

Rk-071.730470  
29/5/14

GOVERNMENT OF INDIA  
Ministry of Commerce  
Office of the Joint Director General of Foreign Trade  
Kendriya sadan, 6<sup>th</sup> Floor, C & E Wing, Koramangala,  
BANGALORE – 560 034

File No. 07/21/021/00137/AM-05

Date : 09.05.2014

Passed by : Shri V. SRAMAN, ITS., ,  
Joint Director General of Foreign Trade.



ORDER-IN-ORIGINAL

Any person / party aggrieved by this order may, under Section 11(2) readwith Section 15(1) of Foreign Trade (Development & Regulation) Act, 1992 may file an Appeal against the same to the appropriate Appellate Authority viz. The Additional Director General of Foreign Trade, 4<sup>th</sup> Floor, Shastri Bhawan Annex. No.26, Haddows Road, Nungambakkam, Chennai -600 006 ( Phone : 044-28283404/08 Fax : 044-28283403 E-mail [chennai-dgft@nic.in](mailto:chennai-dgft@nic.in) within 45 days from the date of serving this Adjudication Order.

2. Any person / party desirous of filing an Appeal against this Order shall deposit the penalty amount and produce proof of payment alongwith Appeal to the Appellate Authority failing which the Appeal is liable to be rejected for non compliance of the provisions of Section 15(1) of the Foreign Trade (Development & Regulation) Act , 1992.

3. The penalty amount is to be deposited under Head of Account "1453 Foreign Trade & Export Promotion Minor Head 102 – Other receipt, Fines and Penalties etc. Director General of Foreign Trade or by way of a Demand Draft payable at Bangalore drawn in favour of Joint Director General of Foreign Trade, Bangalore, within 45 days thereof.

4. Whereas M/s. Awesome Sports Wear, a Partnership firm (herein after referred to as a 'licensee') has obtained EPCG Licence No. 0730001832 dated 01.06.2004 with Duty Saved value of Rs. 2,81,722.50 from this office for import of Capital goods with Concessional Customs Duty at the rate of 5% subject to the condition that the licensee would export items manufactured by use of imported Capital Goods and ear free foreign exchange equivalent to US\$ 50,875.39 within a period of eight years from the date of issue of the license. The Company was to import computerized embroidery machine and export READYMADE GARMENTS as specified in the said license.

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5. Whereas the firm had submitted an Undertaking that they shall be liable to Penal action in accordance with the Policy / Procedure / Foreign Trade (Development & Regulation) Act 1992 in addition to forfeiture of Bank Guarantee or any other Bond / Guarantee given to Custom authorities in the event of failure to fulfill the export obligation as stipulated, within the export obligation period prescribed or subsequently extended by the competent authority,

6. Whereas the period of fulfilling the export obligation expired on : 31.05.2012. As per Para 5.8 of Hand Book of Procedure 2002-2007 the firm was required to furnish a consolidated statement of exports made in the proforma as given in Appendix 10C duly certified by a Chartered Accountant and a certificate from the Bank evidencing exports and realization in freely convertible currency.

7. Whereas the firm failed to produce any documentary evidence evidencing fulfillment of export obligation or payment of duty with interest, in case of no exports done. Hence a Show Cause Notice dated 27.01.2014 was issued asking the firm to advise to Show Cause as to why :

- (i) The firm should not be placed under Denied Entity List thereby thereby denying issue of any further licenses ;
- (ii) Why the penalty should not be imposed under Section 11(2) of Foreign Trade (D&R) Act 1992, in addition to demand for recovery of duty forgone with interest.

In the said Show Cause Notice an opportunity of personal hearing was granted. However the Show Cause Notice issued to the firm's address at : Peenya Industrial Area, Bangalore, and to the Partners S/Shri Sanat Kumar, Shri Bharwawaj.M., and Mrs. Poonam V. Lakani at Bangalore was returned undelivered by the postal authorities with postal remarks " No Such Firm".

8. In view of the above facts, the undersigned concluded that the licensee firm M/s. Awesome Sports Wear, No. 188, 11<sup>th</sup> Main, 3<sup>rd</sup> Phase, Peenya Industrial Area, Bangalore – 560 058, Karnataka, and and its Partners obtained EPCG license from this office have neither complied with the conditions of the EPCG license nor regularized the matter by payment of Duty with Interest. There is the violation of the conditions of the EPCG Scheme and the EPCG license both covered under the Foreign Trade Policy. I have reasons to believe that the Capital Goods was not used for the purpose for which the exemption was allowed. Hence committed a breach of Law and Procedure relating to Foreign Trade (Development & Regulation) Act , 1992.



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9. Therefore, in exercise of powers vested in undersigned under Section 11(2) of Foreign Trade (D & R) Act 1992, I hereby impose a penalty of Rs. 5,63,445/- ( Rs. Five Lakhs Sixty Three Thousand Four Hundred and Forty Five only) upon M/s. Awesome Sports Wear, No. 188, 11<sup>th</sup> Main, 3<sup>rd</sup> Phase, Peenya Industrial Area, Bangalore – 560 058, Karnataka. This is in addition to recovery of Duty with Interest in the imports made.

  
( V. SRAMAN ),

*Regional Joint Director General of Foreign Trade.*

Copy to :

1. M/s. Awesome Sports Wear, No. 188, 11<sup>th</sup> Main, 3<sup>rd</sup> Phase, Peenya Industrial Area, Bangalore – 560058,
2. Ms. Poonam V Lkhani / Harish Bulchandani, Plot No.9, I Main, Nandhini Layout, Bangalore – 560096,
3. Sanat Kumar / G. Santhanam, No. 120/B, Padma Santhanam, MEI HBCS Layout, Peenya 3<sup>rd</sup> Stage, Laggere, Bangalore – 560 058,
4. Bharadwaj M/M.R Rajagopal Iyengar, No. 523, Jayanthi, IV Phase, J.P. Nagar, Bangalore – 560058,
5. Additional Director General of Foreign Trade, 4<sup>th</sup> Floor, Shastri Bhawan Annex. 26, Haddows Road, Nungambakkam, Chennai – 600 006 Phone (044) 28283404/08 Fax : (044) 28283403  
Email Chennai-dgft(at)nic(dot)in;
6. Commissioner of Customs, Chennai Sea, Chennai.

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