अपर आयुक्त का कायालय, सीमा शुल्क,

OFFICE OF THE ADDITIONAL COMMISSIONER OF CUSTOMS

आई. सी. डी. - तुम्ब

INLAND CONTAINER DEPOT (ICD) - TUMB

(S. No. 44/1/P.K. 2, Village-Tumb, Tal.: Umbergaon, Dist.: Valsad, Gujarat-396150)
E-mail id -cusicd-tumb@gov.in

F.No. CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD

DIN-20260871MN00008B9901

A	फ़ाइल संख्या/ File No.	:	CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD
B	कारण बताओ नोटिस संख्या–तारीख /Show Cause Notice No. and Date	:	F.No. CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD, dated 13.11.2025
C	मूल आदेश संख्या/ Order-In-Original No.	:	**08/SRV/ADC/Tumb/2026-27**
D	आदेश तिथि/ Date of Order-In-Original	:	**14.08.2026**
E	जारी करनेकी तारीख/ Date of Issue	:	**14.08.2026**
F	द्वारा पारित/ Passed By	:	**Shree Ram Vishnoi** Additional Commissioner, Customs Ahmedabad
G	आयातक का नाम औरपता / Name and Address of Importer /Noticee	:	M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023 M/s. Polar Shipping Services, Customs Broker firm (CHA No. AAKFP101HCH003), No. 502 TO 505, D R India Textile Hub, Opp. Amazia Water Park, Parvat Patiya, Surat, Gujarat-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. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023 (hereinafter referred to as 'the said M/s. Maa Santoshi Imprint/ the notice/the importer/Licence holder'), a Proprietorship firm, are engaged in import of Capital Goods under EPCG Licence by availing of the exemption under Notification No. 16/2015-Cus dated 01.04.2015 and are holding Import Export Code No. 5216501894 for the same.

2. M/s. Maa Santoshi Imprint had imported Capital Goods, under **EPCG Authorization No. 5230024417 dated 02.05.2017,** under the below mentioned Bill of Entry availing the benefit of duty exemption under Notification No. 016/2015-Customs dated 01.04.2015:

Sr. No.	BE No. & date	Description of goods imported	Qty	Assessable Value	Duty Foregone amount	Bond No.
01	2060163 dated 12.06.2017 **-(RUD-1)**	SHUTTLELESS RAPIER LOOM MG788 WITH DOBBY REED WIDTH 310CM 6 COLORS LENO SELVAGE 6 FEEDER 2 BEAM 4 FLANGE WITH STD ACC.	08	Rs.48,57,858	Rs.5,06,538 (BCD: 00; CVD: 291471; Edu. Cess: 5829; S&HS Edu Cess: 2915; SAD: 206323)	2001222479 dated 15.05.2017

3. M/s. Maa Santoshi Imprint was granted Authorization No.**5230024417 dated 02.05.2017** under Zero duty EPCG Scheme by Directorate General of Foreign Trade (DGFT), **Surat**, for registration at ICD Tumb, Umbergaon (INSAJ6**)**. The above said EPCG authorization was granted for import of **'SHUTTLELESS RAPIER LOOM, MODEL NO. 788 WITH DOBBY REED WIDTH 310CM LOOM IN COMPLETE CONDITION, 6 COLOURS, LENO SELVAGE, 6 FEEDER, 2 BEAM AND 4 FLANGE, 2 PLS CLOTH'** for total quantity **08 Sets**, with duty saved amount of **Rs.4,33,532/-& FOB value of US$ 39,292.93** in accordance with the provisions of Foreign Trade Policy 2015-20 and the concerned Customs Notification No.016/2015 dated 01.04.2015 and subject to actual user condition; subject to conditions/parameters as laid down in Chapter 5 of the Foreign Trade Policy 2015-20 and Handbook of Procedure 2015-20 and carries an export obligation to make physical exports of 'Dyed and/or Printed Fabrics' (ITCH Code 5407) and realize the export proceeds in freely convertible currency. The export obligation, which is 6 times of the duty saved amount on import of the Capital Goods on FOB basis within a period of 6 years (Block Year 1^{st} to 4^{th} Year – 50% and 5^{th} to 6^{th} year - 50%) reckoned from the date of issue of this Authorisation, should be fulfilled by the Authorisation holder through export of goods which are manufactured by them or their supporting manufacturer for which the above EPCG authorization has been granted and should have furnished proof of exports within 90 days of completion of each block. The machinery imported under the above EPCG Authorisation/ License was to be installed at **'Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat – 395023'** and Installation Certificate was to be submitted to the Regional Authority within 6 months from the date of completion of imports.

