

	<p>आयुक्त सीमाशुल्क का कार्यालय (निर्यात) OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT) नवीन सीमाशुल्क भवन, बॉलर्ड एस्टेट मुंबई-४००००१ NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI 400 001. Ph : (022) 22757513/7556 Email: deec.mcell-nch@gov.in</p>
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F.No: CUS/DEEC/MISC/659/2025-DEEC

12-03-2026

To,

The Joint Commissioner of Customs (In-Situ),
EDI section, Export Commissionerate
NCH, Mumbai – 400 001

Sub: Uploading of SCN on the Official Site of Mumbai Customs Zone-I **-reg.**

Kindly refer to the subject mentioned above.

In this connection, it is to state that the following document/SCN (copy enclosed) needs to be uploaded on the Official Site of Mumbai Customs Zone- I, for the service of notice under the section 153 of the Customs Act, 1962:

S.No.	SCN No.	Date	Subject
1	09/2025-26	27.02.2026	SCN of M/s IDI Limited (IEC: 0388007249)

Digitally signed by
ABHISHEK JAIN
Date: 12-03-2026
12:15:18

(Abhishek Jain),
Joint Commissioner of Customs (In-Situ),
DEEC(MC), Export, NCH

Encl.: As above



भारत सरकार,

वित्त मंत्रालय, राजस्व विभाग,
कार्यालय आयुक्त सीमा शुल्क (निर्यात), मुंबई अंचल - 1,
डी.ई.ई.सी. (एम.सी.) (DEEC M.C.) अनुभाग,
चतुर्थ तल, नवीन भवन, नवीन सीमा शुल्क भवन,
बापू जमादार चौक, बॅलार्ड एस्टेट, मुंबई - 400 001.

Phone no.: (022) 22757560; Email: deec.mcell-nch@gov.in

F.No: CUS/DEEC/MISC/659/2025-DEEC

27.02.2026

SCN No.: 09/2025-26

DIN: 20260277N0000000EBCB

SHOW CAUSE NOTICE ISSUED UNDER SECTION 124 read with SECTION 143 OF THE CUSTOMS ACT, 1962

Whereas **M/s. IDI LTD (0388007249)**, having declared address at **5th Floor, Mafatlal Center, Vidhan Bahvan Marg, Nariman Point, Mumbai, Maharashtra 400021** (hereinafter referred to as "the Licensee"), was issued following Advance Authorization-

- (1) 3030345 dated 18.06.1999
- (2) 310027823 dated 22.02.2000.

The above licenses were issued by the Office of the Director General of Foreign Trade (DGFT), which provided exemption from payment of duty on imported goods. The licenses (1) 03030345 and (2) 0310027823 were issued in accordance with Customs Notification No. 31/1997 dated 01.04.1997 and 30/1997 dated 01.04.1997 respectively, of the Central Board of Indirect Taxes and Customs (CBIC), New Delhi. In accordance with the said notification, the Licensee executed following Bonds-

- (1) S/5-LUT-1687/99-GrVII dated 08.02.1999 of Rs. 36,85,000/- for duty amount Rs. 27,94,174/- for import of goods w.r.t. license No. 03030345 dated 18.06.1999 (**RUD-1**).
- (2) S/5-LUT-289/2000-7A dated 25.01.2000 of Rs. 43,34,000/- for duty amount Rs. 25,04,880/- for import of goods w.r.t. license No. 0310027823 dated 22.02.2000 (**RUD-1**).

