



प्रधान आयुक्त का कायालय, सीमा शुल्क, अहमदाबाद
 सीमा शुल्क भवन, पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद-380009
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DIN:20251271MN00002782CF

PREAMBLE

A	फाइल संख्या/ File No.	:	GEN/ADJ/ADC/2158/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या एवं तारीख / Show Cause Notice No. and Date	:	F. No. VIII/6-1649/ICD-SACHIN/2012-13 Dated 21.02.2023
C	मूल आदेश संख्या/ Order-In-Original No.	:	170/ADC/SR/O&A/HQ/2025-26
D	आदेश तिथि/ Date of Order-In-Original	:	01.12.2025
E	जारी करने की तारीख/ Date of Issue	:	01.12.2025
F	द्वारा पारित/ Passed By	:	Shravan Ram Additional Commissioner, Customs, Ahmedabad
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	:	M/s. Savitri Weaving, Shed No. 6, Doctor Ni Wadi, Behind Krishna Petrol Pump, Khatodara, Surat-395003 Shri Mukesh Agarwal, Proprietor of M/s. Savitri Weaving Block No. 131, Plot No. 27/A, 27/B-1, 27/B-2, Prakash Cinema Street, GIDC Pandesara, Surat-394110
(1)	यह प्रति व्यक्ति के उपयोग के लिए निःशुल्क प्रदान किया जाता है जिन्हे यह जारी किया जाता है।		
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्त किया तारीख के ६० दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क (अपील), ४वीं मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
(3)	अपील के साथ केवल पांच (५.००) रुपये पे न्यायलय 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 साथकेवल पांच (५.००) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए।		
(4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को ७.५% अधिकतम १० करोड़ शुल्क हम करना होगा जहां शुल्क या ऊर्जा 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, १९६२ के धरा १२९ के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE:

M/s. Savitri Weaving, Shed No. 6, Doctor Ni Wadi, Behind Krishna Petrol Pump, Khatodara, Surat-395003 (hereinafter referred as "the said importer" for the sake of brevity), holding Import Export Code No. 5212003067 had imported 16 Sets of capital goods viz. 08 sets of Shuttleless Electronic Rapier Looms and 08 sets of Electronic Jacquard Machine under EPCG Licence No. 5230010922 dated 29.11.2012 by saving duty of Rs.32,45,653/- (Actual Duty Utilized of Rs.21,27,336/-) and had cleared the same vide below mentioned Bill of Entries at a concessional rate of duty @ 3% while availing the benefit of exemption available under Notification No. 103/2009-Cus dated 11.09.2009. The details of import are as under:

Sr. No.	B/E No. & Date	Qty machinery cleared	Duty Saved/ available as per EPCG Licence	Total Duty Foregone/Debited at the time of clearance	BG Amount (Rs.)
1	9652701 Dtd.22.03.2013	4	32,45,653/-	5,31,898/-	4,87,000/-
2	9652679 Dtd.22.03.2013	8		10,63,540/-	
3	9652674 Dtd.22.03.2013	4		5,31,898/-	
Total		16 sets	32,45,653/-	21,27,336/-	

2. As per Notification No. 103/2009-Cus dated 11.09.2009 as amended, the said importer was required to fulfill the export obligation on FOB basis equivalent to Eight times of the duty saved on the goods imported as may be specified on the licence or authorization. The relevant portion of the said notification is produced herein below for reference:

Notification No. 103 /2009-CUSTOMS

New Delhi, the 11 September, 2009.

G.S.R. 669 (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 annexed hereto, from,-

(i) so much of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as is in excess of the amount calculated at the rate of three percent ad-valorem, 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 authorization issued under the Export Promotion Capital Goods (EPCG) Scheme in terms of Chapter 5 of the Foreign Trade Policy permitting import of goods at the rate of three percent duty and the said authorization is produced for debit by the proper officer of customs at the time of clearance :

Provided that for import of spare parts specified at Sr.No.4 of the said Table, the validity period of the authorization shall be deemed to be the period permitted for fulfillment of the export obligation in full:

Provided further that the import of motor cars, sports utility vehicles or all purpose vehicles shall be allowed only to hotels, travel agents, tour operators or tour transport operators and companies owning or operating golf resorts, subject to the condition that,-

(i) the total foreign exchange earnings from hotel, travel and tourism and golf tourism sectors in current and preceding three licensing years is rupees one crore fifty lakhs or more;

(ii) the duty saved amount on all EPCG authorizations issued in a licensing year for import of motor cars, sports utility vehicles or all purpose vehicles shall not exceed 50% of average foreign exchange earnings from hotel, travel and tourism and golf tourism sectors in preceding three licensing years; and

(iii) the vehicles imported shall be so registered that the vehicle is used for tourist purpose only and a copy of the registration certificate shall be submitted to the concerned Customs authorities as a confirmation of import of vehicle within six months from the date of import:

Provided also that the benefit of import of capital goods at concessional duty under this notification for creation of modern infrastructure shall be extended only to such retailers who have a minimum area of 1000 square metres.

(2) that the goods imported shall not be disposed of or transferred by sale or lease or any other manner till export obligation is completed.

(3) 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 FOB basis equivalent to Eight times the duty saved on the goods imported as may be specified on the authorization, or for such higher sum as may be fixed or endorsed by the Licensing Authority or Regional Authority in terms of Para 5.10 of the Handbook of Procedures Vol I, issued under para 2.4 of the Foreign Trade Policy, within a period of eight years from the date of issue of Authorization, in the following proportions, namely :-

S. N.	Period from the date of issue of Authorization	Proportion of total export obligation
(1)	(2)	(3)
1	Block of 1st to 6th year	50%
2	Block of 7th to 8th year	50%

(4) 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;

(5) that the importer produces within 30 days from the expiry of each block from the date of issue of authorization 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 preceding condition, 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 15% per annum from the date of clearance of the goods;

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 Eight 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 eight years from the date of issuance of licence or authorization i.e. complete 50% export obligation within first block of 1st to 6th years and remaining 50 % in second block of 7th to 8th years.

3. Accordingly, the said importer had executed Bond dated 22.03.2013 for Rs.1,00,00,000/- backed by Bank Guarantee No. 1653IGFIN000813 dated 20.03.2013 for Rs. 4,87,000/- issued by the Bank of Baroda, Ring Road, Surat, for EPCG License No. 5230010922 dated 29.11.2012.

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. 08 sets of Shuttleless Electronic Rapier Looms and 08 sets of Electronic Jacquard Machine imported under the above said EPCG License were installed at the factory/business premises i.e. M/s. Savitri Weaving, Block No. 131, Plot No. 27/A, 27/B-1, 27/B2, Prakash Cinema Street, GIDC Pandesara, Surat-394110, as per the Installation Certificate dated 25.05.2013 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. 5230010922 dated 29.11.2012 was issued to the said importer and the Bond dated 22.03.2013 was executed. Accordingly, the said importer was required to fulfill the export obligation within a period of eight years from the date of EPCG Licence as per the condition laid down in the Notification and EPCG Licence itself and submit the Export Obligation Discharged Certificate issued by the DGFT Authority to the department.

6. Letter F. No. ICD-SACHIN/1649/2012-13 dated 10.01.2022 and 22.02.2022 were 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, a letter F. No. ICD-Sachin/DGFT/07/2020-21 dated 15.11.2022 was 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. 5230010922 dated 29.11.2012 or any documents showing the fulfillment of the export obligation have been submitted by the aforesaid importer. The Assistant Director, Directorate General of Foreign Trade, Surat vide letter F. No. EPCG/Mis/2020-21 dated 07.12.2022 intimated that the said importer had not submitted any documents to them against fulfillment of export obligation.

Thus, it appears, from the above that the said importer has failed to fulfill the export obligation as specified in the Licence and has not complied with the mandatory conditions of the Customs Notification No. 103/2009-Cus dated 11.09.2009, EPCG Licence and conditions of the Bond dated 22.03.2013.

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 appears to failed to fulfill the conditions laid down under Notification No. 103/2009-Cus dated 11.09.2009 in as much as they failed to export goods manufactured from 08 sets of Shuttleless Electronic Rapier Looms and 08 sets of Electronic Jacquard Machine imported under EPCG Licence No. 5230010922 dated 29.11.2012 which was equivalent to eight 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 appear liable to pay duty of Rs.21,27,336/- 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 appears 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 appear liable for confiscation under Section 111(o) of the Customs Act, 1962 and thus the said importer appears 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 fulfill the conditions laid down under Notification No. 103/2009-Cus dated 11.09.2009, the Bank Guarantee No. 1653IGFIN000813 dated 20.03.2013 for Rs.4,87,000/- issued by the Bank of Baroda, Ring Road, Surat in favor of the Deputy/Asstt. Commissioner of Customs, ICD-Sachin, Surat against the EPCG License No. 5230010922 dated 29.11.2012 appears required to be appropriated against the proposed demand.

