2016-17 as Annexure;
- for the clarification sought regarding the difference in the statement of Shri Karthik Murugesan who stated that there were instances of drop shipments from Group A to

Group C, and his statement that there were drop shipments within the same Group A and only one instance to Group B, he stated that he furnished the details regarding dropped shipments after verifying the data available with the company; that as per the available data, the dropped shipments were within Group 'A' Countries with only one instance in Group 'B' Country and assured that a certificate to the effect from the Chartered Accountant would be furnished;

- when sought for the copy of invoices raised in EO Soft and the corresponding copy of invoices raised in SAP by the parent company in US/UK mentioning the final destination for the year 2015-16 and 2016-17, he stated that he did not have the copy of the invoice raised independently by the Parent Company in the US/UK and assured that they would internally discuss and provide the supporting documents for the data on drop shipments given in the Annexure.

14.3. Whereas, as a follow up to the Statement of Shri Pankaj Kumar, M/s. GASPL had further clarified vide their letter dated 17.01.2024 (**RUD No.31**) that the rationale for considering the said 3% as freight percentage to the FOB Value by their consultant M/s. KPMG was as follows,

i) The freight amount was computed by subtracting the realized Invoice Value (which includes the FOB Value and other costs viz., freight amount, insurance, etc) from the FOB value declared in the shipping bill.

ii) Then the freight percentage to the invoice value was computed. In 98 % of the shipments, the average rate was below 1%. In 2% of the export shipments, the average rate of freight after rounding off was 3%. Hence, on a conservative basis, 3% reduction as the freight amount was applied in the MEIS Application.

iii) By deducting the notional freight @ 3%, which is higher than the actual freight of around 1%, the Company had claimed lesser amount of MEIS than its actual entitlement.

Hence, it appears that the Company's consultant M/s. KPMG had arrived the FOB value while filing MEIS Applications for the year 2016-17, 2017-18 and 2019-20 by reducing flatly @ 3% towards freight element from the invoice value.

14.4. Whereas, it further appeared that the notional freight deducted in the shipping bills for the year 2015-16 and 2018-19 by M/s. GASPL was on the lower side when compared with the actual freight paid by the Company. Hence, it appears that higher MEIS Benefits were availed by M/s. GASPL during the year 2015-16 and 2018-19 on the higher FOB Value arrived by deducting notional freight in the shipping bill than the correct FOB value arrived after reducing the actual freight paid in the MEIS Applications filed by M/s. E&F. The Company had submitted the details of excess avilment of MEIS Benefits due to adoption of wrong FOB Value (on the differential freight component), for the year 2015-16 and 2018-19 vide their letter dated 17.01.2024, in **Annexure No.11&12(RUD**

No.28&29). It appears that due to wrong FOB value adopted, M/s.GASPL had claimed excess MEIS Benefits to the tune of Rs.75,16,109/-It was further requested by M/s. GASPL vide their letter dated 17.01.2024 to adjust the wrongly claimed MEIS benefits to the tune of Rs.0.75 crores and interest of Rs. 0.27 crores thereof, from the excess amount of Rs.1.26 Crores deposited by them.**(RUD No.31)**

14.5. Whereas, it was further stated in the Statement by Shri Pankaj Kumar on 16.11.2023 that there were drop shipments during 2015-16 and 2016-17 (upto May, 2016), where group classification of rate was in existence. There were 55 instances of drop shipments. It was further stated by M/s.GASPL in their letter dt.17.01.2024 **(RUD No.31)** that there was no change in group in all the 55 instances and hence no change in rate of MEIS Benefits due to change of destination. The details are furnished in **Annexure No.13 (RUD No.32)**. M/s.GASPL had produced a Certificate from Chartered Accountant to that effect that this was verified from the records. **(RUD NO.30)**

14.6. Whereas, a letter dated 20.11.2024 **(RUD No. 33)** was addressed to The Development Commissioner, Cochin Special Economic Zone, (who is the Competent Authority for Karnataka and Kerala EOU units) regarding the details of MEIS scrips wrongly availed by M/s. GASPL for taking appropriate action at their end. In response, the Development Commissioner, Cochin SEZ issued a Show Cause Notice proposing action for cancellation of wrongly availed MEIS scrips valued at Rs. 9,02,39,202/- by way of mis-declaration of ITC(HS) and wrong adoption of FOB value to M/s. GASPL in F. No. CSEZ-CSZ01(AUD)/1/2025-SEZ Cochin dated 01.01.2025. **(RUD No.34)**

15. LEGAL PROVISIONS:

i) MEIS SCHEME AND RELATED LAWS:

The **Foreign Trade Policy 2015-2020 (henceforth referred as FTP)**, which was notified under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 by the Director General of Foreign Trade with effect from 01.04.2015, introduced two new schemes viz. **Merchandise Exports from India Scheme (MEIS) for exports of specified goods to specified markets** and Service Exports from India Scheme (SEIS) for increasing export of notified services, in the place of plethora of schemes earlier, as per Chapter 1 of FTP. The relevant portions of MEIS scheme as notified in FTP are reproduced as below:

“3.03. Objective of the Merchandise Exports from India Scheme (MEIS) is to promote the manufacture and export of notified goods/ products.

3.04. Entitlement under MEIS Exports of notified goods/products with ITC[HS] code, to notified markets as listed in Appendix 3B, shall be rewarded under MEIS. 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 on realised FOB value of exports in free foreign exchange, or on FOB value of exports as given in the Shipping Bills in freely convertible foreign currencies, whichever is less, unless otherwise specified.*

Relevant definitions of terms used in FTP as given in Chapter 9 are reproduced below:

“9.00 For purpose of FTP, unless context otherwise requires, the following words and expressions shall have the following meanings attached to them:-

9.02 "Act" means Foreign Trade (Development and Regulation) Act, 1992 (No.22 of 1992) [FT (D&R) Act] as amended from time to time.

9.06 "Applicant" means person on whose behalf an application is made and shall, wherever context so requires, includes person signing the application.

9.20 "Export" is as defined in FT (D&R) Act, 1992, as amended from time to time.

9.27. ITC (HS) refers to Indian Trade Classification (Harmonized System) at 8 digits.

9.38 "Person" means both natural and legal and includes an individual, firm, society, company, corporation or any other legal person including the DGFT officials. ”

ii) The Customs Act, 1962

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(a) Section 17:Assessment of duty.

(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.

(3) For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self- assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re-assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

Explanation. - For the removal of doubts, it is hereby declared that in cases where an importer has entered any imported goods under section 46 or an exporter has entered any export goods under section 50 before the date on which the Finance Bill, 2011 receives the assent of the President, such imported goods or export goods shall continue to be governed by the provisions of section 17 as it stood immediately before the date on which such assent is received.]

(b) Section 28AAA: 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.

Explanation 1.— For the purposes 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 (22 of 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 or notifications issued thereunder.

Explanation 2.— The provisions of this sub-section shall apply to any utilization of instrument so obtained by the person referred to in this sub-section on or after the date on which the Finance Bill, 2012 receives the assent of the President, whether or not such instrument is issued to him prior to the date of the assent.

(2) Where the duty becomes recoverable in accordance with the provisions of sub-section (1), the person from whom such duty is to be recovered, shall, in addition to such duty, be liable to pay interest at the rate fixed by the Central Government under section 28AA and the amount of such interest shall be calculated for the period beginning from the date of

utilization of the instrument till the date of recovery of such duty.

(c) Section 28AA:The person liable to pay Duty under Section 28 shall be liable to pay interest at rates fixed under sub-section 28AA(2) of the Customs Act, 1962.

(d) Section 50: Entry of goods for exportation. -

(1) The exporter of any goods shall make entry thereof by presenting electronically on the customs automated system to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export in such form and manner as may be prescribed:

Provided that the Principal Commissioner of Customs or Commissioner of Customs may, in cases where it is not feasible to make entry by presenting electronically on the customs automated system, allow an entry to be presented in any other manner.

(2) 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.

(3) 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 restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

(e) In terms of the provisions of **Section 111(o) of the Customs Act, 1962**, any goods exempted, subject to any condition, from duty or any prohibition **in respect of the import thereof** under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer, shall be liable for confiscation.

(f) Section 112: Any person (a) who in relating to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111 or abets the doing or omission of such an act, or (b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under Section 111, is liable for penal action under Section 112(i) and (ii) of the Customs Act, 1962.

(g) Section 113(i): 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 or in the case of baggage with the declaration made under section 77, shall be liable for confiscation;

(h) Section 114: Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable, for penal action under Section 114(i),(ii)& (iii) of the Customs Act, 1962.

(i) Section 114AA: Provides for imposition of penalty on a person who 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 the Act.

(j) Section 114AB: 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.

Explanation: For the purpose of this Section, the expression “instrument” shall have the same meaning as assigned to it in the explanation 1 to Section 28AAA.

(k) Section 124: No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person is given a notice in writing with the prior approval of the officer of Customs, informing him of the grounds on which it is proposed to confiscate the goods or to impose a penalty.

16. ANALYSIS OF EVIDENCES:

16.1 Whereas, intelligence gathered indicated that M/s.GASPL (A 100% EOU holding IEC 0796010251), manufacturer and exporter of Aeroplane parts, had availed excess MEIS benefits by means of mis-classification of their exported products. The details of exported products which were wrongly classified are given in **Annexure 2 (RUD NO.19)**.

16.2 The main issue being the misclassification of certain export goods, the appropriate classification of the said goods is examined in the ensuing paragraphs.

16.3 The relevant provisions of Customs Tariff Act and the HSN Explanatory notes for arriving at the decision are reproduced below for ease of reference.

(i) Rule 1 of the General Rules for the Interpretation of the First Schedule to the Customs Tariff Act, 1975 states that:

The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require according to the following provisions

(ii) *Note 2 of Section XVII to the First Schedule covering Chapters 86-89 reads as below:*

The Expressions “parts” and “parts and accessories” do not apply to the following articles, whether or not they are identifiable as for the goods of this Section:

- a. *Joints, washers or the like of any material (classified according to their constituent material or in heading 8484) or other articles of vulcanized rubber other than hard rubber⁵ (heading 4016);*
- b. *Parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of plastics (chapter 39);*
- c. *Articles of chapter 82 (tools);*
- d. *Articles of heading 8306;*
- e. *Machines and apparatus of headings 8401 to 8479, or parts thereof, other than the radiators for the articles of this Section, articles of heading 8481 or 8482 or, provided they constitute integral parts of engines and motors, articles of heading 8483;*
- f. *Electrical machinery or equipment (chapter 85);*
- g. *Articles of chapter 90;*
- h. *Articles of chapter 91;*
- i. *Arms (chapter 93);*
- j. *Lamps or light fittings of heading 9405; or*
- k. *Brushes of a kind used as parts of vehicles (heading 9603).*

(iii) *HSN Explanatory Notes provided for heading 8803 (parts of goods 8801 or 8802 eg. Aircrafts) is as given below:*

This heading covers parts of the goods falling in heading 8801 or 8802, provided the parts fulfill both the following conditions:

- i. *They must be identifiable as being suitable for use solely or principally with the goods of the above-mentioned headings;*

and

- ii. *They must not be excluded by the provisions of the notes to Section XVII*

16.4. Whereas, from the above, it appears that the parts which are not meant for sole or principal use along with goods of heading No.8801 & 8802 and goods excluded by Note 2 of Section XVII are excluded under 8803. In other words, two questions to be answered as to (i) whether the disputed items are of general purpose parts or otherwise, i.e., solely or principally suitable for use along with the goods falling under 8801 & 8802 and (ii) whether an item is excluded under Note 2 to Section XVII.

