



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

“सीमाशुल्क भवन”, पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009

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PREAMBLE

A	फ़ाइल संख्या/ File No.	CUS/EPCG/MISC/263/2025-ICD-SRT- CUSCOMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या एवं तारीख / Show Cause Notice No. and Date	CUS/EPCG/MISC/263/2025-ICD-SRT-CUS- COMMRTE-AHMEDABAD Dated 20.08.2025
C	मूल आदेश संख्या/ Order-In-Original No.	16/ADC/SR/O&A/HQ/2026-27
D	आदेश तिथि/ Date of Order-In-Original	08.05.2026
E	जारी करने की तारीख/ Date of Issue	08.05.2026
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. Radhika Creation, Plot No.904, 1st Floor, New GIDC, Katargam, Fulpada, Surat-395004 M/s. Radhika Creation, Plot No.152, Anjana Diamond Ind Soc, Near Railway Fatak, Ashwani Kumar (A.K) Road, Surat-395004 Shri Dinesh Savjibhai Kakadia, Proprietor of M/s. Radhika Creation, Flat No. C/603, Affil Tower, Opp. Pancharatna Tower, L H Road, Varachha, Surat-395006
(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), ४वि मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।	
(3)	अपील के साथ केवल पांच (५.00) 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 (५.00) 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 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, 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. Radhika Creation, Plot No.904, 1st Floor, New GIDC, Katargam, Fulpada, Surat-395004 (hereinafter referred as “the said importer” for the sake of brevity), holding Import Export Code No. 5213002218 had imported 02 Sets of capital goods viz. Computerized Embroidery Machine under EPCG License No. 5230021294 dated 13.07.2016 by saving duty of **Rs.16,36,523/- (Actual Duty Utilized of Rs. 14,13,804/-)** 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: **Table-1**

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	6225461 dtd.03.08.2016	02	60,37,899	16,36,523	14,13,804	2,70,000
Total		02	60,37,899	16,36,523	14,13,804	2,70,000

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 of 1975) (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 1 st to 4 th year	Minimum 50%
2	Block of 5 th and 6 th 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 25.07.2016 for Rs. 51,00,000/- backed by Bank Guarantee No. 119BG170265 Dated 21.07.2016 For Rs. 2,70,000/- issued by Tamilnad Mercantile Bank Ltd, Surat, for EPCG License No. 5230021294 dated 13.07.2016. 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 were installed at the factory/business premises i.e. M/s. Radhika Creation, Plot No. 152, Anjana Diamond Ind Soc, Near Railway Fatak, Ashwani Kumar (A.K) Road, Surat-395004 as per the Installation Certificate dated 25.02.2017 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. 5230021294 dated 13.07.2016 was issued to the said importer and the Bond dated 25.07.2016 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/6-1274/ICD-Sachin/2016-17 dated 21.07.2023 and 08.07.2025 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 02.03.2023, 05.02.2025 and 03.06.2025 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. 5230021294 dated 13.07.2016 or any documents showing the fulfillment of the export obligation submitted by the aforesaid importer. **The Foreign Trade Development Officer (FTDO), Directorate General of Foreign Trade, Surat vide email dated 10.06.2025 stated that the final Intimation of expiry of Export Obligation 06.03.2025 has been given to the importer.**

6.2 Thus, it appears, 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 25.07.2016.

7. **LEGAL PROVISIONS:**

7.1 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.”*

7.2 Section 111. “Confiscation of improperly imported goods, etc.-

The following goods brought from a place outside India shall be liable to confiscation:-

.....

(o) 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;”

7.3 Section 112: It provides for penalty for improper importation of goods according to which,

“Any person, -

(a) 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 111, or abets the doing or omission of such an act, or

...

Shall be liable;-

...

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of Section 114 A, to a penalty not exceeding ten percent of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the penalty so determined;

...”

7.4 Section 117: “Penalties for contravention, etc., not expressly mentioned. -

Any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding 1[four lakh rupees].”

8. 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.

8.1 Since, the said importer appears 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. 5230021294 dated 13.07.2016 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 appears liable to pay duty of **Rs.14,13,804/-** 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.

8.2 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 has also given bond to this effect. The letter dated 21.07.2023 and 08.07.2025 were 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. The DGFT did not reply that the importer has 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 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.

8.3 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.

8.4 Since, the said importer could not fulfill the conditions laid down under Notification No.16/2015-Cus dated 01.04.2015, the Bank Guarantee No. 119BG170265 Dated 21.07.2016 For Rs. 2,70,000/- issued by Tamilnad Mercantile Bank Ltd, Surat in favor of the Deputy/Asstt. Commissioner of Customs, ICD-Sachin, Surat against the EPCG License No. 5230021294 dated 13.07.2016 appears required to be appropriated against the proposed demand.

9. In view of the foregoing, a Show Cause Notice bearing F. No. CUS/ EPCG/ MISC/ 263/ 2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD dated 20.08.2025 was issued by the Additional Commissioner, Customs, in charge of ICD-Sachin, Surat to **M/s. Radhika Creation, Plot No.904, 1st Floor, New GIDC, Katargam, Fulpada, Surat-395004**, calling upon them to show cause to the Additional/Joint Commissioner of Customs, Custom House, Navrangpura, Ahmedabad380009 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. Radhika Creation, Plot No.904, 1st Floor, New GIDC, Katargam, Fulpada, Surat-395004**, should not be denied. Customs Duty totally amounting to **Rs.14,13,804/- (Rupees Fourteen Lakh Thirteen Thousand Eight Hundred Four 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.

(ii) Interest at the applicable rate should not be recovered from them on the Customs Duty as mentioned at (i) above.

(iii) 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.

(iv) Penalty should not be imposed on the Importer under Section 112(a) of the Customs Act, 1962.

