

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

F.No. 18/33/2019-20/ECA.I(E)/72 Date of Order: 28 .07.2020
Date of Dispatch: 30 .07.2020

Name of the Applicant: Sangu Knit Lands, No.10-A, M.G. 1st Pudur, Street,
Tirupur 641604

IEC No. 3292002746

Order reviewed against: Order-in-Appeal No. A(32,33,34,35/ Addl. DGFT/
ECA/Che/AM19-Cbe dated 17.12.2018 passed by Addl.
DGFT, Chennai

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

Order-in-Review

Sangu Knit Lands, Tirupur (here-in-after referred to as 'the Petitioner') filed a Review Petition dated 29.10.2019 under Section 16 of the Foreign Trade(Development & Regulation) Act, 1992 as amended (here-in-after referred to as 'the Act') against a combined Order-in-Appeal No. A(32,33,34,35/Addl.DGFT/ ECA/Che/AM19-Cbe dated 17.12.2018 passed by Addl. DGFT, Chennai dismissing four appeals as time barred. The appeals were against four Orders-in-Original passed by Joint DGFT, Coimbatore for non-submission of documents evidencing fulfilment of export obligation in respect of four EPCG Authorizations. The details of the four Orders-in-Original (OIO)are as follows:

Sl. No.	Order Number	Date	Penalty imposed
1.	32/21/021/00175/AM05	07.03.2016	Rs.3,42,400/-
2.	32/21/021/00330/AM05	07.03.2016	Rs.3,70,972/-
3.	32/21/021/00167/AM04	17.11.2015	Rs.2,93,656/-
4.	32/21/021/00174/AM05	07.03.206	Rs.3,18,120/-

Facts of the case:

2.1 The Petitioner obtained four EPCG Authorisations from office of the Joint DGFT, Coimbatore, as per provisions of the Foreign Trade Policy (FTP) prevalent during that period. The details of four EPCG Authorizations are as follows:



Sl. No.	EPCG Authorization No.	Date	FOB value (US\$) of export obligation	Duty Saved (Rs.)
1.	3230003044	16.06.2004	30916	1,71,200/-
2.	3230003173	04.08.2004	32364	1,85,486/-
3.	3230002358	25.09.2003	25342	1,46,828/-
4.	3230003045	16.06.2004	28724	1,59,060/-

2.2 All the four authorisations were carrying obligations to export products manufactured with the imported machinery, for the FOB values as indicated in para 2.1 supra to be completed within a period of 8 years from the dates of issue of the respective Authorizations. As per condition of the Authorizations, the Petitioner was required to submit the prescribed documents showing fulfilment of export obligations within the time frame as mentioned in the FTP.

2.3 The export obligation period expired in 2011-12. The Petitioner did not furnish any document showing fulfilment of export obligations in respect of four EPCG Authorizations. Demand-cum-Show Cause Notices were issued by RA, Coimbatore to the Petitioner under Section 14 of the Act for taking action under Section 11(2) of the Act. The Petitioner was also granted personal hearings. The Petitioner did not respond to the Show Cause Notices and also did not appear for the personal hearings. The Adjudicating Authority passed four Orders-in-Original imposing penalty on the Petitioner and its partners as per details in para 1 supra.

3. Against the above said OIO, the Petitioner filed four appeals all dated 06.09.2018 to the Zonal Addl. DGFT, under Section 15 of the Act. The Appellate Authority rejected the appeal as time barred by passing an Order-In-Appeal dated 17/12/2018.

4. The petitioner has now submitted a Review Petition dated 29.10.2019 before the undersigned stating that:

- i. It had completed export obligations in March 2006 itself and the export proceeds were also received through the normal banking channel.
- ii. It could not apply for redemption of EPCG Authorisations on time owing to the fact that the documents were not readily traceable as the dealing staff expired.
- iii. On receipt of the adjudication orders, the Petitioner located the relevant documents and submitted requests for redemption in July, 2018.

5. I have gone through the facts and records carefully. It is observed that office of the Zonal Addl. DGFT, Chennai vide its letter F. No. 04/95/A932)/ECA/ADDL DGFT/AM19 dated 04.02.2020 has confirmed that the Petitioner has submitted the prescribed export documents after the date of issuance of Orders-in-Original. The Petitioner has completed export obligation and maintained annual average.



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

ORDER

F.No. 18/33/2019-20/ECA-I(E)

Dated: .07.2020

The Review Appeal is admitted and the Order-in-Appeal no. A(32,33,34,35/Addl.DGFT/ECA/Che/AM19-Che dated 17.12.2018 and four Orders-in-Original (i) no. 32/21/021/00175/AM05 dated 05.03.2018; (ii) no 32/21/021/00330/AM05 dated 07.03.2016; (iii) no. 32/21/021/00167/AM04 dated 17.11.2015; and (iv) no. 32/21/021/00174/AM05 dated 07.03.2016 are set aside. The case is remanded back for de-novo consideration by the Adjudicating Authority.



(Signature)
28/07/2020

(Amit Yadav)

Director General of Foreign Trade

Copy To:

- ✓ 1. Sangu Knit Lands, No.10-A, M.G. Pudur, 1st Street, Tirupur 641604
2. Additional DGFT, 26 Haddows Road, Shastri Bhavan Annexe, Chennai-600006
3. Jt.DGFT, Coimbatore
4. DGFT Website.

(Signature)

(Dilip Kumar)

Dy. Director General of Foreign Trade