16.5. Whereas, on examination of the Technical literature of the disputed items including their end use, it is found that most of the parts were of general use ones or excluded by the provisions of the notes to Section XVII. It therefore appears that the disputed items cannot be classified under 8803. For example:

i) **Power Driven Pumps/Latches Assembly** were classified under 88033000 and MEIS rate of 3% of FOB was availed by M/s.GASPL. Power Driven Units are used to move and position the machines etc. Hence, the functions of the PDU are not restricted to use solely in Aircraft as they are generally used to move and position machines. As per Section Note XVII-2e of the Customs Tariff Act, 1975, machines and apparatus of heading 8401 to 8479 are excluded from the CTH8803. Further, they have not fulfilled the conditions of HSN explanatory notes provided by World Customs Organization for classifiable under CTH 8803 as parts of the goods falling in heading 8801 or 8802. Hence, they are rightly classifiable as part of moving equipments under **CTH 84313910** with MEIS rate 2% .

ii) **Lightings and Fittings** were classified under 88033000 and MEIS rate of 3% of FOB was availed by M/s.GASPL. The end usage of these items are not restricted to Aircrafts as the Lightings and Light fittings are of general usage and can be used anywhere. These Lightings and Light fittings appears to be rightly classifiable as lamps/spotlights under **CTH 94051090**. As per Note 2(i) of Section XVII, the expression “parts” or “parts& accessories” do not apply to the articles falling under heading 9405. Further, these Lightings and Light fittings also not fulfilling the conditions of the HSN explanatory notes provided for CTH 8803. It is pertinent to note that items falling under 94051090 are eligible for only 2% of FOB under MEIS Scheme.

(iii) **Literature Pocket (Aluminum Panels covered with Leathers)** used in the Seating System were classified under CTH 88033000 and MEIS rate of 3% of FOB was availed by M/s.GASPL. Literature Pocket (Aluminum Panels covered with Leathers) are used in the assembly of seating system of aeroplanes/helicopters. In terms of Rule 3(a) of the Rules for Interpretation of Customs Tariff Act, 1975 (“Custom Tariff”), “the heading which provides the most specific description shall be preferred to headings providing a More general description.” Chapter Heading 8803 refers to parts of aeroplane viz. Propellers, motors etc. in a general way; whereas, Chapter Heading **94011000** specifically

covers Seats of kind used in Aircraft and its parts. Hence it appears to be classified under 9401.

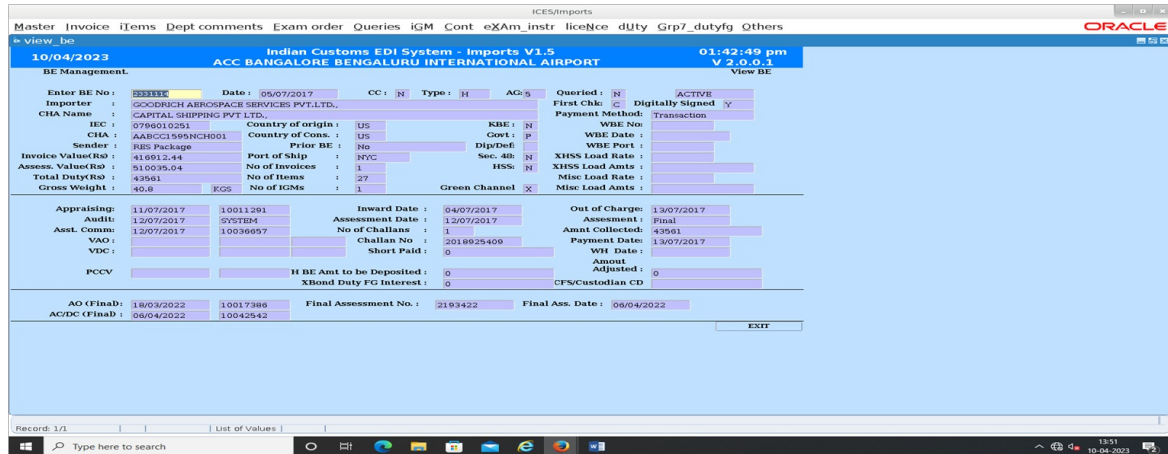
16.6. Whereas, on examination of the other disputed items in Annexure 2, it is seen that misclassification was not limited to 8803 and several incorrect HSN fell under tariff heading other than 8803. For e.g., **Parts of Light Fittings**, viz., Light Assembly and Assembly Kit, were classified as plastics under CTH 39161090 and the MEIS Rate of 3% of FOB was availed by M/s.GASPL. But on examination, Parts of Light Fittings have to be classified as fittings of lamps/spotlights under CTH **94054010** with the MEIS Rate of 2%.

16.7. Whereas, even before the initiation of investigation by DRI, SIIB, Bengaluru had taken action for short payment of IGST due to wrong classification of their imported goods during 2017. The classification of the imported products was reviewed by the Company and reclassified the imported items. They accepted that the Note 2 of Section XVII excludes general purpose parts from heading No.8803 and as per explanatory notes to HSN, parts which are not meant for sole or principal use along with goods of heading No.8801 and 8802 are excluded.

The Screen shots of sample Bill of Entries before and after the initiation of investigation by SIIB, Bengaluru are given below for reference.

BEFORE SIIB INVESTIGATION:

(Sample copy of Bill of Entry classifying imported products, viz., Harness Assembly under CTH 8803)



Master Invoice IItems Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others

view_be

BE No: 883116 Date: 05/07/2017 CC: N Type: H Inv No: 1

Item 13 HARNNESS ASSY, LAMP, 4A3712-1 Country of Org. US
 Item Desc HARNNESS ASSY, LAMP, 4A3712-1 RITC 88039000
 Generic Desc HARNNESS ASSY, LAMP, 4A3712-1 Scheme Code: 21
 Unit price Declared 85.41 Assessed 92.41 SVB Load Decl Assessed
 Curr USD Quantity Unit g NOS RSP RSP Nota. RSP Nota Slna

Customs Declared		Excise Declared		Assessed	
88039000	88039000	NOEXCISE	NOEXCISE	NOEXCISE	NOEXCISE
66287.41	66287.41	66287.41	66287.41	66287.41	66287.41
10 %	10 %	0 %	0 %	0 %	0 %
0	0	0	0	0	0
0	0	0	0	0	0
2	2	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
026/2001	0	026/2001	0	0	0
0	0	0	0	0	0

FRM-40200: Field is protected against update.
 Record 1/1

AFTER SIIBINVESTIGATION:

(Sample copy of Bill of Entries where the classification of imported products, viz., Harness Assembly, had been changed to CTH 85443000)

Master Invoice IItems Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others

view_be

11/04/2023 Indian Customs EDI System - Imports V1.8 ACC BANGALORE BENGALURU INTERNATIONAL AIRPORT 04:46:19 pm V 2.0.0.1

BE Management

Enter BE No: 8903392 Date: 19/04/2019 CC: N Type: H AG: SA Queried: N ACTIVE
 Importer: GOODRICH AEROSPACE SERVICES PRIVATE LIMITED First Chk: N Digitally Signed Y
 CHA Name: ANVASE EXIM PRIVATE LIMITED Payment Method: Transaction
 IEC: 0796010251 Country of Org: GB RBE: N WBE No:
 CHA: AARCEJ083KCH001 Country of Cons: GB Cont: P WBE Date:
 Sender: RES Package Prior BE: No Dip/Def: WBE Port:
 Invoice Value(Rs): 2318569 Port of Ship: LHR Sec. 48: N XISS Load Rate:
 Assess. Value(Rs): 2357400 No of Invoices: 22 HSS: N XISS Load Amt:
 Total Duty(Rs): 0 No of Items: 41 Misc Load Rate:
 Gross Weight: 0 No of IGMs: 1 Green Channel X Misc Load Amt:
 Appraising: 19/04/2019 SYSTEM Inward Date: 19/04/2019 Out of Charge: 19/04/2019
 Audit: 19/04/2019 SYSTEM Assessment Date: 19/04/2019 Assessment: Final
 Ass. Comm: 19/04/2019 SYSTEM No of Challans: Payment Date:
 VAD: Challan No: Payment Date:
 VDC: Short Paid: WH Date:
 PCCV H BE Amt to be Deposited: Amount Adjusted:
 XBond Duty FG Interest: 0 CFS/Custodian CD PAC

AO (Final): Final Assessment No.: Final Ass. Date:
 ACDC (Final):

Record 1/1

Master Invoice IItems Dept comments Exam order Queries iGM Cont eXAm_instr liceNce dUty Grp7_dutyfg Others

view_be

BE No: 8903392 Date: 19/04/2019 CC: N Type: H Inv No: 15

Item 2 85000140 HARNNESS J2 ASSEMBLY (RETRAC) Country of Org. GB
 Item Desc 85000140 HARNNESS J2 ASSEMBLY (RETRAC) RITC 85443000
 Generic Desc 85000140 HARNNESS J2 ASSEMBLY (RETRAC) Scheme Code: 21
 Unit price Declared 80.11 Assessed 80.11 SVB Load Decl Assessed
 Curr USD Quantity Unit g NOS RSP RSP Nota. RSP Nota Slna

