# CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
## CHENNAI

REGIONAL BENCH – COURT No. I

## Customs Appeal No. 42261 of 2017

(Arising out of Order-in-Appeal C.Cus. II No. 471/2017 dated 12.07.2017 passed by the Commissioner of Customs (Appeals-II), No. 60, Rajaji Salai, Custom House, Chennai – 600 001)

**M/s. Allison Transmission India (P) Ltd.** **...Appellant**
A-21, SIPCOT Industrial Park,
Kanchipuram District,
Oragadam,
Kanchipuram – 602 105.

***Versus***

**Commissioner of Customs** **...Respondent**
Chennai II Commissionerate,
No. 60, Rajaji Salai,
Custom House,
Chennai – 600 001.

**APPEARANCE:**

For the Appellant : Mr. M. Karthikeyan, Advocate
Ms. P. Varshini, Advocate
For the Respondent : Ms. O.M. Reena, Authorised Representative

**CORAM:**
**HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)**
**HON'BLE MR. AJAYAN T.V., MEMBER (JUDICIAL)**

## FINAL ORDER No. 41226 / 2026

DATE OF HEARING : 17.08.2026
DATE OF DECISION : 26.11.2026

**Per Mr. VASA SESHAGIRI RAO**

This appeal is filed by M/s. Allison Transmission India (P) Ltd. (hereinafter referred to as "the appellant") against Order-in-Appeal No. 471/2017 dated 12.07.2017 (hereinafter referred to as "the impugned order"), which accepted the appellant's plea on limitation but upheld the

rejection of its request for an NOC and amendment/transmission of 28 shipping bills for claiming MEIS benefits. The shipping bills covered 27 exports made between June and August 2015 and one export under Shipping Bill No. 5792529 dated 11.02.2016. The appellant attributed non-transmission to inadvertent non-selection of the affirmative reward option.

2. By letter dated 08.11.2016, received on 15.11.2016, the appellant sought condonation of the procedural lapse, amendment of the shipping bills and their transmission to the DGFT system. The Deputy Commissioner rejected the request by communication dated 02.03.2017 on grounds of limitation and absence of an affirmative declaration of intent to claim MEIS. In the impugned order, the Commissioner (Appeals), relying on the corrigendum dated 30.03.2017 to Facility Circular No. 8/2016, held that the request was not time-barred but upheld the rejection for non-compliance with paragraph 3.14 of the Handbook of Procedures, 2015–2020. The appellate authority had also observed that the appellant's appeal was silent on the requirement of declaration of intent.

3.1 The Ld. Advocates Shri M. Karthikeyan and Ms. P. Varshini for the appellant submitted that the exports had

actually been effected and that the omission to select the affirmative reward option was inadvertent and procedural. Reliance was placed on Public Notice No. 47/2015-2020 dated 08.12.2015 and Public Notice No. 09/2015-20 dated 16.05.2016. It was contended that the omission should not defeat an otherwise available export incentive and that the shipping bills could be amended on the basis of documents which existed at the time of export. The learned counsel further submitted that the Commissioner (Appeals) had erred in observing that the appeal was silent on the issue of declaration of intent, since the appellant's case throughout had been that the failure to select the reward option was a curable procedural lapse.

3.2 The appellant relied upon *WABCO India Pvt. Ltd. v. Union of India, 2022 (10) TMI 444 (Mad.); Tractors and Farm Equipment Limited v. Directorate General of Foreign Trade and Others, 2022 (381) E.L.T. 314 (Mad.); Silver Crest Clothing Private Limited v. Deputy Commissioner of Customs, Bengaluru and Others, 2024 (4) TMI 576 (Kar.); NewGenAgro Processors Pvt. Ltd. v. Deputy Director General of Foreign Trade and Others, 2024 (9) TMI 512 (Mad.); Larsen & Toubro Limited v. Union of India and Others, 2025 (35) CENTAX 307 (Bom.);* and *Commissioner of Customs v. N.C. John & Sons Pvt. Ltd., 2019 (11) TMI 259 (CESTAT).* Relying on these

decisions, the appellant prayed for setting aside the impugned order and allowing the appeal.

