प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद
"सीमा शुल्क भवन", पहली मंजिल, पुराने हाई कोर्ट के सामने, नवरंगपुरा, अहमदाबाद-8009380
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DIN: 20260771MN0000994659

PREAMBLE

A	फ़ाइल संख्या/ File No.	:	GEN/ADJ/ADC/1094/2026-ICD-SRT-CUS-COMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या–तारीख /Show Cause Notice No. and Date	:	F.No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025
C	मूल आदेश संख्या/ Order-In-Original No.	:	**50/ADC/SR/O&A/HQ/2026-27**
D	आदेश तिथि/ Date of Order-In-Original	:	**14.07.2026**
E	जारी करनेकी तारीख/ Date of Issue	:	**14.07.2026**
F	द्वारापारित/ Passed By	:	**SHRAVAN RAM** Additional Commissioner Customs Ahmedabad
G	आयातक का नाम औरपता / Name and Address of Importer / Passenger	:	**M/s. Sai Krrish Fashion, A-3, 303 Viraj Bhumi Township Sec-1, B/h Sarthana Jakat Naka, Near Vraj Chowk Simada, Surat-395006** **M/s Sai Krrish Fashion, Plot No.7, Mahesh Industrial Estate, Opp. Torrent Power, Anjana Farm, Surat-395010** **Maheshbhai Muljibhai Mathukiya, Proprietor of M/s Sai Krrish Fashion, Plot No.7, Mahesh Industrial Estate, Opp. Torrent Power, Anjana Farm, Surat-395010.**
(1)	**यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे यह जारी की गयी है।**		
(2)	**कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के** 60 **दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क(अपील), चौथी मंज़िल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।**		
(3)	**अपील के साथ केवल पांच** (5.00) **रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए**:		
(i)	**अपील की एक प्रति और**;		
(ii)	**इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच** (5.00) **रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।**		

(4)	**इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को** 7.5% (**अधिकतम** 10 **करोड़**) **शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम**, 1962 **की धारा** 129 **के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।**

BRIEF FACTS OF THE CASE:

M/s. Sai Krrish Fashion, A-3, 303 Vraj Bhumi Township Sec-1,B/h Sarthana Jakat Naka, Near Vraj Chowk Simada, Surat-395006 (hereinafter referred as "the said importer" for the sake of brevity), holding Import Export Code No. 5215916128 had imported **02 Sets** of capital goods viz. Computerized Embroidery Machine under EPCG License No. 5230020066 dated 17.03.2016 by saving duty of **Rs. 19,44,934/- (Actual Duty Utilized of Rs. 19,22,296/-)** and had cleared the same vide below mentioned Bill of Entry at zero duty while availing the benefit of exemption available under Notification No. 16/2015-Cus dated 01.04.2015. The details of import are as under:

S. N.	B/E No. & Date	Qty machinery cleared	Assess Value	Duty Saved/ available as per EPCG License	Total Duty Foregone/Debited at the time of clearance	BG Amount (Rs.)
1	5370816 dtd.24.05.2016	02	82,09,501/-	19,44,934/-	19,22,296/-	3,00,000/-
As per para 5.10 of Handbook of Procedures, 10% enhancement in CIF value of duty saved amount is admissible.						

2. As per Notification No. 16/2015-Cus dated 01.04.2015 as amended, the said importer was required to fulfill the export obligation on FOB basis equivalent to six times of the duty saved on the goods imported as may be specified on the License or authorization. The relevant portion of the said notification is produced herein below for reference:

Notification No. 16 / 2015-CUSTOMS

New Delhi, the 1st April, 2015

G.S.R. 252 (E) -In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods specified in the Table 1 annexed hereto, from,-

(i) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of1975) (hereinafter referred to as the said Customs Tariff Act) , and
(ii) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, when specifically claimed by the importer.

