



GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY

## OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE

6<sup>th</sup> Floor, ReshamBhavan, Laldarwaja, Surat 395003  
Tel: 0261-2423381 FAX: 0261-2452216 EMAIL: [surat-dgft@nic.in](mailto:surat-dgft@nic.in)

File No. : 52/36/021/00151/AM06

Date: 06.05.20

### ORDER- IN-ORIGINAL

1. Any party or person/s aggrieved by this Order may file an appeal against the same to Additional Director General of Foreign Trade, 6<sup>th</sup> Floor, ReshamBhavan, Laldarwaja, Surat in terms of Section 15 of the Foreign Trade (Development and Regulation) Act, 1992, within 45 days from the date of issue of this Order under intimation to this office.
2. The penalty amount shall be deposited within 45 days from issuance of this Order under intimation to this office under the Head of Account '1453 - Foreign Trade Export Promotion, Minor Head - 104 other receipts, fines and penalties etc. -Import and Exports Control Organization'. Penalty amount can also be submitted to online dgft.gov.in > Service > Online Ecom Application >eMPS.
3. If penalty is not paid, it shall be recovered as an arrear of land revenue of the person concerned and IEC may be cancelled as per Section 8 & 11(4) of FT(D&R) Act.

### FACTS OF THE CASE

4. M/s.G 3 Embroidery(IEC: 5205015675, PAN:AAGFG1439D), thenoticee, having address at 306, Mangaldeep Appt. Bhatar Road, Surat/Gujarat Pin-395007and its Proprietor/ partners/directorsapplied and obtained license for Export Promotional Capital Goods Schemeunder Chapter 5 of Foreign Trade Policy vide file number 52/36/021/00151/AM06on 04.08.2005and with following details:

Licence Number and Date	5230000551, 04.08.2005 Amendments :
Licence Category	EPCG Concessional Duty 03%
File number	523602100151AM06
Name	G 3 EMBRODIERY (5205015675 Branch : 0 )
Port of Registration	INNSA1 (NhavaSheva Sea)
CIF	Rs.:3924274.2 in FC: 82012 USD
FOB	Rs.3791796 in FC: 0 USD

### Import Item:

Sr.No.	Item Code	Item Description	Qty	UOM	CIF /Duty Saved (in Rs)
1	84479020	COMPUTERISED EMBROIDERY MACHINE COMPLETE SET WITH STANDARD PART AND ACCESSORIES MODEL NO. AE-624 (250X500/1200).	3.000	NUMBER	
2	84479020	COMPUTERISED EMBROIDERY MACHINE COMPLETE SET WITH STANDARD PART AND ACCESSORIES MODEL NO.	1.000	NUMBER	

3	84479020	AE611SQ (250X500X1200) COMPUTERISED EMBROIDERY MACHINE COMPLETE SET WITH STANDARD PART AND ACCESSORIES MODEL NO. AE613-SQ (400X800X1200) Total Duty Saved (Rs.)	1.000	NUMBER	631,966.00
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**Export Item:**

Sr. No.	Item Description
1.	EMBROIDERED FABRICS

5. As per condition sheet attached and conditions imposed under the scheme, the applicant is bound to fulfill Export Obligation of USD 79,243.38ie6 times of duty saved of capital goods on FOB basis with a period of 8 years from the date of issue of authorization.
6. Export Obligation period ends on 03.08.2013.
7. After expiry of period no export obligation fulfillment documents are submitted which are required under Foreign Trade Policy.
8. Demand Notice was issued with facility of Personal Hearing on 13.04.15.
9. Refusal Order Notice was issued on 14.07.15.
10. Show Cause Notice with facility of Personal Hearing was issued on 18.07.19.
11. Final call for Personal Hearing is issued on 18.07.19.