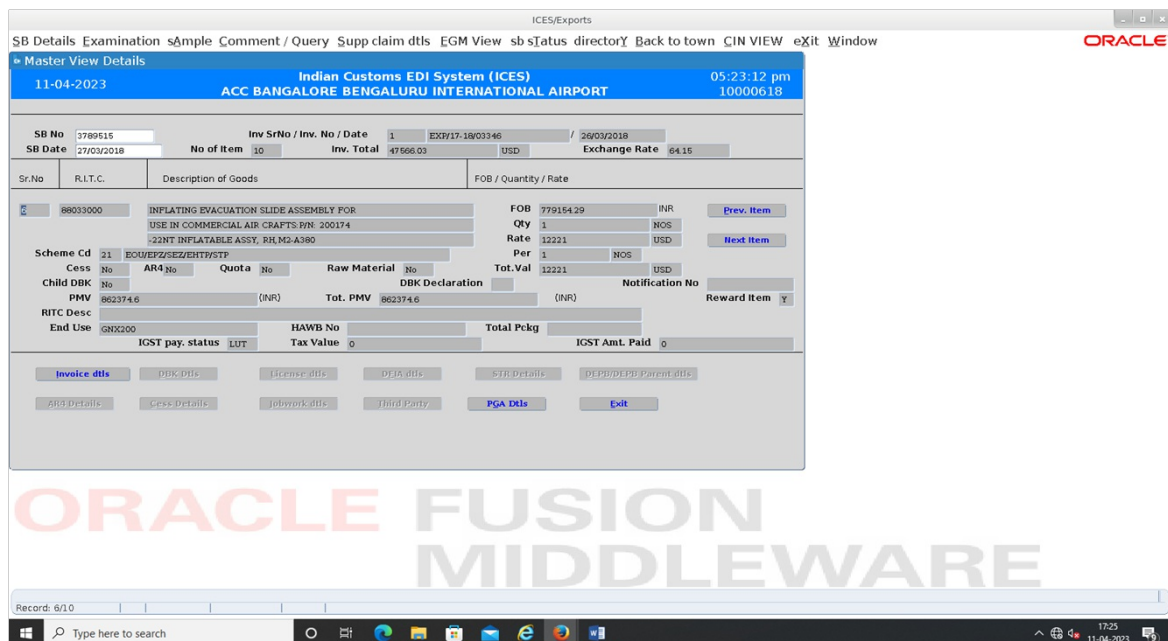
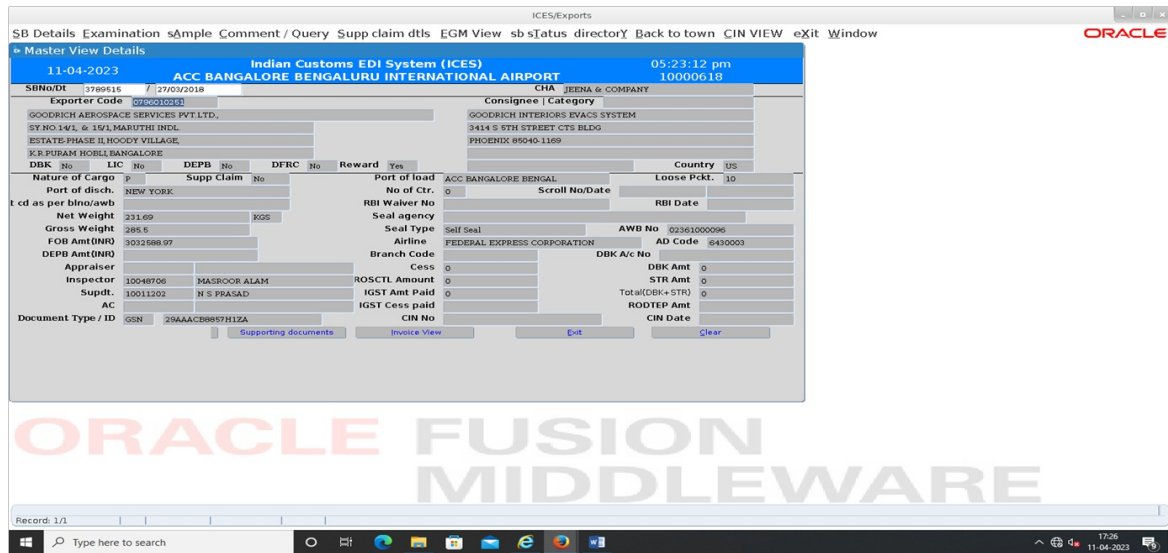
Customs Declared		Excise Declared		Assessed	
85443000	85443000	NOEXCISE	NOEXCISE	NOEXCISE	NOEXCISE
45873.58	45873.58	45873.58	45873.58	45873.58	45873.58
10 %	10 %	0 %	0 %	0 %	0 %
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10	0	10	0	0	0

Record 1/1

From the above screen shots of the sample Bill of Entries, it appears that M/s.GASPL had classified correctly their imported products after the SIIB investigation during October, 2018. Hence, although, the Company accepted the mistake of wrong classification of their imported products and paid the short paid IGST of Rs.30,76,894/-, it appears that M/s.GASPL had not rectified the wrong classification issues in respect of exported goods. Hence, it appears that the Company had deliberately misclassified their exported products in order to avail excess MEIS benefits and thus attracting the provisions of Section 28AAA of the Customs Act, 1962.

Screen shot of Shipping Bills before and after the SIIB, Bengaluru investigation in respect of classification of exported products are given below.

SHIPPING BILL BEFORE SIIB INVESTIGATION:



SHIPPING BILL AFTER SIIB INVESTIGATION:

ICES/Exports
SB Details Examination sAmple Comment / Query Supp claim dtls EGM View sb sIatus directorY Back to town CIN VIEW eXit Window

11-04-2023 ACC BANGALORE BENGALURU INTERNATIONAL AIRPORT 05:41:43 pm 10000618

SBNo: 4607022 / 01/05/2019 CHA JEENA & COMPANY

Exporter Code: 099010251 Consignee | Category: GOODRICH INTERIORS EVACS SYSTEMS
GOODRICH AEROSPACE SERVICES PRIVATE LIMITED
SY.No 14/1 & 15/1, MARUTHI INDL, ES
3414 55TH STREET CTS BLDG
TATE PHASE II HOODY VILLAGE, PHOENIX AZ 85040 1169
K.R. FURAM HOBLI BANGALORE, KARNATAKA

Nature of Cargo: Loose Pckt. 10
Port of disch: NEW YORK
Net Weight: 215 KGS
Gross Weight: 255
FOB Amt(INR): 3690381.8
DEPB Amt(INR):
Appraiser: 10046836 Anil Kumar Rushwaha
Inspector: 10006063 Suresh TG
Document Type / ID: GSN 29AAACB8657H12A

Port of load: ACC BANGALORE BENGAL
No of Ctr: 0
RBI Waiver No:
Seal agency:
Seal Type:
Airline: British Airways
Branch Code:
Cess:
ROSTL Amount:
IGST Amt Paid:
IGST Cess paid:
CIN No:

AWB No: 12889870546
AD Code: 6430003
DBK Amt: 0
STR Amt: 0
Total(DBK+STR): 0
RODTEP Amt:
CIN Date:

Buttons: Supporting documents, Invoice View, Exit, Clear

ICES/Exports
SB Details Examination sAmple Comment / Query Supp claim dtls EGM View sb sIatus directorY Back to town CIN VIEW eXit Window

11-04-2023 ACC BANGALORE BENGALURU INTERNATIONAL AIRPORT 05:41:43 pm 10000618

SB No: 4607022 Inv SrNo / Inv. No / Date: 1 / EXPI/19-20/00812 / 31/05/2019
SB Date: 01/06/2019 No of item: 17 Inv. Total: 83337 USD Exchange Rate: 69.5

Sr.No	R.I.T.C.	Description of Goods	FOB / Quantity / Rate
1	88033000	INFLATING EVACUATION SLIDE ASSEMBLY PART NO. 200264-INT	171660.32 INR Qty: 1 Rate: 2481

Scheme Cd: 31
Cess No: AR4 No: Quota No: Raw Material No: Tot.Val: 2481 USD
Child DBK No: PMV: 188826.16 (INR) Tot. PMV: 188826.16 (INR)
RITC Desc: End Use: GNX200 HAWB No: Tax Value: 0 Total Pckg: IGST Amt. Paid: 0

Buttons: Invoice dtls, DBK Dtl, License dtls, DEPB dtls, STR Details, DEPR/DEPB Parent dtls, AR4 Details, Cess Details, Jobwork dtls, Third Party, PGA Dtls, Exit

Whereas, it appears from the above comparison of the screen shots of the sample Shipping Bills, M/s. GASPL had continued to classify their exported goods under CTH 8803, although they had classified the imported items correctly after the review due to SIIB investigation. In addition, the taxpayer has voluntarily submitted vide letter 08.04.2022 that there were inadvertent errors in classification of Aerospace products in addition to the items under CTH 8803 resulting in availment of excess MEIS benefits which is detailed Annexure 2- RUD 19 and Annexure 2A- RUD 19A. In this regard, the same was analyzed and on

verification, was found that the other items in addition to the goods under CTH 8803 were also mis-classified resulting in excess MEIS benefits availed by M/s. GASPL and the details submitted by M/s. GASPL regarding such mis-classification is found correct. The details of all such misclassification of goods exported by M/s. GASPL during the period involved was given in **RUD 25**.

16.8 Whereas, statements were recorded from S/Shri Karthik Murugesan, then Deputy Manager who was in charge of Tax and GST Compliance, Shri. Pankaj Kumar, Present Senior Manager, in charge of Direct and Indirect Taxation, Shri James Michael Mathews, Senior Manager of Global Trade Compliance and Shri. Nandagopal Venu, present Senior Manager of Logistics Department of M/s.GASPL. All of them have admitted that the disputed items/parts were wrongly classified and higher MEIS benefits were availed.

16.9 Whereas, further, GASPL stated that consequent to the investigation of DRI, their in house team had examined the items and determined the appropriate CTH for the disputed items. Accordingly, 5907 items with incorrect HSN were identified and the list of 5907 such items part wise with description, CTH declared in the Shipping Bill and the CTH adopted after DRI investigation is given in the Annexure 2 – RUD No.19. It is further seen that these items fell under 906 unique CTHs as detailed in Annexure **2A – RUD NO.19A**. The list has been verified and found to be in order. In other words, M/s.GASPL themselves had accepted the misclassification of their items and paid back the ineligible MEIS Benefits obtained by them.

16.10. Whereas, during the course of investigation, it was noticed that in the case of M/s .KPMG, the net FOB value in the MEIS Applications for the years 2016-17, 2017-18 and 2019-20 had been arrived by standardly reducing @ 3% towards notional freight from the invoice value. On verification of sample invoices, corresponding shipping bills, corresponding Airway Bills, in respect of shipping bills for which M/s.E&Y had filed MEIS Application, it was noticed that the cost mentioned by the Air Carrier Agency for Freight Prepaid was mentioned in the Shipping Bill Freight component and the FOB Value in the Shipping Bill was arrived from deducting Invoice value as per invoice and freight amount as per Freight Forwarders cost and was entered in the Shipping Bill.

16.11. M/s. GASPL had further stated vide their letter dated 17.01.2024 that in 98% of the shipments, the freight paid by them to the carrier was below 1% which was less when compared with the 3% flat rate reduced as freight amount by M/s.KPMG for the years 2016-17, 2017-18 and 2019-20 in the MEIS application to arrive at Net FOB value. The actual freight paid to the carrier includes service charges and fuel surcharge in addition to

the courier services.

The above aspect was verified on sample basis in respect of shipping bill No.3671389 dated 23.04.2019, i.e., the shipping bill for which M/s. KPMG had filed MEIS Application. The details are given below.

SL.NO.	DESCRIPTION	VALUE/AMOUNT/NO	REMARKS
1	Shipping Bill No. and Date	3671389/23.04.2019	-
2	Invoice Value	US\$ 77673 (INR 53,36,135/-)	-
3	Air Freight as per Shipping Bill	INR 10005	-
4	Actual Freight Paid	INR 26081	Door to Door Transportation - Initial to Final Destination + Service charge +Fuel surcharge
5	3% Freight Component as per KPMG	3% on US\$ 77673	2330 US\$ (Rs.68.7 conversion rate) i.e., INR 1,60,071/-

16.12. Hence, it appears that though the actual freight was around 1%, the company had applied 3% value notionally towards freight for arriving at the FOB Value in the MEIS Applications filed by their consultant M/s. KPMG for the year 2016-17, 2017-18 and 2019-20. Hence, it appears that 3% value taken notionally towards freight by M/s.KPMG was on the higher side than the actual freight incurred by the Company and thus claimed less MEIS Benefits for the said years.

16.13. Whereas, M/s. E & Y had not deducted 3% notional amount towards freight in the MEIS Applications filed for the year 2015-16 and 2018-19 and entered only freight charges mentioned in the Shipping Bills. Whereas, it appears that the actual freight was more than the freight amount declared in the shipping bill for arriving at the FOB value. Hence, it appears that M/s. GASPL had been sanctioned higher MEIS Benefits for the year 2015-16 and 2018-19 due to higher FOB Value adopted. M/s.GASPL had submitted the details of Shipping Bills and Scrips on which higher MEIS Benefits were sanctioned. On verification of the details of excess availment of MEIS Benefits due to adoption of wrong FOB Value for the year 2015-16 and 2018-19 as given in **Annexure No.11 &12 (RUD No.28 & 29)**, it appears that M/s. GASPL had availed higher MEIS Benefits to the tune of Rs.Rs.75,16,109/-than the eligible benefits for the said period. The interest payable for excess MEIS Benefits availed due to adoption of wrong FOB Value had been arrived as

Rs.27,46,799/-. M/s. GASPL vide their letter dated 17.01.2024 (**RUD No.31**) had requested to adjust the excess MEIS benefits availed and the interest payable thereon due to adoption of wrong FOB value against the excess amount of Rs. 1.26 crores paid already.

16.14. Whereas, on verification of drop shipments in respect of 55 shipping bills during 2015-16 and 2016-17 (Upto May, 2016), it was ascertained that as there was no change in group, there was no change in the rate of MEIS Benefits. The change of rate of MEIS Benefits was only due to adoption of wrong CTH and not due to drop shipments. M/s.GASPL had already paid back such excess availed benefit due to adoption of wrong CTH. The Company had also submitted a certificate from Chartered Accountant to that effect.(**RUD NO.30**)

17. SUPPRESSION OF FACTS

(i) Whereas, M/s.GASPL in their letter dated 15.07.2022, had requested to close the issue without issue of Show Cause Notice since they had voluntarily surrendered the entire excess MEIS Claimed amount with interest. While it is a fact that M/s.GASPL had worked out the excess claimed MEIS benefits and repaid with interest, this exercise was done only after the initiation of investigation by DRI. On analysis of the correspondence made by M/s.GASPL, it was noticed that SIIB, Bengaluru had initiated an investigation during October, 2018 (**RUD NO.7**) for short payment of IGST by M/s.GASPL for the period from July, 2017 to August, 2018 due to wrong classification in violation of note 2 of Section XVII to the First Schedule covering Chapters 86-89.

(ii) Whereas, M/s.GASPL had classified some parts, viz., Cylinder Assembly, Pump, Hydraulic Pumps and Valves under 88039000 instead of correct Tariff Head under Chapter 84. Similarly, Cable and Wiring Harness under 88033000 instead of correct CTH 85443000 of the First Schedule of Customs Tariff Act, 1975. The above parts are excluded to be classified as parts of Aircraft under 8803 in accordance with Note 2(e) and 2(f) respectively of Section XVII to the first schedule of the Customs Tariff Act, 1985 and Explanatory notes of World Customs Organisation for heading 8803 as discussed supra in Para 15.3.

(iii) Whereas, in view of the misclassification of the Aircraft parts under 8803 instead of respective chapters as per Note 2 of Section XVII, M/s. GASPL had paid reduced IGST @ 5% as per Sl. No.245 of schedule of Notification No.01/2017-IGST(Rate) dated 28.06.2017, instead of applicable rate of @ 18% or 28% as per Sl. No.161 of Schedule IV of Notification No.01/2017-IGST(Rate) dated 28.06.2017. There was short payment to the tune of Rs.38,11,789/- for the period from 01.07.2017 to 31.10.2017.

(iv) When this was pointed out by SIIB,Bengaluru,M/s. GASPL vide their letter dated

16.01.2019 (**RUD NO.8**) agreed that there was short payment due to wrong classification. They also stated that the classification of the imported products was reviewed by the Company and reclassified the 28 imported items. They paid the differential IGST of Rs.30,76,894/- as per Section 28(1)(b)(i) of the Customs Act, 1962 along with interest of Rs.6,53,921/-. Further, M/s.GASPL asserted that they had initiated training and certification program for HS classifiers at Bangalore facility; that Classification were maintained in Central Repository and the Company provided a pre-approved list HS classification list to their CHA for making declaration in Customs.

(v) Whereas, it appears that M/s.GASPL had carried out the review of classification after October, 2018 for the CTH 8803, as a result of SIIB investigation, but had not changed the classification of the goods exported on which the Company had applied and obtained excess MEIS Benefits.M/s.GASPL had classified their parts exported, viz., Power Driven Pumps, Lightings and Fittings, Seating Assembly under 88033000 instead of correct CTH 84313910, 94051090 & 94011000 respectively. Similarly, Clutch Assembly, Stator Assembly, Connector, Rotor Assembly, Lamp Assembly, Restraint Assembly, Base Assembly, Circuit Card, Cable, Base Assembly under 88039000 instead of correct CTH 85030090, 85030090, 85369090, 85031110, 85392190, 56090090, 94019000, 85439000, 85443000 and 94011000 respectively of the First Schedule of Customs Tariff Act, 1975. The complete details of parts which had been wrongly classified are given in **Annexure 2 (RUD No.19)**. These parts are excluded to be classified as parts of Aircraft under 8803 in accordance with Note 2(e) and 2(f) respectively of Section XVII to the first schedule of the Customs Tariff Act, 1985 and Explanatory notes of World Customs Organisation for heading 8803 as discussed supra in Para 15.3.

(vi) Whereas, it appears M/s. GASPL had continued to classify their exported goods under CTH 8803, although they had classified the imported items correctly after the review due to SIIB investigation. Whereas, it appears that M/s. GASPL had carried out the review of classification after October, 2018 for the CTH 8803, as a result of SIIB investigation, but had not changed the classification of the goods exported on which the Company had applied and obtained excess MEIS Benefits.

(vii) While M/s. GASPL admitted the misclassification of the disputed items in their shipping bills and the consequent claim of higher rate of MEIS benefits for some of their exported goods, they contended that the same had happened due to certain communication gap between the teams/systems and there was no malafide intention to avail undue benefits. (**RUD No. 14**). However, this contention appears to be untenable as it appears that they had classified the parts under the CTH 88033000 in respect of exported goods instead of correct CTH so that higher MEIS rate can be claimed.

(viii) Whereas, there is no change in the conditions, Chapter Notes and Explanatory Notes for classifications of the said products, exported or imported in the Customs Tariff Act, 1962 and also in the HSN Explanatory Notes during the period 2017-2021 i.e. before and after the initiation of investigation by SIIB. They are equally applicable for imported and exported products and the Act does not differentiate between imported and exported Goods. So, it appears that the contention of the company that the classification of exported products was done inadvertently, appears to be an afterthought as they had initiated training and certification program for HS classifiers at Bangalore facility and classification were maintained in Central Repository and the Company provided a pre-approved HS classification list to their CHA for making declaration to Customs.

(ix) Whereas, it appears from the Shipping Bills for the period April, 2015 to March, 2020, that M/s. GASPL had declared that '*We intend to claim rewards under Merchandise Exports from India Scheme (MEIS)*'; that on verification of the public notices of the DGFT regarding MEIS reward rate, it is seen that this disputed export goods were declared under the wrong CTH and hence they were awarded with higher rate of MEIS benefits than the eligible rate of MEIS benefit available for correct CTH. The details are given in **Annexure-2 (RUD NO.19)**

(x) Whereas, in the MEIS Application, the Exporter is required to make a declaration in form ANF-3A that, "*I hereby declare that the Exported Products/goods and markets are covered under Appendix 3B and the exports for which this application is being filed, are made on or after the respective admissible date of export, as indicated in relevant Appendix*". However, it appears that the declaration made by the Exporter M/s.GASPL in the MEIS Applications is false which amount to willful misstatement since the exported goods were wrongly classified to avail higher rate of MEIS Scrips. Thus, it appears they had availed higher rate of MEIS scrips by way of willful misstatement in the documents submitted to both, Customs and DGFT Authorities in contravention to the provisions of Customs Act, 1962 and Foreign Trade (Development and Regulation) Act, 1992.

(xi) Whereas, during October, 2018, SIIB, Bengaluru had initiated investigation for short payment of IGST for the period from July, 2018 to August, 2018, M/s.GASPL had paid the differential IGST during 2019. Since, the classification adopted for import of products was wrong as per Note 2 of Section XVII to the First Schedule covering chapters 86-89 and HSN Explanatory Notes on heading 8803, the Company rectified the classification after 2017. Whereas, it appears from the letter dated 30.11.2022 (**RUD No.13**), given by Shri James Michael Mathews, changes to CTH had taken place in SAP but still a different CTH had been declared in the SB/Invoice to obtain excess MEIS benefits. It had

been stated that the changes that have been made to their products (illustrative Samples) in their SAP but had not been carried out in their MEIS Application / Shipping Bill, based on which Scrips at higher rates had been issued than what was actually eligible. However, Shri James Michael Mathews had submitted a note dated 23.12.2022 making some amendments to his earlier letter dated 30.11.2022, wherein it had been stated HTS in their MEIS Applications could not have been based on the US Classification in SAP. Further, it was stated that on review of classifications, the issue of incorrect HTS Classification in their applications was not limited to heading 8803, many of incorrect HTS fell under tariff headings other than 8803. The details of CTH are available in **Annexure 2 (RUD No.19)**.

(xii) Whereas, further it appears that it was admitted by the Company that the Material Master in EO Soft was not being regularly updated during the period that they were filing the MEIS Applications. Hence, from the foregoing discussions, it appears that there is inconsistency in furnishing the details.

(xiii) Whereas, further, on verification of the MEIS Applications and Shipping Bills for the year 2015-16 and 2018-19, it appears that the basic condition of the MEIS Scheme that the benefits should be availed on the FOB value arrived after deducting the actual freight paid had not been followed on the MEIS Applications filed. M/s. GASPL had declared the FOB value given in the shipping bill, which was arrived by deducting notional freight, while the actual freight paid was on the higher side. Hence, it appears the company had deliberately declared the higher FOB value in their MEIS Applications for the year 2015-16 and 2018-19 by not deducting the actual Freight element and thus appears to have availed excess Benefits on it wrongly.

(xiv) The Finance Act, 2011 (Act No.08 of 2011) dated 08.04.2011 had substituted Section 17 of the Customs Act, 1962 and introduced the concept of "Self-Assessment" of Customs duty with effect from 08.04.2011. The Central Board of Excise and Customs has issued Circular No.17/2011- Customs dated 08.04.2011 regarding implementation of Self-assessment in Customs. The relevant portions of the said circular are given below:

"The Finance Bill, 2011 stipulates 'Self-Assessment' of Customs duty in respect of imported and export goods by the importer or exporter, as the case may be. This means that while the responsibility for assessment would be shifted to the importer / exporter, the Customs officers would have the power to verify such assessments and make re-assessment, where warranted.
....."

