

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

F.No. 18/48/2024-25/ECA-I/E- 42117 <sup>1799</sup> Date of Order : 30 . 06 . 2025  
Date of Dispatch: 07 . 07 . 2025

Name of the Petitioner: M/s. KSV Cotton Mills Private Ltd., H-32,  
Housing Unit, Gandhi Gramam, Karur, Tamil  
Nadu - 639004

IEC No. IEC- 3204010121

Order Reviewed against: Order-in-Appeal No.  
CHNECAAPPEAL00000041AM24  
dated 20.04.2023 passed by Zonal Addl.  
DGFT, RA Chennai.

Order-in-Review passed by: Ajay Bhadoo, DGFT

**Order-in-Review**

M/s. KSV Cotton Mills Private Ltd. (here-in-after referred to as 'the petitioner') having IEC- 3204010121 filed a Review Petition dated 16.04.2024 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 (OIA) No. CHNECAAPPEAL00000041AM24 dated 20.04.2023 passed by Zonal Addl. DGFT, RA Chennai. The appeal was dismissed as being time-barred.





### Brief of the Case

M/s. KSV Cotton Mills Private Ltd. had obtained an EPCG Authorization No. 3230009598 dated 17.04.2007 for a total Duty Saved Value of Rs. 19,64,762/- under 0% concessional duty EPCG Scheme for import of capital goods listed with the said authorization, with an obligation to export "Cotton yarn" to the tune of total FOB value of US\$ 358,043.18/- i.e. 8 times of the Duty Saved Value equivalent to free foreign currency over and above the annual average of the past export performance fixed as NIL within a period of 8 years from the date of issue of the Authorization.

2. For the purpose of discharge of said export obligation (EO), the petitioner was required to submit the export documents under ANF-5B, as per Para 5.13 of Handbook of Procedures (HBP), 2007-08. The petitioner was required to submit a report on fulfillment of EO by 30<sup>th</sup> April of every year to the Licensing Authority/Regional Authority concerned as per Para 5.9.1 of HBP 2007-08 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 5.3.2 of HBP, 2007-08.

3. Whereas, as per the facts/record of the case, due diligence was not shown by the petitioner, failing to comply with the above-mentioned provisions and did not submit complete EO fulfilment documents as required. In view of the above, RA Coimbatore issued a Demand Cum Show Cause Notice (SCN) dated 17.03.2015 with an opportunity of Personal Hearings (PH) under Section 14 for action under Section 11(2) of the Act. However, they failed to reply to the SCN, submit the EO documents and did not appear for PH.

4. In view of the foregoing facts, absence of export documents and carefully deciding the case, Joint DGFT, RA Coimbatore vide Order-in-Original (OIO) dated 01.11.2019 imposed a fiscal penalty of Rs.1,00,000/- (Rupees One Lakh Only) in addition to the customs duty and interest thereon under Section 11(2) of the Act and directed that no further license shall be granted to the petitioner and its proprietors.





5. Aggrieved by the OIO dated 01.11.2019, the petitioner filed an appeal dated 15.04.2023 under section 15 of the Act. In the appeal, the petitioner submitted that they have fulfilled the EO by rendering third-party exports, however, they couldn't file for redemption. Addl. DGFT, RA Chennai in the exercise of powers vested under Section 15 of the Act issued an OIA dated 20.04.2023 dismissing the appeal being time barred since the appeal was filed after a delay of 3 years which is well beyond the permissible time for filing the appeal in terms of section 15(1)(b) of the Act.

6. Aggrieved by the OIA passed by the Addl. DGFT, RA Chennai, the petitioner has filed this Review Petition dated 16.04.2024 under Section 16 of the Act. In the Review Petition, the petitioner has stated that they have completed the EO by rendering third-party exports basis within the Export Obligation Period, but couldn't submit the EO documents and Redemption application on time due to oversight. Therefore, the petitioner's case may be considered under the Amnesty Scheme. The petitioner has prayed to set aside the OIO and OIA and grant them EODC/redemption.