2. The exemption under this notification shall be subject to the following conditions, namely:-

(1) that the goods imported are covered by a valid authorisation issued under the Export Promotion Capital Goods (EPCG)Scheme in terms of Chapter 5 of the Foreign Trade Policy permitting import of goods at zero customs duty;

(2) that the authorisation is registered at the port of import specified in the said authorisation and the goods, which are specified in the Table 1 annexed hereto, are imported within validity of the said authorisation and the said authorisation is produced for debit by the proper officer of customs at the time of clearance: Provided that the goods imported should not fall under clause (f) of paragraph 5.01 of Foreign Trade Policy: Provided further that the catalyst for one subsequent charge shall be allowed, under the authorisation in which plant, machinery or equipment and catalyst for initial charge have been imported, except in cases where the Regional Authority issues a separate authorisation for catalyst for one subsequent charge after the plant, machinery or equipment and catalyst for initial charge have already been imported;

(3) that the importer is not issued, in the year of issuance of zero duty EPCG authorisation, the duty credit scrips under the erstwhile Status Holder Incentive Scrip (SHIS) scheme. In the case of applicant who is Common Service Provider (herein after referred as CSP), the CSP or any of its specific users should not be issued, in the year of issuance of the zero duty EPCG authorisation, the duty credit scrips under SHIS. This condition shall not apply where already availed SHIS benefit that is unutilised is surrendered or where benefits availed under SHIS that is utilised is refunded, with applicable interest, before issue of the zero duty EPCG authorisation. SHIS scrips which are surrendered or benefit refunded or not issued in a particular year for the reason the authorisation has been issued in that year shall not be issued in future years also;

(4) that the goods imported shall not be disposed of or transferred by sale or lease or any other manner till export obligation is complete;

(5) that the importer executes a bond in such form and for such sum and with such surety or security as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs binding himself to comply with all the conditions of this notification as well as to fulfill export obligation on Free on Board (FOB) basis

equivalent to six times the duty saved on the goods imported as may be specified on the authorisation, or for such higher sum as may be fixed or endorsed by the Regional Authority in terms of Para 5.16 of the Handbook of Procedures, within a period of six years from the date of issue of Authorisation, in the following proportions, namely :

S. No.	*Period from the date of issue of Authorisation*	*`Proportion of total export obligation*
1	*Block of 1st to 4th year*	*Minimum 50%*
2	*Block of 5th and 6th year*	*Balance*

Provided that in case the authorisation is issued to a CSP, the CSP shall execute the bond with bank guarantee and the bank guarantee shall be equivalent to 100% of the duty foregone, and the bank guarantee shall be given by CSP or by anyone of the users or a combination thereof, at the option of the CSP:

Provided further that the export obligation shall be 75% of the normal export obligation specified above when fulfilled by export of following green technology products, namely, equipment for solar energy decentralised and grid connected products, bio-mass gassifier, bio-mass or waste boiler, vapour absorption chillers, waste heat boiler, waste heat recovery units, unfired heat recovery steam generators, wind turbine, solar collector and parts thereof, water treatment plants, wind mill and wind millturbine or engine, other generating sets - wind powered, electrically operated vehicles - motor cars, electrically operated vehicles - lorries and trucks, electrically operated vehicles - motor cycle and mopeds, and solar cells:

Provided also that for units located in Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, the export obligation shall be 25% of the normal export obligation specified above:

Provided also that where a sick unit holding EPCG authorisation is notified by the Board for Industrial and Financial Reconstruction (BIFR) or where a rehabilitation scheme is announced by the concerned State Government in respect of sick unit holding EPCG authorisation for its revival, the export obligation may be fulfilled within time period allowed by the Regional Authority as per the rehabilitation package prepared by the operating agency and approved by BIFR or rehabilitation department of State Government. In cases where the time period is not specified in the rehabilitation package, the export obligation may be fulfilled within the period specified in paragraph 5.05 of the Foreign Trade Policy;

(6) that if the importer does not claim exemption from the additional duty leviable under section 3 of the Customs Tariff Act,1975, the additional duty so paid by him shall not be

taken for computation of the net duty saved for the purpose of fixation of export obligation provided the Cenvat credit of additional duty paid has not been taken;

(7) that the importer, including a CSP, produces within 30 days from the expiry of each block from the date of issue of authorisation or within such extended period as the Deputy Commissioner of Customs or Assistant Commissioner of Customs may allow, evidence to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs showing the extent of export obligation fulfilled, and where the export obligation of any particular block is not fulfilled in terms of the condition (5), the importer shall within three months from the expiry of the said block pay duties of customs equal to an amount which bears the same proportion to the duties leviable on the goods, but for the exemption contained herein, which the unfulfilled portion of the export obligation bears to the total export obligation, together with interest at the rate of fifteen percent. per annum from the date of clearance of the goods;

