



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

26 Haddows Road, शास्त्री भवन अनेक्स, Shastri Bhavan Annexe

Phone: 044-28283404/08 * चेन्नै/CHENNAI - 600 006 * Fax: :044-28283403

ईमेल/Email: chennai-dgft@nic.in

F.No. A(31)/Addl.DGFT/ECA/Che/AM 18/Cbe.

Dated 21 /12/2018

Name of the Appellant

M/s Soundaraa Knit Wear
No.23, Kumar Nagar, 2nd Street,
Tirupur 641603

Order appealed against

Order –in-Original No.
32/21/021/00650/AM 06 dated
18.12.2017 issued by Office of
Jt.DGFT Coimbatore

Order-in-Appeal
Passed by

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

Order-in-Appeal

M/s Soundaraa Knit Wear Tirupur 641603 has filed this Appeal under Section-15 of the Foreign Trade (Development & Regulation) Act, 1992, against Order-in-Original No. 32/21/021/00650/AM06 dated 18.12.2017, passed by Office of Jt.DGFT Coimbatore.

2. M/s Soundaraa Knit Wear Tirupur, had obtained an EPCG Authorisation No. 3230005034 dated 11.08.2005 for duty saved value of Rs. 2,14,322/- from the Office of Jt.DGFT, Coimbatore, with export obligation to export Hosiery Garments a FOB value of US\$ 39,235/- within a period of 8 years 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 No. 32/21/021/00650/AM06 dated 18.12.2017 imposing penalty of Rs. 4,28,644/- 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 09.02.2018. The appellant pleaded that since they have fulfilled the export obligation it has been requested to waive the condition of pre-deposit of penalty amount. The plea of the appellant is allowed.

4. In the appeal it is stated that they had obtained the EPCG authorization and had not utilized the same. It is stated that the original licence was lost and the relevant papers were not traceable. On receipt of the adjudication order they had come to know of the pending epcg licence for closure. Since they could not trace the relevant papers, it is stated that they have furnished documents along with affidavit as per Policy Circular No. 7 of 2002, towards fulfillment of export obligation.

5. The appellant was granted Personal Hearing on 12.11.2018, Shri N.Swaminathan, Authorised Representative, attended the Personal Hearing. During the hearing it was stated that they had not procured the capital goods against the invalidation letter. He also stated that the firm had exported much more than the obligation fixed. Vide letter dated 29.11.2018 submitted in this office, they have attached a mail purportedly sent by the local supplier stating that they have not supplied the diesel generating set to M/s Soundaraa Knit Wears.

6.I have carefully gone through the appeal and the submissions made before me during the Personal Hearing. It appears that the appellant had lost the original licence and not utilized the same for local procurement against invalidation but prima facie they seem to have fulfilled the export obligation.

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

F.No. A(31)/Addl.DGFT/ECA/Che/AM 18/Cbe.

Dated 21/12/2018

1. The Order-in-Original is set aside.
2. The case is Remanded back to the Office of Jt.DGFT, Coimbatore for denovo examination. RA, Coimbatore may examine the documents submitted and also confirm non utilization of the licence by the firm and pass appropriate orders.



(D.K.SEKAR)

**Zonal Addl. Director General of Foreign Trade &
Appellate Authority**

M/s Soundaraa Knit Wear
No.23, Kumar Nagar, 2nd Street,
Tirupur 641603