

Government of India
Ministry of Commerce & Industry
Office of the Joint Director General of Foreign Trade
117, K.K.Nagar, Madurai – 625020

Tel : 0452-2586485

Email : madurai-dgft@nic.in

File no. 35/21/021/00145/AM07

Date: 09.08.2017

ORDER-IN-ORIGINAL

PASSED BY: J. M. BISHNOI

Deputy Director General of Foreign Trade, Madurai

1. Any person/party aggrieved by this order may, under Section 15 of the Foreign Trade (Development and Regulation) Act, 1992 & notification no. 21(RE-2013)/2009-2014 dt. 13.6.2013 file and appeal against the same to the appropriate authority viz. The Additional Director General of Foreign Trade, Office of the Additional Director General of Foreign Trade, 4th Floor, Shastri Bhavan Annex, 26, Haddows Road, Nungambakkam, Chennai – 600006 within a period of forty five days (45 days) from the date of service of this adjudication order together with a copy of this order and a complete set of evidence in the form of Annexure to the appeal relied upon in support of the appeal.

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

3. The penalty amount is to be deposited in an authorized bank of Central Bank of India under the Head of Account "1453 Foreign Trade & Export Promotion Minor Head 102 other receipts fines, penalties etc." The bank receipt must show the name of Dept. viz. Directorate General of Foreign Trade. The bank receipt drawn in favour of Pay & Accounts Officer (Foreign Trade), Chennai.

4. Evidence of payment of penalty is required to be furnished to the Adjudicating Authority within forty five days (45 days) from the date of service of this Adjudication Order, failing which the Importer-Exporter Code Number of the persons/companies/ other entities concerned is liable to be suspended under the provisions of Section 11(4) of the foreign Trade (Development & Regulation) Act, 1992 without making any further reference to them.

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5. M/s. Sivakumar Spinning Mills Private Limited, Madurai Road, Sankarnagar, Tirunelveli - 627357 obtained an EPCG authorization No. 3530001810 dated: 15.06.2006 for a duty saved value of Rs. 7,77,385 for import of Capital goods with export obligation to export Cotton Yarn for FOB value US\$ 1,34,612.12 within a period 8 years from the date of issue of authorization.
6. M/s. Sivakumar Spinning Mills Private Limited, Tirunelveli had not submitted statement of exports evidencing fulfillment of export obligation in spite of this office letter dt : 27.01.2015.
7. Notice dt: 08.12.2016 under section 14 for action under section 11 - (2) (3) (5) (6) & (7) of FT (DR) Act 1992 as amended in 2010 and for action Under Para 5.17 of HBP & action under Rule 7(k) of the Foreign Trade Regulation Rules, 1993 was issued to the company and its directors with personal hearing on 21.12.2016 at 11 a.m to 1 p.m. As requested personal hearing was rescheduled on 18.01.2017. Shri. P. Madhavan, Accountant appeared for personal hearing vide interview slip no. 3 dt: 18.01.2017 and asked for 30 days time. This Office vide letter dt: 20.01.2017 granted 30 days time for payment of duty with interest. Again as requested, 60 days time was granted vide letter dt: 08.03.2017. Though 60 days time is expired M/s. Sivakumar Spinning Mills Private Limited had not submitted documentary evidence for having paid duty with interest for regularization. Hence M/s. Sivakumar Spinning Mills Private Limited was placed Under Denied Entities List vide order dt: 05.07.2017.
8. In the circumstances, the undersigned is now fully convinced that the authorization and its directors are guilty of violating the conditions of the Licence in question thereby liable to a penalty under Section 11 (2) of Chapter IV of Foreign Trade (Development and Regulation) Act, 1992. In exercise of powers vested in me vide Notification No. SO (E) dt. 17.4.2009 issued by DGFT, New Delhi in F.No. 18/27/HQ/06-07/ECA-II, I hereby impose a penalty of **Rs. 25,15,312/-** (one time CIF value) on the Licensee and its directors towards non-fulfillment of export obligation in full against the subject licence.

I further order that no further authorization shall be issued to the firm/Company or to any other firm/Company in which the directors of this firm/Company are directly or indirectly involved in the day-to-day activities of that firm/Company as per Provisions of Handbook read with Rule 7(1) of the Foreign Trade (Regulation) Rules, 1993.

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This order is issued without prejudice to any other action that may be taken under any other Act, Rules or Regulations in force.



(J. M. Bishnoi)

Deputy Director General of Foreign Trade

To,

M/s. Sivakumar Spinning Mills Private Limited,
Madurai Road,
Sankarnagar,
Tirunelveli - 627357.

Shri. D.Kandiah Dr. P.K.Deivanayagam 18, Matha West Street Tirunelveli -627006	Shri. K.V.R.Kousigan 32-B, New Colony Vannarpet Tirunelveli.	Shri. P.K.S.Sambandhan Guru Maharaj Illam 128a, Police Station Street Sivakasi -626123
Shri. K.Shanmuga Velayutham 18, Matha West Street Tirunelveli -627006	Shri. K.Deivanayagam 18, Matha West Street Tirunelveli -627006	Shri. B.Shanmugaraj 76, P.K.S.Street Sivakasi -626123
Shri. R.Santhosh Kumar, 11/21, Vanji Nagar Sankarnagar, Tirunelveli -627357		

Copy to:

- 1) The Additional Director General of Foreign Trade, Chennai.
- 2) The Commissioner of Customs, Sea Port, Tuticorin for information.