(8) that where the importer fulfills 75% or more of the export obligation as specified in condition (5) [over and above 100% of the average export obligation] within half of the period specified for export obligation as mentioned in condition (5), his balance export obligation shall be condoned and he shall be treated to have fulfilled the entire export obligation ;

It is thus evident from the above notification that the said importer was required to execute a bond in such form and for such sum and with such surety or security as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs binding himself to fulfill export obligation on FOB basis equivalent to **six times** the duty saved on the goods imported as may be specified on the licence or authorization, or for such higher sum as may be fixed or endorsed by the licencing Authority or Regional Authority, within a period of **six years** from the date of issuance of licence or authorization i.e. **complete 50% export obligation within first block of 1st to 4th years and remaining 50 % in second block of 5th to 6th years**.

3. Accordingly, the said importer had executed Bond dated 16.05.2016 for Rs. 56,00,000/- backed by Bank Guarantee No. 474/2016-17 Dated 12.05.2016 for Rs.3,00,000/- issued by the Lakshmi Vilas Bank Limited, Belgium Tower, Ring Road, Surat for EPCG License No. 5230020066 dated 17.03.2016. They had also undertaken to fulfill all the terms and conditions specified in the License and the said Notification.

4. The said machinery i.e. **02 Sets of Computerized Embroidery Machine** imported under the above said EPCG License was installed at the factory/business premises i.e. M/s. Sai Krrish Fashion, Plot No.7, Mahesh Industrial Estate, Opp. Torrent Power, Anjana Farm, Surat -395010 as per the Installation Certificate dated 13.06.2016 issued by

Chartered Engineer, Dr. P. J. Gandhi, Surat certifying the receipt of the goods imported and its installation.

5. The aforesaid EPCG License No. 5230020066 dated 17.03.2016 was issued to the said importer and the Bond dated 16.05.2016 was executed. Accordingly, the said importer was required to fulfill the export obligation within a period of six years from the date of EPCG License as per the condition laid down in the Notification and EPCG License itself and submit the Export Obligation Discharged Certificate issued by the DGFT Authority to the department.

6. Letter F.No. VIII/6-580/ICD-Sachin/16-17 dated 18.07.2023 was issued to the said importer to either furnish the EODC issued by DGFT, Surat or any extension granted by DGFT, Surat for fulfillment of Export Obligation, **but no reply received**.

6.1 As no reply was received from the said importer, letters F.No. ICD-Sachin/ DGFT/07/2020-21 dated 02.03.2023 & F. No. ICD-Sachin/DGFT/07/2020-21 dated 05.02.2025 were issued to the Foreign Trade Development Officer, DGFT, Surat requesting them to intimate this office, whether the said importer has been issued EODC against EPCG License No. 5230020066 dated 17.03.2016 or any documents showing the fulfillment of the export obligation submitted by the aforesaid importer. **The Assistant Director, Directorate General of Foreign Trade, Surat had not submitted any reply.**

6.2 Thus, it appeared, from the above that the said importer has failed to fulfill the export obligation as specified in the License and has not complied with the mandatory conditions of the Customs Notification No.16/2015-Cus dated 01.04.2015, EPCG License and conditions of the Bond dated 16.05.2016.

7. As per the provisions of Section 143 of the Customs Act, 1962, the aforesaid capital goods were allowed clearance by the proper officer on execution of bond by the said importer wherein the said importer has bound himself to discharge liability within a specified period in certain manner, which he has failed to do, by not fulfilling the export obligation. Therefore, the department is entitled to recover the duty less paid by raising a demand and appropriating the Bank Guarantee furnished by the said importer against this demand. The said section is produced herein below for reference:

> ***SECTION 143. Power to allow import or export on execution of bonds in certain cases.*** *- (1) Where this Act or any other law requires anything to be done before a person can import or export any goods or clear any goods from the control of officers of customs and the Assistant Commissioner of Customs or Deputy Commissioner of Customs is satisfied that having regard to the circumstances of the case, such thing cannot be done before such import, export or clearance without detriment to that person, the Assistant Commissioner of Customs or Deputy Commissioner of Customs may, notwithstanding anything*

contained in this Act or such other law, grant leave for such import, export or clearance on the person executing a bond in such amount, with such surety or security and subject to such conditions as the Assistant Commissioner of Customs or Deputy Commissioner of Customs approves, for the doing of that thing within such time after the import, export or clearance as may be specified in the bond.

