

Rk-22683/210
19/2/15



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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
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.07/95/199/00019/AM95 / 5123

Date 16.01.2015

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

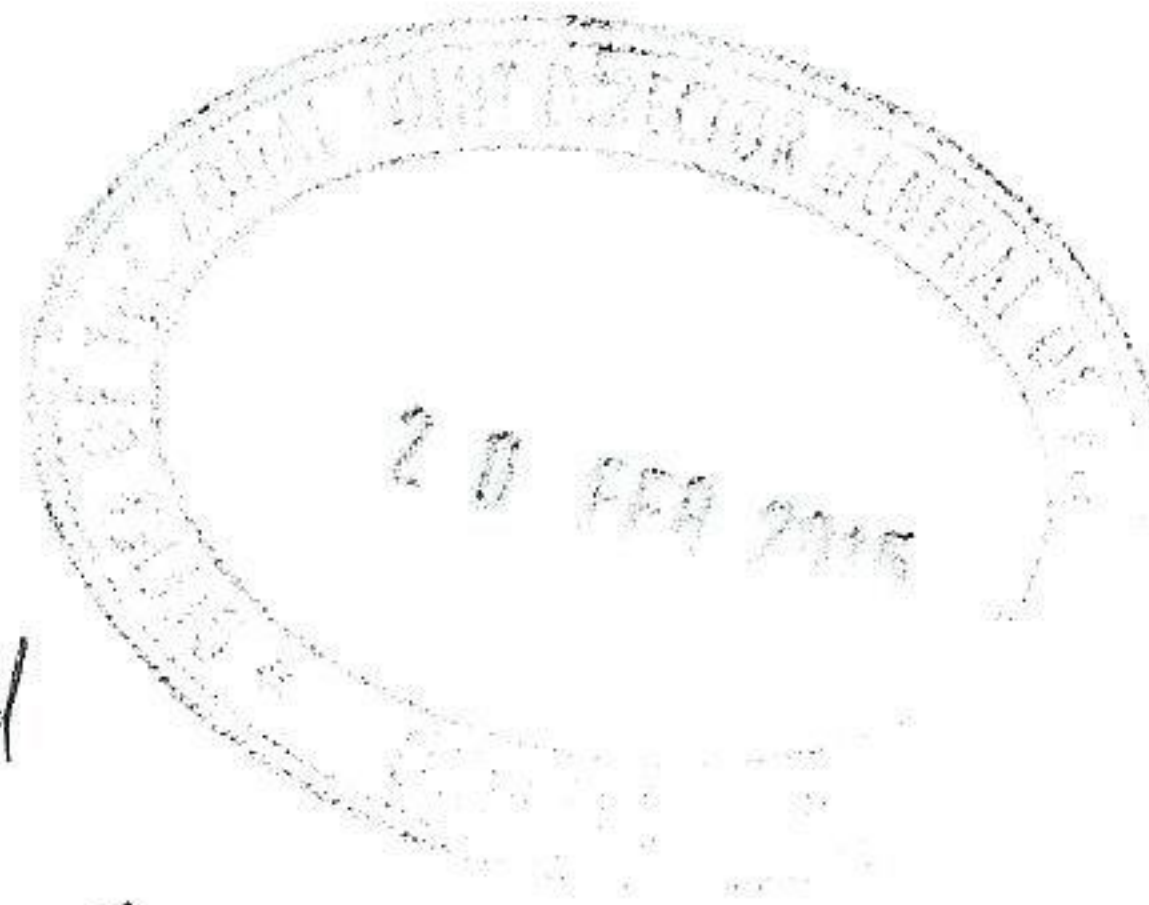
ORDER-IN-ORIGINAL

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, may file an Appeal against the same to the appropriate appellate authority, i.e., the Additional Director General of Foreign Trade, 4th Floor, Shastri Bhavan Annexe, 26, Haddows Road, Nungambakkam, Chennai- 600 006, Phone:(044)28283404/08; Fax:(044)28283403;E-mail: chennai-dgft[at]nic[dot]in; within 45 days from the date of serving of 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 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.

3. The penalty amount is to be deposited under 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.

4. Whereas, M/s COSMOS LEATHER EXPORT LTD., (herein after referred to as the 'licensee') had obtained EPCG License No. 3488735 dated 12.08.1994 with CIF value of Rs.1844102/- US\$57535, from this office, for import of Capital Goods with the condition that they would export leather garments and earn FFE worth US.\$230140 wiin 4 years from the date of issue of licence..



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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 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 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 12.08.1998. As per Para 6.13 of Hand Book of Procedures, 1997.2002, the firm was required to furnish a consolidated statement of export made in the Proforma as given in Appendix-10C, duly certified by a Chartered Accountant and a Certificate from the Bank evidencing exports and realisation in freely convertible currency.

7. Whereas the stipulated time for furnishing the relevant documents had expired. Whereas, licensee was requested to produce export documents vide this offi letters dated 25.8.2000, 5.4.2000 , 2.2.2001 etc upto 12.10.2010. The licensee company was issued S a Show Cause Notice dated 18.5.2000 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 denying issue of any further license;
- (ii) Why the penalty should not be imposed under Section 11(2) of FTDR Act, 1992, in addition to demand for recovery of duty foregone with interest.

8. Whereas the licensee failed to produce requisite export documents. In spite of repeated reminders and many opportunities, the licensee company has failed to produce documents evidencing fulfillment of export obligation or regularize the case by paying Customs Duty with interest.

9. In view of the above facts, the undersigned has come to the conclusion that the licensee company and its directors are guilty of committing breach of law procedure relating to Foreign Trade D & R Act 1992 by importing under duty concession but not complying with the obligation of export / producing the evidence of export or regularizing the matter as a case of bonafide default by payment of duty with interest. Therefore in exercise of powers vested in undersigned under Section 11(2) of Foreign Trade (D& R) 1992 and read with Notification No.18/27/HQ/06-07/ECA-II dtd.17.4.2009, I hereby impose a penalty of Rs.92,20,510/- (Rupees Ninty two lakhs, twenty thousand five hundred and ten only) upon M/s.,Cosmos Leather, Parvathi Plaza, 105, Richmond Circle, Bangalore-25. This order is without prejudice to any action that may be taken against the licensee firm under Customs Act, by the Customs Department to recover the duties/dues.

10. Further, in exercise of the powers vested in me under para 7(1) of the Foreign Trade (Regulation) Rules 1992, I hereby debar the aforesaid firm and its Directors from obtaining any

kind of licence, Customs Clearance Permits, obtaining allotments of imported goods from any licensing authorities or STC/MMTV or any other agency till the penalty amount is paid..

(V. SRAMAN)

JOINT DIRECTOR GENERAL OF FOREIGN TRADE

To

1. M/s.Cosmos Leather Export (P) Ld, Parvathi Plaza, 105, Richmond Circle, Bangalore – 560025.
2. Shri S.B Shetty No.7, Rameshwar Nilaya, 10th Main, Vasanthnagar, Bangalore
3. Shri M.M.Hussain No.584, V Cross, 16th Main, III L Block, Koramangala, Bangalore
4. Shri K.V.Badri Prasad, Flat No.2-C, Deauville apartments, 10, church street, Bangalore
5. The Zonal JDGFT, 4th floor, Shastry Bhavan, No.26, Haddows Road, Chennai.
6. The Additional DGFT, O/O DGFT, Udyog Bhawan, New Delhi – 11011.
7. The Commissioner of Customs, P.B.No.5409, Central Revenue Building Bangalore – 560001.