Detail of the Licenses and Bond executed by the Licensee is as follows:

TABLE-A

Sr. No.	License No. & Date	Assessable Value (in Rs.)	Duty Amount (in Rs.)	Bond No.	Bond Amount (in Rs.)
1.	03030345 dated 18.06.1999	41,65,038/-	27,94,174/-	S/5-LUT-1687/99-GrVII	36,85,000/-
2.	0310027823 dated 22.02.2000	37,33,811/-	25,04,880/-	S/5-LUT-289/2000-7A	43,34,000/-
	Total	78,98,849/-	52,99,054/-		80,19,000/-

2. In accordance with the aforesaid Notification, the Licensee executed Bond against the Advance Authorization/DEEC License(s). By executing the Bond, the Licensee undertook to meet the export obligation under the conditions outlined in the said Notification and License and to submit evidence of fulfilling the obligation within 30 days from the expiration of the Export Obligation period. Failure to meet this obligation would make the Licensee liable to repay the duty foregone along with applicable interest, as stipulated by the relevant Customs Notification.

3. The importer has availed Notification benefit under Notification No. 31/1997 dated 01.04.1997 and Notification No 30/1997 dated 01.04.1997. The salient features of above said notifications are as below.

3.1 The Customs Notification No. 31/1997-Customs, dated 01.04.1997, exempts materials imported into India, against an Advance Licence issued on or after 1st April, 1997 from the whole of the duty of customs leviable thereon which is specified in First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

3.2 The materials imported are covered by a Duty Exemption Entitlement Certificate issued by Licensing Authority on or after 1st April, 1997 in the form specified in the Schedule annexed to this notification, in respect of the value, quantity, description, quality and technical characteristics.

3.3 The notification 31/1997-Customs, dated 01.04.1997 mandates that the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Assistant Commissioner of Customs or Deputy Commissioner of Customs binding himself to any on demand, an amount equal to the duty leviable on the imported materials but for the exemption contained herein, in respect of which the conditions specified in this notification have not been complied with together with interest at the rate of 24% per annum from the date of clearance of the materials.

3.4 The notification 31/1997-Customs, dated 01.04.1997 specifies that the export obligation is discharged within the period specified in the said certificate or within such extended period as may be granted by the Licensing Authority or the Director General of Foreign Trade, by exporting Resultant products manufactured in India which are specified in Part E of the said certificate and the said certificate together with evidence of discharge of export obligation to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs is produced within 30 days of expiry of period allowed for fulfilment of export obligation or within such extended period as the said Assistant Commissioner of Customs may allow.

3.5 The Customs Notification No. 30/97 dated 01.04.1997, exempts materials imported into India, against an Advance Licence with Actual User Condition in terms of para 7.4 of the Export & Import Policy 1997-2002 notified by the Government of India in the Ministry of Commerce vide Notification No. 1 /1997-2002, dated the 31st March, 1997, from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act.

3.6 The Customs Notification No. 30/97 dated 01.04.1997 requires that the materials imported are covered by an Actual User Duty Exemption Entitlement

Certificate (hereinafter referred to as the said certificate), issued by the Licensing Authority in the form specified in the Schedule annexed to this notification, in respect of the value, quantity, description, quality and technical characteristics.

3.7 The Customs Notification No. 30/97 dated 01.04.1997 requires that the importer at the time of clearance of the imported materials, executes a bond with such surety or security and in such form and for such sum as may be specified by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, binding himself to pay on demand an amount equal to the duty leviable but for the exemption, on the imported materials in respect of which the conditions specified in this notification have not been complied with, together with interest at the rate of twenty-four per cent per annum from the date of clearance of the said materials.

3.8 The Customs Notification No. 30/97 dated 01.04.1997 further requires that the importer must fulfil the export obligation within the period specified in the said certificate or within such extended period as may be granted by the Licensing Authority by exporting resultant products manufactured in India which are specified in Part "E" of the said certificate (hereinafter referred to as resultant products) and in respect of which facility under rule 12(l) (b) or rule 13(l) (b) of the Central Excise Rules, 1944 has not been availed in respect of materials permitted under the said licence.

3.9 The licensee must produce evidence of discharge of export obligation to the satisfaction of the Assistant/Deputy Commissioner of Customs within a period of 30 days of the expiry of period allowed for fulfilment of export obligation, or within such extended period as the said Assistant Commissioner of Customs or Deputy Commissioner of Customs may allow. Exempt materials shall not be disposed of or utilised in any manner except for utilisation in discharge of export obligation or for replenishment of such materials and the materials so replenished shall not be sold or transferred to any other person.