(2) If the thing is done within the time specified in the bond, the Assistant Commissioner of Customs or Deputy Commissioner of Customs shall cancel the bond as discharged in full and shall, on demand, deliver it, so cancelled, to the person who has executed or who is entitled to receive it; and in such a case that person shall not be liable to any penalty provided in this Act or, as the case may be, in such other law for the contravention of the provisions thereof relating to the doing of that thing.

(3) If the thing is not done within the time specified in the bond, the Assistant Commissioner of Customs or Deputy Commissioner of Customs shall, without prejudice to any other action that may be taken under this Act or any other law for the time being in force, be entitled to proceed upon the bond in accordance with law."

8. Since, the said importer appeared to fail to fulfill the conditions laid down under Notification No. 16/2015-Cus dated 01.04.2015 in as much as they failed to export goods manufactured from 02 Sets of Computerized Embroidery Machine imported under EPCG License No. 5230020066 dated 17.03.2016 which was equivalent to six times the duty saved on the goods imported and also neither produced EODC issued by DGFT, Surat nor could produce any extension granted by DGFT, Surat for fulfillment of Export Obligation. Hence, they appeared liable to pay duty of **Rs. 19,22,296/-** in respect of the said imported goods along with interest at the applicable rate, in terms of conditions of the said Notification read with condition of Bond executed by the said importer read with Section 143 of the Customs Act, 1962.

8.1 It appeared that the imported capital goods have not been used for intended purpose for which the exemption from payment of duty was claimed and therefore, the aforesaid Capital goods appeared liable for confiscation under Section 111(o) of the Customs Act, 1962 and thus the said importer appeared to have rendered itself liable for penal action under the provisions of Section 112(a) and Section 117 of the Customs Act, 1962.

8.2 Since, the said importer could not fulfilled the conditions laid down under Notification No.16/2015-Cus dated 01.04.2015, the Bank Guarantee No. 474/2016-2017 Dated 12.05.2016 For Rs.3,00,000/- issued by the Lakshmi Vilas Bank Limited, Belgium

Tower, Ring Road, Surat in favor of the Deputy/Asstt. Commissioner of Customs, ICD-Sachin, Surat against the EPCG License No. 5230020066 dated 17.03.2016 required to be appropriated against the proposed demand.

8.3 As per para (7) of Customs Notification No. 16/2015-Cus dated 01.04.2015, the importer was required to produce, within 30 days from the expiry of each block from the date of issue of authorization or within such extended period, evidence to the extent of export obligation fulfilled by them, and where the export obligation of any particular block was not fulfilled, the importer were required to pay duties of customs equal to an amount which for the unfulfilled portion of the export obligation along with interest within three months from the expiry of the said block. The said importer have also given bond to this effect. The letter dated 18.07.2023 was written to the importer to intimate the extent of export obligation fulfilled by them but no reply received. Thus, the fact that they had neither completed their Export obligation nor paid the duty on import as per law & procedure is on record. Thus, it appeared that the said importer has neither fulfilled their Export obligation nor paid the customs duty along with interest for non-fulfillment of EO. These facts were not disclosed to the department or DGFT, thereby suppressing the facts with a clear intent to evade the payment of duty.

9. In view of the foregoing, a Show Cause Notice bearing F. No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025 was issued by the Additional Commissioner, Customs, in charge of ICD-Sachin, Surat to **M/s. Sai Krrish Fashion, A-3, 303 Vraj Bhumi Township Sec-1, B/h Sarthana Jakat Naka, Near Vraj Chowk Simada, Surat-395006,** calling upon them to show cause to the Additional/Joint Commissioner of Customs, Custom House, Hazira Port, Hazira, Surat as to why:"

(i) The benefit of Zero Duty for EPCG Scheme under Notification No. 16/2015-Cus dated 01.04.2015 on the subject imported Computerized Embroidery Machine in the name of **M/s Sai Krrish Fashion, A-3, 303 Vraj Bhumi Township Sec-1,B/h Sarthana Jakat Naka, Near Vraj Chowk Simada, Surat-395006**, should not be denied.

