



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
OFFICE OF THE ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE
(CLA) A- WING, INDRAPRASTHA BHAWAN, I.P. ESTATE, NEW DELHI
Email id: - cladelhi-dgft@nic.in; Phone no.: - 011-23379115 and Fax: - 011-23379114

Appeal File No.: - HQRECAAPPEAL00000086AM25 ¹⁶⁹³ Date of Order: - _{04/12/25}

Name of the Appellant: - M/s. Ziama Fashion Private Limited,
B-24, B-24/1 & C-24, Ludhiana Integrated Textile Park,
G.T. Road, Doraha – 141 421, Ludhiana (Punjab).

IEC No.: - 3004009536

Order Appealed Against: - Adjudication Order Numbered
9/364/AM.20/ECA/LDH/459096, Dated 26.06.2020
Issued by the Assistant DGFT, at the Regional Authority
Ludhiana.

Order-in-Appeal passed by: - Smt. Vrunda Manohar Desai,
Appellate Authority & Zonal Additional DGFT (CLA),
New Delhi.

ORDER-IN-APPEAL

M/s. Ziama Fashion Private Limited {here-in-after referred to as, the 'appellant'}, having IEC no. 3004009536, filed an appeal dated 25.07.2024 under Section 15 of the Foreign Trade (Development & Regulation) Act, 1992, {hereinafter referred to as, the 'FT (D&R) Act, 1992'} as amended, before me challenging the Order-in-Original {for short, 'O-I-O'} bearing no. 9/364/AM.20/ECA/LDH/459096 dated 26.06.2020 issued by the Assistant Director General of Foreign Trade {for short, 'Assistant DGFT'} at the Regional Authority {RA}, Ludhiana.

REMEDY AGAINST ORDER-IN-APPEAL

2. Any person/party aggrieved by this Order-in-Appeal may file a Review Application U/s.16 of the FT (D&R) Act, 1992, as amended, before the Director General of Foreign Trade {the 'DGFT'}, Vanijya Bhawan, Akbar Road, New Delhi.

BRIEF FACTS

3. The appellant applied for and obtained an EPCG Authorization bearing no. 3030007905 dated 22.02.2011 from the O/o the Additional DGFT, Ludhiana {herein after referred to as 'RA, Ludhiana'}, for the import of capital goods (as mentioned in the license) with a duty saved amount of INR 1,34,395/- as per the provisions of the Export Import Policy {for short, the 'EXIM policy'}, with an obligation to export items (as mentioned in the condition sheet attached with the said license) for an FOB export value of USD 23,398.47 (INR 10,75,160/-) within a stipulated duration of eight years i.e., by 21.02.2019. However, the appellant failed to furnish documents towards fulfillment of Export Obligation {for short, 'E.O.'}.

4. Consequently, a Demand Notice dated 05.08.2019 was issued to the appellant, directing it to either submit the proof of E.O. fulfillment or deposit the saved Customs Duty along with an interest thereon, and same was also dispatched to the appellant's Directors. However, it was returned undelivered. Thereafter, a SCN dated 09.10.2019 was issued U/s.11(2) of the FT (D&R) Act, 1992, and Rule 7 of the Foreign Trade (Regulation) Rules, 1993, for contravening the conditions of the said license, thereby granting the appellant an opportunity of being heard *in-person* on 23.10.2019. The appellant was also afforded another opportunity for a Personal Hearing {for short, 'PH'} on 08.01.2020. However, the said SCN as well as the Notice for a PH dispatched to the appellant's registered address and its Directors was returned undelivered with the postal remark 'left'. Further attempts were made to communicate *via* a Cautionary Letter dated 15.07.2019, but it was also returned undelivered.

5. Considering the persistent unresponsiveness and non-seriousness on part of the appellant, the Assistant DGFT, acting in the capacity of an Adjudicating Authority, by invoking the provisions of Section 13 of the FT (D&R) Act, 1992, as amended, issued an Order-in-Original bearing number 9/364/AM.20/ECA/LDH/459096 dated 26.06.2020, thereby imposing a penalty of INR 80,000/- (Indian Rupees Eighty Thousand Only) upon the appellant and its Directors in addition to its liability to pay an amount equivalent to the saved Customs Duty along with an applicable interest thereon.

GROUND OF APPEAL

6. Aggrieved by the stand so taken, the appellant filed an appeal dated 25.07.2024 U/s. 15

of the FT (D&R) Act, 1992, as amended, challenging the above said O-I-O {to be referred as 'impugned Order'} dated 26.06.2020, seeking to waive-of the penalty amount imposed therein, claiming pre-compliance with the DGFT's Public Notice No. 2/2023 dated 01.04.2023 through payment of Customs Duty along with the applicable interest amounting to INR 1,50,000/- (copy of DD is placed on record) under the Amnesty Scheme. The present appeal has been filed on the grounds as mentioned herein below: -

6.1 The appellant had applied under the 'Amnesty Scheme' introduced by the DGFT *vide* Public Notice No. 2 dated 01.04.2023, Circular No. 2 dated 23.06.2023, Public Notice No. 20 dated 30.06.2023, to regularize the default in payment of Customs Duty and interest.

6.2 The appellant has paid the Customs Duty along with an applicable interest with respect to the captioned EPCG Authorization, *vide* TR-6 Challan No. 416 dated 13.03.2024 (attested by the Customs & Bank), for an amount of INR 1,50,000/- and has filed all the original supporting documents with RA, Ludhiana to get its case regularized.

6.3 The appellant further stated that a Deficiency Letter {for short, 'DL'} dated 01.04.2024 was served upon it by RA, Ludhiana, stating that *'the case had already been adjudicated on 26.06.2020, resulting in the imposition of a penalty of INR 80,000/-.* Furthermore, the DL referenced a clarification provided by the DGFT (Hqrs.) via email dated 02.02.2024, which stipulated that a Review Application may be filed U/s.16 of the FT (D&R) Act, 1992, as amended, for waiver of penalty. It was also clarified that an 'Export Obligation Discharge Certificate' {for short, 'EODC'} may only be granted after adjudication of such Review Application'.

OFFICIAL COMMUNICATION

7. The present appeal dated 25.07.2024, was initially filed in the O/o the DGFT (Hqrs.), New Delhi, and subsequently forwarded to this office on 25.02.2025 *via* BO portal.

8. On 05.03.2025, RA Ludhiana was requested, *via* BO portal, to furnish the current status of the application filed by the appellant under the 'Amnesty Scheme, 2023' and its eligibility for an Export Obligation Discharge Certificate {for short, 'EODC'}. In response, RA Ludhiana, *vide* their report dated 08.05.2025 submitted through the BO portal, clarified that *the appellant had*

applied under the Amnesty Scheme, 2023, and had paid the Customs Duty and interest amounting to INR 1,28,681.46/- and INR 41,734.10/-, respectively. They further stated that the appellant's case was adjudicated, resulting in imposition of penalty amounting to INR 80,000/-, following which the appellant filed an appeal in the O/o the Additional DGFT (CLA), New Delhi, in accordance with Public Notice No. 02 dated 01.04.2023, vide File No. HQRECAAPPEAL00000102AM25 dated 26.08.2024. Thereafter, a letter dated 20.09.2024 was issued to the O/o the Additional DGFT (CLA), New Delhi, stating that the appellant had filed an application under the Amnesty Scheme, 2023, & had paid the total amount of INR 1,70,415.56/-, comprising Customs Duty of INR 1,28,681.46/- and interest of INR 41,734.10/-.

9. Subsequently, a Deficiency Letter {for short, 'DL'} dated 11.06.2025 was issued to the appellant, seeking an explanation as to why the appeal U/s.15 of the FT (D&R) Act, 1992, as amended, had been filed in the DGFT (Hqrs.) instead of the this office. In response, the appellant, vide a letter dated 02.07.2025, asserted that while filing an online appeal, it had inadvertently selected the DGFT (Hqrs.) instead of the O/o the Additional DGFT (CLA), New Delhi, due to an oversight, and requested for rectification of this mistake and consideration of its appeal.

10. Thereafter, this office sought a clarification from RA, Ludhiana, via B.O. Portal Noting dated 14.10.2025, regarding the discrepancy between the Customs Duty amount reflected in their B.O. Portal Noting / Clarification dated 08.05.2025 and the figure submitted by the appellant, as well as concerning the appellant's claim that all original supporting documents, including the TR-6 Challan, had been submitted to RA, Ludhiana. RA, Ludhiana, reverted via B.O. Portal Noting dated 12.11.2025, stating that the appellant had submitted TR No. 416 dated 13.03.2024 for an amount of INR 1,50,000/- against Customs Duty of INR 1,28,681.46/- and interest of INR 41,734.10/-, less an invoked Bank Guarantee of INR 21,000/-, with the calculation on the TR duly attested by Customs. The appellant has also furnished a utilization report showing a duty saved amount of INR 1,28,681.46/- along with a calculation sheet. Hence, the appellant has paid the Customs Duty and interest, and is therefore, fit for regularization under the Amnesty Scheme.

