Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade
Vanijya Bhawan, New Delhi

F.No. 18/27/2024-25/ECA-I/E-41229 | 1179 Date of Order : 20.07.2026
Date of Dispatch: 20.07.2026

Name of the Petitioner:	S.R & M.R Associates, No.2885, 14th Main road, E block, ii stage Rajajinagar, Bangalore-560010
Order Reviewed against:	Orders-in-Original No. i. 07/21/021/00827/AM17, ii. 07/21/021/00575/AM18, iii. 07/21/021/00268/AM18 and iv. 07/21/021/00387/AM18, each dated 12.01.2024, passed by Joint DGFT, RA Bengaluru.
Order-in-Review passed by:	Lav Agarwal, DGFT

Order-in-Review

S.R & M.R Associates, Chartered Accountant (here-in-after referred to as 'the petitioner') filed Review Petitions under Section 16 of the Foreign Trade (Development & Regulation) Act, 1992, as amended (here-in-after referred to as 'the Act') against four Orders–in-Original No. 07/21/021/00827/AM17, 07/21/021/00575/AM18, 07/21/021/00268/AM18 and 07/21/021/00387/AM18 dated 12.01.2024 passed by Joint DGFT, RA Bengaluru.

Brief of the Case

M/s. Fashion Matrix Overseas (here-in-after referred to as the "Authorization holder") had obtained 4 Export Promotion Capital Goods(EPCG) Authorizations under 0% concessional duty EPCG Scheme for import of capital goods listed with the said authorization, with an obligation to export 6 times of the Duty Saved Value equivalent to free foreign currency over and above the annual average of the past export performance within a period of 6 years from the date of its issue, subject to the condition that 50% export obligation should be met in the first block

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within four years from the date of issue of authorization and balance 50% export obligation in the next two years.

	1.	2.	3.	4.
EPCG Auth. No.	0730017020 dated 26.10.2017	0730016203 dated 25.01.2017	0730016723 dated 16.06.2017	0730016861 dated 26.07.2017

2. For the purpose of discharge of said export obligation, the authorisation holder was required to submit the export documents under ANF-5B, as per Para 5.22 of the Handbook of Procedures (HBP), and Appendix 5C duly self-certified and certified by a Chartered Accountant. The Appendix 5C and ANF 5B in respect of all four authorisations were certified by S.R. & M.R. Associates, Chartered Accountants, stating the fulfilment of export obligation (EO) and requesting the issuance of Export Obligation Discharge Certificate (EODC).

3. On scrutiny of the documents, the Adjudicating Authority, RA Bengaluru, observed that the petitioner had certified documents/statements wherein the same Shipping Bills (SBs) had been used towards both the Specific Export Obligation (SEO) and the Average Export Obligation (AEO) under two different EPCG Authorisations simultaneously. Hence, prima facie, the Adjudicating Authority had reasons to believe that the petitioner had submitted declaration/ statement/ document with false material particulars liable for penal action under Section 11 (3) of the Act.

4. In view of the above, Show Cause Notices (SCNs) were issued to the petitioner with an opportunity of a personal hearing (PH) to explain the reasons and facts as to why action should not be taken against them and penalised under the Act for certifying documents/statements with false material particulars without properly verifying the Shipping Bills.

5. The petitioner failed to respond to the SCN. In view of the foregoing facts and documents submitted on record, the petitioner was liable for action under Section 11(3) of the Act. Therefore, Joint DGFT, RA Bengaluru, vide four Orders-in-Original (OIO) dated 12.01.2024 imposed a fiscal penalty of Rs. 50,000/- each in respect of all four EPCG Authorisations against the petitioner.

6. Aggrieved by the OIOs dated 12.01.2024,the petitioner has filed the Review Petition under Section 16 of the Act. In the Review Petition, the petitioner has submitted that the error in certification was unintentional and that the deficiency was rectified by filing revised and certified ANF-5B statements before adjudication

of the case. The petitioner contended that replies to the Show Cause Notices were filed along with the revised certifications; however, the same were not considered by the Adjudicating Authority while passing the impugned orders. The petitioner further submitted that they had submitted revised documents after rectifying the duplication in the earlier certification. The petitioner has also stated that it could not file a separate appeal against the OIO due to the absence of an online mechanism and that the appellate order issued against the authorisation holder was not communicated to them despite being an affected party. Accordingly, the petitioner has requested reconsideration of the matter and waiver of the penalties imposed under the impugned Orders-in-Original.

7. As per section 16 of the Act, the Reviewing Authority granted an opportunity of PH to the petitioner on 13.04.2026. The Reviewing Authority raised issues pertaining to the submission of false certification by using the same shipping bills (SBs) for AEO and SEO, and the same being certified by the CA. Since the petitioner failed to follow due diligence by certifying false material particulars, both the petitioner as well as the authorisation holder are liable for contravening the Act.

7.1. Mr. Venkatesh Babu M. R., partner of the CA firm and Mr. Sanjeev D'souza, EXIM manager of M/s Fashion Matrix Overseas, authorization holder, appeared for the PH. Submissions made by the petitioner were based on the fact that after the issuance of the adjudication order, the authorisation holder had submitted revised documents to the RA for the issuance of the Export Obligation Discharge Certificate (EODC) and accepted their initial error of inadvertently making multiple use of shipping bills and falsely certifying the export obligation documents. The petitioner prayed that a lenient view of the matter may be taken and the penalty imposed be waived.

8. I have gone through the facts and records of the case carefully. The core issue is that the petitioner, in his capacity as a Chartered Accountant, certified statements and export documents containing false material particulars. On this question, the record speaks for itself. The petitioner certified statements that reflected the multiple use of the same Shipping Bills for claiming redemption. This is impermissible as a matter of law, policy and procedure. The multiple use of the same Shipping Bills amounts to a double-count and constitutes a submission that is false in a material particular. Such documents, supported by the petitioner's certification as to their correctness, demonstrate that the false particulars were certified after due verification and cannot be treated as having arisen merely by inadvertence.

8.1. In order to facilitate ease of doing business, the Office of Regional

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Authorities (RA), DGFT, primarily relies upon statements/declarations/information furnished by the exporters and the CA certificates for considering applications for redemption. The petitioner ought to have exercised due diligence while submitting the statements/certificates. Further, the statements certified by the petitioner and the company are basic documents on which the Competent Authorities rely upon for the issuance of redemption certificates.

8.2. The petitioner has urged, and RA Bengaluru has confirmed during the PH, that the export obligation under all four EPCG Authorisations stands fulfilled upon examination of the revised documents submitted by the authorisation holder. The Reviewing Authority takes due note of this factual position. However, the fulfilment of the Export Obligation goes only to the question of whether the substantive export obligation under each authorization has been met and whether the EODC or redemption can be issued. It does not, and cannot in law, condone or efface the antecedent violation of having submitted false material particulars at the time of the original application for redemption.

8.3. The petitioner, being a Chartered Accountant in practice, was under a statutory and professional duty to exercise due diligence before issuing the certification in Appendix 5C. Under Appendix 5C, the Chartered Accountant expressly certifies that the prescribed registers, relevant records, Shipping Bills and other export documents have been examined and verified before certifying the export obligation fulfilment. By certifying incorrect particulars, the petitioner failed to exercise the due diligence required under Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The material on record demonstrates not a mere inadvertent error but a lack of due verification and application of mind in discharging a statutory certification function, thereby justifying the action under Section 11(3) of the FT(D&R) Act.

8.4. In view of the foregoing, I find no infirmity, illegality or impropriety in the orders issued at the time of adjudication, including any penal action against the CA. The penalties imposed under Section 11(3) are therefore justified and do not warrant any interference in review.

9. I, therefore, in the exercise of powers vested in me under Section 16 of the Act, pass the following order:

ORDER

F. No. 18/27/2024-25/ECA-I/E-41229 | 1179 Dated: 20. 07.2026

The Review Petition is hereby dismissed. In view of the findings recorded herein, it

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is considered appropriate that a copy of this order, together with the relevant records, be forwarded to the Institute of Chartered Accountants of India for its consideration. The Institute may examine the conduct of the petitioner from the standpoint of professional misconduct under the Chartered Accountants Act, 1949, including the provisions relating to failure to exercise due diligence in the performance of professional duties, and take such action as may be considered appropriate in accordance with law.

(Lav Agarwal)
Director General of Foreign Trade

Copy to:

1. S.R & M.R Associates, No.2885, 14th Main road, E block, ii stage Rajajinagar, Bangalore-560010
2. Addl. Director General of Foreign Trade, Chennai
3. Joint Director General of Foreign Trade, Bengaluru.
4. Central Economic Intelligence Bureau, 1st, 6th & 8th Floor, 'B' Wing, Janpath Bhawan, Janpath, New Delhi – 110001.
5. Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, Post Box No. 7100, New Delhi - 110002
6. DGFT Website

N. Poorna Push Kala

(N. Poorna Push Kala)
Dy. Director General of Foreign Trade

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Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade
Vanijya Bhawan, New Delhi

F.No. 18/27/2024-25/ECA-I/E-41229 | 1189	Date of Order : 21 . 7 . .2026
	Date of Dispatch: 21 . 7 .2026
Name of the Petitioner:	M/s. Fashion Matrix Overseas, No. 284, 2nd Cross, 4th Main, 4th Phase, Peenya Industrial Area, Bengaluru - 560058
IEC No.	0703001159
Order Reviewed against:	Orders-in-Appeal No. i. CHNECAAPPEAL00001840AM24, ii. CHNECAAPPEAL00001837AM24, iii. CHNECAAPPEAL00001838AM24 and iv. CHNECAAPPEAL00001839AM24, each dated 05.03.2024, passed by Zonal Addl. DGFT, RA Chennai.
Order-in-Review passed by:	Lav Agarwal, DGFT