(ii) Customs Duty totally amounting to **Rs. 19,22,296/- (Rupees Nineteen Lakh Twenty Two Thousand Two Hundred and Ninety Six only)** being the Duty forgone at the time of import under EPCG License, should not be demanded and recovered from them in terms of Notification No.16/2015-Cus dated 01.04.2015 as amended, read with the Conditions of Bond executed and furnished by them in term of Section 143 of the Customs Act, 1962 by enforcing the terms of the said Bond and as to why the Bank Guarantee No. 474/2016-2017 Dated 12.05.2016 For Rs.3,00,000/- issued by the Lakshmi Vilas Bank Limited, Belgium Tower, Ring Road, Surat backed against the Bond, should not be appropriated and adjusted towards the Duty liability as mentioned above.

(iii) Interest at the applicable rate should not be recovered from them on the Customs Duty as mentioned at (ii) above in term of Notification No. 16/2015-Cus dated 01.04.2015 as amended from time to time read with Conditions of the Bond executed in term of Section 143 of the Customs Act, 1962.

(iv) The imported Capital Goods should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962 read with conditions of Bond executed, in terms of Section 143 of the Customs Act, 1962 read with Notification No.16/2015-Cus dated 01.04.2015 as amended from time to time.

(v) Penalty should not be imposed on the Importer under Section 112(a) of the Customs Act, 1962 for the acts of omission & commission mentioned above.

(vi) Penalty should not be imposed on the Importer under Section 117 of the Customs Act, 1962 for the acts of omission & commission mentioned above.

(vii) Bond executed by them at the time of import should not be enforced in terms of Section 143(3) of the Customs Act, 1962 and the Bank Guarantee thereof should not be encashed for recovery of the Customs Duty as mentioned above and interest thereupon.

<u>DEFENSE SUBMISSION AND PERSONAL HEARING:</u>

10. In response to the subject Show Cause Notice, the Noticee, vide their letter received on dated 04.06.2025 informed that they had submitted documents to DGFT, Surat vide letter dated 21.05.2025 for issuance of the Export Obligation Discharge Certificate (EODC).

10.1 Since the Export Obligation Discharge Certificate (EODC)/Redemption Letter had not been issued and the matter was pending before the Directorate General of Foreign Trade (DGFT), the Show Cause Notice was transferred to the Call Book on 25.06.2025 in terms of Para 5 of CBIC Circular No. 16/2017-Customs dated 02.05.2017. Subsequently, during the review of Call Book cases, the status of the said authorization on the official website of DGFT was found to be reflected as “Closed”. Accordingly, the SCN was retrieved from the Call Book with the prior approval of the competent authority for adjudication on 12.06.2026.

10.2 The noticee, vide letter dated 22.05.2026 received on 25.05.2026, submitted a copy of the EODC/Redemption letter dated 29.04.2026 issued by DGFT, Surat in respect of EPCG Authorization No. 5230020066 dated 17.03.2016. **They further conveyed that they do not require any personal hearing in the matter and decide the case on merits.**

<u>DISCUSSIONS AND FINDINGS</u>:

11. I have carefully gone through the Show cause notice, records, submissions and facts in the present case. I find that in the present case, a Show Cause Notice bearing F. No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025 was issued to the Noticee/Importer, holding EPCG License No. 5230020066 dated 17.03.2016, by Additional Commissioner, in charge of ICD-Sachin, Surat, for non-fulfillment of export obligations as prescribed under Notification No. 16/2015-Cus dated 01.04.2015 and for non-submission of the Export Obligation Discharge Certificate (EODC) issued by the DGFT authorities. As per Notification No. 16/2015-Cus dated 01.04.2015, the importer was required to fulfill the export obligation on an FOB basis equivalent to **six times** the duty saved on the imported goods **within six years from the date of authorization**, as specified in the License or authorization. I also find that the present case was transferred into callbook in terms of para 5 of the Board Circular No.16/2017-Customs dated 02.05.2017 after the noticee submitted that they had applied for issuance of the EODC to the DGFT and submitted proof of acknowledgment before Customs authorities.

12. Upon subsequent review of Call Book cases, the case was withdrawn from the call book on 12.06.2026 with the approval of the competent authority and has now been taken up for adjudication. The issues for consideration before me are as follows:

(i) Whether the benefit of zero rate of duty for EPCG Scheme under Notification No. 16/2015-Cus dated 01.04.2015 is admissible to the Noticee in absence of non-fulfillment of the export obligation prescribed therein, as alleged in the Show cause notice.

