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**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMERCE & INDUSTRY**  
**Office of the Joint Director General of Foreign Trade**  
**" KENDRIYA SADAN ", 6<sup>th</sup> Floor, C & E Wing, 17<sup>th</sup> Main Road,**  
**Koramangala, 2<sup>nd</sup> Block, Bangalore 560 034.**

F.No.07/21/76/247/AM.10

Date 13.11.2013

Passed by : Sri J.V.Patil,  
Jt. Director General of Foreign Trade, Bangalore

**ORDER-IN-ORIGINAL**

1.1 Any person aggrieved by this order may, under Section 11(2) read with Section 15(1) of the Foreign Trade (Development & Regulation) Act, 1992 file an appeal against the same to the appropriate appellate authority i.e. to the Additional Director General of Foreign Trade, 4<sup>th</sup> floor, Shastry Bhawan, Haddows Road, Nungambakkam, Chennai PIN 600 006, within 45 days from the date of serving of this Adjudication Order. A copy of this order and a complete set of evidence relied upon in support of such appeal in the form of an Annexure should be enclosed therewith. A copy of Appeal filed, if any, may be simultaneously forwarded to the undersigned to enable supply of records to Appellate Authority.

1.2 Any person desirous of filing an appeal against this order shall deposit the penalty amount and produce proof of payment along with appeal to the Appellate authority failing which the appeal is liable to be rejected for non-compliance of the provision of Section 15(1) of the Foreign Trade (Development & Regulation) Act, 1992.

1.3 The penalty amount is to be deposited under the Head of Account "1453 Foreign Trade & Export Promotion Minor Head 102-Other receipts, fines and penalties etc., Director General of Foreign Trade or by way of a DD payable at Bangalore drawn in favour of Jt. Director General of Foreign Trade, Bangalore within 45 days thereof.

2 Whereas **M/s.Mridul Silks** (Import-Export Code No. **0704012669**) a proprietorship concern (herein after referred to as the 'licensee firm') obtained a **DFIA 0710068069 dated 05.11.2009** for a cif value Rs.69,12,000/- (US\$144,000) from this office for import of duty free imports with a condition to fulfill export obligation within the stipulated period of time as per the conditions mentioned in the licence.

3. Whereas the Export obligation period expired on **4.11.2011** and no export documents were received till date in terms of para 4.25 of Hand Book of Procedures 2009-14 evidencing the fulfillment of export obligation. Also there was no submission of evidence of payment of Duty with interest in the absence of any exports towards regularization of imports.

4. Under the provisions of Section 13 & 14 of Foreign Trade (Development and Regulation) Act, 1992 licence firm was issued a show cause notice as to

- a) Why the Licence should not be deemed to have been fully utilised in the absence of any document produced by you.
- b) Why the entire Export obligation should not be deemed to be unfulfilled in the absence of any document produced by you.
- c) Why the **DFIA bearing No.0710068069 dtd 05.11.2009** should not be deemed to be cancelled ab-initio in terms of rule 10(b) of Foreign Trade ( Regulation ) Rules 1993, in view of non-fulfilment of the conditions of the licence/authorisation.
- d) Why on such cancellation, the imports effected against the licence in question should not be deemed to have been effected in contravention of the Foreign Trade (Development & Regulation) Act, 1992 and a penalty equal upto 5 times the value of the licence should not be imposed jointly/severally on you/your partners/directors/karta etc under Section 11(2) of the Foreign Trade (Development and Regulation) Act 1992 Impose penalty is in addition to demand for duty along with interest.
- e) Why you should not be continued to be placed under denied entity list denying further issue of any benefits as per Rule 7 of Foreign Trade (Regulation) Rules, 1993.

5. The Show cause notice sent by Speed post was returned undelivered by Postal department with remarks "no such firm in this address and hence returned". Hence the same was sent to the residential address of the proprietor of the firm on 28.6.2013. The proprietor of the firm had replied on 18.7.2013 and requested for another date for a personal hearing. A fresh date for PH was granted on 14.8.2013. No one from the licensee firm has appeared for a personal hearing on 14.8.2013.

6. In view of the above facts, the undersigned has come to the conclusion that the firm its proprietor are guilty of committing breach law and procedure relating to relevant provisions of Foreign Trade Policy and Foreign Trade (D & R) Act, 1992 by importing under Duty Concession but not complying with the obligation of Export.

7. As per letter dated 2.3.2010 issued by Directorate General of Foreign Trade, New Delhi, and based on the Report of Special Intelligence & Investigation Branch, Office of the Commissioner of Customs, Cochin vide letter no. SIIB/MISC/5/2010-Cus dated 21.01.2010, the firm was already kept under Denied Entity List.

8. Therefore in exercise of powers vested in undersigned under Section 11(2) read with Section 13 of Foreign Trade ( Development & Regulation) Act 1992 hereby impose a penalty of Rs.20,00,000/- (Rupees Twenty Lakhs only) upon the firm M/s.Mridul Silks, (Prop.Shri

Brijesh Modi) Shop No.T-2, III floor, Maruti Avenue Road cross, Basavana lane, Bangalore 560 002. This is in addition to the payment of Customs duty with interest on the import made under this DFIA.

9. The firm is continued to be placed under Denied Entity list denying further issue of any benefits as per Rule 7(1) and (n) of Foreign Trade (Regulation) Rules 1993.

10. This order is without prejudice to any other action that may be taken against the firm under any other law as applicable.

*Patil*  
(J.V.PATIL)

JOINT DIRECTOR GENERAL OF FOREIGN TRADE

To

M/s.Mridul Silks,  
(Shri Brijesh Modi Prop of M/s.Mridul Silks)  
No.4,Amarajyothi Layout, RMV II Stage,  
Bangalore 560 094.

Copy to:

1. Addl. DGFT., 4<sup>th</sup> floor, Shastry Bhawan, Haddows Road, Nungambakkam, Chennai PIN 600 006.
2. The Commissioner of Customs, P.B.No.5400, Central Revenue Building, Bangalore.560001.
3. The Commissioner of Customs, Chennai Sea Port, Customs House, 60 Rajaji Salai, Chennai - 600001.

911-914  
12/11/13  
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