4. Against the said **EPCG License No. 5230024417 dated 02.05.2017,** the Noticee had executed a **bond No.2001222479,** for availing duty exemption under EPCG Scheme, before the Assistant Commissioner of Customs, ICD, Tumb, Umbergaon (INSAJ6) for **Rs.11,00,000/-** along with Bank Guarantee No. **067GT01171280004 dated 08.05.2017**, for **Rs.70,000/-**, issued by **HDFC Bank Ltd, Ghod Dod Road, Surat,** as surety to the above Bond. Further, they have also paid **Rs.12,000/-** vide TR-6 challan dated 16.06.2017 as BG short amount against the above EPCG Licence. The Noticee also gave an undertaking to fulfill the export obligation as specified in the said Customs Notification at the time of registration of the EPCG Authoirisation/License. The conditions of the above bond are that:

(i) they fulfill all the conditions of the said Notification and shall observe and comply with all its terms and conditions;

(ii) they shall observe all the terms and conditions specified in the licence;

(iii) they shall fulfill the export obligation as specified in the said notification and the licence and shall produce evidence of having so fulfilled the export obligation within 30 days from the expiry of the specified export obligation period to the satisfaction of the Government;

(iv) In the event of failure to fulfill or part of the export obligation as specified in the said notification and the licence, they undertook to pay the Customs duty but for the exemption and also interest @18% per annum thereon forthwith and without any demur, to the Government;

(v) they shall comply with the conditions and limitation stipulated in the said Import and Export Policy / Foreign Trade Policy as amended from time to time;

(vi) they shall not change the name and style under which they are doing business or change the location of the manufacturing premises except with the written permission of the Government.

5. In terms of the conditions of Notification No. 16/2015-Cus dated 01.04.2015, the Noticee was required to fulfill the export obligation on FOB basis equivalent to six times the duty saved on the above imported goods, as may be specified on the licence or authorization, within a period of six years from the date of issue of authorisation. Accordingly, they were required to fulfil export obligation in respect of the above EPCG Authorisation/ licences by the date **01.05.2023** and the importer/noticee was required to submit the Export Obligation Discharge Certificate (EODC) issued by the DGFT Authority before the jurisdictional Customs authorities by the date **01.06.2023**, i.e. within 30 days from the expiry of Export Obligation period.

6. The said M/s. Maa Santoshi Imprint has not furnished Export Obligation Discharge Certificate (EODC)/ redemption letter to be issued by the respective Regional Authority towards fulfilment of the export obligation specified under the above EPCG Authorisation / Licence. Therefore, the said M/s. Maa Santoshi Imprint, was requested vide letter DIN No.2024027IMN0000777 dated 12.02.2024 followed by subsequent reminder vide letter F. No. VIII/ICD-Tumb/AA Licence/2020-21/Part III dated 19.09.2024 and dated 16.10.2024 to produce EODC/redemption letter. However, no reply is received from the said M/s. Maa Santoshi Imprint. The Noticee neither produced EODC issued by DGFT, Surat nor could produce any extension granted by DGFT, Surat for fulfilment of Export Obligation. Reminder letters dated 19.09.2024 and 16.10.2024 returned undelivered with the remarks “Open Plot” / “Closed” by the postal department.

7. Letter F. No. Cus/EPCG/Misc/1244-ICD-IMGN-CUS dated

16.10.2024, followed by reminders dated 13.11.2024, 10.12.2024 and 05.03.2025 were sent to the DGFT, Surat requesting them to intimate Customs regarding any extension/recovery proceeding against the authorisation holder. In response to the above correspondence, the DGFT, vide e-mail communication dated 20.03.2025 (from e-mail id: surat-dgft@nic.in to e-mail id: cusicd-tumb@gov.in , shared a list of EPCG Authorisation holders with status, wherein the above authorization holder has been categories under the category *"SCN is being issued"*. The communication received from the DGFT indicate that the DGFT authorities have neither endorsed any amendment including export obligation extension nor they will entertain any requests for any amendments including request of export obligation extension at this stage. Thus, it appears that the noticee had not exported a single consignment against the above said EPCG Authorization.

8. The said M/s. Maa Santoshi Imprint had imported capital goods under EPCG Scheme in the month of May,2017. This period is covered under the provisions of Foreign Trade Policy 2015-2020 and Customs Notification No. 16/2015-Customs dated 01.04.2015, as amended. The legal provisions applicable in the case are:

(a) Chapter 5 of Foreign Trade Policy 2015-2020 (FTP 2015-2020) titled Export Promotion Capital Goods (EPCG) Scheme.
(b) Chapter 5 of Handbook of Procedures (HBoP) under FTP 2015-2020 titled Export Promotion Capital Goods (EPCG) Scheme
(c) Customs Notification No. 16/2015-Customs dated 01.04.2015, as amended.
(d) Sections 111 (o), 112 (a) and (b), 124, 117 and 143 of the Customs Act, 1962.

9. The Noticee were allowed clearance of the aforesaid Capital Goods/machines, by the proper officer, on execution of Bond in terms of the provisions of Section 143 of the Customs Act, 1962. The Noticee had bound themselves to discharge liability within a specified period, which they have failed to do, by not fulfilling the export obligation and also, by not paying the customs duty saved by them at the time of import under the EPCG Scheme, therefore, the Customs authorities are entitled to recover the Customs Duty not paid or short paid by the Noticee by raising a demand and appropriating the Bank Guarantee furnished by the Noticee against this demand. Section 143 of the Customs Act, 1962 provides that 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. The relevant text of the section 143 of the Customs Act, 1962 is reproduced as under for ease of 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.