(ii) Whether the noticee is liable to confiscation of the capital goods and imposition of penalties, as proposed in the Show Cause Notice.

13. Now I proceed to decide whether the benefit of zero rate of duty for EPCG Scheme under Notification No. 16/2015-Cus dated 01.04.2015 is admissible to the Noticee in absence of non-fulfillment of the export obligation prescribed therein, as alleged in the Show cause notice.

13.1 I find that the present recovery proceedings have been initiated against the Noticee on account of failure to submit proof of fulfilment of the export obligation and non-submission of the Export Obligation Discharge Certificate (EODC) in respect of EPCG Licence No. 5230020066 dated 17.03.2016, against which the Noticee had availed the benefit of import of capital goods at zero rate of duty. As per the provisions of Notification No. 16/2015-Cus dated 01.04.2015, the importer was required to fulfil the export obligation, on FOB basis, equivalent to six times the duty saved on the goods imported, within a period of six years from the date of issuance of the authorization, as specified in the licence. I observe that letter dated 18.07.2023 was issued to the Noticee, calling upon them to submit the EODC or documentary evidence of any extension granted by the Regional Authority, DGFT, Surat, towards fulfilment of the export obligation. **However, the Noticee failed to respond to the said communications**. Further, **letters F.No. ICD-Sachin/DGFT/07/2020-21 dated 02.03.2023 & F. No. ICD-Sachin/DGFT/07/2020-21 dated 05.02.2025 were issued to the Foreign Trade Development Officer, DGFT, Surat requesting them to intimate this office, whether the said importer has been issued EODC against EPCG License No. 5230020066 dated 17.03.2016 or any documents showing the fulfillment of the export obligation submitted by the aforesaid importer. The Assistant Director, Directorate General of Foreign Trade, Surat had not submitted any reply.** It is, therefore, evident that the Noticee has failed to discharge the export obligation as prescribed under the EPCG licence and has not complied with the mandatory conditions of Notification No. 16/2015-Cus dated 01.04.2015, the terms of the EPCG licence, and the conditions of the Bond executed by them. In view of the foregoing, I hold that the Noticee is not entitled to the benefit of zero-duty import under the EPCG Scheme in terms of Notification No. 16/2015-Cus dated 01.04.2015, and accordingly, the exemption availed on the imported Computerized Embroidery Machine is inadmissible due to non-fulfilment of the prescribed export obligation.

13.2 From the submission of the noticee, I find that the noticee had applied for EODC/redemption of EPCG Authorization No. 5230020066 dated 17.03.2016 before the DGFT. Further, the noticee, vide letter dated 22.05.2026 (received on 25.05.2026), submitted a copy of the "EODC/Redemption Letter" issued by DGFT, Surat, under File No. 52EEEPC01543AM26 dated 29.04.2026 **(Image as below),** in respect of the impugned EPCG Authorization No. 5230020066 dated 17.03.2016. **I also note that neither the application submitted by the Noticee to the DGFT for issuance of the EODC nor the EODC/Redemption Letter dated 29.04.2026 issued by the DGFT, Surat, was available on record at the time of issuance of the impugned Show Cause Notice.**

UDINEPCGX0626784M27

सत्यमेव जयते

Government of India / भारत सरकार

Ministry of Commerce and Industry / वाणिज्य और उद्योग मंत्रालय

Department of Commerce / वाणिज्य विभाग

Directorate General of Foreign Trade / विदेश व्यापार महानिदेशालय

Office of the Joint Director General of Foreign Trade, Surat / संयुक्त महानिदेशक, विदेश व्यापार का कार्यालय, सूरत

5th Floor, Resham Bhavan, Lal Darwaja, SURAT, GUJARAT, 395003 / 5वी मंजिल, रेशम भवन, लाल दरवाजा, सूरत,

सूरत, गुजरात, 395003

Email Office : surat-dgft@nic.in , Phone Office : 0261-2423791

File No: 52FEEPC01543AM26

Date : (Refer Date of Digital Signature)

REDEMPTION LETTER

To ,

SAI KRRISH FASHION
A-3 303 VRAJ BHUMI TOWNSHIP SEC 1
CHOWK SIMADA SURAT
395006

SUBJECT: EODC/REDEMPTION against EPCG Authorization No. 5230020066

Dated 17/03/2016

I write to inform you that on the basis of document submitted towards discharge of export obligation by you. It is observed that the Export Obligation stipulated in the License has been met in full in proportion to duty amount utilized by you. Consequently, Export Obligation has been discharged against the said Authorization in terms of Para 5.10 of Hand Book of procedure.