4. It has been observed that the Licensee cleared imported goods with a total assessable value of 78,98,849/- under the aforementioned licenses. Consequently, the Licensee availed an exemption from the payment of total Customs duty amounting to ₹52,99,054/- and executed bonds under Section 143 of the Customs Act, 1962, for the clearance of goods against the conditions they had undertaken.

5. Whereas, Section 143 mandates that the Licensee furnish a bond to ensure compliance with specific conditions tied to the clearance of goods, particularly under schemes like the Duty Exemption Entitlement Certificate (DEEC) or Advance Authorization. This bond acts as a legal guarantee to fulfill obligations such as meeting export performance or using imported goods for designated purposes. In the event of a breach of conditions, such as failing to meet export obligations, authorities are empowered to invoke the bond to recover customs duties, interest and fine/penalties.

6. According to the above mandates imposed on goods imported under duty exemption, the Licensee was required to submit proof of export obligation discharge to the satisfaction of the Assistant/Deputy Commissioner of Customs within 30 days after the expiry of the obligation period or any approved extension. However, the Licensee has failed to submit the necessary documents to date. Demand notice dated 21.11.2025 (**RUD-2**) was issued to the Licensee, reminding them of their bond conditions and requesting the Export Obligation

Discharge Certificate (EODC)/Redemption certificate, but no response has been received.

6.1 Further in the submitted Bond the Licensee has undertaken unconditionally and irrevocably to pay to the Customs the duty leviable on the goods imported in the event of failure to comply with the terms of the said license No. 03030345 dated 18.06.1999 and 0310027823 dated 22.02.2000 and in the event of the failure to comply with the condition of the said notification and License in respect of the imported goods.

7. Therefore, the Licensee is alleged to have committed multiple violations under applicable laws and regulations. Specifically, the Licensee has failed to submit the requisite Export Obligation Discharge Certificate (EODC)/Redemption certificate within the prescribed timeline, thereby contravening the procedural requirements mandated under the Advance Authorization Scheme. Furthermore, the Licensee has failed to fulfil the stipulated export obligations as per the terms and conditions of the said scheme. Additionally, the Licensee appears to have violated the conditions of the bond executed under Section 143 of the Customs Act, 1962, by failing to furnish the EODC/Redemption certificate as required. These omissions and failures constitute breaches of the legal and statutory obligations imposed on the Licensee, rendering them liable for confiscation and therefore rendered themselves for appropriate action under the relevant provisions of law.

8. Relevant provisions of law applicable:

I. 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;

II. SECTION 112 of the Customs Act, 1962 reads as under: Penalty for improper importation of goods, etc.- 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

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111, shall be liable, -

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. 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;

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

III. SECTION 114AA of the Customs Act, 1962 reads as under: Penalty for use of false and incorrect material – If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

IV. SECTION 117 of the Customs Act, 1962 reads as under: 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 four lakh rupees.

V. SECTION 143 of the Customs Act, 1962 reads as under: 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.

A. 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.

B. 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.

a. The above acts of omission and commission by the Licensee have resulted in the denial of the duty benefit claimed under exemption notification no. 31/1997 dated 01.04.1997 & 30/1997 dated 01.04.1997.

b. The Licensee is liable to pay the customs duty amounting to Rs Total ₹52,99,054/- (Rupees Fifty Two Lakh Ninety Nine Thousand Fifty Four only), along with applicable interest

c. Since the Licensee has not submitted the EODC/Redemption certificate within the prescribed timeline mentioned the exemption notification 31/1997 dated 01.04.1997 & 30/1997 dated 01.04.1997 respectively and the imported goods are not utilized for the purposes specified in the said notification and has thus violated the exemption notification conditions therefore the imported goods are liable for confiscation under Section 111(o) of the Customs Act, 1962.