10. As per para (7) of Customs Notification No. 16/2015-Customs dated 01.04.2015, the importer i.e. M/s. Maa Santoshi Imprint 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 alongwith interest within three months from the expiry of the said block. The Noticee has also given an undertaking/Bond to this effect.

10.1 Para (7) of Customs Notification No. 16/2015-Customs dated 01.04.2015, re-produces as under:
"(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 per cent. per annum from the date of clearance of the goods;"

11. It is observed that letters referred to in foregoing paras were issued to the Noticee to intimate the extent of export obligation fulfilled by them but the said letters came back undelivered with remarks "Open Plot" / "Closed". Thus, it appeared that the Noticee had closed their operations but had not disclosed the facts to the department. Further, the letters were not replied by them. Thus, the fact that they had neither fulfilled their Export obligation nor paid the Duty was suppressed by them. The said fact came to notice only when the matter was taken up with DGFT who informed that the Noticee had not submitted any documents regarding fulfilment of Export obligation. Thus, it appeared that the Noticee has neither fulfilled their Export obligation nor paid the Customs Duty alongwith Interest for non fulfilment of Export Obligation inspite of giving an undertaking to pay the Customs Duty together with Interest. These facts were not disclosed to the department or DGFT, thereby suppressing the facts with a clear intent to evade the payment of Duty.

12. All the above acts on the part of M/s. Maa Santoshi Imprint appears to be in violations of various conditions of policy provisions of chapter 5 under EPCG Scheme of FTP 2015-2020 and in contravention to conditions to the above EPCG Authorization and Customs Notification No. 16/2015-Customs dated 01.04.2015. It also appears that the imported Capital Goods were not used for intended purpose for which the exemption from payment of Duty was claimed and therefore, the noticee have rendered the capital goods imported under the said EPCG Authorization, tabulated herein above, having total assessable value of **Rs.48,57,858/-** (**Rupee Forty Lakhs, Fifty Seven Thousand, Eight Hundred and Fifty Eight Only**) liable for confiscation under Section 111(o) of the Customs Act, 1962.

13. Further, the said M/s. Maa Santoshi Imprint had executed the Bond alongwith bank Guarantee at the time of import of duty-free capital Goods under EPCG Authorization binding themselves to pay the duty of customs foregone in the event of their failure to comply with the conditions of customs notification cast upon them in this behalf as per the conditions of the Notification No. 16/2015-Customs dated 01.04.2015, as amended. Therefore, the Bond and Bank Guarantee executed by them are required to be enforced and the amount of duty forgone is required to be demanded and recovered from them along with interest at the applicable rate, in terms of conditions of the said Notification No. 16/2015-Customs dated 01.04.2015 read with conditions of the Bond executed by the Noticee at the time of importation of capital goods, further read with Section 143 of the Customs Act, 1962, without limitation of any time, in as much as the said M/s. Maa Santoshi Imprint have failed to comply with the conditions of the said notification. The details of Customs Duty required to be demanded and recovered from said authorization holder/importer is as under:

Sl. No.	**EPCG Authorisation/ Licence No. and date**	**Relevant Bill of Entry No. & date**	**Amount of Customs Duty liable to be paid (Rs.)**
1	**5230024417 dated 02.05.2017**	2060163 dated 12.06.2017	Rs.5,06,538 (BCD: 00; CVD: 291471; Edu. Cess: 5829; S&HS Edu Cess: 2915; SAD: 206323)

14. M/s. Maa Santoshi Imprint are also liable for penalty under Section 112 (a) & 112 (b) of the Customs Act, 1962 in as much as the acts on part of the noticee, elaborated herein above, have rendered the imported goods liable for confiscation under the provisions of the Section 111(o) of the Customs Act,1962. Since the said M/s. Maa Santoshi Imprint have violated the provisions of Foreign Trade Policy 2015-2020 and conditions of Custom Notification No. 16/2015-Customs dated 01.04.2015 which was their duty to comply, but for which no express penalty is elsewhere provided for such contravention or failure, they shall also be liable to penalty under Section 117 of Customs Act, 1962.

15. Since, the Noticee could not fulfill the conditions laid down under Notification No. 16/2015-Customs dated 01.04.2015 therefore, the Bank Guarantees No. **067GT01171280004 dated 08.05.2017**, for **Rs.70,000/-**, issued by **HDFC Bank Ltd, Ghod Dod Road, Surat,** pertaining to the above said EPCG Authorisation / Licence is required to be encashed and deposited in Government Account for recovery of the above Customs duty, interest, fine and penalty. Further, **Rs.12,000/-** deposited by them in Government Account vide TR-6 challan dated 16.06.2017 as BG short amount against the above EPCG Licence is also required to be appropriated towards recovery of the above Customs duty, interest, fine and penalty.