4. *Per contra*, the Ld. Authorized Representative Ms. O.M. Reena, reiterated the findings in the impugned order and prayed for dismissal of the appeal as devoid of merit.

5. On consideration of the rival submissions and appeal records, we find that the issue lies in a narrow compass: whether rejection of the appellant's request to amend and transmit the 28 shipping bills solely on account of non-selection of the affirmative reward option was legally sustainable, and whether the appellant is entitled to consequential relief subject to Section 149 of the Customs Act, 1962 and the applicable policy provisions, without prejudging its eligibility for MEIS benefits?

6. We note that Section 149 of the Customs Act, 1962, permitted amendment of documents by the proper officer, subject to the prescribed conditions. After export, amendment of a shipping bill is permissible only if supported by documentary evidence existing at the time of export. Therefore, the appellant's claim of inadvertent omission alone was insufficient; the contemporaneous documents had to support the proposed amendment.

7. We observe that the Merchandise Exports from India Scheme (MEIS), introduced under Chapter 3 of the Foreign Trade Policy, 2015–2020 was governed by the terms of the Policy, the prescribed procedures and the exclusions applicable to particular goods or exports. The requirement to declare the intention to claim the reward in the electronic shipping bill formed part of the prescribed procedure. The issue, therefore, was whether failure to comply with that requirement, where the omission was claimed to be inadvertent and the exports were otherwise established, necessarily foreclosed recourse to amendment under Section 149 of the Customs Act, 1962.

8. We note that Public Notice No. 40/2015-2020 dated 09.10.2015 addressed the transition to electronic transmission of shipping bills and the consequences of failure to exercise the reward option. Public Notice No. 47/2015-2020 dated 08.12.2015 dealt with shipping bills pertaining to exports made between 01.06.2015 and 30.09.2015 in which the reward option had inadvertently been marked “N”, notwithstanding an affirmative declaration of intent to claim the benefit on the shipping bill. The notice contemplated verification through the exporter’s copy of the shipping bill. Public Notice No. 09/2015-20 dated 16.05.2016 amended

paragraph 3.14(a) of the Handbook of Procedures and prescribed the method of declaring intent through the reward column in electronic shipping bills.

9. We find that the applicability and effect of these Public Notices must be considered in the context of the relevant export period and the circumstances specified in each notice. They did not dispense with the substantive conditions governing MEIS eligibility or confer automatic entitlement in respect of every shipping bill marked "N". In particular, the relaxation under Public Notice No. 47/2015-2020 could apply only upon satisfaction of the conditions stipulated therein. The 27 shipping bills pertaining to June–August 2015 and Shipping Bill No. 5792529 dated 11.02.2016 must, therefore, be examined separately with reference to the applicable policy provisions and the contemporaneous documentary evidence.

10. The Ld. counsel for the appellant relied upon the judgement in the case of *Tractors and Farm Equipment Limited v. Directorate General of Foreign Trade and Others, 2022 (381) E.L.T. 314 (Mad.).* In paragraph 7 of the said judgment, the Madras High Court considered its earlier decision in *WABCO India Private Limited v. Union of India and Others, W.P. No. 12188 of 2020, decided on 31.01.2022*, and reproduced the relevant portions thereof. In paragraph 8, the

Court held that the issue stood covered by the earlier decision and granted consequential relief. The relevant paragraphs of WABCO India Private Limited, as reproduced in paragraph 7 of Tractors and Farm Equipment Limited, reads as follows: -