(v) Penalty should not be imposed on the Importer under Section 117 of the Customs Act, 1962.

(vi) 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 10.11.2025 informed that they had fulfilled the export obligation and they had submitted documents to DGFT for issuance of the Export Obligation Discharge Certificate (EODC) on dated 07.11.2025.

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 12.11.2025 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.

10.2 Opportunities for Personal hearing was given to the noticee on 05.05.2026, in compliance with Principle of Natural Justice. The noticee, vide email dated 05.05.2026 & letter dated 23.03.2026, submitted a copy of the EODC/Redemption letter dated 20.03.2026 issued by DGFT, Surat in respect of EPCG Authorization No. 5230021294 dated 13.07.2016. The noticee has further requested that the proceedings initiated vide SCN dated 20.08.2025 be dropped. **They further conveyed that they do not require any personal hearing in the matter and requested that the case be decided as per documents submitted by them.**

DISCUSSIONS AND FINDINGS:

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. CUS/EPCG/MISC/263/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD dated 20.08.2025 was

issued to the Noticee/Importer, holding EPCG License No. 5230021294 dated 13.07.2016, by Additional Commissioner, in charge of ICD-Sachin, Surat, for nonfulfillment 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 23.04.2026 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 nonfulfillment 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. 5230021294 dated 13.07.2016, 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 letters dated 21.07.2023 and 08.07.2025 were 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.** As no reply was received from the importer, letter F. No. ICD-Sachin/DGFT/07/2020-21 dated 02.03.2023, 05.02.2025 and 03.06.2025 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. 5230021294 dated 13.07.2016 or any documents showing the fulfilment of the export obligation submitted by the importer. **The Foreign Trade Development Officer (FTDO), Directorate General of Foreign Trade, Surat vide email dated 10.06.2025 stated that the final Intimation of expiry of Export Obligation 06.03.2025 has been given to the importer.** The Directorate General of Foreign Trade, Surat, did not reply that the Noticee had submitted any documents towards fulfilment of the export obligation. 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. 5230021294 dated 13.07.2016 before the DGFT. Further, the noticee, vide their mail dated 05.05.2026, submitted a copy of the "EODC/Redemption Letter" issued by DGFT, Surat, under File No. 52EEPC07827AM26 dated 20.03.2026 (Image as below), in respect of the impugned EPCG Authorization No. 5230021294 dated 13.07.2016. 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 20.03.2026 issued by the DGFT, Surat, was available on record at the time of issuance of the impugned Show Cause Notice.

UDINEPCG00623854AM26



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
 6th Floor, Resham Bhavan, Lal Darwaja, SURAT, GUJARAT, 395003 / छठी मंजिल, रेशम भवन, लाल दरवाजा, सूरत,
 सूरत, गुजरात, 395003
 Email Office : surat-dgft@nic.in , Phone Office : 0261-2423381

File No: 52EEPC07827AM26

Date : (Refer Date of Digital Signature)

REDEMPTION LETTER

To ,

RADHIKA CREATION
 PLOT NO 152 AJANTA DIAMOND
 SURAT
 395010

SUBJECT: EODC/REDEMPTION against EPCG Authorization No. 5230021294**Dated 13/07/2016**

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 52EEPC07827AM26**Dated 20/03/2026**

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.

Document has been digitally signed by PREMKUMAR MURALIDHAR SONKUSARE, Assistant DGFT, RA SURAT on 20-Mar-2026.

Signature Not Verified

Digitally Signed
 Name: PREMKUMAR MURALIDHAR
 SONKUSARE (Assistant DGFT)
 Date: 20-Mar-2026 18:32:34
 Reason: PM SONKUSARE@NIC.IN
 Location: RA SURAT

13.3 I further find that the EODC/Redemption Letter dated 20.03.2026, issued by DGFT, Surat, states the following: -

“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.”

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. 14,13,804/- (Rupees Fourteen Lakh Thirteen Thousand Eight Hundred Four only)** raised against M/s Radhika Creation 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 20.03.2026 issued by DGFT i.r.o of the impugned EPCG authorization No. 5230021294 dated 13.07.2016, I find that the noticee has fulfilled the conditions stipulated in the Customs Notification No. 16/2015Cus 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. 5230021294 dated 13.07.2016. 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. CUS/EPCG/MISC/263/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD dated 20.08.2025 is not sustainable and liable to be dropped.

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

ORDER

I drop the proceedings initiated against the noticee vide Show Cause Notice F. No. CUS/EPCG/MISC/263/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD dated 20.08.2025.

16. The Show Cause Notices F. No. CUS/EPCG/MISC/263/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD dated 20.08.2025 is disposed of in above terms.

(Shravan Ram)
Additional Commissioner
Customs, Ahmedabad

DIN:20260571MN0000200553

F. No. CUS/EPCG/MISC/263/2025-ICD-SRT-CUS-COMMRTE-AHMEDABAD **Dated:08.05.2026**
By Speed Post A.D./E-mail /Hand Delivery/Through Notice Board

To,
M/s. Radhika Creation,
Plot No.904, 1st Floor, New GIDC,
Katargam, Fulpada, Surat-395004

M/s. Radhika Creation,
Plot No.152, Anjana Diamond Ind Soc,
Near Railway Fatak,
Ashwani Kumar (A.K) Road, Surat-395004

Shri Dinesh Savjibhai Kakadia,
Proprietor of M/s. Radhika Creation,
Flat No. C/603, Affil Tower, Opp. Pancharatna Tower,
L H Road, Varachha, Surat-395006

Copy to:-

1. The Principal Commissioner, Customs, Ahmedabad (RRA Section).
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, Surat395003 for information and necessary action.
5. Guard File/Office copy.
6. Notice Board