16. It also appeared that Smt. Minu Nahta (Adhar No.341227757672), Proprietor of M/s. Maa Santoshi Imprint, had intentionally taken the undue benefits of EPCG Scheme and evaded payment of Customs Duty on imported goods tabulated herein above by reason of fraud. It thus, appears that she had knowingly committed acts which rendered the said goods in question liable for confiscation under Section 111(o) of the Customs Act, 1962 and has committed an offence of the nature as described under Section 112(a) of the Customs Act,1962 and thus, has rendered herself liable to penalty under Section 112(a) of Customs Act, 1962.

17. It also appears that M/s. Polar Shipping Services, Customs Broker firm (CHA No. AAKFP101HCH003) acted on behalf of the above authorization holder/importer and handled work relating to registration of the above licence before Customs as per the authorization letter dated NIL issued by the above authorization holder/importer. It also appears that the above Customs Broker has also acted on behalf of the above authorization holder/importer for clearance of consignments of the subject goods from customs. The importer handed over the documents to the Customs Broker for registration of the above licence and represented the authorization holder/importer before the Customs. M/s. Polar Shipping Services, the Customs Broker firm who handled all related work in the capacity as the Custom Broker appears to have been aware that the subject goods imported availing duty exemption under EPCG Scheme is subject to conditions stipulated in the respective authorization and Customs Notification and non-observance of such conditions entail the goods liable for confiscation under the provisions of Section 111(o) of the Customs Act,1962. In the present case, the authorization holder/importer has failed to comply with the conditions and thus, capital goods imported under EPCG Scheme are liable for confiscation under the provisions of Section 111(o) of the Customs Act,1962.

18. The commissions and omissions on the part of M/s. Polar Shipping Services who is Licensed Customs Broker Firm was in violation of the obligations cast on them and that the Custom Broker has not advised his client to comply with the provisions of the Customs Act,1962 and it appears that the Customs Broker has not brought this matter to the notice of Dy. Commissioner/Asstt. Commissioner; therefore, it appears that the Customs Broker has not exercise due diligence to ascertain the correctness of information with reference to the subject EPCG Licence/clearance of goods. Whereas, by this act on the part of the Custom Broker, it appears that the above Customs Broker has failed to perform its duties/obligation and therefore, appears to be rendered themselves liable for penalty in terms of provisions of Section 112(a) of Customs Act, 1962 and appears to have abetted in rendering the subject goods liable to confiscation under Section 111(o) of the Customs Act,1962.

19. M/s. Polar Shipping Services, the Customs Broker firm who handled all related work in the capacity as the Custom Broker should have advised their client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as provided under Regulation 10(d) of the Customs Brokers Licensing Regulations,2018 (CBLR,2018). Also, the said Customs Broker firm should have informed any change of postal address, telephone number, e-mail etc. to the Deputy Commissioner of Customs/Assistant Commissioner of Customs of all Customs Stations including the concerned Deputy Commissioner or Assistant Commissioner of the Commissionerate who has granted the license immediately within two days, as provided under Regulation 10(o) of the Customs Brokers Licensing Regulations,2018 (CBLR,2018) and thereby appears to have rendered itself liable for action under the provisions of Regulation 14 of CBLR,2018. However, it appears that the above Customs Broker firm have not complied with the above provisions.

20. Accordingly, a Show Cause Notice bearing, No.CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-HMEDABAD) dated 13.11.2025 was issued by the Additional Commissioner, Customs, Ahmedabad to M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023 (IEC- 5216501894), calling upon them to show cause 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 Shuttless Rapier Looms in the name of M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat – 395023 should not be denied.

(ii) The Capital Goods imported under the above EPCG Authorization by availing exemption under Customs Notification No. 16/2015-Cus dated 01.04.2015, as amended, totally valued at **Rs.48,57,858/- (Rs. Forty Eight Lakhs, Fifty Seven Thousand, Eight Hundred and Fifty Eight Only)** should not be confiscated under Section 111 (o) of the Customs Act, 1962.

(iii) Customs Duty totally amounting to Rs. **Rs.5,06,538/- (Rupee Five Lakhs, Six Thousand, Five Hundred and Thirty Eight 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 Guarantees No. 067GT01171280004 dated 08.05.2017, for Rs.70,000/-, issued by HDFC Bank Ltd, Ghod Dod Road, Surat, backed against the Bond, should not be appropriated and adjusted towards the duty liability as mentioned above.

(iv) Interest as applicable, on the duty demanded above, should not be charged 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 at the time of import in terms of Section 143 of the Customs Act,1962 by enforcing the terms of the said Bond;

(v) Penalty should not be imposed upon them under Section 112(a) and 112(b) of the Customs Act, 1962;

(vi) Penalty should not be imposed upon them under the provisions of Section 117 of the Customs Act, 1962.