8.3 As per para (5) of Customs Notification No. 103/2009-Cus dated 11.09.2009, 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 has also given bond to this effect. The letter dated 10.01.2022 was written to the importer to intimate the extent of export obligation fulfilled by them. Further letter dated 22.02.2022 was also written to them but both these letters were not replied by them. Thus, the fact that they had neither completed their Export obligation nor paid the duty on import as per law & procedure is on record. The DGFT also informed that the importer has not submitted any documents regarding fulfillment of Export obligation. Thus, it appears that the said importer has neither fulfilled their Export obligation nor paid the customs duty along with interest for nonfulfillment 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/6-1649/ICDSACHIN/2012-13 dated 21.02.2023 was issued by the Additional Commissioner, Customs, Surat to M/s. Savitri Weaving, Shed No. 6, Doctor Ni Wadi, Behind Krishna Petrol Pump, Khatodara, Surat-395003, calling upon them to show cause to the Additional/Joint Commissioner of Customs, Customs House, Hazira Port, Hazira, Surat, as to why-

- (i) The benefit of concessional rate of duty @ 3% for EPCG Scheme under Notification No. 103/2009-Cus dated 11.09.2009 on the subject imported 08 sets of Shuttleless Electronic Rapier Looms and 08 sets of Electronic Jacquard Machine in the name of M/s. Savitri Weaving, should not be denied.
- (ii) Customs Duty totally amounting to Rs. 21,27,336/- (Rupees Twenty One Lakh Twenty Seven Thousand Three Hundred Thirty Six only) being the Duty forgone at the time of import under EPCG Licence, should not be demanded and recovered from them in terms of Notification No. 103/2009-Cus dated 11.09.2009 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. 1653IGFIN000813 dated 20.03.2013 for Rs. 4,87,000/- issued by the Bank of Baroda, 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. 103/2009-Cus dated 11.09.2009 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. 103/2009-Cus dated 11.09.2009 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.

DEFENSE SUBMISSION AND PERSONAL HEARING:

10. In response to the subject Show Cause Notice, the Noticee, vide their letter dated 03.11.2023 informed that they had fulfilled the export obligation under the said EPCG licence and had submitted an application for the issuance of the Export Obligation Discharge Certificate (EODC) with the DGFT, Surat, on 21.03.2023. Subsequently, vide letter dated 21.12.2023, the Noticee requested additional time to follow up the matter.

10.1 Since, the EODC/Redemption letter was not issued and the matter was pending before DGFT, the SCN was put into call book on 30.04.2024 in terms of para 5 of the Board Circular No.16/2017-Customs dated 02.05.2017. Now, during review of call book cases the status of the said authorization on DGFT's official website shown as "closed", hence, the SCN is retrieved from call book for adjudication. The opportunity of Personal hearing was given to the Noticee on dated 28.11.2025 vide letter dated 20.11.2025. The noticee vide email dt. 24.11.2025 forwarded the copy of EODC/Redemption letter dtd. 23.05.2025 issued by the DGFT. Further, the noticee vide letter dt. 27.11.2025 informed that they had fulfilled their export obligation and requested to drop the said SCN proceedings initiated against them. They further conveyed that they do not require any personal hearing in the matter and requested that the case be decided on merits.

DISCUSSIONS AND FINDINGS:

11. I have carefully gone through the Show cause notice, records, submissions and facts in the present case.

12. I find that in the present case a Show Cause Notice F. No. VIII/6-1649/ICD-SACHIN/2012-13 dated 21.02.2023 was issued to the noticee/importer, holding EPCG License No. 5230010922 dated 29.11.2012, by the Additional Commissioner of Customs, Surat for non-fulfillment of export obligation as prescribed vide Notification No. 103/2009-Cus dated 11.09.2009 and non-submission of Export obligation discharge certificate (EODC), issued by DGFT authorities in this regard, to the Customs authorities. Further as per Notification No. 103/2009-Cus dated 11.09.2009 the importer was required to fulfill the export obligation on FOB basis equivalent to eight times the duty saved on the goods imported within eight years from the date of authorization, as may be specified on 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 fulfilled the export obligation

and had applied for issuance of the EODC to the DGFT, Surat and submitted proof of acknowledgment before Customs authorities.