“New Section 17 of the Customs Act, 1962 provides for self-assessment of duty on imported and export goods by the importer or exporter himself by filing a Bill of Entry or Shipping Bill, as the case may be, in the electronic form (new Section 46 or 50). The importer or exporter at the time of self-assessment will ensure that he declares the correct classification, applicable rate of duty, value, and benefit of exemption notifications claimed, if any, in respect of the imported / export goods while presenting Bill of Entry or Shipping Bill....”

(xv) Then, under the self-assessment regime, the onus is on the exporter to ensure all the material particulars are correctly provided.

(xvi) As per 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 contents. Further, as per Section 50(3) of the Act, the exporter who presents shipping bill or bill of export shall ensure the accuracy and completeness of the information given there in and authenticity and validity of any document supporting it. In the instant case it appears that M/s. GASPL had declared the facts wrongly to the Customs department at the time of filing the subject shipping bills. Therefore, it appears that GASPL had intentionally suppressed the actual facts to the department to avail higher rate of MEIS rewards. Consequent to the investigation initiated by DRI, admitting their mistake, they had re-classified the export products under correct CTH.

(xvii) From the above discussions, it appears thus, by mis-classifying the goods in their shipping bills and availing excess MEIS benefits, the Exporter had contravened the provisions of Section 17 of the Customs Act, 1962 read with section 50. When Chapter Notes & Explanatory Notes had specifically excluded certain CTHs, the exporter appears to have mis-classified under wrong CTH to avail higher MEIS benefits. Thus, it appears that it is not due to unintentional mistake but a willful decision of wrong classification which had led to availment of MEIS undue benefit. Hence, it appears to constitute willful misstatement and thereby fit case for invoking provisions of Section 28AAA of the Customs Act, 1962.

(xviii) Whereas, it appears that from the statements given by various personnel of the Company and on investigation, it seems that each department was shirking their responsibility and putting blame on the other departments. It appears that nobody had taken responsibility and reply to the questions in the statement were inconsistent. Further, it appears though the Company was aware of the misclassification due to SIIB investigation

and their consequential correction of their imported products, there is inconsistency when it comes to classification of the imported and exported products. It appears that this consistency was brought out due to the investigation initiated by DRI on excess availment of MEIS Benefits due to wrong classification of export products. The Company, being a multinational one, the management should have taken corrective steps with regard to exported products atleast after the SIIB initiated investigation on the imported products. In addition, it was noticed during the verification of MEIS Applications that the higher FOB value had been considered for availing the benefits for the year 2015-16 and 2018-19.

(xix) To summarize, it appears that M/s GASPL had mis-classified the subject exports i.e. seating system, lighting system and power drive units under CTH No. 8803 3000 and availed MEIS benefits @ 3% instead of their correct classification as per Customs Tariff Act, 1975 and thereby availed excess MEIS benefits. Further, M/s GAPL had also availed excess MEIS benefits due to adoption of wrong FOB value for the years 2015-16 and 2018-19. Despite acknowledging the misclassification and repaying the differential IGST amount with interest for the period from July 2017 to August 2018, following an investigation initiated by SIIB, Bengaluru, M/s GASPL did not correct the classification of their exported goods, continuing to claim higher MEIS benefits. Thus, it appears that M/s GAPL had deliberately availed the excess MEIS benefits through wilful mis-statement and suppressing the facts from the department.

18. DETERMINATION OF QUANTUM OF INELIGIBLE MEIS SCRIPS:

18.1.Whereas, it was observed from the Export data, that M/s.GASPL had exported Aeroplane Products through Bengaluru Air Cargo Complex. On the basis of exports, M/s.GASPL had applied and obtained MEIS Scrips for the period from 01.01.2015 to 31.03.2020 from DGFT, Bengaluru as per the details given in the table below.

TABLE NO.1

SL.NO.	DESCRIPTION	NO./VALUE
1	Total No. of Shipping Bills on which MEIS Claimed for the period 2015-16 to 2019-20	16234
2	Total Value of the above shipping Bills	5454.41 Cr
3	Total No.of MEIS scrips claimed during the period 2015-16 to 2019-20	418
4	Value of the scrips	156.65 cr
5	No. of Shipping Bills in which classification was wrong	3269
6	Value of the shipping bills thereof	288.98 Cr

7	No. of scrips in which excess MEIS benefits were Claimed	366
8	Value of wrongly availed MEIS Benefits	8,27,23,093/-

On investigation, it appears that out of the total 16234 Shipping Bills, M/s. GASPL had wrongly classified their exported products in **3269 shipping bills** valued at 288.98 Cr. and claimed excess MEIS Benefits amounting to Rs.8.27 Cr. M/s.GASPL had initially furnished the list of 389 MEIS scrips on which they had availed excess MEIS Benefits (**RUD No.2**). On verification of the final list, it appears that they had availed excess MEIS Benefits in respect of 366 scrips only and not on 389 scrips as there was no excess availment in respect of 23 scrips. The details of the Shipping Bills on which the excess rate of MEIS scrips were availed are given in the **Annexure-1 (RUD No.18)**.The details of said scrips are given in **Annexure No.6 (RUD No.23)**.

18.2 Whereas, on verification of the MEIS Applications filed by M/s.GASPL for the year 2015-16 and 2018-19, it was noticed that the Company had taken FOB value declared in the shipping bills as FOB value for MEIS Benefits. The FOB had been arrived by reducing the notional freight value from the invoice value, whereas, the actual freight incurred was on the higher side. For arriving at the FOB Value in the MEIS Applications, the actual freight incurred should be deducted from the Invoice value. By adopting higher FOB value, M/s.GASPL had obtained Scrips for the year 2015-16 and 2018-19. Hence, it appears that M/s.GASPL had thus obtained excess MEIS Benefits due to higher FOB Value declared in the MEIS Applications. The details of No. of scrips availed on the shipping Bills, where wrong FOB value adopted and excess MEIS Benefits availed are tabulated below for easy understanding.

TABLE NO.2

SL.NO	DESCRIPTION	2015-16	2018-19	TOTAL
1	No. of Shipping Bills	1776	4022	5798
2.	No. of MEIS Scrips	37	101	138
2.	FOB Value declared in S/Bs by deducting notional freight	Rs.641,67,20,877/-	Rs.1343,18,20,996	Rs.1984,85,41,873/-
3.	Value of MEIS Benefits obtained	Rs.17,02,48,676/-	Rs.36,73,31,376/-	Rs.53,75,80,052/-

4.	FOB Value arrived in S/Bs by deducting actual freight	Rs.634,11,73,411/-	1322,62,28,762/-	Rs.1956,74,02,173/-
5.	Value of eligible MEIS Benefits	Rs.16,82,96,120/-	Rs.36,17,67,823/-	Rs.53,00,63,943/-
6.	Excess MEIS Benefits obtained due to wrong FOB Value adopted	Rs.19,52,556/-	Rs.55,63,553/-	Rs.75,16,109/-
7.	Interest Payable	Rs.10,49,163/-	Rs.16,97,636/-	Rs.27,46,799/-

The complete details for the year 2015-16 and 2018-19 are furnished in **Annexure No.11 & 12(RUD No.28 & 29)**. It appears that M/s.GASPL had availed excess MEIS Benefits to the tune of Rs.19,52,556/- and Rs.55,63,553/- using the above modus operandi during the years 2015-16 and 2018-19 respectively and the interest payable for the excess benefits availed are Rs.10,49,163/- and Rs.16,97,636/- respectively. Thus, in total, M/s. GASPL had availed excess MEIS Benefits due to wrong adoption of FOB Value during the year 2015-16 and 2018-19 to the tune of Rs. 75,16,109/- and total interest payable thereof works out to Rs. 27,46,799/-.

18.3. From the Tables 1 and 2 above, it appears that M/s GASPL had availed excess MEIS benefits of Rs 9,02,39,202/- i.e. due to excess availment of MEIS benefits due to wrong classification of exported products during the year 2015-16 to 2019-20 – Rs 8,27,23,093/- and wrong adoption of FOB value during the year 2015-16 and 2018-19 - Rs.75,16,109/-, i.e. in total Rs. 9,02,39,202/-.The interest payable on the excess MEIS benefits works out to Rs 2,83,08,966/-. The exporter had paid Rs 9,33,38,650/- towards excess MEIS benefits and Rs 2,75,89,213/- towards interest.Detailed in **Annexure 8 (RUD No. 25 and Annexure 8A (RUD No. 25A)**.

CONFISCATION OF EXPORT GOODS.

19.1 Whereas, as per Section 113(i) of the Customs Act, 1962, any goods which do not correspond in respect of value or in any other particulars with the entry made under the Customs Act, 1962 are liable for confiscation under the said section. It appears that they had misclassified the subject disputed items as Parts of Aircrafts as per Table 2, MEIS Schedule, Appendix 3B with a view to fraudulently avail undue high rate of MEIS Awards. It appears that they were declared and classified wrongly, and hence they were

awarded with higher rate of MEIS benefits than the eligible rate of MEIS benefit available for correct CTH (**Annexure 2 - RUD NO.19**). Hence, it appears that M/s.GASPL by submitting false documents of export invoices, made wrong classification to Customs while filing shipping bills by suppression of facts and had mis-classified the CTH of export products with an intention to claim higher rate of MEIS scrips than the eligible rate for their exported goods. Further, it appears that M/s.GASPL had also adopted higher and incorrect FOB Value in their MEIS Applications for the year 2015-16 and 2018-19 and claimed higher MEIS Benefits. Hence, the impugned goods valued at Rs.317.09 Cr exported vide shipping bills as mentioned in **Annexure No.5 (RUD No.22)** appears to be liable for confiscation under Section 113(i) of the Customs Act, 1962.

CONFISCATION OF IMPORT GOODS.

19.2 The Notification No.24/2015-cus dated 08.04.2015 issued under Section 25 of the Customs Act, exempts goods when imported into India against a MEIS duty credit scrip issued by the Regional Authority under paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy (hereinafter referred to as the said scrip). In the instant case, it appears that M/s.GASPL had mis-classified the goods exported by them to claim higher rate of MEIS rewards and also adopted higher & incorrect FOB value during 2015-16 and 2018-19 to avail excess MEIS Benefits. Therefore, it appears that the portion of MEIS Scrips/Rewards proportionate to the excess & ineligible amount on account of the above reasons are invalid and hence are not eligible for the benefit of the exemption of Customs duty vide Notification No.24/2015-Cus dated 08.04.2015 to M/s. GASPL. Therefore, the goods imported by utilization of Scrips containing ineligible credit deemed to have been imported without payment of duty, and hence appears to be liable for confiscation for violation of Section 111(o) of the Customs Act, 1962. The total value of the goods that have been rendered liable for confiscation was **Rs.155,61,25,420/-** covered under Bills of Entry as mentioned in **Annexure No.10(RUD No.27)**.