7. A detailed report was called from RA Coimbatore wherein the RA has submitted that some Shipping Bills (SBs) have been endorsed with different EPCG Authorization numbers, which have been regularized by paying customs duty plus interest on the total duty saved value under the Amnesty Scheme as per Public Notice No.2 dated 01.04.2023. The other Shipping Bills can be considered for EO fulfillment in terms of Policy Circular No.7/2002 dated 11.7.2002. The petitioner has furnished the necessary Affidavit duly signed by the CA, to the effect that these shipping bills will/shall not be accounted for EO fulfillment in future for maintenance of specific or annual average in respect of any other EPCG Authorizations obtained by them. The petitioner has paid the Composition fee for the condonation of 1<sup>st</sup> Block EO. Overall, the EO has been fulfilled. EO fulfillment has been shown with third party exports along with copies of Invoices & ARE1 duly certified by Central Excise Authorities, Invoice-cum-Delivery Challan duly certified Central Excise Authorities, SBs pertaining to third party and e-BRCs thereof showing that forex has been realized and Disclaimer-cum-No Objection Certificate from the third party declaring that the SBs through which exports had been made and accounted for EO by the Authorization holder have not shown/shall not be shown towards the export obligation of any other





Authorization. The third party has further stated that they have no objection to the SBs shown by the Authorization holder towards fulfillment of EO against the subject Authorization in the instant case.

8. As per section 16 of the Act, the Reviewing Authority granted an opportunity of PH to the petitioner on 18.03.2025. Mr. Sudhakaran Nair S. appeared for the PH on behalf of the petitioner. The petitioner held the same submissions as submitted in the Review Petition. Shri B. Punnam Kumar, Joint DGFT, RA Chennai and Shri Anand Mohan Mishra, Joint DGFT, RA Coimbatore, attended the PH. In response to the contention made by the petitioner, RA Coimbatore submitted that the petitioner has used SBs on which 2 other Authorisation numbers have been endorsed, however, those 2 Authorizations have been closed under the Amnesty Scheme by payment of full duty and interest. Therefore, they are using those SBs in this Authorization. As per the documents submitted, it is verified that the petitioner has fulfilled the EO.

8.1. Another opportunity of PH was granted to the petitioner on 22.05.2025, wherein the issues were raised in the hearing, like whether the exports made by the third party are verified and whether the provisions relating to third party exports under the Foreign Trade Policy (FTP) and HBP are complied with. RA Coimbatore submitted that third-party SBs were essential for the EO to be fulfilled in the instant case. As per the documents submitted by the petitioner, such SBs of the third party contain the name, IEC and EPCG Authorization of the petitioner. Since the exports were made pre-GST period i.e prior to 01.04.2015, the petitioner has submitted the documents such as Delivery Challan, ARE-1s, e-BRCs, Invoices and Disclaimer-cum-No Objection Certificate from the third party accordingly.

9. I have gone through the facts and records of the case carefully. The petitioner appears to have fulfilled the EO as per the documents on record and the confirmation submitted by RA Coimbatore. The case was not considered for redemption because the Authorization was adjudicated on 01.11.2019. Since the Appellate Authority dismissed the appeal for being time-barred, the case could not be decided on the merits. Considering the above facts and circumstances and considering principles of natural justice, I am of





the view that the petitioner should be given one last chance to present their case before RA Coimbatore.

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

**ORDER**

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Dated: 30.06.2025

The Review Petition filed by the petitioner is admitted. Order-in-Original F.No. 32/21/021/00058/AM08 dated 01.11.2019 passed by Joint DGFT, RA Coimbatore and Order-in-Appeal No. CHNECAAPPEAL00000041AM24 dated 20.04.2023 passed by Addl. DGFT, RA, Chennai are set aside. The case is remanded back to RA, Coimbatore, for processing the license for EODC/redemption as per the applicable provisions of FTP, HBP and FT (D&R) Act, 1992.

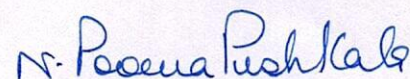


(Ajay Bhadoo)

Director General of Foreign Trade

Copy to:

1. M/s. KSV Cotton Mills Pvt. Ltd., H-32, Housing Unit, Gandhi Gramam, Karur, Tamil Nadu - 639004
2. Addl. Director General of Foreign Trade, Chennai
3. Joint Director General of Foreign Trade, Coimbatore
4. Central Economic Intelligence Bureau, 1<sup>st</sup>, 6<sup>th</sup> & 8<sup>th</sup> Floor, 'B' Wing, Janpath Bhawan, Janpath, New Delhi - 110001.
5. DGFT Website.

(N. Poorna Pushkala)

Dy. Director General of Foreign Trade