d. For the acts of omission and commission discussed above the Licensee has rendered the goods liable for Confiscation under section 111(o) therefore the Licensee is subject to penal action under Section 112(a) of the Customs Act, 1962.

e. Further the Licensee has sought to evade the applicable Customs duty by false declaration regarding EODC/Redemption certificate in the submitted bond and thereby warranting the imposition of a penalty commensurate with the gravity of the offense under section 114AA.

f. Further, for non-compliance of the timelines prescribed in the said notification for submission of export obligation discharge certificate (EODC)/Redemption certificate, the Licensee is liable to a penalty under section 117 of the Customs Act, 1962.

g. The bond executed by the Licensee shall be invoked to recover the foregone customs duty, along with applicable interest and any penalties deemed appropriate under the law.

10. Now, therefore, the Licensee, **M/s. IDI LTD** is required to show cause to the Commissioner of Customs (Export), New Custom House, Ballard Estate, Mumbai - 400001, as to why:

- i. The duty benefit claimed under exemption notification 31/1997 dated 01.04.1997 & 30/1997 dated 01.04.1997 should not be denied.
- ii. The imported goods having total assessable value of Rs. 78,98,849/- (Rupees Seventy Eight Lakh Ninety Eight Thousand Eight Hundred and Forty nine only) should not be confiscated under Section 111(o) of the Customs Act, 1962 read with conditions of Bonds executed in terms of Section 143 of the Customs Act, 1962 read with Notification No. 31/1997 dated 01.04.1997 & 30/1997 dated 01.04.1997 as amended from time to time.
- iii. The customs duty amounting to Rs. ₹52,99,054/- (Rupees Fifty Two Lakh Ninety Nine Thousand and Fifty Four only) along with applicable interest should not be recovered under the bond executed as per Section 143 of the Customs Act, 1962 read with conditions of Bonds executed in terms of Section 143 of the Customs Act, 1962 read with Notification No. 31/1997 dated 01.04.1997 & 30/1997 dated 01.04.1997 as amended from time to time.
- iv. Penalty should not be imposed under Section 112(a) of the Customs Act, 1962, for the stated violations.

- v. Penalty should not be imposed under Section 114AA of the Customs Act, 1962, for the stated violations.
- vi. Penalty under Section 117 of the Customs Act, 1962 should not be imposed.
- vii. The bonds executed by Licensee should not be enforced to recover the duty foregone along with applicable interest.

11. The Licensee is hereby required to produce all references upon which they intend to rely in support of their defence.

12. The Licensee is further required to indicate in their written reply as to whether they intend to be heard in person before the case is adjudicated failing which it will be presumed that they do not desire a personal hearing.

13. If no reply is received within 30 days of receipt of this Notice and the Licensee do not appear before the adjudicating authority when the case is scheduled for hearing, the case will be decided ex-parte on the basis of material available on record.

14. It is also to inform that the Licensee also has the option for settlement of the case in terms of the provisions of Chapter-XIV-A of the Customs Act, 1962 subject to fulfilment of the conditions as provided in the concerned section of the chapter.

15. This Notice is being issued without prejudice to any other action that may be taken against the Importer/Licensee and/or any other person, under the Customs Act, 1962 and/or any other law for the time being in force in the Republic of India. The Department reserves its rights to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material facts related to import and/or export of goods by them, which may come to the notice of the Department after issuance of this notice and prior to the adjudication of the case.

Aslam Hassan
27/02/2026

(Aslam Hassan)

Commissioner of Customs (Export)
DEEC (M. CELL), Export Commissionerate

Relied Upon Documents.

1. Copy of Bond (RUD -1)
2. Demand Notice (RUD-2).

To:

M/s IDI LIMITED (IEC No. 0388007249)
5th Floor, Mafatlal Center, Vidhan Bahvan Marg,
Nariman Point, Mumbai, Maharashtra 400032

Copy to:

1. Dy./Asst. Commissioner, CHS (I/c Notice Board) for display on the notice board.
2. Guard File.