13. In view of the Noticee's submission of the EODC Redemption letter dated 23.05.2025 issued by DGFT, Surat, the case was withdrawn from the call book in November 2025 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 noticee viz. M/s. Savitri Weaving has failed to fulfill the export obligation (EO) as prescribed under the EPCG Licence No. 5230010922 dated 29.11.2012, in terms of Notification No. 103/2009-Cus dated 11.09.2009, against which concessional rate of duty @ 3% was availed on import of 08 sets of Shuttleless Electronic Rapier Looms and 08 sets of Electronic Jacquard Machine.
- (ii) Whether the Noticee is liable for confiscation of Capital Goods and penalties as proposed in the SCN.

14. Now I proceed to decide whether the Noticee has fulfilled the export obligation prescribed under concessional rate of duty @ 3% EPCG scheme under the said Notification No. 103/2009-Cus dated 11.09.2009.

14.1 I find that the present recovery proceedings were initiated due to the Noticee's failure to submit proof of fulfillment of the export obligation and the non-availability of the Export Obligation Discharge Certificate (EODC) in respect of EPCG Authorization No. 5230010922 dated 29.11.2012, under which they had availed the benefit of concessional rate of duty @ 3% at the time of import. The EPCG Licence was issued on 29.11.2012, and in accordance with the conditions stipulated under Notification No. 103/2009-Cus dated 11.09.2009, the Noticee was required to fulfill the export obligation on or before 28.11.2020 i.e., within eight years from the date of issuance of the licence. However, the Noticee has not submitted any documents indicating that an extension of the export obligation period was granted, nor have they produced an EODC issued by the DGFT. No documentary evidence has been furnished to demonstrate fulfillment of the export obligation or submission of the requisite documents to DGFT, Surat, for obtaining the EODC. Accordingly, I find that the Noticee failed to submit the mandatory Export Obligation Discharge Certificate, despite having availed the benefit of concessional rate of duty @ 3% while import of capital goods under the EPCG Scheme, which required strict compliance with the conditions prescribed under Notification No. 103/2009-Cus dated 11.09.2009, the Foreign Trade Policy, and the Handbook of Procedures. It is therefore evident that the Noticee did not fulfill the export obligation within the stipulated time. However, the Noticee, vide their above referred email and letter, informed the Department that the DGFT, Surat had issued a Redemption Letter dated 23.05.2025 under File No. 52EFEP01641AM26 in respect of the said EPCG Authorization. I further observe that neither the EODC application filed by the noticee before the DGFT, nor the Redemption Letter dated 23.05.2025 issued by DGFT, Surat, was available on record at the time of issuance of the impugned Show Cause Notice.

14.2 From the available records, I find that the noticee had applied for redemption of EPCG Authorization No. 5230010922 dated 29.11.2012 before the DGFT. Further, the noticee, vide their email dated 24.11.2025 and letter dated 27.11.2025, submitted that they had fulfilled the prescribed export obligation and enclosed a copy of the "Redemption Letter" issued by DGFT, Surat, under File No. 52EFEP01641AM26 dated 23.05.2025, in respect of the aforementioned EPCG Authorization. The relevant image of the subject Redemption Letter is placed below for ready reference:

UDINEPCGM00111125AM26



सरकारी नोट

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 महानिदेशालय, विदेश व्यापार का कार्यालय, सूरत 6th Floor, Resham Bhavan, Lal Darwaja, SURAT, GUJARAT, 395003 / छठी मंजिल, रेशम भवन, लाल दरवाजा, सूरत, सूरत, गुजरात, 395003

Email Office / ई-मेल : surat-dgft@nic.in , Phone Office / दूरभाष कार्यालय : 0261-2423381

To / सेवा में,

SAVITRI WEAVING
SHED NO. 6, DOCTOR NI WADI,
BEHIND KRISHNA PETROL PUMP,
KHAJODARA, SURAT/GUJARAT, SURAT,
GUJARAT – 395002
INDIA

Sir / Madam / M/s,
महोदय/ महोदया / सूर्खी,

Based on your request and the supporting document proofs provided, the Redemption status for EPCG Authorisation has been updated in the online DGFT systems. May please see following updation details for your reference please

आपके आवेदन और प्रदान किए सहायक दस्तावेजी प्रमाणों के आधार पर प्राधिकार पत्र के लिए मामूलन दियति (रिडेम्प्शन स्टेटस) EPCG को ऑनलाइन डीजीएफली सिस्टम में अद्यतित कर दिया गया है। कृपया आपने संदर्भ के लिए निम्नलिखित अद्यतित विवरण को देखें। -

Authorisation Number / प्राधिकार पत्र सं. : 5230010922

Issue Date / जारी करने की तिथि: 22/05/2025

Issued Against File Number / फालैट सं. के तहत जारी किया गया: 52EFEP01641AM26

Final Status updated in the System / प्रणाली में अद्यतन की गई अंतिम स्थिति: Redemption (EODC)

Note: If digitally signed, the date of digital signature may be taken as date of document.
नोट: यदि डिजिटल रूप से हस्ताक्षरित है, तो डिजिटल हस्ताक्षर की तिथि को दस्तावेज की तिथि के रूप में लिया जा सकता है.