(vii) The Bank Guarantee No. **067GT01171280004 dated 08.05.2017**, for **Rs.70,000/-**, **(Rupees Seventy Only)** issued by **HDFC Bank Ltd, Ghod Dod Road, Surat,** furnished in the name of the notice should not be encashed and deposited in Government Account towards the Duty liability, interest and penalty;

(viii) **Rs.12,000/- (Rupees Twelve Thousand only)** deposited by them in Government Account vide TR-6 challan dated 16.06.2017 as BG short amount against the above EPCG Licence should not be appropriated towards the Duty liability, interest and penalty.

20.1 Also Show Cause Noticee dated 13.11.2025 was issued to Smt. Minu Nahta (Adhar No.341227757672), Proprietor of M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023, as to why:-

(i) Penalty should not be imposed upon her under Section 112(a) of the Customs Act, 1962;

20.2 Further, Show Cause Notice dated 13.11.2025 was also issued to M/s.

Polar Shipping Services, Customs Broker firm (CHA No. AAKFP101HCH003), No. 502 TO 505, D R India Textile Hub, Opp. Amazia Water Park, Parvat Patiya, Surat, Gujarat-395010, calling upon them to show cause to the Additional Commissioner/Joint Commissioner of Customs, ICD, Tumb, having his office at 1st Floor, ICD, Tumb, S. No. 44/1/P.K. 2, Village-Tumb, Tal.: Umbergaon, Dist.: Valsad, Gujarat-396150, as to why :-

(i) Penalty should not be imposed upon her under Section 112(a) of the Customs Act, 1962;

(ii) Action should not be initiated against them under the provisions of Regulation 14 of the Customs Brokers Licensing Regulations,2018 (CBLR,2018)

21. Written Submission of the Importer: -

Shri Sanjay Nahata on behalf of importer M/s. Maa Santoshi Imprint has reiterated his earlier submissions dated 02.03.2026 and 13.07.2026 and stated that M/s. Maa Santoshi Imprint has fulfilled the stipulated export obligation by effecting exports under five Shipping Bills (**Third Party export).** Details are as under: -

Sr.No	Shipping Bill No	Date	FOB value	Third Party Exports (Maa Santoshi Imprint)
1	7701990	10.02.2023	3320736	1248941
2	6780889	16.01.2024	3906335.4	1752941
3	7303276	06.02.2024	823460.09	823480
4	7462212	12.02.2024	4950722.69	177881
5	7464291	12.02.2024	4306929.01	62041
Total			**1,73,08,183.2/-**	**40,65,284.0 /-**

He further submitted that the Export Obligation Discharge Certificate (EODC) issued by the Directorate General of Foreign Trade (DGFT) has been obtained and furnished to the Customs authorities. Accordingly, requested to drop the proceeding initiated against the importer.

21.2 Written Submission of the CHA i.e M/s. Polar Shipping Services :-

Further, Shri Haresh Gadhiya of M/s. Polar Shipping Services has filed their written submission dated 13.03.2026 received on 18.03.2026 wherein he denies all the allegation made against him in the Show Cause Notice. As regard to allegation of Violation of Regulation 10(d) of CBLR regulations & the authorization letter issued by the Importer, he submitted that they have advised the Importer to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof during importation of Capital Goods under EPCG license handled by them since they are not expected to check any activities of the Importer subsequent to clearance of the Capital Goods from ICD as to whether the Importer has exported the goods manufactured using the imported Capital Goods, or not, and most importantly there is no role of CHA as to see whether the Importer has fulfilled the Export Obligation as per EPCG license issued to them, or not, since such responsibilities are of the Importer to comply with provisions of Customs & DGFT. Thus, there is no reason to allege them that they have failed to impart proper information to the Importer and violate any provisions of the CBLR, 2018. The authorization provided by the Importer was up to clearance of goods covered by the Bill of Entry and once such goods received by the importer thereafter there's no responsibility of the CHA.

He further submitted that without prejudice to the above, to allege violation of ibid Regulation, prior knowledge regarding illegality intended to be committed by the Importer is a mandatory ingredient and the same is missing in the present case. There's no dispute that the CHA had undertaken the clearance of Capital Goods as per Bill of Entry only after compliance with KYC documents (as already informed vide letter dated 11.02.2026 submitted in your office on 23.02.2026) provided by the Importer and the responsibility of the CHA ceases subsequent to clearance of goods (as per Bill of Entry) as there's no role of the CHA thereafter. Even there is no allegation of undue monetary gain by the CHA through said import when goods are imported. Thus, there is no reason to allege that the CHA failed to verify the facts and report to the Deputy/Assistant Commissioner regarding violation of any Regulation to allege violation of Regulation 10(d) of the CBLR, 2018 and hence, the CHA prays for taking lenient view and requesting for not to take any action on the CHA under Regulation 14 of CBLR, 2018.