Issued from File Number 52FEEPC01543AM26

Dated 29/04/2026

Copy To :
1. COPY FORWARDED TO THE ASSISTANT COMMISSIONER OF CUSTOMS, EPCG CELL ,
2. Commissioner customs, 130 SURAT DIAMOND PARK, GIDC, SACHIN, SURAT-394230

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Note: If digitally signed, the date of digital signature may be taken as date of document.

13.3. I further find that the EODC/Redemption Letter dated 29.04.2026, issued by DGFT, Surat, states the following: -

"It is observed that the export obligation stipulated in the license has been met in full in proportion to duty amount utilized by you. Consequently, Export Obligation has been discharged against the said Authorization in terms of Para 5.10 of Hand Book of procedure."

From a perusal of the aforesaid EODC/Redemption Letter, it stands established that the noticee has duly complied with and fulfilled the export obligation arising under the above-referred EPCG Authorization. In view thereof, the demand for Customs duty amounting to **Rs. 19,22,296/- (Rupees Nineteen Lakh Twenty Two Thousand Two Hundred and Ninety Six only)** raised against M/s. Sai Krrish Fashion is rendered unsustainable and is liable to be dropped, as the DGFT has formally issued an EODC/Redemption Letter, thereby certifying the complete discharge of the export obligation in respect of the said EPCG Authorization.

14. Now I proceed to decide whether the noticee is liable to confiscation of the capital goods and imposition of penalties, as proposed in the Show Cause Notice.

14.1 In view of the EODC/Redemption Letter dated 29.04.2026 issued by DGFT i.r.o of the impugned EPCG authorization No. 5230020066 dated 17.03.2016, I find that the noticee has fulfilled the conditions stipulated in the Customs Notification No. 16/2015-Cus dated 01.04.2015 and the conditions of the Bond executed by them by fulfilling the export obligation as stipulated vide the said EPCG authorization No. 5230020066 dated 17.03.2016. Accordingly, I find that impugned capital goods are not liable for confiscation under Section 111 (o) of the Customs Act, 1962 and consequently no penalty is imposable on the noticee under Section 112 (a) and 117 of the Customs Act, 1962. In view of the above, I hold that the demand initiated against noticee vide Show Cause Notice F. No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025 is not sustainable and liable to be dropped.

15. In view of above discussion and findings, I pass the following order:

<u>ORDER</u>

I drop the proceedings initiated against the noticee vide Show Cause Notice F. No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025.

16. The Show Cause Notices F. No. VIII/6-580/ICD-Sachin/2016-17 dated 18.02.2025 is disposed of in above terms.

Digitally signed by
Shravan Ram
Date: 14-07-2026
18:14:57

(SHRAVAN RAM)
Additional Commissioner
Customs Ahmedabad

DIN: 20260771MN0000994659

F. No. GEN/ADJ/ADC/1094/2026-ICD-SRT-CUS-COMMRTE-AHMEDABAD

Dated: 14.07.2026

By Speed Post A.D./E-mail /Hand Delivery/Through Notice Board

To,
M/s. Sai Krrish Fashion,
A-3, 303 Viraj Bhumi Township Sec-1,
B/h Sarthana Jakat Naka,
Near Vraj Chowk Simada, Surat-395006

M/s Sai Krrish Fashion,
Plot No.7, Mahesh Industrial Estate,
Opp. Torrent Power, Anjana Farm,
Surat-395010

Maheshbhai Muljibhai Mathukiya,
Proprietor of M/s Sai Krrish Fashion,
Plot No.7, Mahesh Industrial Estate,
Opp. Torrent Power, Anjana Farm,
Surat-395010.

Copy to:-

1. The Commissioner, Customs, Ahmedabad.
2. The Deputy Commissioner of Customs, ICD-Sachin, Surat.
3. The System In–Charge, Customs HQ, Ahmedabad for uploading on the official website.
4. The Joint Director General, DGFT, 6th Floor, Resham Bhavan Lal Darwaja, Surat-395003 for information and necessary action.
5. Guard File/Office copy.
6. Notice Board