This document has been digitally signed by SATYADEV DOMMETY, FTDO, RA SURAT on 23-May-2025.

Signature Not Verified
Digitally Signed
Name: SATYADEV DOMMETY
FTDO, RA SURAT
Date: 23-May-2025
Reason: SATYADEV.D@DGFT.GOV.IN
Location: RA SURAT

14.3 I further find that the Redemption Letter dated 23.05.2025, issued by DGFT, Surat, states the following:

“Based on your request and the supporting document proofs provided, the Redemption status for EPCG Authorisation has been updated in the online DGFT systems.”

From the said Redemption Letter, it is noted that the noticee has duly fulfilled the export obligation corresponding to the above-mentioned EPCG Authorization. Accordingly, the demand for Customs duty amounting to Rs.21,27,336/- (Rupees Twenty-One Lakh Twenty-Seven Thousand Three Hundred Thirty-Six only) against M/s. Savitri Weaving is liable to be dropped, as the DGFT has issued a Redemption Letter under File No. 52EFEP01641AM26 dated 23.05.2025, confirming the discharge of the export obligation in respect of the said EPCG Authorization.

14.4 Now I proceed to decide whether the noticee is liable for confiscation of Capital Goods and penalties as proposed in the Show Cause Notice.

14.5 I find that the initiation of the present recovery proceedings was based on the non-submission of proof of fulfillment of export obligation and the non-submission of the Export Obligation Discharge Certificate (EODC) in respect of EPCG Authorization No. 5230010922 dated 29.11.2012, under which the noticee had availed the benefit of concessional duty at the time of import. Subsequently, the noticee has submitted the EODC/Redemption Letter dated 23.05.2025 for the said EPCG Authorization. I further find that the noticee has duly complied with the conditions stipulated under Customs Notification No. 103/2009-Cus dated 11.09.2009, as well as the terms and conditions of the Bond executed by them, by fulfilling the prescribed export obligation under the EPCG Scheme. Accordingly, I hold that the capital goods imported under the said authorization are not liable to confiscation, and consequently, no penalty is imposable on the noticee.

14.6 The Show Cause Notice also proposes the imposition of penalties on M/s. Savitri Weaving under Section 112(a) and Section 117 of the Customs Act, 1962. However, as discussed in the preceding paragraphs, since the imported goods are not liable to

confiscation, the proposed penalties do not sustain. Moreover, the sole allegation in the present case pertains to the nonfulfillment of export obligation under EPCG Authorization No. 5230010922 dated 29.11.2012, for which the noticee has now submitted the EODC/Redemption Letter dated 23.05.2025 issued by the DGFT, Surat. Accordingly, I hold that no penalty is imposable on the noticee under Section 112(a) or Section 117 of the Customs Act, 1962.

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

ORDER

I hereby drop the proceedings initiated against the noticee vide Show Cause Notice F. No. VIII/6-1649/ICD-SACHIN/2012-13 dated 21.02.2023.

16. Accordingly, the Show Cause Notices F. No. VIII/6-1649/ICD-SACHIN/2012-13 dated 21.02.2023 is disposed of in above terms.

(Shravan Ram)
Additional Commissioner
Customs, Ahmedabad

DIN:20251271MN00002782CF

F. No. GEN/ADJ/ADC/2158/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD Dated:01.12.2025
By Speed Post A.D./E-mail /Hand Delivery/Through Notice Board

To,
M/s. Savitri Weaving,
Shed No. 6, Doctor Ni Wadi,
Behind Krishna Petrol Pump, Khatodara, Surat-395003
Shri Mukesh Agarwal,

Proprietor of M/s. Savitri Weaving
Block No. 131, Plot No. 27/A, 27/B-1, 27/B-2,
Prakash Cinema Street, GIDC Pandesara, Surat-394110

Copy to: -

1. The Principal 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 i.e. <http://www.ahmedabadcustoms.gov.in>
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