DUTY DEMAND:

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20.1. Whereas, the duty credit scrip issued as incentives under MEIS is freely transferrable and could be used for payment of Customs Duties. During the course of investigation, it was found that M/s.GASPL had sold the duty credit scrips to various Importers as detailed **RUD No.27** for monetary consideration through agents at the prevailing market rates. The recipient importers had used the said duty credit scrips for payment of Customs Duty at the time of imports made by them. The total ineligible MEIS benefits availed by M/s.GASPL and subsequently utilized by the importers has been determined as Rs.9,02,39,202/- (**RUD No.24**) and the details of Bill of Entry, the

Assessable value of imported goods, and the duty involved thereof are given in Annexure 10 (RUD No.27).

20.2 Whereas, Section 28AAA of the Customs Act, 1962 provides for recovery of duties in certain cases wherein 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 the Customs Act, 1962 or any other law or any scheme of the Central Government, for the time being in force and such instrument is utilized under the provisions of this Act, by a person other than the person to whom the instrument was issued, the duty relating 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. Further explanation 1 to the Section 28AAA of the Customs Act, 1962 specifies that for the purposes of the said section, "instrument" means any scrip or authorization or licence or certificate or such other document by whatever name called, issued under the Foreign Trade (Development and Regulation) Act, 1992. The duty credit scrips claimed by M/s.GASPL under MEIS Scheme governed by Foreign Trade Policy (2015-20) is covered under the ambit of the definition of instrument specified in Section 28AAA of the Customs, 1962 as discussed above.

20.3. Whereas, Section 50 of the Customs Act, 1962 specifies that the exporter of any goods, in the case of goods to be exported in a vessel, shall make entry thereof by presenting electronically on the customs automated system, a shipping bill in such form and manner as prescribed. The exporter of the goods while presenting the shipping bill shall make and subscribe to a declaration as to the truth of its contents. Further, it is imperative on the exporter to ensure the accuracy and completeness of the information mentioned in the shipping bill, the authenticity and validity of any document supporting it.

20.4. Accordingly, M/s.GASPL were obligated under the provisions of Section 50 of the Customs Act, 1962 to ensure correct declaration of the description of the goods exported by them and to properly adopt the relevant HSN pertaining to the description of the export goods. However, it appears that M/s GASPL had deliberately resorted to mis-declare the goods exported as Parts of Aeroplane even though they were fully aware that such goods cannot be classified as Parts of Aeroplane.

20.5. Whereas, it appears that M/s.GASPL had wrongly declared the Exported products and had mis-classified the said goods under incorrect HSN in the Shipping Bills filed to the Department in contravention of the provisions of Section 50 of the Customs Act, 1962.

20.6. Whereas, further, it appears that M/sGASPL had willfully mis-stated the facts by

wrongly declaring and classifying the subject goods as Parts of Aeroplane and by adopting higher FOB Value in their MEIS Applications by adopting notional freight instead of actual freight during 2015-16 and 2018-19 with an intent to avail undue and excess benefits under MEIS. M/s.GASPL had sold the duty credit scrips issued by DGFT under MEIS to various importers for monetary consideration and such importers have utilized the duty credit scrips for offsetting the Customs duty payable by them on the goods imported by them. The quantum of such ineligible duty credit scrips utilized by various imports works out to Rs.9,02,39,302/-.

20.7. As mentioned above, Section 28AAA of the Customs Act, 1962 provides for recovery of duty relatable to the utilization of duty credit scrips which has been obtained by willful mis-statement of facts from the persons to whom the said instrument was issued. Since the said duty credit scrips were obtained by M/s.GASPL through fraudulent means, it appears that the customs duty of **Rs.9,02,39,302/-** paid using such ineligible duty credit scrips is deemed to have been never paid and is liable to be demanded from GASPL under Section 28AAA of the Customs Act, 1962.

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PENALTY AGAINST M/s.GASPL:

21.1 The instrument (MEIS Scrip) issued to M/s. GASPL appears to have been obtained by mis-declaration/mis-classification/willful mis-statement of facts and the said instruments, which are freely transferable, had been transferred to other entities and these entities utilized the scrips for clearance of imported goods without payment of duty. Since M/s. GASPL had obtained these scrips, M/s. GASPL appears to be liable for penalty under Section 114AB of the Customs Act,1962.

21.2. As brought out earlier, M/s. GASPL had not complied with the conditions of the Notification No.24/2015-Cus dated 08.04.2015 and obtained the said scrips through mis-classification/mis statement/mis declaration and thereby rendered goods imported under those Scrips liable for confiscation under Section 111(o) of the Customs Act, 1962 and also liable for penalty under Section 112(a) of the Customs Act, 1962.

21.3. M/s.GASPL in the export documents viz., shipping Bills had misclassified the subject goods for availing the higher rate of MEIS benefits in fraudulent manner and their action has rendered the goods exported liable for confiscation under Section 113(i) of the Customs Act, 1962 and therefore, M/s.GASPL appears to be liable to penalty under Section 114(iii) of the Customs Act, 1962.

21.4. M/s.GASPL had intentionally submitted the incorrect details in the export documents

viz., invoices and filed shipping bills by mis-classifying the exported goods and also filed MEIS Applications by mis-declaring the FOB value and subsequently signed declaration before DGFT and claimed higher rate of MEIS rewards and excess MEIS Benefits due to wrong adoption of FOB Value. Therefore, it appears that M/s.GASPL knowingly filed documents which were false or incorrect in material particulars. Thereby, it appears that they are liable for penalty under Section 114AA of the Customs Act, 1962, as well.

PENALTY AGAINST PERSONS INVOLVED:

22.1. In the statements given by S/Shri Karthik Murugesan, ex-employee and Pankaj Kumar, Senior Manager (Taxation), it was stated that classification of their export and import products were looked after by Global Trade Compliance Department of the Company headed by Shri James Michael Mathews, Senior Manager. Further, Shri James Michael Mathews himself had stated in his statement that he is responsible for ensuring compliance with their export & import policies and procedures and he was in-charge for classification of exported products. Shri Kumar, CHA, had stated that CHAs do not have any role in the classification of export or import products. Shri Nandagopal Velu, Deputy Manager of Logistic Department had stated that Logistic Department do not have role in the preparation of invoice. It was further stated that classification of import & export products were never compared. Before the initiation of the investigation by DRI on the excess availment of MEIS benefits due to wrong classification of export products, SIIB, Bangalore had initiated action during 2017 for short payment of IGST due to wrong classification of their imported products. At that time, the Company undertook the exercise of re-classification of imported products and paid the differential IGST of Rs.30,76,894/- with interest. They claimed that they had initiated training and certification program for HTS classifiers of the Company's Bangalore facility. Shri James Michael Mathews was in-charge of the classification during this exercise. The Company being a Multi-National Unit and a Corporate Entity should have initiated action/exercise simultaneously for correcting the classification of their export products. But, it appears that Global Trade Compliance under Shri James Michael Mathews deliberately had not initiated any action or steps for carrying out the corrections in the classification of the exported products and misclassified the subject goods / declared the wrong in their export documents viz., shipping bills and thus had not ensured the accuracy and completeness of the information to be provided in the export documents and contravened the provisions of Section 50 of the Customs Act, 1962. This had resulted in the excess availment of MEIS benefits due to wrong classification. Hence, it appears that Shri James Michael Mathews, Senior Manager had failed in complying with the requirements of correct classification of the company's export products and knowingly filed documents which were false or incorrect in material particulars in the export documents filed before the Department resulting in excess availment of MEIS Benefits. Therefore, Shri James Michael Mathews, Senior Manager,

Global Trade Compliance Department of the Company appears to be liable for penalty under Section 114AA of the Customs Act, 1962.

22.2. When M/s.GASPL had filed the MEIS Applications, ShriKarthikMurugesan was the Deputy Manager (Finance) for the Company. It was stated by him in his Statement dated 20.10.2020, that he looks after the works related to the filing of MEIS applications and he looks after MEIS related issues. It appears that on verification of the MEIS Applications filed by M/s.GASPL, it was noticed that the Company had not adopted the correct FOB value for claiming MEIS Benefits from DGFT. During the year 2015-16 and 2018-19, the Company had adopted the FOB value given in the Shipping Bill. The FOB value declared in the shipping bills had been arrived by deducting the notional freight from the invoice value. The main condition for claiming the MEIS Benefits was that FOB Value declared in the MEIS Applications should have been arrived by deducting the actual Freight incurred for the shipment from the invoice value. Hence, it appears that although the actual freight incurred was available at the time of filing the MEIS Application, the Company had adopted the FOB value given in the shipping bills, which was arrived by deducting the notional freight element from the invoice value. Thus, M/s.GASPL had taken higher FOB value and hence, appears that the Company had been sanctioned higher MEIS Benefits than eligible. Therefore, Shri Karthik Murugesan, then Deputy Manager (Finance) appears to have failed in complying with the requirements of correct declaration of FOB Value and knowingly declared the higher FOB value in the MEIS applications, which was incorrect and thus leading the importers to file these wrongly availed MEIS scrips, which were not authentic and valid supporting documents to the import documents which resulted in excess availment of MEIS Benefits, thereby, contravening the provisions laid down in the Customs Act, 1962. Hence, Shri Karthik Murugesan, Deputy Manager (Finance), who was in-charge in respect of MEIS related issues of the Company, now ex-employee, appears to be liable for penalty under Section 114AA of the Customs Act, 1962.

VOLUNTARY PAYMENT:

23.1 During the course of investigation, M/s. GASPL Bengaluru had voluntarily paid the excess MEIS benefits availed by them with interest as detailed below: **(RUD NO.2)**.

Table No.3

S. No.	DD Number& Date	Excess MEIS benefits availed	Interest	Total Amount	TR 6 Challan Date
1	109079/ 27.10.2020	6496171	0	6496171	19.11.2020
2	109203/ 04.11.2020	1273006	2956008	4229014	17.11.2020
3	109593/ 24.1.2.2020	26931543	5627485	32559028	08.01.2021

4	110046/ 11.02.2021	19140473	8484182	27624655	20.02.2021
5	110172/ 04.03.2021	11516132	3692388	15208520	20.03.2021
6	110485/ 14.04.2021	26372203	6386439	32758642	28.04.2021
7	112154/ 19.10.2021	1609122	442711	2051833	19.10.2021
	TOTAL	93338650	27589213	120927863	

The above amounts were remitted into the Government Account vide Challan Nos. mentioned (ACC, Bengaluru) in the above table-3. This amount of Rs.9,33,38,650/- and Rs.2,75,89, 213/- voluntarily paid is liable for appropriation towards duty demand as mentioned in para 20above.

2 4 . Finance Act 2022, Section 110AA of the Customs Act 1962 and Notifications issued there under:

24.1. In this connection, attention is drawn to Section 97 of the Finance Act 1962, which has validated all actions taken thus far by any Customs officer under Chapters V, VAA, VI, IX, X, XI, XII, XIII, XIV, XVI and XVII of the Customs Act 1962, notwithstanding anything contained in any judgment, decree or order of any court, tribunal, or other authority, or in the provisions of the Customs Act, 1962. Further, it states that notification issued under the Customs Act for appointing or assigning functions to any officer shall be deemed to have been validly issued for all purposes, including for the purposes of section 6 of the Customs Act 1962. In view of the above, action taken/investigation done by DRI, who are also customs officers in terms of Central Government Notification No. 31/97-Cus (NT) dated 07/07/1997 issued under Section 4 of the Customs Act 1962, stands validated by virtue of the said Section 97 of Finance Act 2022 even for the purposes of Section 6 of the Customs Act 1962. Further, CBIC vide Notification No. 25/2022-Customs (N.T.) dated 31.03.2022 appointed Principal Additional Director General of Revenue Intelligence or Additional Director General of Revenue Intelligence as Principal Commissioner of Customs or Commissioner of Customs, with all the powers of Principal Commissioner of Customs or Commissioner of Customs and with jurisdiction as whole of India.