In respect of the proposed penalty under Section 112 of Customs Act, 1962 against them, he submitted that the wordings of Section 112 starts with "penalty for improper importation of goods", however, there's no dispute in the impugned SCN with respect to improper importation of goods in the instant case but the instant case is pertaining to non-fulfillment of Export Obligation by the Importer (which are beyond the control of the CHA) and when there's no dispute about importation of goods, the provisions of Section 112 cannot be made applicable to the impugned SCN and therefore the CHA prays to kindly drop the impugned SCN with consequential relief to the CHA. He placed reliance on the OIO bearing no. OIO-KND-CUSTM-000-COM-03-2020-21 dated 17.06.2021 passed by the Commissioner of Customs, Kandla, in the similar matter wherein the proceeding against the CHA was dropped by the Adjudicating Authority and accordingly prayed to drop the proceeding initiated against them and requested to grant personal hearing in the matter before deciding.

21.3 Personal Hearing:-

The noticees were granted opportunity of personal hearings on 29.01.2026 and 22.07.2026 in compliance with the Principles of Natural Justice and the letters for personal hearing were sent to the available addresses of the noticees through post and same were sent to their provided emails. Shri Sanjay Nahta on behalf of importer M/s. Maa Santoshi Imprint attended the personal hearing on 22.07.2026, wherein he re-iterated their written submission in the matter. He further submitted that M/s Maa Santoshi has fulfilled the export obligation by effecting exports under five Shipping Bills. Consequently, the Export Obligation Discharge Certificate (EODC) has been issued by DGFT, and a copy of the same has been submitted to the Customs authorities.

Shri Haresh Haresh Gadhiya of M/s Polar Shipping Services (CHA) attended the personal hearing on 22.07.2026. and re-iterated his submission dated 13.03.2026 received on 18.03.2026 and requested to take the same on record and duly considered while deciding the case. He further prayed that no penalty be imposed upon M/s Polar Shipping Services, as they had acted only in the capacity of a Customs Broker.

22. Discussion and Findings:

22.1 I have carefully gone through the Show Cause Notice, the records available on file, the submissions made by the Noticee, and the facts and circumstances of the present case. I find that a Show Cause Notice bearing No. CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD dated 13.11.2025 was issued to the Noticee/Importer, holder of EPCG Authorisation No. 5230024417 dated 02.05.2017, by the Additional Commissioner in charge of ICD-Tumb, alleging non-fulfilment of the export obligation prescribed under Notification No. 16/2015-Customs dated 01.04.2015 and non-submission of the Export Obligation Discharge Certificate (EODC) issued by the Directorate General of Foreign Trade (DGFT).

I further find that, in terms of the aforesaid notification, the Noticee was required to fulfil the export obligation, on an FOB basis, equivalent to six times the duty saved on the imported capital goods within a period of six years from the date of issue of the EPCG Authorisation, as stipulated therein.

22.2 I also find from the records that, upon receipt of the Show Cause Notice, the Noticee informed the Customs authorities that it had applied to the DGFT on **25.02.2026** for issuance of the Export Obligation Discharge Certificate (EODC) and submitted documentary evidence acknowledging the filing of the said application. Accordingly, the case was transferred to the Call Book on **03.04.2026** in terms of paragraph 5 of **Board Circular No. 16/2017-Customs dated 02.05.2017**, pending receipt of the decision of the DGFT regarding issuance of the EODC.

22.3 I find from the records that the Noticee, vide letters dated 13.07.2026, submitted a copy of the **Export Obligation Discharge Certificate (EODC)/Redemption Letter dated 18.06.2026** issued by the Directorate General of Foreign Trade (DGFT), Surat, in respect of **EPCG Authorisation No. 5230024417 dated 02.05.2017**. Accordingly, the Show Cause Notice was retrieved from the Call Book on **16.07.2026**, with the prior approval of the competent authority, for the purpose of adjudication. The issues for consideration before me are as follows:

(i) Whether, the benefit of Zero Duty for EPCG Scheme under Notification No. 16/2015-Cus dated 01.04.2015 on the Computerized Embroidery Machines in the name of M/s. Maa Santoshi Imprint, under EPCG Licence No. **5230024417 dated 02.05.2017** is admissible?

(ii) Whether the Customs Duty totally amounting to **Rs.5,06,538/- (Rupee**

Five Lakhs, Six Thousand, Five Hundred and Thirty Eight only) being the Duty forgone at the time of import under EPCG Licence, should be demanded and recovered from the importer in terms of Notification No. 16/2015-Cus dated 01.04.2015 as amended, and by enforcing the Bond and encashing the Bank Guarantee of Rs. 70,000/- furnished by the Importer?

(iii) Whether, interest at the applicable rate should be recovered from the importer on the Customs Duty as mentioned at (ii) above in term of Notification No. 16/2015-Cus dated 01.04.2015 as amended and as per the conditions of Bond executed in term of Section 143 of the Customs Act,1962?