> *"15. The fact that the petitioner has exported goods and was otherwise entitled to the benefit under the aforesaid scheme has not been disputed by the respondents. There is only a procedural lapse on the part of the petitioner in failing to exercise the option in all the shipping bill by assuming that one declaration in the first shipping bill will suffice for exports as was the procedure prior to the amendment. Since the scheme is an export incentive given to an exporter, the procedures cannot be imposed to deny the substantive benefit under the Foreign Trade Policy.*
> *16. In this connection, reference may be made to the decision of the Hon'ble Supreme Court in the cases of Commissioner of Sale Tax v. Auriya Chambers of Commerce [1986 (3) SC 50] and State of Gujarat v. Ramprakash P Puri [(1969 3 SCC 156] is invited. The Hon'ble Supreme Court has held that rules or procedures are handmaids of Justice and not mistress of law.*
> *…..*
> *18. In this case, there is only a procedural lapse. If the petitioner was otherwise entitled to the aforesaid exporter incentive and was not dis-entitled to the same, such benefit cannot be denied. Therefore, I am of the view that the impugned order passed by the third respondent has to go as such export incentives cannot be denied on account of procedural lapse. Accordingly, the impugned order passed by the third respondent is quashed and the case is remitted back to the respondents to re-examine the issue as to whether the petitioner had indeed exported and was entitled to the exporter incentive under the aforesaid scheme, but for the lapse of not clicking the correct option in the System/Web Portal.*
> *19. If the petitioner's case is not falling under any other exceptions provided in the aforesaid scheme, in terms of Paragraph 3.06 of the Foreign Trade Policy 2015-20, the respondents shall pass appropriate orders granting relief to the petitioner. This exercise shall be carried out by the respondents within a period of four weeks from the date of receipt of a copy of this order."*

11. We find that the ratio of Tractors and Farm Equipment Limited, (*Supra*) following WABCO India Private Limited, supports the proposition that an inadvertent

procedural omission should not defeat an otherwise eligible MEIS entitlement. Such relief, however, remains subject to verification of the exports, substantive eligibility and compliance with Section 149 of the Customs Act, 1962.

12. As regards the solitary shipping bill dated 11.02.2016 (S/B No. 5792529) falling outside the said window, the substantive-benefit principle applies with equal, if not greater, force. In NewGenAgro the Department's specific stand that "N"-marked shipping bills from 01.10.2015 onwards were ineligible and, in any event, time-barred was expressly rejected by the Hon'ble Madras High Court, which directed amendment of the shipping bills and grant of the incentive. That decision directly answers this bill in *M/s. NewGenAgro Processors Pvt. Ltd. v. DDGFT, 2024 (9) TMI 512 (Mad.).* The relevant paragraphs 15 to 17 of the judgment read as follows: -

> *"**15**. There are no dispute that the petitioner had exported the goods namely Fruit pulp, Mango puree etc., which are eligible for the benefit of Merchandize Exports from India Scheme (MEIS) under Chapter 3 of the Foreign Trade Policy. There is no dispute that the petitioner has also claimed duty drawback under Section 75 of the Customs Act, 1975 read with Customs, Central Excise and Service Tax Duty drawback Rules, 1995. There are no records to indicates that the parallel incentives under Section 75 of the Customs Act, 1961 read with the aforesaid Rule and the Customs Notification has been denied to the petitioner. Therefore the benefit of Merchandize Exports from India Scheme (MEIS) under Chapter 3 of the Foreign Trade Policy ought not to be denied. The export of goods stands confirmed. Therefore, the benefit of Export incentives cannot be denied.*
> ***16**. Under similar circumstances, Courts have been liberal and have been granting reliefs to the exporters under the scheme. I do not wish to take a contrary stand in this writ*

> *petition. That apart, the legitimate exports cannot be denied, if the petitioner had made actual exports. Since there is no other material available to come to a conclusion that the petitioner was not otherwise dis-entitled for export incentives under the Merchandize Exports from India Scheme, this writ petition has to be allowed.*
> ***17**. The respondent Nos.3 and 4 are therefore directed to ensure that the shipping bills are suitably amended for the petitioner to claim export incentives on the exports made by the petitioner under the Merchandize Exports from India Scheme. Incentives to be granted to the petitioner will be without prejudice to the rights of the Department to recover the same, in case, any other discrepancies are noticed in the exports made by the petitioner."*

13. The issue further stands answered at the level of this Tribunal itself. A coordinate Bench in *M/s. N.C. John & Sons Pvt. Ltd. v. CC, Cochin - 2019 (11) TMI 259-CESTAT Bangalore*, followed in *M/s. Kuruwa Enterprises v. CC, Cochin - 2019 (11) TMI 1052 - CESTAT Bangalore*, allowed the very relief now sought amendment of the reward flag from "N" to "Y" / issuance of NOC - holding the lapse to be a curable procedural defect. The decision in N.C. John was affirmed by the Hon'ble Kerala High Court and, in turn, by the Hon'ble Supreme Court, the last being the authority already relied upon in NewGenAgro (*supra*).