DISCUSSION-CUM-FINDINGS

11. Based on the factual matrix of the case along with the submissions made by the appellant, the following findings are hereby recorded: -

11.1 To deal with the cases where penalties had been imposed *vide* Adjudication Orders issued U/s. 13 of the FT (D&R) Act, 1992, as amended, for non-compliance with the provisions of the FTP & HBP by any company/firm, and no appeal had been filed in this regard, the DGFT (Hqrs.) had issued a clarification, *via* an email dated 27.08.2024, for regularization under the 'Amnesty Scheme' for one-time settlement of default made in E.O. by Advance and EPCG Authorization holders. The same is reproduced herein below for reference: -

"The matter has been examined. It is clarified that for waiver of any penalty imposed by an Order-in-Original (i.e., adjudicated cases where the appellant has not gone to appeal), an appeal may be filed for waiver of penalty under Section 15 of the FT (D&R) Act, 1992, and EODC may be granted only after the application is adjudicated."

Thus, the present appeal is admitted for waiver of penalty imposed *vide* an impugned Order dated 26.06.2020.

11.2 In view of the comments furnished by RA, Ludhiana, it has been observed that the appellant has complied with all the guidelines and eligibility criteria stipulated under the 'Amnesty Scheme, 2023', by depositing Customs Duty of INR 1,28,681.46/- and interest of INR 41,734.10/-, *vide* TR-6 Challan bearing no. 416 dated 13.03.2024 amounting to INR 1,50,000/- and an invoked Bank Guarantee of INR 21,000/-. Therefore, the appellant has duly discharged the total outstanding amount of INR 1,70,415.56/-. The appellant has further applied for a waiver of penalty under the 'Amnesty Scheme' introduced by the DGFT *vide* Public Notice No. 2 dated 01.04.2023, and has filed all relevant documents to their office.

11.3 RA, Ludhiana, *vide* their recent comments dated 12.11.2025 submitted through the B.O. portal, confirmed that the appellant had duly paid the Customs Duty and interest amounting to INR 1,28,681.46/- and INR 41,734.10/-, respectively.

11.4 In view of the appellant's assertions and the confirmation from RA, Ludhiana, it is concluded that the appellant has duly complied with the guidelines and criteria of the 'Amnesty Scheme, 2023' by depositing the Customs Duty along with an applicable interest, and by filing all the requisite documents with RA, Ludhiana.

12. Keeping in view all the aforementioned facts and findings, and in the interest of upholding natural justice, I, in exercise of the powers conferred upon me U/s.15 of the FT (D&R) Act, 1992, as amended, and after a due consideration of all the contentions and/or submissions made by the appellant along with the documents placed on record, hereby pass the following Order: -

ORDER

12.1 The appeal is allowed.

12.2 Since the appellant has duly paid the Customs Duty along with an applicable interest with respect to EPCG Authorization No. 3030007905 dated 22.02.2011 and has also enclosed the *TR-6 Challan*, the Order-in-Original bearing number 9/364/AM.20/ECA/LDH/459096 dated 26.06.2020 is set aside, thereby waiving the penalty of INR 80,000/-.

12.3 Further, the case is remanded to the Adjudicating Authority for the purpose of regularization / EODC issuance.

12.4 Hence, the present appeal stands disposed-of.

12.5 This Order is issued without prejudice to any other action that may be initiated against the appellant under this Act or any other prevailing and/or applicable Act, rule, regulation or Order made thereunder.

sd/-

(VRUNDA MANOHAR DESAI)
Additional Director General of Foreign Trade

Copy to: -

1698
04/12/25
1. M/s. Ziama Fashion Private Limited, located at B 34-3300/3, Shakti Vihar, Haibowal Kalan, Ludhiana – 141 008.

1697
04/12/25
2. O/o the Additional DGFT, Ludhiana, for information and necessary action at their end.

Vanita

(VANITA RELAN)
Assistant Director General of Foreign Trade