



## प्रधानआयुक्तकाकार्यालय,सीमाशुल्क ,अहमदाबाद

सीमाशुल्कभवन, आलइंडीयारेडीऑकेनजदीक,नवरंगपुरा,अहमदाबाद380009

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OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,  
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### SHOW CAUSE NOTICE

M/s. Karmeshwar Exim Pvt. Ltd., A/3/2, Hojiwala Industrial Estate, Sachin Palsana Road, Surat, Gujarat - 394230 (hereinafter referred as "the noticee" for the sake of brevity), holding Import Export Code No. 5210005861, imported 04 sets of Computerized Embroidery Machine under EPCG Licence No. 5230007543 dated 24/09/2010 by saving duty of Rs.1,26,97,353/- (Actual Duty Utilized of Rs. 1,27,43,277/-) vide Bill of Entry, as mentioned below, at a concessional rate of duty @3% availing the benefit of exemption under Notification No. 103/2009-Cus dated 11.09.2009. The details of import are as under:

Sr. No	B/E No. & Date	Number of machine cleared	Total Duty Debited in EPCG license i.e. Total Duty Saved at the time of clearance
1	906/10-11 dated 29.12.2010	04	1,27,43,277/-
	Total	04	Rs.1,27,43,277/-

2. The noticee executed Bond dated 30.12.2010 for Rs. 3,18,75,000/- along with Bank Guarantee No. 0408310BG0000059 dated 18/12/2010 amounting for Rs. 19,18,000/- issued by the State Bank of India, SPL Commercial Branch, 1st Floor, Opp. J K Towers, Ring Road, Surat, for EPCG License No. 5230007543 dated 24/09/2010. They also gave an undertaking to fulfill the conditions of the Bond, EPCG License and the relevant Customs Notifications at the time of registration of EPCG License No. 5230007543 dated 24/09/2010 at ICD-Sachin.

2.1 The 4 Computerized Embroidery Machines were installed at A-3/2, Sachin Udyognagar Sahkari Mandli, Hojiwala, Sachin, Surat, Gujarat-394230 and since the noticee was not registered with the Central Excise Department, they produced a copy of Installation Certificate dated 10.03.2011 issued by Chartered Engineer Dr. P.J. Gandhi, Surat who certified the receipt of capital goods on 07.01.2011 and installation of all 04 Computerized Embroidery Machines on 25.01.2011.

SHOW CAUSE NOTICE NO. VIII/10-03/PR.COMMR./O&A/2020-21 DATED 02 /12/2020

**2.2** As per Notification No. 103/2009-Cus dated 11.09.2009, the noticee was required to fulfill the export obligation on FOB basis equivalent to 8 times 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 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 noticee.*

*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 earning 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*