Order-in-Review

M/s. Fashion Matrix Overseas (here-in-after referred to as 'the petitioner') filed a Review Petition under Section 16 of the Foreign Trade (Development & Regulation) Act, 1992, as amended (here-in-after referred to as 'the Act') against 4 Orders-in-Appeal (OIA) No. CHNECAAPPEAL00001840AM24, CHNECAAPPEAL00001837AM24, CHNECAAPPEAL00001838AM24 and CHNECAAPPEAL00001839AM24 dated 05.03.2024 passed by Zonal Addl. DGFT, RA Chennai. The appeal was dismissed on the grounds of providing fraudulent certification by a professional Chartered Accountant and the petitioner.

Brief of the Case

M/s. Fashion Matrix Overseas had obtained 4 Export Promotion Capital Goods (EPCG) Scheme Authorizations under 0% concessional duty EPCG Scheme for import of capital goods listed with the said authorization, with an obligation to export 6 times of the Duty Saved Value equivalent to free foreign currency over and above the annual average of the past export performance within

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a period of 6 years from the date of its issue, subject to the condition that 50% export obligation should be met in the first block within four years from the date of issue of authorization and balance 50% export obligation in the next two years.

	1.	2.	3.	4.
EPCG Auth. No.	0730017020 dated 26.10.2017	0730016203 dated 25.01.2017	0730016723 dated 16.06.2017	0730016861 dated 26.07.2017
Duty saved value	Rs.3,64,187.45/-	Rs.2,64,526/-	Rs. 5,39,190.23/-	Rs.11,52,786.94/-
FOB value	USD 33,411.69 (Rs.21,85,124.70)	USD 23,119.53 (Rs.15,87,156.00)	USD 49,542.74 (Rs.32,35,141.38)	USD 106,166.10 (Rs.69,16,721.64)
EOP	6 years	6 years	6 years	6 years

2. For the purpose of discharge of said export obligation, the petitioner was required to submit the export documents under ANF-5B, as per Para 5.22 of the Handbook of Procedures (HBP), 2015-20, as amended, within a period of three months from the date of expiry of the above block periods. The petitioner was required to submit Appendix 5C and the Installation Certificate issued by the Central Excise Authority or an independent Chartered Engineer, as the case may be, within a period of six months from the date of import to the Regional Authority/Licensing Authority concerned, as per Para 5.04 of HBP, 2015-20, as amended.

3. Whereas, as per the facts/record of the case, the petitioner submitted documents duly self-certified and certified by S.R & M.R. Associates, Chartered Accountant (CA), stating the fulfilment of export obligation (EO) and requesting the issuance of Export Obligation Discharge Certificate (EODC).

4. On scrutiny of the documents, the Adjudicating Authority, RA Bengaluru, observed that the petitioner had made multiple uses of the same Shipping Bills (SBs) towards the export obligation of different authorisations for Specific Export Obligation (SEO) as well as the Average Export Obligation (AEO) as stated in the table above. Hence, prima facie, the Adjudicating Authority had reasons to believe that the petitioner had submitted declaration/ statement/ document with false material particulars liable for penal action under Section 11 (2) and Section 11 (3)

of the Act.

5. In view of the above, Show Cause Notices (SCNs) were issued to the petitioner with an opportunity of a personal hearing (PH) to explain the reasons and facts as to why action should not be taken against them and penalize under the Act. The petitioner in its reply letter dated 07.11.2023 stated that they used the same SBs by oversight.

6. In view of the foregoing facts and documents submitted on record, the petitioner was liable for action under Section 11(3) of the Act. Therefore, Joint DGFT, RA Bengaluru, vide four Orders-in-Original (OIO) dated 18.01.2024, imposed a fiscal penalty of Rs. 10,000/- (Rupees Ten Thousand Only) against the petitioner in each authorisation and placed it under the Denied Entity List (DEL).

7. Aggrieved by the OIOs dated 18.01.2024, the petitioner filed appeals dated 09.02.2024 under section 15 of the Act. In the appeal before the Addl. DGFT, RA Chennai, the petitioner stated that they had made multiple uses of the same shipping bills by oversight. Zonal Addl. DGFT, RA Chennai, in exercise of powers vested under Section 15 of the Act, issued four OIAs dated 05.03.2024 dismissing the appeal on the grounds that fraudulent certification cannot be termed as oversight by a professional CA and an export firm.

