

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/951/2022-DEEC

Date: 21.04.2026

SCN No. 06/2026-27

DIN: 20260477NA0000263053

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

Whereas **M/s. JIVANLAL & SONS (IEC No. 0388100648)**, having declared address at **2, HAFIZAIN BUILDING, 129/131 KAZI SYED STREET, MASJID BUNDER WEST, MUMBAI, MAHARASHTRA, 400003** (hereinafter referred to as "the Licensee"), was issued an Advance Authorization/DEEC Licenses bearing no. 310144163 dated 26.06.2002 by the Office of the Director General of Foreign Trade (DGFT), which provided exemption from payment of duty on imported goods. The license was issued in accordance with Customs Notification No. 47/2002 dated 22.04.2002 of the Central Board of Indirect Taxes and Customs (CBIC), New Delhi. In accordance with the said notification, the Licensee had executed the Bond, No. S/5-LUT-270/03 VII TH-153/03 VII dated 26.02.2003 of Rs. 43,64,875/- for duty amount Rs. 25,08,549/- for import of goods w.r.t. license No. 310144163 dated 26.06.2002 (**RUD1**). The detail of License 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.	310144163 dated 26.06.2002	32,34,000/-	25,08,549/-	S/5-LUT-270/03 VII TH-153/03 VII	43,64,875/-

2. In accordance with the aforesaid Notification, the Licensee executed a 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. 47/2002-Customs, dated 22.04.2002. The salient features of above said notifications are as below:

Disch
rec

3.1 The Customs Notification No. 47/2002-Customs, dated 22.04.2002, hereby exempts materials required for the manufacture of the final goods when imported into India, from whole of the duty of Customs leviable thereon, under 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.

3.2 The notification 47/2002-Customs, dated 22.04.2002 mandates that the importer 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 on the imported material but for the exemption contained herein, in respect of which the conditions specified in this notification have not been compiled with together with interest at the rate of 24 per cent per annum from the date of clearance of materials.

3.3 The notification 47/2002-Customs, dated 22.04.2002 mandates that the importer produces evidence of having discharged obligation to supply final goods to the satisfaction of the said Assistant commissioner of customs or Deputy commissioner of Customs within a period of thirty days form the expiry of the period allowed for fulfillment of obligation to supply final goods or within such extended period as the *(Assistant commissioner of Customs) may show and the exempt materials are utilised for the manufacture of final goods and no portion of such materials shall be loaned, transferred, sold or disposed of in another manner.

4. It has been observed that the Licensee cleared imported goods with a total assessable value of ₹32,34,000/- under the aforementioned license. Consequently, the Licensee availed an exemption from the payment of Customs duty amounting to ₹25,08,549/- 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 17.10.2024 (**RUD-2**) was issued to the Licensee, reminding them of their bond conditions and requesting the Export Obligation

No. said
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 licences No. 310144163 dated 26.06.2002 and in the event of the failure to comply with the condition of the said notification and Licence 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.

9. As a consequence of the aforementioned violations, the Licensee is prima facie liable for the following legal actions under the Customs Act, 1962:

case hereafter in
made under this
e per cent.

a. The above acts of omission and commission by the Licensee have resulted in the denial of the duty benefit claimed under exemption notification 47/2002 dated 22.04.2004.

b. The Licensee is liable to pay the customs duty amounting to ₹25,08,549/- (Rupees Twenty-Five Lakh Eight Thousand Five hundred Forty Nine only), along with applicable interest.

c. Since the Licensee has not submitted the EODC/Redemption certificate within the prescribed timeline mentioned the exemption notification 47/2002 dated 22.04.2004 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 is required to show cause to the Additional/Joint Commissioner of Customs, DEEC (Monitoring Cell), Office of the Commissioner of Customs (Export), New Custom House, Ballard Estate, Mumbai - 400001, as to why:

i. The duty benefit claimed under exemption notification 47/2002 dated 22.04.2004 should not be denied.

ii. The imported goods having total assessable value of Rs. 32,34,000/- 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. 47/2002 dated 22.04.2004 as amended from time to time.

iii. The customs duty amounting to Rs. 25,08,549/- (Rupees Twenty-Five Lakh Eight Thousand Five Hundred Forty Nine 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. 47/2002 dated 22.04.2004 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. Bond 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 defense.

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. This Notice is issued without prejudice to any other action that has been or may be taken under the Customs Act, 1962 or under 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 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.

 24.4.26

(Rahul D. Joldapke)
Joint Commissioner of Customs
DEEC (M. CELL), Export Commissionerate

Relied Upon Documents.

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

To:

1. **M/s. JIVANLAL & SONS (IEC No. 0388100648),
At 2, HAFIZAIN BUILDING, 129/131 KAZI SYED STREET,
MASJID BUNDER WEST, MUMBAI, MAHARASHTRA, 400003**

Copy to

1. Dy./Asst. Commissioner, CHS (I/c Notice Board) for displaying on the notice.
2. The EDI section for uploading the SCN on the official website of Mumbai Customs Zone-I
3. Guard File.



दिल्ली नं. 18

क्रमांक 53

- 5 JUL 2002

प्रधान मुद्रांक कार्यालय, पुणे

दिनांक

व्यंकी; श्री/श्रीमती Jivanlal & Sons

..... यांना न्यायेत्तर मुद्रांक

..... वा विरुद्ध

2/5. W7 270/03V11
TH 153 08UTP

मुद्रांक दिले

BOND ACCEPTED
AO/Gr. 7 AC/Gr. 7

To,
The President of India,
Acting through the
Deputy Commissioner of Customs
MUMBAI.

