



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
OFFICE OF THE ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE
4th & 5th Floor, SHASTRI BHAWAN, ANNEXE BUILDING,
26, HADDOWS ROAD, CHENNAI 600 006

File No.I(77)/ECA/Addl.DGFT/Che/AM 14 | *584 TO 585* Dated: 04.02.2014

Name of the Appellant: M/s.Gajananya Silk Fabrics,
No.41/4, 3rd Cross, Suddaguntepalya,
Bangalore – 560 029.

Order Appealed Against: Order-in-Original
No.07/21/76/380/AM10 dated 25.10.2013
Passed by Jt.DGFT., Bangalore.

ORDER IN APPEAL

Passed by: Shri A.K. Choudhary,
Addl.Director General of Foreign Trade,
Chennai

Present on behalf of
the Appellant: Shri B.N. Girish, Accounts Manager

M/s.Gajananya Silk Fabrics, Bangalore filed an appeal against the Adjudication Order No.07/21/76/380/AM 10 passed by the Jt.DGFT., Bangalore in terms of which a fiscal penalty was imposed on the firm for non-submission of export documents towards fulfillment of export obligation.

2. M/s.Gajananya Silk Fabrics, Bangalore obtained an DFIA Authorisation No.0710076965 dated 28.01.2011 for a c.i.f. value of Rs.56,29,500/- for import of items duty free as specified in the licence, subject to the condition that the firm shall export the resultant product for a f.o.b. value of Rs.68,11,695/- as per conditions of authorisation in question. The export obligation period expired on 28.07.2011. The firm submitted

statement of imports made for a c.i.f. value of US\$96,910 and requested for deletion of condition of export obligation period imposed on the licence in terms of Public Notice No.60 dated 06.05.2010, which was not considered by RA, Bangalore and the firm was asked to regularise the case vide letter dated **21.09.2011**. The appellant had approached DGFT., New Delhi, where the Policy Relaxation Committee in its Meeting **No.37/AM 12 dated 17.01.2012** allowed extension of export obligation period by 3 months subject to payment of composition fees of 6% of duty saved amount for the inputs in proportion to exports made beyond export obligation period. The RA, Bangalore called for proof of exports and 6% composition fees vide their letter dated 18.05.2012 to implement the PRC decision. The RA, Bangalore, issued a reminder on **08.04.2013**. As there was no reply, a Show Cause Notice dated **06.09.2013** was issued to the firm with opportunity of Personal Hearing on **12.09.2013**. The appellant neither responded to the show cause notice nor availed of the personal hearing. The case was finally adjudicated and led to passing of the Adjudication Order dated 24.10.2013 presently appealed against by the appellant.

3. Aggrieved by the above mentioned Adjudication Order dated 24.10.2013, the appellant firm filed an appeal dated **18.11.2013**. In the appeal, the firm have stated that they are regular exporter with a clean record and due the sever recession and stiff competition from China, they could not complete the export within the export obligation period and hence had approached the PRC Committee for extension of export obligation period which granted them 3 months time. The firm have further informed that on receipt of the decision of the PRC committee they fulfilled the export obligation fully in terms of quantity and partly in terms of value. Accordingly, a Personal Hearing was granted by the Appellate Authority to the firm on **30th Jan 2014 at 11.00 AM** to appear either in person or through legally appointed Attorney/Representative and in case on non-availing of the said personal hearing, the Appellate Authority shall be at liberty to dispose of the appeal ex-parte by relying on the evidence/documents already on record.

4. On 30.01.2014 the firm represented by **Shri B.N. Girish, Accounts Manager**, appeared before the Appellate Authority for Personal Hearing vide Interview Slip No.20. He reiterated the points stated in the appeal and agreed to comply with the decision of the PRC Committee Meeting.

5. I have gone through the facts of the case available on record and the written submissions made by the firm in their letter received in this office on 18.11.2013 and documents submitted during the course of Personal Hearing. The appellant has been advised to comply with the decision of the PRC Meeting dated 17.01.2012.

6. I, therefore, in exercise of the powers vested in me under Section 15 read with Section 13 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, pass the following order:

ORDER

File No.I(77)/ECA/Addl.DGFT/Che/AM 14

Dated: 04.02.2014

1. The Adjudication Order No.07/21/76/380/AM 10 passed by the Jt.DGFT., Bangalore is set aside for de-novo consideration of the case subject to the appellant firm complying with the decisions/recommendations of the Policy Relaxation Committee Meeting No.37/AM12 dated 17.01.2012.



(A.K. CHOUDHARY)

ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE

To

✓ M/s.Gajananya Silk Fabrics,
No.41/4, 3rd Cross, Suddaguntepalya,
Bangalore - 560 029.

— Copy to: RA Bangalore, for information.

Despatch
By Speed post
LD
5/2/2014