**FINDINGS**

12. A Show Cause Notice issued gave 15 days reply time with facility of personal hearing to the notice. But no Personal Hearing was attended by the notice and no reply was submitted till date. So natural justice was done with enough opportunities.
13. In my opinion, the notice while signing any documents must be aware of result of misuse. The noticee must not make any fraudulent documents and declaration which are contrary to the facts knowingly or unknowingly. To promote exports, the government waived off Duty of Rs631966/- to the noticee. This duty is hard earned money of the government which was appropriated from honest tax payers of the country. The notice misappropriated and misused money of the government and did fraud to the government by taking undue benefit from government exchequer. So the noticee is fully responsible and mastermind for this modus operandi of fraud. The noticee has also not fulfilled export obligation till date. Because of this, the government lost Rs631966/- with addition of interest calculated from date of issuance of the license. So I found that the noticee violated Section 9 and 11 of Foreign Trade (Development and Regulation) Act, 1992. 'Person' under Section 11 of Foreign Trade (Development and Regulation) Act, means natural and legal person. In this case the proprietor/partners/directors in the name of his company is/are found guilty of violation of the Section 11 and liable to be imposed penalty.

**ORDER**

14. I therefore in exercise of powers vested in me under Section 9, 11 & 13 of the Foreign Trade (Development & Regulation) Act, 1992, hereby impose fiscal penalty of Rs. 10,000/- (Rupees Ten Thousand only) on M/s. G 3 Embroidery (IEC: 5205015675, PAN: AAGFG1439D), the noticee, having address at 306, Mangaldeep Appt. Bhatar Road, Surat/Gujarat Pin-395007 and its Proprietor/partners/directors details given as below:

Sr. No.	Name of Proprietor/ partners/directors	Penalty Amount (in Rs.)
1.	Smt. Rita Shri Braj Mohan Agarwal 306, Mangaldeep Appt. Bhatar Road Surat/Gujarat Pin-395007	10000/-

Suvidh Shah, ITS  
Joint DGFT, Surat.  
6th Floor, Resham Bhavan,  
Lal Darwaja, Surat-395003.

2.	Lalita Kothari Shri Ashok Kothari 605, Managaldeep Appt. Bhatar Road Surat/Gujarat Pin-395007	10000/-
<b>Total</b>		<b>20000/-</b>

15. I ordered to pay custom duty and all other duties against this license as per utilization to Port of Registration mentioned in License with interest payment and penalty as per rules and regulation under Custom Act.
16. I also order for suspension of IEC5205015675 for stopping them any further import and export as per section 8 of FT (D&R) Act 1992.
17. This order is issued without prejudice to any other action that may be taken under any other Act, Rules or Regulation for the time being in force.



(Suvindh Shah)

Joint Director General of Foreign Trade, Surat

Suvindh Shah, ITS  
Joint DGFT, Surat.  
6th Floor, Resham Bhavan,  
Lal Darwaja, Surat-395003.

To:

M/s. G 3 Embroidery (IEC: 5205015675 PAN: AAGFG1439D),  
306, Mangaldeep Appt.  
Bhatar Road,  
Surat/Gujarat Pin-395007

Copy to:

1. Additional Director General of Foreign Trade, Resham Bhavan, Laldarwaja, Surat.
2. ECA Section, DGFT HQ, Udyog Bhavan, Maulana Azad Road, New Delhi-110011.
3. Regional Economic Intelligence Committee (REIC), Central GST Vadodara Zone, 2<sup>nd</sup> Floor, GST Bhavan, Race Course Circle, Vadodara-390007.
4. EPCG Section, JNPT Port, Nhava Sheva Port.
5. Smt. Rita Shri Braj Mohan Agarwal 306, Mangaldeep Appt. Bhatar Road Surat/Gujarat Pin-395007
6. Lalita Kothari Shri Ashok Kothari 605, Managal deep Appt. Bhatar Road Surat/Gujarat Pin-395007
7. M/s. G 3 Embroidery, Plot No. B-15, Shree Sat Krupa Ind. Soc. U.M. Road, Udhna Surat/Gujarat Pin-394230

This Order Is Available On [dgft.gov.in](http://dgft.gov.in) > act & rules > Order passed by RA/SEZ > Office > Surat