24.2 Further, Finance Act 2022, enacted on 30.03.2022, inserted Section 110AA in the Customs Act 1962 and the same is reproduced below:

“110AA. Where in pursuance of any proceeding, in accordance with Chapter XIII or this Chapter, if an officer of customs has reasons to believe that—

(a) any duty has been short-levied, not levied, short-paid or not paid in a case where

assessment has already been made;

(b) any duty has been erroneously refunded;

(c) any drawback has been erroneously allowed; or

(d) any interest has been short-levied, not levied, short-paid or not paid, or erroneously refunded, then such officer of customs shall, after causing inquiry, investigation, or as the casemay be, audit, transfer the relevant documents, along with a report in writing—

(i) to the proper officer having jurisdiction, as assigned under section 5 in respect of assessment of such duty, or to the officer who allowed such refund or drawback; or

(ii) in case of multiple jurisdictions, to an officer of customs to whom such matter is assigned by the Board, in exercise of the powers conferred under section 5, and thereupon, power exercisable under sections 28, 28AAA or Chapter X, shall be exercised by such proper officer or by an officer to whom the proper officer is subordinate in accordance with sub-section (2) of section 5.”

25. CHARGES AND DEMAND:

25.1. With regard to Imports through various ports:

25.1.1. The Importer wise excess incentives used for payment of Customs duty and the Assessable value of the imported goods across various ports in India by utilizing the excess incentives obtained by M/s. GASPL under MEIS are as under.

Table- 4

Sl No	Port of Import	IEC Code	Name of the Importer	Duty Demand under Section 28AAA in Rs. From M/s GASPL	Jurisdictional Authority
1	2	3	4	5	6
1	INAPL6	588160385	HAVELLS INDIALIMITED	36,532/-	The Commissioner of Customs, Concor Complex, Container Depot, Greater Noida, Gautam Budh Nagar, Uttar Pradesh 201311.
2	INCPL6	588160385	HAVELLS INDIALIMITED	196	
3	INDER6	588160385	HAVELLS INDIALIMITED	1,43,238	
4	INSTT6	588160385	HAVELLS INDIALIMITED	36,020	
5	INCCU1	204025079	EMAMI AGROTECHLIMITED	29,97,430	
6	INCCU1	899000363	ADANI WILMAR LIMITED	51,98,992	
					The Commissioner of

7	INCML6	588160385	HAVELLS INDIALIMITED	5,83,907	Customs (Preventive), No.15/1, Strand Road, Kolkata – 700001.
8	INDEL4	504074008	KUNDAN CARE PRODUCTS LTD	34,82,308	The Principal Commissioner of Customs, Air Cargo Complex (Import), New Custom House, Near IGI Airport, New Delhi 110 037.
9	INDEL4	6109001384	SALASAR SYNTHETICS	12,73,422	
10	INHZA1	899000363	ADANI WILMAR LIMITED	11,39,440	The Commissioner of Customs, Custom House, Near All India Road, Income Tax Circle, Navrangpura, Ahmedabad.
11	INHZA1	392034930	BHILOSA INDUSTRIES PVT LTD	3,49,562	
12	INIXY1	2388000351	PARADEEP PHOSPHATES LTD.,	14,32,284	
13	INIXY1	311046975	COFCO INTERNATIONAL INDIA PRIVATE LIMITED	64,24,422	
14	INIXY1	512037094	GOLDEN AGRI RESOURCES INDIA PRIVATE LIMITED	1,08,23,722	The Commissioner of Customs, Custom House, Near Balaji Temple, Kandla Port, Gandhidham, Gujarat
15	INIXY1	596044330	CARGILL INDIA PVT. LTD.	27,88,698	
16	INIXY1	695001663	KANPUR EDIBLES PRIVATE LIMITED	4,49,936	
17	INIXY1	699004101	SHEEL CHAND AGROILS PRIVATE LIMITED	1,16,67,878	
18	INIXY1	899000363	ADANI WILMAR LIMITED	10,33,799	
19	INKAK1	906009481	LOHIYA EDIBLE OILS PVT LTD.	12,99,712	The Commissioner of Customs, Chennai Customs IV Commissionerate, No.60, Rajaji Salai, Chennai 600001
20	INKRI1	204025079	EMAMI AGROTECHLIMITED	86,62,342	The Commissioner of Customs (Preventive), No.55-17-3, C-14, 2 nd Floor, Stalin Corporate Building, Road No.2, Industrial Estate, Autonagar, Vijayawada - 520007, Andhra Pradesh

21	INMAA1	402015142	K T V HEALTH FOOD PRIVATE LIMITED	32,37,366,	
22	INMAA1	503046035	HAIER APPLIANCES INDIA PRIVATE LIMITED	2,07,013	The Commissioner of Customs, Chennai Sea Port, No.60, Rajaji Salai, Chennai 600001
23	INMAA1	413041948	BHAVANA ENTERPRISES	16,541	
24	INMAA1	588160385	HAVELLS INDIALIMITED	82,483	
25	INMAA1	409002259	GOLDLAND OVERSEAS	153792	
26	INMUN1	2388000351	PARADEEP PHOSPHATES LTD.,	27,09,487	
27	INMUN1	899000363	ADANI WILMAR LIMITED	77,16,002	
28	INNML1	899000363	ADANI WILMAR LIMITED	11,44,554	The Commissioner of Customs, New Custom House, Panamburm Mangalore - 575010.
29	INNSA1	388146478	FRIGORIFICO ALLANA PRIVATE LIMITED	98,79,636	The Commissioner of Customs (Import), Jawaharlal Nehru Custom House, Nhava Sheva, Tal. UranRaigadh District, Maharashtra 400707
30	INNSA1	503046035	HAIER APPLIANCES INDIA PRIVATE LIMITED	2,57,086	
31	INNSA1	506005402	BMW INDIA PRIVATE LIMITED	4,25,588	
32	INNSA1	596044330	CARGILL INDIA PRIVATE LIMITED.	8,90,766	
33	INPRT1	2388000351	PARADEEP PHOSPHATES LTD.,	3,56,555	
34	INPTL6	588160385	HAVELLS INDIALIMITED	3,767	The Principal Commissioner of Customs(Preventive) Delhi, New Custom House, Near IGI Airport, New Delhi 110 037
35	INTUT1	505016478	KOG-KTVFOOD PRODUCTS (INDIA) PVT. LIMITED	33,31,725	The Commissioner of Customs, Custom House, Harbour Estate, Tuticorin
			TOTAL	9,02,39,202/-	

25.1.2. In the instant case, as there is duty demand under Section 28AAA, the subject case is covered under the ambit of Section 110AA of the Customs Act 1962. Subsequent to enactment of Finance Act 2022, the CBIC issued Notification No. 28/2022 Customs (N.T.) dated 31/03/2022 assigning the proper officer for the purpose of Section 110AA wherein there are multiple jurisdictions. In terms of S.No. 1 of said Notification No. 28/2022 Customs (N.T.), the jurisdiction having highest amount of duty, or refund, at the stage of transfer, is assigned as proper officer for the said case. In the instant case, the MEIS scrips were used for payment of duty against imports at various ports and the highest duty implication of **Rs.3,46,20,740/-** is under **Kandla Port**as mentioned in the table below which falls under the jurisdiction of **The Commissioner of Customs, Kandla**, in terms of S.No. 16 of No.21/2022-Customs (N.T.) dated 31.03.2022 issued by CBIC.

Table- 5

Sl. No	Custom House Code	TOTAL MEIS Scrip utilized for payment of import duty	Duty demand (difference of 1%,2%,3% as applicable and excess MEIS Benefits due to wrong FOB Value) under Section 28AAA from M/s GASPL towards MEIS Scrips (in Rs)
1	INIXY1	₹ 42,78,32,551	₹ 3,46,20,740
2	INNSA1	₹ 28,83,39,647	₹ 1,14,53,076
3	INMUN1	₹ 23,99,65,805	₹ 1,04,25,489
4	INKRI1	₹ 17,88,32,710	₹ 86,62,342
5	INCCU1	₹ 18,27,39,173	₹ 81,96,422
6	INDEL4	₹ 11,64,15,287	₹ 47,55,730
7	INMAA1	₹ 16,09,54,557	₹ 36,97,195
8	INTUT1	₹ 7,66,97,440	₹ 33,31,725
9	INKAK1	₹ 3,92,62,859	₹ 12,99,712
10	INHZA1	₹ 7,19,66,843	₹ 1,489,002

11	INNML1	₹ 2,10,15,133	₹ 11,44,554
12	INCML6	₹ 9,96,24,225	₹ 5,83,907
13	INDER6	₹ 2,26,26,769	₹ 1,46,238
14	INPRT1	₹ 1,08,72,948	₹ 3,56,555
15	INAPL6	₹ 2,26,26,769	₹ 36,532
16	INSTT6	₹ 1,13,13,384	₹ 36,020
17	INPTL6	₹ 37,85,249	₹ 3,767
18	INCPL6	₹ 56,56,692	₹ 196
	TOTAL	₹ 1,98,05,28,040	₹ 9,02,39,202

25.1.3. In view of the above, and S.No.1 of said Notification No. 28/2022 Customs (N.T.), as the implication is more than Rs.50 Lakh, the proper officer for the purpose of exercising the powers under the Section 28AAA of the Customs Act, 1962, in a case involving multiple jurisdiction **with respect to the imports** would be **The Commissioner of Customs, Kandla Custom House, Kandla**, being the jurisdiction having highest amount of duty.

26. Show cause Notice:

26.1. In view of the para 25.1.1 & 25.1.2 and findings in para 20, Now therefore, M/s. Goodrich Aerospace Services Private Limited (presently called Collins Aerospace), Sy. No. 14/1 &15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048 holding IEC No.0796010251, are hereby called upon to show cause within 30(thirty) days of receipt of this Notice, in writing, to the Adjudicating Authority i.e., the Commissioner of Customs, Kandla, Kandla Custom House, Near Balaji Temple, 370210 (INIXY1), as to why—,

- i. The duty debit amount aggregating to **Rs.9,02,39,202/-** as mentioned in Column (5)

of Table-5 above, using the ineligible incentives obtained under MEIS should not be demanded and recovered from them under Section 28AAA of the Customs Act, 1962 ;

- ii. An amount of Rs.2,83,08,966/- being the interest payable on the said duty paid using the ineligible incentives obtained under MEIS should not be demanded and recovered from them under Section 28AAA read with Section 28AA of the Customs Act, 1962;
- iii. Penalty should not be imposed on them under Section 114AB of the Customs Act, 1962, for obtaining the said MEIS scrips fraudulently by willful mis-statement and suppression of facts and sold to other persons for utilization of these scrips for discharging their duty liability, as detailed in para 21.1 above;
- iv. Penalty should not be imposed on them under Section 112(a) of the Customs Act, 1962 for rendering the goods imported vide the MEIS Scrips liable for confiscation under Section 111(o) of the Customs Act, 1962, as detailed in para 21.2 above; and
- v. The amount of Rs.12,09,27,863/- voluntarily paid by M/s. GASPL during the course of investigation should not be appropriated towards the duty demand (Excess availment of MEIS benefit) of **Rs.9,02,39,202/- and interest of Rs.2,83,08,966/-**.