(iv) Whether, the imported Capital Goods valued at **Rs.48,57,858/- (Rs. Forty Eight Lakhs, Fifty Seven Thousand, Eight Hundred and Fifty Eight Only)** should be held liable for confiscation under Section 111(o) of the Customs Act, 1962?

(v). Whether, **Rs.12,000/- (Rupees Twelve Thousand only)** deposited by them in Government Account vide TR-6 challan dated 16.06.2017 as BG short amount against the above EPCG Licence No. should be appropriated towards the Duty liability, interest and penalty ?

(v) Whether, penalty should be imposed on the importer under Section 112(a) and 112(b) of the Customs Act, 1962?

(vi) Whether, penalty should be imposed on the Importer under Section 117 of the Customs Act, 1962?

(vii) Whether, penalty should be imposed on Smt. Minu Nahta (Adhar No.341227757672), Proprietor of M/s. Maa Santoshi Imprint under Section 112(a) of the Customs Act, 1962?

(viii) Whether, penalty should be imposed on CHA i.e M/s. Polar Shipping Services under Section 112(a) of the Customs Act, 1962?

(ix) Whether action should be initiated against CHA under the provisions of Regulation 14 of the Customs Brokers Licensing Regulations,2018 (CBLR,2018) ?

22.4 I find that Duty liability with interest, confiscation of goods and penal liabilities would be relevant only if the main point stated at Sr. No. 22.3(i) supra is decided in line with availment of the benefit of zero rate of duty for EPCG Scheme under Notification No. 16/2015-Cus dated 01.04.2015 as proposed in the Show Cause Notice. Thus, the main point is being taken up firstly for examination.

23. 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.

23.1 I find that the importer had imported 8 Sets of capital goods viz. **'SHUTTLELESS RAPIER LOOM, MODEL NO. 788 WITH DOBBY REED WIDTH 310CM LOOM IN COMPLETE CONDITION, 6 COLOURS, LENO SELVAGE, 6 FEEDER, 2 BEAM AND 4 FLANGE, 2 PLS CLOTH'** under EPCG Licence No. **5230024417 dated 02.05.2017** claiming the benefit of exemption available under Notification No. 16/2015-Cus dated 01.04.2015 and cleared under Bill of Entry at zero duty under the said Notification No. 16/2015-Cus dated 01.04.2015. I find that the noticee was failed to submit the proof of fulfilment of the export obligation and non-submission of the Export Obligation Discharge Certificate (EODC) in respect of EPCG Licence No. 5230024417 dated 02.05.2017, against which the Noticee had availed the benefit of import of capital goods at zero rate of duty in terms of Notification No. 16/2015-Cus dated 01.04.2015. 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 license.

23.2 I find that the competent licensing authority, namely the Directorate General of Foreign Trade (DGFT), has accepted the aforesaid Third-Party Exports towards fulfilment of the export obligation under the impugned EPCG Authorisation. Further, the Noticee, vide letter dated 13.07.2026 (received on 13.07.2026), submitted a copy of the Export Obligation Discharge Certificate (EODC)/Redemption Letter issued by the DGFT, Surat, under File No. 52/EFEPC02980AM27, vide letter dated 18.06.2026, in respect of EPCG Authorisation No. 5230024417 dated 02.05.2017, certifying that the export obligation has been duly fulfilled in terms of the provisions of the Foreign Trade Policy and the Handbook of Procedures.

A copy of the said EODC/Redemption Letter is reproduced below:

UDINEPCGM00168155AM27

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
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 कार्यालयः : 0261-2423381

To / सेवा में ,

MAA SANTOSHI IMPRINT
PLOT NO. 16, GURUKRUPA IND.SOC. ,
NEAR GARDEN, BHESTAN ,
SURAT , SURAT ,
GUJARAT – 395023
INDIA

Sir / Madam / M/s,

महोदय/ महोदया / सुश्री,

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 मोचन स्थिति (रिडेम्पशन स्टेटस) EPCG को ऑनलाइन डीजीएफटी सिस्टम में अद्यतित कर दिया गया है। कृपया अपने संदर्भ के लिए निम्नलिखित अद्यतित विवरण को देखें। -

Authorisation Number / प्राधिकार पत्र सं. : 5230024417

Issue Date / जारी करने की तिथि: 18/06/2026

Issued Against File Number / फालइ सं. के तहत जारी किया गया:52EFEPC02980AM27

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

For MAA SANTOSHI IMPRINT
Minu Manjta
PROPRIETOR

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

Signature Not Verified
Digitally Signed.
Name: PREMKUMAR MURALIDHAR SONKUSARE(Assistant DGFT)
Date: 19-Jun-2026 11:34:37

:ument has been digitally signed by PREMKUMAR MURALIDHAR SONKUSARE, Assistant DGFT,RA SURAT on 19-Jun-2026.

23.3 I further find that the EODC/Redemption Letter dated 18.06.2026, 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."

