

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI**

REGIONAL BENCH - COURT No. III

Customs Appeal No. 40282 of 2025

(Arising out of Order-in-Original No.08/2023 dated 03.01.2023 passed by Commissioner of Customs, Chennai-IV, Custom House, No.60, Rajaji Salai, Custom House, Chennai 600 001.)

M/s.YSI Automotive India Pvt. Ltd. Appellant

Rep. by its Managing Director,
No.112, Singadivakkam Village,
Kancheepuram Taluk,
Kancheepuram 631 561.

VERSUS

The Commissioner of Customs ... Respondent

Chennai IV Commissionerate,
Custom House, 60, Rajaji Salai,
Chennai 600 001.

APPEARANCE :

Shri Senguttuvan K., Advocate for the Appellant
Smt. O.M. Reena, Authorized Representative for the Respondent

CORAM :

HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)

FINAL ORDER No.40431/2026

DATE OF HEARING : 20.01.2026

DATE OF DECISION : 27.03.2026

Per: Shri P. Dinesha

This Appeal is filed against the Order-in-Original No. 08/2023 dated 03.01.2023 passed by Commissioner of Customs, Chennai-IV.

2. Shri Senguttuvan K., Id. Advocate appeared for the Appellant and Smt. O.M. Reena, Id. Additional Commissioner appeared for the Revenue.

3. Facts are not in dispute: The Appellant i.e. M/s.YSI Automotive India Pvt. Ltd. filed applications dt. 03.09.2019 (4 letters) and dt. 23.12.2019 (2 letters) seeking amendment of Shipping Bills or for issuance of 'No Objection Certificate' under Section 149 of the Customs Act, 1962 as, according to them, their exports through M/s.Glovis India Ltd. qualified for third party exports. In a nutshell, the above request by the Appellant was for conversion of Shipping Bills from Drawback Shipping Bills to Drawback Shipping Bills with EPCG Authorization. The details of Shipping Bills and related EPCG licenses are as given in Table-I, page 3 of the impugned order which are undisputed. In the said letters, it appears that the Appellant

had given reasons for seeking conversion of their Shipping Bills. It appears that initially, the said request was rejected by a non-speaking order by the Commissioner of Customs, Chennai-IV Commissionerate (Order-in-Original No.73204/2020 dt. 16.01.2020) against which, the Appellant appears to have approached the Hon'ble High Court and the Hon'ble High Court after quashing the said order of Commissioner, vide its Order dt. 29.04.2021 [in W.P. Nos.3591 & 9046 of 2020 WMP No.11004 of 2020] directed the Commissioner of Customs to hear the Petitioner, consider all materials that may be furnished by the Appellant and pass a speaking order on the Appellant's applications within a period of 4 weeks, on merits. In due compliance with the above directions of the Hon'ble High Court, the impugned order has been passed by the Commissioner, however, once again rejecting the claim for conversion; and a perusal of the impugned order indicates that the only reason for rejection as forthcoming from para-15.4 is, Shipping Bills under EPCG scheme are normally selected for examination by the Risk Management System of the Indian Customs and once selected, the same are scrutinized carefully by the Examining Officer and only then are the goods allowed for export, which having not

been done in this case for the reason that the Shipping Bills in question were not under EPCG scheme and hence, all the required verification was not done to the goods for conversion under the EPCG scheme. According to the Commissioner, the said crucial examination report being not available to verify the applicability under EPCG scheme for goods under subject Shipping Bills, he has concluded that the Shipping Bills in question do not merit conversion to EPCG scheme. The said Order-in-Original No. 08/2023 dated 03.01.2023 has been assailed in this Appeal.

4. Heard both sides and perused the documents placed on record including the case law and the detailed written submissions filed during the course of arguments.

5. The Hon'ble High Court in its Order dt. 29.04.2021 [in W.P. Nos.3591 & 9046 of 2020 WMP No.11004 of 2020] has adverted to the legal issue to be answered viz. whether the mention of EPCG license number on the Shipping Bills was mandatory or whether the petitioner could seek to explain by virtue of other contemporaneous and supporting evidences, the factum of export.

6. In the above Writ Petition before the Hon'ble High Court, the Respondent i.e. Commissioner of Customs was a party, was duly represented and after hearing both the sides, the Hon'ble High Court has framed the above legal issue and, apparently, the Department did not raise any objection with regard to non-verification of the Shipping Bills or the procedure laid down under the Customs Act in this regard and nor is there any counter by the Revenue to the effect that the Shipping Bills were not under EPCG scheme and hence, they were not selected for scrutiny – which was claimed to be 'crucial' by the Commissioner, to deny the conversion benefit as claimed. Further, we also find that the Appellant had also canvassed while seeking conversion, that there was no impact of such conversion on the duty element, since, the Shipping Bills were endorsed to the Appellant through 'No Objection' letters by M/s.Glovis India Ltd., which factual aspect has not been examined or answered by the Commissioner. Further, there is also no denial of the fact that the said Glovis India Ltd. has approved to provide the Shipping Bills by endorsing the Appellant as their supporting manufacturer, a confirmatory letter to which effect was also filed before the Commissioner.

7. Further, we find Circular No.36/2010 dt. 23.09.2010 and Circular No.6/2002 dt. 23.01.2002 permit the conversion of Shipping Bills from one Export Promotion Scheme to another, which is subject to the scale of examination prescribed thereunder and it is not the case of the Revenue that the Appellant is not satisfying or falling short in meeting the requirements of the above circulars and the only reason attributed is that the consignment was not subject to physical examination since the Shipping Bills were not under EPCG scheme. Admittedly, it is not the case of the Revenue that the Appellant was responsible in any way for preventing the Customs authorities from carrying out the above physical examination and, in any case, it is an admitted fact that such examination is selected by RMS which is clearly beyond the reach of the Appellant. Hence, the non-examination of Shipping Bills for some procedural requirements, cannot be fatal to a bonafide claimant, like the Appellant herein.

8. We find that our view is supported by the decision of Hon'ble High Court of Karnataka in the case of **Principal Commissioner of Customs, Bengaluru Vs M/s.Louverline Blinds** [vide Order dt. 30.07.2025 in Customs Appeal No.4 of 2022]

9. In view of the above, we do not find any merit in the impugned order which calls for interference and hence, we set aside the same.

10. Resultantly, the Appeal is allowed.

(Order pronounced in open court on 27.03.2026)

sd/-

(VASA SESHAGIRI RAO)
Member (Technical)

sd/-

(P. DINESHA)
Member (Judicial)