26.2. Now, therefore, Explanation is to be sought from the importers mentioned in Column (4) of Table-4 above, who utilized the MEIS Scrips for duty payment under the Notification No.24/2015-Cus dated 08.04.2015, are hereby called upon to show cause within 30(thirty) days of receipt of this Notice, in writing, to the Adjudicating Authority i.e., the Commissioner of Customs, Kandla, Kandla Custom House, Near Balaji Temple, 370210 (INIXY1), as to why—

- i. the said imported goods of the declared assessable value mentioned in Annexure 10 (RUD-27) and Bill of Entries mentioned in Annexure 10 (RUD No.27) should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962.

27. Each of the above Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticees may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the Noticee(s). Further, the Noticees are advised to mention their email address in writing for virtual hearing as per CBIC's Instruction dated 21.08.2020 issued vide F.No.

390/Misc/3/2019-JC.

28. This notice is issued without prejudice to any other action that may be taken in respect of the above goods and / or the persons / firms mentioned in the notice under the provisions of the Customs Act, 1962 and / or any other law for the time being in force, in the Republic of India.

29. The department reserves the right to add, amend, modify, delete any part or the portion of this notice any such addendum, amendment, modification, deletion, if made, shall be deemed to be part and parcel of this notice.

30. The list of relied upon documents (RUDs) in this case is as per Annexure-R.

Nitin Saini
Commissioner,
Customs House Kandla

DIN:

F. No.: GEN/ADJ/COMM/574/2024-Adjn-O/o Commr-Cus-Kandla

By Speed Post/Courier/Email

To,

- i. M/s. Goodrich Aerospace Services Private Limited (presently called Collins Aerospace), Sy. No. 14/1 &15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048.
- ii. Shri James Michael Mathews,
Senior Manager, Global Trade Compliance Department,
M/s. Goodrich Aerospace Services Private Limited (presently called Collins Aerospace), Sy. No. 14/1 &15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048
(Residing at 5/1, Hall Road, Apex Amber #4, Richards Park, Bangalore – 560005)
- iii. Shri Karthik Murugesan,

Then Deputy Manager (Finance),

M/s. Goodrich Aerospace Services Private Limited (presently called Collins Aerospace), Sy. No. 14/1 &15/1, Maruthi Industrial Estate Phase-II, Hoodi Village, K.R Puram, Hobli, Bangalore- 560048

(Residing at C-109, Seven Hills Apartment, Brindavan Nagar, Hosur – 635 109)

List of importers who used the ineligible MEIS Scrips (the importers mentioned in Table-4 of Investigation Report for proposed confiscation of import goods):

Sl.No	Name of the Importer & Address
1	M/s. Golden Agri Resources India Private Limited (IEC: 0512037094), c/o-KJ & Associates 208, 2nd Floor, Triveni Complex, E-10-12, Jawahar Park Laxmi Nagar Delhi
2	M/s. Sheel Chand Agr Oils Private Limited (IEC: 0699004101) , 7th Km Stone, Rudrapur-Kichha Road, Lalpur, Pin – 263148.
3	M/s. Frigorifico Allana Private Limited (IEC: 0388146478) ,Allana House Allana Road, Colaba, Mumbai, Pin – 400001.
4	M/s. EmamiAgrotech Limited (IEC: 0204025079) , 687, Anandapur, E.M. Bypass, Kolkata, Pin – 700107.
5	M/s. Kanpur Edibles Private Limited (IEC: 0695001663) ,Mayur House, 15/63 (2)-70 Civil Lines (opp. Green Park, Gate, Kanpur, Pin – 208001.
6	M/s. Paradeep Phosphates Ltd., (IEC: 02388000351) ,Paradeep Phosphates Ltd Regd Office, Plant 1 Navratna Bhawan, Paradeep , Bhubaneswar, Pin – 751001.
7	M/s. Adani Wilmar Limited (IEC: 0899000363) , Fortune House Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad, Pin – 380009
8	M/s. Cargill India Pvt. Ltd. (IEC: 0596044330) ,Y-65, Ground Floor, Hauz Khas, New Delhi, Pin – 110016.
9	M/s. BMW India Private Limited (IEC: 0506005402) , 2nd Floor, Oberoi Corporate Tower Building, No. 11, DLF Cyber City, Gurgaon, Pin - 122002
10	M/s. Haier Appliances India Private Limited (IEC: 0503046035) , Building No. 1, Okhla Industrial Estate, Phase-III, New Delhi, Pin - 110020
11	M/s. Kundan Care Products Limited (IEC: 0504074008) , E-22, Industrial Area, Bhadrabad, Contact no: 919711000431, haridwar, pin - 249403
12	M/s. Cofco International India Private Limited (IEC: 0311046975) , C/620, 621, 622, 215-Atriumandheri Kurla Road, Andheri (E), Mumbai, Pin - 400059
13	M/s. Havells India Limited (IEC: 0588160385) , 904 9th Floor Surya Kiran Building, K.G. Marg, Connaught Place ,New Delhi, Pin - 110001
14	M/s. K t v Health Food Private Limited (IEC: 0402015142) , 7/3, Arul Nagar Salai, R.V. Nagar, Kodungaiyur, Chennai, Pin - 600118
15	M/s. Lohiya Edible Oils Pvt Ltd. (IEC: 0906009481) ,Plot No 4, Phase-II, IDA, Mankhal , Maheshwaram (M), RangaReddy Dist., Pin - 501359
16	M/s. KOG-KTV Food Products (India) Pvt. Limited (IEC: 0505016478) , New No.48/Old No.310,Thambu Chetty Street, Chennai, Pin - 600001
	M/s. Salasar Synthetics (IEC: 06109001384) , Plot no. 9A, Sector-4,Pant Nagar,

17	Contact No: 919711615045, Rudrapur, Pin - 263153
18.	M/s.Bhilosa Industries Pvt. Ltd (IEC:392034930), Survey No.37 and 46/1/3/1, RakholiSilvassa, Dadra & Nagar Haveli.
19	M/s.Bhavana Enterprises; (IEC: 413041948), Door No.32, Nahata Tower, General MuthiahMudali Street, Sowcarpet, Chennai.
20.	M/s. Goldland Overseas Company; (IEC: 409002259), No.109, Poonamalee High Road, Sapna Trade Centre, Chennai.

**LIST OF RELIED UPON DOCUMENTS TO SCN Vide F.No.
GEN/ADJ/COMM/574/2024-Adjn-O/o Commr-Cus-Kandla IN RESPECT OF
M/s. GOODRICH AEROSPACE SERVICES PVT. LTD., BANGALORE**

SL. NO.	DOCUMENT	NO.
1)	Statement of ShriKarthickMurugesan, Deputy Manager(Finance)	RUD No.1
2)	Details of Differential MEIS Availed and Repaid, Scrip wise	RUD No.2
3)	Letter dated 25.06.2021 addressed to DGFT regarding excess availment of MEIS Benefits	RUD No.3
4)	Letter dated 08.04.2021 and 24.11.2021 by M/s.GASPL	RUD No.4
5)	Letter dated 21.01.2022 by M/s.GASPL	RUD No.5
6)	Letter dated 07.07.2022 and 15.07.2022 by M/s.GASPL	RUD No.6
7)	SIIB's Letter dated 23.07.2018	RUD No.7
8)	Copy of Letter dated 16.01.2019 by M/s.GASPL addressed to SIIB.	RUD No.8
9)	Letter dated 12.10.2022 by M/s.GASPL	RUD No.9
10)	Details of Sale of Scrips	RUD No.10
11)	Statement dated 17.10.2022 of Shri. James Michael Mathews, Sr.Manager, Intl.Trade Compliance	RUD No.11
12)	Statement dated 30.11.2022 of Shri. Pankaj Kumar, the person-in-charge of the Finance and Taxation Department of M/s.GASPL	RUD No.12
13)	Letter dated 30.11.2022 of Shri James Michael Mathews	RUD No.13
14)	Letter dated 23.12.2022 of ShriPankaj Kumar	RUD No.14
15)	Statement dated 28.04.2023 of Shri Kumar, General Manager of	RUD

	M/s.Capital Shipping	No.15
16)	Statement dated 01.05.2023 of ShriNandagopalVelu, Deputy Manager (Logistic) of M/s.GASPL	RUD No.16
16A)	Statement dated 16.11.2023 of ShriPankaj Kumar, of M/s.GASPL	RUD No.16A
17)	Public Notice No.02/2015-20 dated 01.04.2015 issued by DGFT	RUD No.17
18)	Annexure-01 containing details of Shipping Bills on which excess rate of MEIS claimed	RUD No.18
19)	Annexure-02 containing details of products on which excess MEIS Benefits availed.	RUD No.19
19A)	Annexure -2A containing details of CTH which were revised due to Investigation for wrong classification	RUD No.19A
20)	Annexure-03 containing details of 366 Scrips on which higher rate of MEIS Benefits had been claimed with interest payable	RUD No.20
21)	Annexure-04 containing details of payment of excess MEIS benefits availed of Rs.9,33,38,650/- by M/s.GASPL with interest of Rs.2,75,89,213/-	RUD No.21
22)	Annexure-05 containing details of Shipping Bills for the period 01.01.2015 to 31.03.2021 on which the MEIS Benefits were claimed	RUD No.22
23)	Annexure-06 containing the details of 418 scrips obtained on the exports made.	RUD No.23
24)	Annexure-07 containing the details of buyers of scrips who had utilized for payment of Import Duty	RUD No.24
25)	Annexure-08 containing the revised details of excess avaiement of MEIS benefits & interest payable.	RUD No.25
25A)	Annexure-8A containing details of ineligible MEIS Benefits & interest paid in excess due to Double Entries	RUD NO.25A
26)	Annexure-09 containing details of excess ineligible MEIS Benefits of Rs.1.26 Cr. Paid with interest to the Government Account	RUD No.26
27)	Annexure-10 containing the details of importers who had wrongly availed the MEIS Benefits, Bill of Entry Wise.	RUD No.27
28)	Annexure-11 containing the details of Differential FOB Amount for the year 2015-16	RUD No.28
29)	Annexure-12 containing the details of Differential FOB Amount for the year 2018-19	RUD No.29
30)	CA Certificate for Drop Shipment	RUD No.30
31)	GASPL Letter dated 17.01.2024	RUD No.31
32)	Annexure-13 containing details of Drop Shipments	RUD No.32
33)	Letter dated 20.11.2024 to the Development Commissioner, Cochin SEZ	RUD No.33
34)	Show Cause Notice dated 01.01.2025 issued by the Development Commissioner, Cochin SEZ to M/s. GASPL	RUD No.34

