

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. 35/21/021/00278/AM06

Date: 26.10.2017

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. Sri Kaderi Ambal Mills Ltd., Super B-3 Industrial Estate, Madurai - 625007 obtained an EPCG authorization No. 3530001569 dated: 15.03.2006 for a duty saved value of Rs. 29,00,520 for import of Capital goods with export obligation to export Cotton and Polyester for FOB value US\$ 5,19,690.03 within a period 8 years from the date of issue of authorization.
6. The Export Obligation period expired on 14.03.2014. Letter dt: 21.04.2014 was issued calling for E.O. documents. In reply vide your letter dt: 28.04.2016 M/s. Sree Kaderi Ambal Mills Ltd. had asked for one month time. Accordingly thirty days time was granted vide letter dt: 07.05.2014. Again as requested by you vide letter dt: 01.09.2014 ninety days time was granted. Since M/s. Sree Kaderi Ambal Mills Ltd. have not submitted documents, this Office vide letter dt: 27.01.2017 requested you to pay duty with interest. M/s. Sree Kaderi Ambal Mills Ltd. have not submitted documentary evidence for having paid notional customs duty with applicable interest. Hence M/s. Sree Kaderi Ambal Mills Ltd. have violated the licensing condition.
7. Notice dt: 01.05.2017 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 16.05.2017 from 11a.m to 1p.m. As requested by M/s. Sree Kaderi Ambal Mills Ltd. 90 days time was granted vide this Office letter dt: 26.05.2017 for payment of notional customs duty along with applicable interest. Though 90 days time is expired M/s. Sree Kaderi Ambal Mills Ltd. had not submitted documentary evidence for having paid notional customs duty with applicable interest.
8. Hence, M/s. Thendral Match Industries and its partners were placed under Denied Entities List vide DEL order dt: 07.08.2017 in terms of Rule 7 (k) of the Foreign Trade (Development & Regulation) Rules 1993. DEL order addressed to M/s. Thendral Match Industries has been returned undelivered by postal authorities with remarks "left" and addressed to Shri. G. S. Karthikeyan, Smt. K. Santhinidevi and Shri. R. Sureshpandian Partners were returned undelivered by postal authorities with remarks "left and not known".
9. As a final opportunity, show cause notice was issued on 25.09.2017 with personal hearing on 09.10.2017 at 12.30 p.m. to Show Cause within 15 days as to why action should not be initiated under section 11 of chapter IV of Foreign Trade (Development & Regulation) Act 1992 for adjudication.

10. In the circumstances, the undersigned is now fully convinced that the authorization holder 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. 58,01,040 (Rupees Fifty Eight Lakhs One Thousand and Forty only)** on the Licensee and its directors towards non-fulfillment of export obligation in full against the subject authorization.

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.

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. Sree Kaderi Ambal Mills Ltd.,
Super B-3 Industrial Estate,
Madurai - 625007.

Shri. Sevugan Chettiar Pethaperumal, 19,Kamala Second Street, Chinnachokkikulam, Madurai - 625002	Smt.Mala Pethaperumal, 19,Kamala Second Street, Chinnachokkikulam, Madurai - 625002	Shri. Uthaman Pethaperumal , 19,Kamala Second Street, Chinnachokkikulam, Madurai - 625002
Shri. RM Ramanatha Chettiar, 25,Middle Street,Puduvayal, Sivaganga - 630108	Shri. SM SV M Muthappa Chettiar, Shanmuganathapuram, Sivaganga - 630314	Shri. Veerappan Shanmugam, Shanmuganthapuram, Sivaganga - 630314

Copy to:

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