8. Aggrieved by the OIAs passed by the Addl. DGFT, RA Chennai, the petitioner has filed the Review Petition under Section 16 of the Act. In the Review Petition, the petitioner stated that they had replied to the SCN on 07.11.2023, explaining in detail the facts of the case and the receipt of the same had been acknowledged by RA Bengaluru on 08.11.2023. That the OIO was issued without considering the above-mentioned reply. Thus, the petitioner has prayed to consider their reply filed along with revised documents and to set aside the OIOs dated 18.01.2024.

9. As per section 16 of the Act, the Reviewing Authority granted an opportunity of PH to the petitioner on 27.01.2025, 16.07.2025 and 13.04.2026. Mr. Sanjeev Dsouza appeared for the PH on behalf of the petitioner. Submissions made by the petitioner were based on the fact that they had fulfilled the export obligation and submitted revised documents to RA Bengaluru for the issuance of the Export Obligation Discharge Certificate (EODC). The petitioner further requested that a lenient view be taken of the matter and that the penalty imposed be waived.

10. The Reviewing Authority raised issues pertaining to the submission of false certification by using the same shipping bills (SBs) for AEO and SEO, and the same being certified by the CA. Since the Chartered Accountant (CA) failed to follow due diligence by certifying false material particulars, both the petitioner as

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well as the CA are liable for contravening the Act.

10.1. Smt. Dona Ghosh, Joint DGFT, RA Bengaluru, attended the PH. In response to the submissions made by the petitioner and issues raised by the Reviewing Authority, RA Bengaluru submitted that the EO stands fulfilled after examining the revised documents. However, the petitioner has failed to pay the penalty imposed vide OIO.

11. I have gone through the facts and records of the case carefully. The core issue is that the petitioner submitted export documents by self-certifying, which contained false material particulars. On this question, the record speaks for itself. The petitioner used the same set of Shipping Bills to claim discharge of export obligation simultaneously towards different EPCG Authorisations. This is impermissible as a matter of law, policy and procedure. The multiple use of the same Shipping Bills amounts to a double-count and constitutes a submission that is false in a material particular. Such documents, supported by the CA's attestation as to their correctness, demonstrate that the false particulars were submitted with full application of mind and not by inadvertence.

11.1. In order to facilitate ease of doing business, the Office of Regional Authorities (RA), DGFT, primarily relies upon statements/declarations/information furnished by the exporters and the CA certificates for considering applications for redemption. The petitioner ought to have exercised due diligence while submitting the statements/certificates. Further, the statements certified by the petitioner and the CA are basic documents on which the Competent Authorities rely upon for the issuance of redemption certificates.

11.2. The petitioner has urged, and RA Bengaluru has confirmed during the Personal Hearing, that the export obligation under all four EPCG Authorizations stands fulfilled upon examination of the revised documents submitted by the petitioner. The Reviewing Authority takes due note of this factual position. However, the fulfillment of the Export Obligation goes only to the question of whether the substantive export obligation under each authorization has been met and whether the EODC can be issued. It does not, and cannot in law, condone or efface the antecedent violation of having submitted false material particulars at the time of the original application for redemption. The penal liability under Section 11(3) of the Act crystallises at the moment of submission of the declaration containing false material particulars. To hold otherwise would defeat the very purpose of Section 11(3) and permit subsequent rectification to erase an already completed contravention. The acceptance of revised documents for the purpose of EODC is a separate and distinct administrative act of redemption and does not

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carry any legal consequence of condoning the original mis-declaration for penal purposes. In view of the foregoing, I find no infirmity, illegality or impropriety in the orders issued at the time of adjudication. The penalty imposed under Section 11(3) of the Act is therefore justified and does not warrant any interference in review.

11.3. The subsequent submission of revised export documents for the purpose of issuing EODC constitutes a separate administrative action in the redemption process. The Regional Authority may examine such revised export documents in accordance with the applicable provisions of the FTP/HBP, independent of, and without prejudice to, the penal action in the Orders-in-Original.

12. I, therefore, in the exercise of powers vested in me under Section 16 of the Act, pass the following order:

ORDER

F. No. 18/07/2024-25/ECA-I/E-40178 |1189 Dated: 21. 7..2026

The Review Petition is accordingly dismissed.

(Lav Agarwal)
Director General of Foreign Trade

Copy to:

1. M/s. Fashion Matrix Overseas, No. 284, 2nd Cross, 4th Main, 4th Phase, Peenya Industrial Area, Bengaluru - 560058
2. Addl. Director General of Foreign Trade, Chennai
3. Joint Director General of Foreign Trade, Bengaluru.
4. S.R & M.R Associates, No. 2885, 14th Main Road, E Block, 2nd Stage, Rajajinagar, Bengaluru - 560010
5. Central Economic Intelligence Bureau, 1st, 6th& 8th Floor, 'B' Wing, Janpath Bhawan, Janpath, New Delhi – 110001.
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