23.4 From a perusal of the aforesaid Export Obligation Discharge Certificate (EODC)/Redemption Letter, I find that the Noticee has duly fulfilled the export obligation prescribed under the impugned EPCG Authorisation No. 5230024417 dated 02.05.2017. The issuance of the EODC/Redemption Letter by the Directorate General of Foreign Trade (DGFT) conclusively establishes that the export obligation in respect of the said EPCG Authorisation has been duly discharged. Accordingly, I hold that the noticee is eligible for benefit of duty exemption under Notification No. 16/2015-Cus dated 01.04.2015 on import of 8 set of capital goods i.e **'SHUTTLELESS RAPIER LOOM, MODEL NO. 788 WITH DOBBY REED WIDTH 310CM LOOM IN COMPLETE CONDITION, 6 COLOURS, LENO SELVAGE, 6 FEEDER, 2 BEAM AND 4 FLANGE, 2 PLS CLOTH' which were imported against** the above-mentioned Bill of entry under **EPCG Authorisation No. 5230024417 dated 02.05.2017.**

23.5 In view of the above, I hold that the proposal for demand of Customs duty amounting to Rs. 5,06,538/- (Rupees Five Lakhs Six Thousand Five Hundred and Thirty-Eight only) alongwith the demand of applicable interest, penalties, encashment of Guarantee No. **067GT01171280004 dated 08.05.2017**, for **Rs.70,000/- and demand of appropriation of Rs. 12000/- as deposited** vide TR-6 challan dated 16.06.2017 as BG short amount against the above EPCG Licence against the Duty liability, interest and penalty under Show Cause Notice do not survive and is, therefore, liable to be dropped, as the competent DGFT authority has formally certified vide EODC/Redemption Letter dated 18.06.2026 that the noticee has successfully discharge their obligation and fulfilled the export obligation.

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

24.1 I find that, in view of the **Export Obligation Discharge Certificate (EODC)/Redemption Letter dated 18.06.2026** issued by the Directorate General of Foreign Trade (DGFT) in respect of the impugned **EPCG Authorisation No. 5230024417 dated 02.05.2017**, the Noticee has duly fulfilled the conditions stipulated under **Customs Notification No. 16/2015-**

Customs dated 01.04.2015, as well as the terms and conditions of the Bond executed by them, by discharging the export obligation prescribed under the said EPCG Authorisation. Accordingly, I hold that the imported capital goods are not liable to confiscation under **Section 111(o) of the Customs Act, 1962**. Consequently, no penalty is imposable upon the Noticee under **Sections 112(a) and 117 of the Customs Act, 1962**.

24.2 I further hold that no penalty under **Section 112(a) of the Customs Act, 1962** is imposable upon **M/s. Polar Shipping Services**, Customs Broker (Customs Broker Licence No. **AAKFP101HCH003**), having its office at **No. 502 to 505, D R India Textile Hub, Opp. Amazia Water Park, Parvat Patiya, Surat, Gujarat–395010**, as no contravention warranting the imposition of penalty survives in view of the fulfilment of the export obligation by the Noticee. Consequently, I also hold that no action is warranted against the said Customs Broker under the provisions of **Regulation 14 of the Customs Brokers Licensing Regulations, 2018 (CBLR, 2018)**.

25. In view of the foregoing findings, I further hold that the proposals contained in **Show Cause Notice No. CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD dated 13.11.2025**, including the demand of Customs duty, the proposal for confiscation of the imported capital goods, the imposition of penalties upon the Noticee/Importer and the Customs Broker, and the proposal for initiation of action against the Customs Broker under the provisions of **Regulation 14 of the Customs Brokers Licensing Regulations, 2018 (CBLR, 2018)**, are not sustainable in law and are liable to be dropped

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

ORDER

I hereby drop the proceedings initiated against all the noticee's vide Show Cause Notice F. No. CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD dated 13.11.2025.

Digitally signed by
SHREE RAM VISHNOI
Date: 14-08-2026
14:28:26

(Shree Ram Vishnoi)
Additional Commissioner of Customs

F.No.CUS/EPCG/REGN/802/2025-ICD-UMGN-CUS-COMMRTE-AHMEDABAD

DIN: 20260871MN00008B9901

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

To Noticees:

(1) M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023.

(2) Smt. Minu Nahta, Proprietor of M/s. Maa Santoshi Imprint, Plot No. 16, Gurukrupa Ind. Society, Near Garden, Bhestan, Surat, Gujarat - 395023.

(3) M/s. Polar Shipping Services, No. 502 to 505, D R India Textile Hub, Opp. Amazia Water Park, Parvat Patiya, Surat, Gujarat–395010

Copy to:

(1) The Principal Commissioner, Customs Ahmedabad Commissionerate, Ahmedabad(Kind Attention to RRA);

(2) The Dy. Commissioner, ICD, Tumb, Customs Ahmedabad Commissionerate;

(3). The Deputy Commissioner of Customs (Task Force), Ahmedabad.
(4). The System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. http://www.ahmedabadcustoms.gov.in.
(5). Guard File.