

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

F.No. 18/05/2020-21/ECA.I/273 Date of Order: 11 .01.2021
Date of Dispatch: 12 .01.2021

Name of the Applicant: M/s Shree Karuppasamy Match
Industries, No.589/8A, 8B, 9A, 9B,
Kadalaiyur Road, Senthamil Nagar
Illuppaiyurani, Kovilpatti, Tuticorin -
628501

IEC No.: 3508007201

Order reviewed against: Order-in-Appeal
No. 04/95/A (63)/Addl.DGFT/
ECA/ AM 20 dated 10.03.2020 passed
by Additional DGFT, Chennai.

Order-in-Review passed by: Amit Yadav, DGFT

Order-in-Review

M/s Shree Karuppasamy Match Industries, Kovilpatti (here-in-after referred to as the 'Petitioner') filed a Review Petition dated Nil (received on 10.06.2020) under Section 16 of the Foreign Trade (Development & Regulation) Act, 1992 as amended (here-in-after referred to as 'the Act') against Order-in-Appeal (O-i-A) No. 04/95/A(63)/Addl.DGFT/ECA/AM20 dated 10.03.2020 passed by Additional DGFT, Chennai upholding the Order-in-Original (O-i-O) dated 20.09.2017 passed by Dy. DGFT, Madurai imposing a penalty of Rs.11,40,000/- , on the Petitioner.

Brief Facts of the Case

2.1 The Petitioner obtained an EPCG Authorisation No.3530003627 dated 26.03.2009 from the office of Joint DGFT, Madurai as per provisions of Foreign Trade Policy (FTP) prevalent during that period, for import of capital goods for a Duty Saved Value of Rs.3,80,000/- with an obligation to export products manufactured with the



same machinery, for an FOB value of US\$60,437.37 to be completed within a period of 8 years from the date of issue of Authorization in addition to maintaining average of the past three years export performance of same or similar to export products. As per conditions of the Authorisation, the Petitioner was required to submit the prescribed documentary evidence of having fulfilled its export obligation (EO) within three months of the expiry of export obligation period.

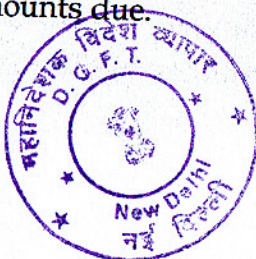
2.2 The EO period expired on 25.03.2017. However, the Petitioner did not submit any document evidencing fulfilment of export obligation. A Show Cause Notice dated 05.07.2017 was issued to the Petitioner under Section 14 for taking actions under Sections 11(2) (3) (5) (6) & (7) of the Act and Para 5.17 of Handbook of Procedure and Rule 7(k) of the Foreign Trade (Regulation) Rules, 1993. The Petitioner was also granted Personal Hearing before the Adjudicating Authority on 08.08.2017. The Petitioner neither responded to the Show Cause Notice nor appeared for the Personal Hearing. The Adjudicating Authority passed an O-i-O dated 20.09.2017 imposing a fiscal penalty of Rs.11,40,000/- on the Petitioner and its proprietor.

2.3 The Petitioner filed an Appeal on 19.11.2019 before the Appellate Authority against O-i-O dated 20.09.2017. The Appellate Authority, vide O-i-A dated 10.03.2020, dismissed the Appeal as time barred.

3.0 The Petitioner submitted a Review Petition dated Nil (received on 10.06.2020) to the undersigned. The Petitioner submitted the following:

- (i) It imported capital goods and achieved export obligation through third party without indicating any reference of the said EPCG license.
- (ii) It paid duty of Rs.3,90,000/ along with interest of Rs.5,85,641/-
- (iii) It is not in position to pay penalty. It has requested to condone the penalty.

4.0 The Petitioner was granted a Personal Hearing on 08.12.2020 which was attended by Shri P. Chelvam, Proprietor. Sh. Chelvam re-iterated the submissions made in his written submissions. RA, Chennai vide their letter dated 10.11.2020 confirmed that the Petitioner has paid duty of Rs. 3,90,000 and interest of Rs.5,85,641/. Vide letter No. Vide letter No. File No. 42/98-EPCG dated 13.01.2020, Office of the Commissioner of Customs, Tuticorin confirmed receipt of Rs. 3,90,000/-. Further vide C.No. VIII/48/378/2019-Arrears dated 13.01.2020, office of the Commissioner of Customs, Tuticorin, confirmed payment of Rs. 5,85,641/- made by the Petitioner towards interest and has informed that no dues are pending against the Petitioner. I have gone through the facts and records carefully and observe that the Petitioner has paid the amounts due.



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

Order

F.No. 18/05/2020-21/ECA.I /274

Dated: 12.01.2021

Order-in-Original dated 20.09.2017 and Order-in-Appeal No. 04/95/A (63)/Addl.DGFT/ ECA/AM20 dated 10.03.2020 are set aside. The Review Petition dated nil (received on 10.06.2020) is admitted with directions to the RA Coimbatore to process the matter for closure, on merits.



(Signature)

(Amit Yadav)

Director General of Foreign Trade

Copy To:

- (1) M/s Shree Karuppasamy Match Industries, No.589/8A, 8B, 9A, 9B, Kadalaiyur Road, Senthamil Nagar Illuppaiyurani, Kovilpatti, Tuticorin -628501.
- (2) Jt. Director General of Foreign Trade, 1544, India Life Building, (Annexe), 1st Floor, Trichy Road, Coimbatore - 641 018.
- (3) DGFT website.

(Signature)

(Dilip Kumar)

Dy. Director General of Foreign Trade

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