14. The appellant further relied upon the judgment of the Bombay High Court in *Larsen & Toubro Limited v. Union of India and Others, 2025 (35) CENTAX 307 (Bom.)* in Writ Petition No. 3667 of 2024, decided on 13.11.2024. As recorded in paragraphs 4 to 7 of the judgment, the Customs brokers had inadvertently marked "N" instead of "Y" in the

reward column of three shipping bills. On discovering the error, the exporter sought correction, and the Customs authorities permitted manual amendment under Section 149 of the Customs Act, 1962, issuing amendment certificates dated 17.10.2019. The subsequent difficulty arose because the DGFT system was unable to process the amended shipping bills, despite the correction having been permitted by Customs.

15. In paragraph 15 of the order, the Bombay High Court observed as follows: -

> *"Thus, the record shows that at least prima facie, the only objection raised by the sixth Respondent for the issue of the MEIS Scrips to the Petitioner is the difficulty in the systems to process the Petitioner's corrected shipping bills. This is not because of any default on the Petitioner's part. The Petitioner's Customs brokers no doubt made an inadvertent error while filing the shipping bills and not claiming the benefit under the MEIS scheme. However, applications were made for correction soon after this error was discovered. The Customs Authorities also accepted such applications, and amendments both in manual and electronic form were eventually permitted. The Petitioner cannot be made to suffer because the DGFT portal systems cannot process such amended shipping bills……."*

We find that the ratio of Larsen & Toubro Limited is that an amendment already permitted by Customs cannot be rendered ineffective merely because of limitations in the DGFT system. Since Customs had already allowed amendment in that case, it does not directly decide whether the appellant's request for amendment must be allowed. The appellant's

request must be examined under Section 149 of the Customs Act, 1962.

16. On consideration of the appeal records, the impugned order and the judicial decisions relied upon by the appellant, we find that the Commissioner (Appeals) accepted the appellant's plea on limitation in view of the corrigendum dated 30.03.2017 to Facility Circular No. 8/2016, but upheld the rejection solely because the affirmative reward option had not been selected. The observation that the appeal was silent on declaration of intent did not address the appellant's contention that the omission was inadvertent and had resulted in non-transmission of the shipping bills to the DGFT. The Revenue has not placed any contrary judicial decision before us. The decisions of the jurisdictional Madras High Court in WABCO India Pvt. Ltd. and Tractors and Farm Equipment Limited, which support the appellant's contention regarding procedural lapses in claiming MEIS benefits, are binding on this Tribunal.

17. Public Notice No. 47/2015-2020 dated 08.12.2015 applied to specified shipping bills relating to exports made between 01.06.2015 and 30.09.2015, subject to its prescribed conditions, and did not govern Shipping Bill No. 5792529 dated 11.02.2016. We find that non-selection of

the affirmative reward option could not, by itself, justify rejection of the amendment request. The competent authority must examine each shipping bill under Section 149 of the Customs Act, 1962, with reference to the contemporaneous documentary evidence and applicable policy provisions. The ultimate entitlement to MEIS benefits shall remain subject to verification under the applicable Foreign Trade Policy.

18. The impugned order is set aside insofar as it rejected the appellant's request solely for non-selection of the affirmative reward option. The competent Customs authority shall consider the amendment request under Section 149 of the Customs Act, 1962 and take the necessary consequential steps for transmission of the 28 shipping bills to the DGFT system in accordance with the applicable procedure. The MEIS claim shall thereafter be considered under the applicable Foreign Trade Policy. The appeal is allowed in the above terms.

(Order pronounced in open court on 26.11.2026)

Sd/-
**(AJAYAN T.V.)**
MEMBER (JUDICIAL)

Sd/-
**(VASA SESHAGIRI RAO)**
MEMBER (TECHNICAL)

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