

Rk-07/1655155
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Office of the Joint Director General of Foreign Trade
" KENDRIYA SADAN ", 6th Floor, C & E Wing, 17th Main Road,
Koramangala 2nd Block, Bangalore 560 034.

F.No.07/36/021/00016/AM03

Date 11.07.2014

Passed by : Shri V. SRAMAN, Joint Director General of Foreign Trade,
O/o.the Joint Director General of Foreign Trade, 6th Floor,
C&E Wing, Kendriya Sadan, Koramangala, Bangalore-560034.

ORDER-IN-ORIGINAL

1.1 Any person/party 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, Udyog Bhavan, New Delhi – 110 011 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/party desirous of filing an appeal against this order shall deposit the penalty amount and produce proof of payment along with appeal to the Appellate

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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 Joint Director General of Foreign Trade, Bangalore within 45 days thereof.

2.1. Whereas, **M/s Gurkirpa Intl. Pvt. Ltd.**, a limited company (herein after referred to as the 'licensee') had obtained EPCG License No.0730000570 dated 29.4.2002 for a duty saved amount of **Rs. 1945828.00** from this office for import of **Capital Goods with exemption from Customs Duty** subject to the condition that the licensee would export **Digital prints, fabricated vinyl panels and all kinds of visual display items for advertising** and earn free foreign exchange equivalent to **US\$198960.00** within a period of **8 years** from the date of issue of the license.

2.2. Whereas the firm had submitted an Undertaking that they shall be liable to Penal Action in accordance with the Policy/Procedure/Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed there under and the Customs Act 1962 in addition to forfeiture of Bank Guarantee or any other Bond/Guarantee given to the Custom in the event of filler to fulfill the export obligation as stipulated, within the export obligation period prescribed or subsequently extended by the competent authority.

2.3. Whereas the period of fulfilling the export obligation has already expired on 29.4.2010. As per Para 5.13 of Hand Book of Procedures 2004-09, the firm was required to furnish a consolidated statement of export made in the Proforma as given in Appendix-5B, duly certified by a Chartered Accountant and a Certificate from the Bank evidencing exports and realisation in freely convertible currency.

2.4. Whereas the stipulated time for furnishing the relevant document has also expired. Whereas, the company was advised to furnish export fulfillment document by way of issue of Cautionary letter, Demand Notice and Show-Cause Notice were issued intimating that:-

(a) the export obligation has not been discharged as per Condition Sheet attached to the EPCG License; and

(b) the firm, as licensee, have committed a breach of the export obligation condition of the license and hence, the license is liable for cancellation ab initio under Rule 10 of Foreign Trade(Regulation) Order 1993.

The company has neither responded to the letters and notices issued to them nor submitted any export document.

3.1 In view of the above facts, the undersigned concluded that Licensee firm **M/s Gurkirpa Intl. Pvt. Ltd.**, 31/1, I & II Floor, Seetharamapalya, Mahadevapura Post, Bangalore - 560048, and its Directors had obtained EPCG License No. **0730000570 dt.29.4.2002** from this office by misrepresentation and they have neither complied with condition of the EPCG License nor have

regularised the matter by payment of duty with interest as a case of bonafide default, thereby, committed a breach of Law and Procedure relating to Foreign Trade (Development & Regulation) Act,1992.

4.1. Therefore in exercise of powers vested in undersigned under Section 11(2) of Foreign Trade (D&R) Act 1992 and read with Notification No.18/9/97/ECA-III dt.20.1.1999, I, hereby, impose a penalty of **(Rs. 3891656.00/- twice the duty saved value)** upon **M/s Gurkirpa Intl. Pvt. Ltd.,** Bangalore – 560048. This order is without prejudice to any other action that may be taken against the licensee firm under the Customs Act, by the Customs department to recover the duties/dues.

4.2. Further, in exercise of the powers vested in me under 8(1) of the Foreign Trade (Regulation) Act 1992, I, hereby, debar the aforesaid firm and its Chairman and CEO, Directors, as per list attached, from obtaining any kind of license, Customs clearance permits, obtaining allotment of imported goods from any licensing authorities or STC/MMTC or any other agency till the penalty amount is paid. Import-Export Code No. **0700003355** allotted to is ordered to be suspended till the penalty is paid.


(V. SRAMAN)

JOINT DIRECTOR GENERAL OF FOREIGN TRADE

To

**M/S Gurkirpa Intl. Pvt.Ltd.,
31/1, I & II Floor,
Seetharamapalya,
Near Doddanekundi Indl. Area, -
Bangalore-560048.**

Copy to:-

- 1) DG, DGFT, New Delhi.
- ✓ 2) Zonal JDGFT, Chennai.
- 3) The Commissioner of Customs, ICD, Bangalore-560001.
- 4) Joint Commissioner of Income Tax, Income Tax Office, Queens Road,
Bangalore-01.

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