



GOVT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
OFFICE OF THE JOINT COMMISSIONER OF CUSTOMS, SURAT.  
Custom House, Althan Bhimrad Road, Althan, Surat, Gujarat-395007

**DIN-20201071MN00005QB68D**

**SHOW CAUSE NOTICE**

M/s Narayan Impex, Shivdhara Complex, 1st Floor, Nandu Doshi Vadi, Katargam, Surat/Gujarat-395004 (hereinafter referred as "the importer"), holder of Import Export Code No. 5209042227 have imported 16 sets of Capital goods viz. Computerized Embroidery Machine under EPCG Licence No. 5230006827 dated 09.03.2010 having assessable value of Rs. 67,64,705/- and by saving duty of **Rs. 12,19,274/-** (Actual Duty Utilized of Rs **12,07,571/-**). The importer cleared Computerized Embroidery Machine vide following Bill of Entry at a concessional rate of duty @3% while availing the benefit of exemption available under Notification No. 103/2009 dated 11.09.2009. The details of import are as under:

| Sr.No | B/E No. & Date              | Number of machinery cleared | Duty Saved available as per EPCG Licence | Total Duty Foregone/Debited at the time of clearance | Amount                      |
|-------|-----------------------------|-----------------------------|--|--|-----------------------------|
| 1     | 725/10-11 dated 15.10.2010  | 04                          | 12,19,274/-                              | 3,01,893/-   | Rs.95,000/- and Rs.87,500/- |
| 2     | 773/10-11 dated 22.10.2010  | 04                          | 9,17,381/-                               | <b>3,01,893/-</b>                                    |                             |
| 3     | 1014/10-11 dated 29.01.2011 | 08                          | 6,15,488/-                               | <b>6,03,785/-</b>                                    |                             |
| TOTAL |                             | 16                          |  | <b>Rs. 12,07,571/-</b>                               |                             |

2. The importer executed Bond dated 15.10.2010 for Rs.31,00,000/- (Rupees Thirty One Lakhs Only) along with Bank Guarantee No. BG/08/2010-11 dated 11.10.2010 amounting to Rs. 95,000/- and BG No. 14/10-11 dated 29.01.2011 amounting to Rs. 87,500/-, both issued by the Kapol Co-op Bank Ltd, U1-U4, Metro Tower, Ring Road, Surat, for EPCG License No. 5230006827 dated 09.03.2010. They had also given an undertaking to fulfill the conditions of the Bond, EPCG License and the relevant Customs Notification at the time of registration of the EPCG License No. 5230006827 dated 09.03.2010 at ICD-Sachin, Surat.

3. The 16 sets of Computerized Embroidery Machines were to be installed at M/s Narayan Impex, Shivdhara Complex, 1st Floor, Nandu Doshi Vadi, Katargam, Surat/Gujarat-395004 and as the importer was not registered with the Central Excise Department, they produced copy of Installation Certificates dated 07.02.2011 issued by a Chartered Engineer Dr. P. J. Gandhi, Surat who certified the receipt of the goods received vide the aforesaid BEs on 19.10.2010, 28.10.2010, 01.02.2011 and their complete installation on 22.10.2010, 01.11.2010, 05.02.2010 respectively.

4. 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 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 herein below for reference: