



भारत सरकार Govt. of India

वाणिज्य एवं उद्योग मंत्रालय M/o Commerce and Industry

ऑचलिक अपर महानिदेशक विदेश व्यापार का कार्यालय

Office of the Zonal Additional Director General of Foreign Trade

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F.No. A(24)/Addl.DGFT/ECA/Che/AM 18-CBE

Dated 3/7/2018

Name of the Appellant

M/s Master Linens Inc.  
A&M Compounds, SF No. 413/2 & 4,  
Sengalapuram, Thumbivadi, P.O.  
Aravakurichi, Karur 639 002

Order appealed against

Order-in-Original No.  
32/21/040/00170/AM13  
dated 10-10-2017, passed by  
Office of Jt.DGFT, Coimbatore.

Order-in- Appeal  
passed by

Shri D.K.Sekar  
Appellate Authority & Zonal Additional  
Director General of Foreign Trade, Chennai

### **Order-in-Appeal**

M/s Master Linens Inc., Karur 639002 has filed this appeal against Order-in-Original No. 32/21/040/00170/AM 13 passed by Office of Jt.DGFT, Coimbatore.

2. M/s Master Linens Inc., Karur, had obtained an Advance Authorisation No. 3210061926 dated 28.03.2013 for Rs. 22,38,000/- from the Office of Jt.DGFT, Coimbatore, with export obligation to export for f.o.b. value of US \$ 47022.80 to be fulfilled within a period of 24 months from the date of issue of authorization. The Firm had not submitted documents evidencing fulfillment of export obligation after the completion of export obligation period. Therefore, Order-in-Original dated 10.10.2017, imposing penalty of Rs. 22,38,000/- was passed and the firm was also placed in Denied Entity List by the Adjudicating authority.

3. Aggrieved by the above said Order-in-Original, the firm has preferred the present appeal on 12-01-2018. In the Appeal the firm has requested for waiver of pre-deposit of penalty as the firm is struggling with the business and unable to make payment of such a huge amount. After considering the circumstances enumerated in the appeal, the condition of pre-deposit of penalty is hereby waived.

4. The firm in their appeal have stated that they have completed the import but unable to export due to cancellation of order by their buyer and could not get fresh buyers due to instability in the textile market. In the appeal they have stated that since their main partner dealing with the issue had become ill, they could not respond within 45 days. They have also stated that the duty has been remitted towards the indigeneous procurements, to the Customs and have also enclosed a copy of letter from Customs in this regard. Hence they requested to set aside the Order and requested for a personal hearing to represent their case.

5. Personal Hearing was granted to the firm on 31.5.2018 at 11.30 a.m. Shri A.Rizwan Basha, Manager - Import & Export, and authorized by the firm, attended the Personal Hearing.

6. From the appeal filed by the firm and the representations put forward during the personal hearing it is seen that the firm had utilized the authorization for indigeneous procurement but they have not made any exports. Immediately after receiving the Order in Original on 8<sup>th</sup> November 2017, the firm expressed intent to pay the Customs duty and interest. Thereafter on 13<sup>th</sup> December 2017, the firm made payment of Customs duty with interest. Thus prima facie it appears that the firm had intended to avail benefits under the authorization with the bonafide intent of fulfilling the export obligation but failed to do so due to subsequent adverse circumstances. The firm has also showed its bonafide intents by paying the duty with interest immediately on receiving the Order in Original. However it remains that the firm has not fulfilled the export obligation and have not responded to the Show Cause Notice.

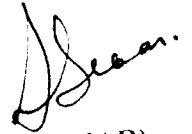
7 I, therefore, in exercise of the powers vested in me under Section 15 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, pass the following Order:

**ORDER**

Dated 3/7/2018

F.No. A(24)/Addl.DGFT/ECA/Che/AM 18-CBE

1. The penalty imposed is reduced to Rs. 50,000/- which shall be paid within 30 days from the date of this Order.
2. The Order of DEL and suspension of IE Code is set aside.
3. The case is Remanded back to the Office of Jt.DGFT, Coimbatore for de-novo examination. After such examination appropriate orders may be passed by RA Coimbatore.



(D.K.SEKAR)

Zonal Additional Director General of Foreign Trade

✓ M/s Master Lines<sup>n</sup> Inc.  
A&M Compounds, SF No. 413/2 & 4,  
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