Whereas the President of India, acting through the Deputy Commissioner of Customs, Mumbai Ministry of Finance, Government of India (herein after referred to as the Government) has agreed to grant to M/s JIVANLAL & SONS, 129/131, Kazi Sayed Street, Mumbai 400 003, India (herein after referred to as Importer/Exporter) exemption in terms of Notification No. 47/02 dated 22.4.2002 and as amended against the Advance Licence No. 0310144163/5/03/00 dated 26.06.2002(herein after referred to as Licence for import of the goods mentioned therein) on the terms and conditions specified in the said Notification.

Whereas JIVANLAL & SONS, Mumbai have undertaken to produce evidence in respect of export obligation to be discharged against the said Licence No.0310144163/5/03/00 dated 26.06.2002 and Notification No. 47/02 dated 22.4.2002 within thirty days from the expiry of the export obligation period.

For Jivanlal & Sons

[Signature]
Partner

.. 2 ..

[2]

Whereas JIVANLAL & SONS , Mumbai have further unconditionally and irrevocably undertaken to pay an amount equal to the duty leviable on the goods cleared/to be cleared in terms of said Notification No 47/02 dated 22.4.2002 and Licence No. 0310144163/5/03/00 dated 26.06.2002. In the event of their failure to comply with the conditions of the said Notification and Licence in respect of the following consignments:

- | | | |
|--|---|--|
| 1. Licence No. | : | 0310144163/5/03/00
dated 26.06.2002 |
| 2. Description of goods allowed to be imported against the said Licence. | : | Unprocessed Cardamom |
| 3. CIF Value in Rs. Approximate assessable value | : | Rs. 32,34,000/- |
| 4. Duty leviable | : | Rs. 25,08,549/- |
| 5. Interest @ 74% | : | Rs. 18,56,326/- |
| 6. Bond amount | : | Rs. 43,64,875/- |

Whereas M/s JIVANLAL & SONS , have also undertaken to calculate the duty amount with reference to the assessable value taken in the respective Bill of Entry pertaining to the Licence and not with reference to the value shown in Serial 4 above, in the event of their liability to pay duty on the goods cleared under exemption in terms of Notification No. 47/02 dated 22.4.2002.

Signed for and on behalf of the Importer

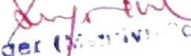
JIVANLAL AND SONS

For Jivanlal & Sons



PARTNER Partner


Without any responsibility on the part of the Bank or a going concern. We certify that the Signature of the Specimen Signature held with us

TAMILNAD MERCANTILE BANK LTD.


Manager (Mumbai) Mumbai

Witness:

1. MR. RAMESH MISTRY 

2. MR. NARENDRA PANDYA 

129/131 108 Street
number 4003.

c/3, Mahavirjyot,
Govardham Nagar,
L.B.S. Marg, Mulund (W)
Mumbai - 80.



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

DIN:

Date:

BOND ENFORCEMENT-CUM-DEMAND NOTICE

To,
M/s. JIVANLAL & SONS,
2, HAFIZAIN BUILDING, 129/131 KAZI SYED STREET,
MASJID BUNDER WEST, MUMBAI
MAHARASHTRA, 400003

Gentlemen/Madam,

**Sub: Enforcement of Bond under Section 143 of Customs Act 1962 w.r.t.
Advance License details of which mentioned in TABLE -Reg.**

SN	Advance License No	Date
1	310144163	26-06-2002

WHEREAS, the subject Advance license(s) was/were issued to **M/s. JIVANLAL & SONS (IEC- 388100648)** (hereafter referred to as "Importer") by DGFT and in accordance with the relevant notification thereto, Bond and Bank Guarantees (Wherever applicable) have been executed against the said licenses by the importer and had undertaken to pay on demand, the duty foregone along with interest, in case of failure to comply with the condition of the licenses as per the said notification. It has been undertaken by the importer to fulfil the Export Obligation within the period allowed in Advance License and to submit the Export Obligation Discharge Certificate (EODC) within the period of 30 days from the expiry of the period allowed for fulfilment of Export Obligation.

2. WHEREAS, as per records maintained at this office, Export Obligation Discharge Certificate /Redemption Certificate against aforesaid advance licenses has (have) not been submitted by the importer so far.

3. Therefore, **M/s. JIVANLAL & SONS (IEC- 388100648)** is hereby directed, to submit the Export Obligation Discharge Certificate (EODC)/ Redemption letter, if any, issued by DGFT

authorities in respect of subject licenses or inform whether the said licenses is before any judicial forum or part of any dissolution proceedings pending before NCLT, if any or deposit the duty foregone under subject licenses along with the admissible interest thereon, within 10 days of receipt of this demand notice (in person or by post or through e-mail) by them.

4. In case of failure to comply with the directions given, appropriate action to enforce the Bond and encashment of Bank Guarantee (Wherever applicable) executed by **M/s. JIVANLAL & SONS (IEC- 388100648)** for the recovery of duty foregone with admissible interest thereon and penalty (if any payable), against the subject licence(s), shall be initiated in terms of provision of Section 143 of Customs Act,1962.

**Signed by Santosh Madhav
Sonawane**

**Date: 17-10-2024 22:16:15
(Santosh M. Sonawane)**

Dy. COMMISSIONER OF CUSTOMS
DEEC (M. CELL), NCH, MUMBAI