

Government of India  
Ministry of Commerce & Industry  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi -110011

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F.No. 18/25/2019-20/ECA-1/427 Date of Order: 15 .01.2020  
Date of Dispatch: 16 .01.2020  
Name of the Applicant: M/s. Quality Apparels,  
9-B/5, Navjivan Colony, Mori Road, Mahim,  
Mumbai – 400016.  
IEC No.: 0304068209  
Order reviewed against: Order-in-Appeal No.1(85)/Addl.DGFT/ECA/  
Che/AM16 dated 26.06.2019  
passed by the Addl. DGFT, Chennai.  
Order-in-Review passed by: Shri Amit Yadav, DGFT

**Order-in-Review**

M/s. Quality Apparels, Mumbai, filed a Review Petition dated 07.08.2019 under section 16 of the Foreign Trade (Development & Regulation) Act, 1992 (here-in-after referred to as 'the Act') against Order-in-Appeal No. 1(85)/Addl.DGFT/ECA/Che/AM16 dated 26.06.2019 passed by the Addl. DGFT, Chennai dismissing the appeal against Order-in-Original dated 08.09.2015 vide which the Adjudicating Authority imposed a penalty of Rs.45,00,000/- on the petitioner.

**Brief Facts of the Case**

2.1 The petitioner obtained an Advance Authorisation No. 3210039080 dated 11.11.2008 from RA, Coimbatore as per provisions of the Foreign Trade Policy (FTP) for a CIF value of Rs. 45,00,000/- with an obligation to export for US\$119300 within a period of 24 months from the date of issue of the Authorisation. As per conditions of the authorisation, the applicant was required to submit the prescribed export documents towards fulfilment of export obligation within the time frame as mentioned in the relevant FTP.

2.2 The Export Obligation (EO) period expired. The petitioner did not submit any export documents towards fulfilment of export obligation despite issuance of a Show Cause Notice dated 10.06.2015 under section 14 for action under section 11(2) of the Act. Since the petitioner contravened the provisions of the FTP and the Act by not submitting complete export documents, the Adjudicating Authority passed Order-in-Original dated 08.09.2015 imposing a fiscal penalty of Rs.45,00,000/- on the petitioner.

2.3 The petitioner, on 27.10.2015, filed an appeal before the Appellate Authority against Order-in-Original dated 08.09.2015. The Appellate Authority granted two personal hearings on



29.04.2019 and 18.06.2019, but the petitioner did not attend the personal hearings. The Appellate Authority, vide the Order-in-Appeal dated 26.06.2019, dismissed the appeal observing that the imported raw materials allowed under the Authorisation have not been properly utilized and the corresponding export obligation has not been fulfilled.

3.0 Aggrieved by the Order-in-Appeal dated 26.06.2019, the petitioner has submitted a review petition dated 07.08.2019 before the undersigned praying to set aside of Order-in-Appeal dated 26.06.2019 and Order-in-Original dated 08.09.2015. The petitioner has, inter-alia, submitted that the value of goods imported as per Show Cause Notice dated 10.05.2013 issued by Assistant Commissioner of Customs, Tuticorin is only Rs. 11,50,000/- whereas the Adjudicating Authority acted beyond the scope of Show Cause Notice and imposed a penalty of Rs. 45,00,000/- which is arbitrary and bad in law.

4.0 I have gone through the facts and records and submissions made during personal hearing carefully. It is observed that the petitioner imported goods free of customs duty under Advance Authorisation No. 3210039080 dated 11.11.2008 and it did not make any export towards fulfilment of export obligation. At no point of time the petitioner submitted any documentary evidence showing the utilisation of the Authorisation and fulfilment of export obligation. Even at the time of personal hearing, the petitioner did not produce any document. The petitioner further failed to get its case regularised by making payment of the customs duty exemption enjoyed by it.

5.0 I, therefore, in exercise of the powers vested in me under Section 16 of the Foreign Trade (Development & Regulation) Act, 1992 (as amended) pass the following order:

**Order**

F.No. 18/25/2019-20/ECA-I

Dated: 15.01.2020

Order-in-Appeal dated 26.06.2019 and Order-in-original dated 08.09.2015 are upheld.  
Review Appeal is rejected.



*Amit Yadav*  
15/1/2020

(Amit Yadav)

Director General of Foreign Trade

**Copy To:**

- ✓(1) M/s. Quality Apparels, 9-B/5, Navjivan Colony, Mori Road, Mahim, Mumbai – 400016.
- (2) RA, Chennai.
- (3) RA, Coimbatore.
- (4) DGFT website

*Dilip Kumar*  
(Dilip Kumar)

Dy. Director General of Foreign Trade