



सत्यमेव जयते

भारतसरकार Government of India

वाणिज्य एवं उद्योग मंत्रालय Ministry of Commerce and Industry

आंचलिक अपर महा निदेशक विदेश व्यापार कार्यालय

Office of the Zonal Additional Director General of Foreign Trade

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F.No. 04/95/A(56)/Addl.DGFT/ECA/Che/AM 20

Dated 11/03/2020

Name of the Appellant

M/s Rajashree Match Works  
251, Bye Pass Road, Sattur,  
Virudhunagar 626203  
IEC No. 3505000434

Order appealed against

Order –in-Original No.  
35/21/021/00372/AM 12 dt. 14.10.2019  
issued by Office of Jt.DGFT  
Madurai 625020

Order-in-Appeal  
Passed by

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

**Order-in-Appeal**

M/s Rajashree Matchworks, Virudhunagar 626203 has filed this Appeal under Section-15 of the Foreign Trade (Development & Regulation) Act, 1992, against Order-in-Original No. 35/21/021/00372/AM12 dt. 14.10.2019 issued by Office of Jt..DGFT Madurai (since merged with Office of Jt.DGFT Coimbatore).

2. M/s Rajashree Matchworks, Virudhunagar 626203 had obtained EPCG licence No. 3530004844 dated 27.03.2012 for a duty saved value of Rs. 4000000/- from the Office of Jt. Director General of Foreign Trade, Madurai with an obligation to export 'Safety Matches' for a FOB value of US\$ 647773.27 within a period of 6 years from the date of issue of authorization. The Firm had not submitted required documents evidencing fulfillment of export obligation even after expiry of the export obligation period. Hence a Show Cause Notice dated 27.02.2019 was issued. The firm sought for 30 days time to submit the documents. As the firm did not submit any documents even after the time requested was granted, the firm was placed under DEL. Another Show Cause Notice dated 19.08.2019 was issued with an opportunity of Personal Hearing on 05.09.2019. As there was no response, Order in Original dated 14.10.2019 imposing a penalty of Rs. 5000000/- was issued.

3. Aggrieved by the above said Order-in-Original, the firm has preferred the present appeal on 08.11.2019. The firm has requested to waive the condition of pre-deposit of penalty as the export obligation has been fulfilled. The plea of the appellant is allowed.

4. The appellant has stated in the appeal that they had replied to the Show Cause Notice dated 27.02.2019, asking for time, but could not submit the documents within the time limit as there was delay in getting attestation from Chartered Accountant and arranging the documents from Third Party Exporter, and hence could submit only on 17.10.2019. It is further stated that the Order in Original was received by them on 18.10.2019. The appellant has stated that they have fulfilled the export obligation through third party exports and submitted documents evidencing fulfillment of export obligation, but the same has not been taken into consideration. Hence the appellant requested that the Order of penalty placing the firm in DEL be set aside.

5. I have gone through the appeal and the submissions made therein. The appellant firm has not submitted the export obligation fulfillment documents in time and even after the time was granted to them as requested in their reply to the first Show Cause Notice. Eventually the Order in Original has been issued. Documents showing export obligation fulfillment stated to have been already submitted to the licensing authority, have been enclosed along with the appeal. As per comments obtained from the licensing authority, prima facie, the appellant appears to have fulfilled the export obligation through third party exports. There does not seem to be any intent on the part of the appellant to defraud the Government or cause loss to the exchequer. However the appellant is at fault for delayed submission of documents evidencing export obligation fulfillment.

6. 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. 04/95/A(56)/Addl.DGFT/ECA/Che/AM 20

Dated 11/03/2020

1. Penalty imposed is reduced to Rs. 100000/-
2. Order placing the firm under DEL is set aside.
3. The case is remanded back to the adjudicating authority for de-novo examination. The appellant firm shall furnish all required original documents to the licensing authority within 30 days from the date of receipt of this Order. The adjudicating authority shall examine all the documents submitted and pass appropriate orders.

  
(D.K.SEKAR)

**Appellate Authority &  
Zonal Additional Director General of Foreign Trade**

**M/s Rajashree Match Works  
251, Bye Pass Road, Sattur,  
Virudhunagar 626203**