



GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY

**OFFICE OF THE ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE**

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

File No. : 52/21/021/00634/AM09

Date: 20.11.19

**ORDER- IN-ORIGINAL**

1. Any party or person/s aggrieved by this Order may file an appeal against the same to the appropriate Appellate Authority i.e. Additional Director General of Foreign Trade, 11<sup>th</sup> Floor, Apna Bazaar, Laldarwaja, Ahmedabad 380001, 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. In case no appeal is filed within the stipulated period before the Appellate Authority as above, the penalty amount shall become due and shall be deposited with the Government of India within 45 days from issuance of this Order under intimation to this office. The penalty amount is to be deposited 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](http://dgft.gov.in) > Service > Online Ecom Application >eMPS.
3. A penalty imposed under this Order may, if it is not paid, be recovered as an arrear of land revenue and the Importer-exporter Code Number of the person concerned, may be suspended by the Adjudicating Authority till the penalty is paid as per Section 11(4) of FTD(R) Act.

**FACTS OF THE CASE**

4. M/s LAXMI FASHION (IEC: 5208014343, PAN: AHIPB9489K) with proprietor Shri Kalpeshbhai Veljibhai Bodar (Mo No 9825490290), the noticee, having address at 76, Subhash Nagar-1, Opp Shakit Nagar ni Vadi, Katargam, Surat 395004 applied and obtained license for Export Promotional Capital Goods Scheme under Chapter 5 of Foreign Trade Policy vide file number 51/21/021/00634/AM09 on 15.07.2008 and with following details:

Licence Number and Date	5230003531, 15.07.2008 Amendments : 0
Licence Category	EPCG Concessional Duty 03%
File number	522102100634AM09
Name	LAXMI FASHION (5208014343 Branch : 1 )
Port of Registration	INNSA1
Notification No	64/2008 Dated : 09.05.2008
CIF	Rs.:1570752 in FC: 36360 USD
FOB	Rs.:2127588 in FC:49249.72 USD

**Import Item :**

Sr.No.	Item Description	Item Length	Import Quantity	CIF /Duty Saved (in Rs)	CIF /Duty Saved (in FC)	Qty	Val
1	COMPUTERIZED EMBROIDERY MACHINE FLAT,615*250*500*1200, DAHAO COMPUTER, WITHOUT CUTTER, SERVO MOTOR, SHAFT SYSTEM, WITHOUT WOODEN CASE, MODEL NO.JFWT615	37,114	4 Number	354,598.00	36,360.00USD		
				354,598.00	36,360.00		

**Export Item:**

Sr.No.	Item Description
1	HS Code 54071039 DYED AND OR PRINTED FABRICS WITH OR WITHOUT EMBROIDERY/MADEUPS,SYNTHETIC RAYON TEXTILES

5. As per condition sheet attached and conditions imposed under the scheme, the applicant is bound to fulfill Export Obligation of USD 49,249.72 ie 6 times of duty saved of capital goods on FOB basis with a period of 8 years from the date of issue of authroisation.
6. Export Obligation period ends on 14.07.2016.
7. After expiry of period no export obligation fulfillment documents are submitted which are required under Foreign Trade Policy.
8. Demand Notice was issued on 01.05.19.
9. Refusal Order Notice was issued on 18.07.19.
10. Show Cause Notice with facility of Personal Hearing was issued on 07.08.19.
11. Against the SCN, Shri Harsh Thummar (M No. 9904994424) appeared before me and explained that no such person called Shri kalpeshbhai Veljibhai bodar ever worked in this premises. He has possession of these premises from last 15 years. The noticee might applied IEC with wrong address and documents.

**FINDINGS**

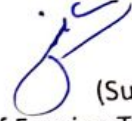
12. A Show Cause Notice issued gave 15 days reply time with facility of personal hearing to the notice. In personal hearing of shri Harsh Thummar, it is recorded that the applicant had no possession of property. But no Personal Hearing was attended by the noticee and no reply was submitted till date. So natural justice was done with enough opportunities.
13. In my opinion, the noticee 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. The noticee filed forged documents for filling IEC and took benefits of Export Promotional Capital Goods. To promote exports, the government waived off Duty of Rs 354598/- 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 submitting wrong documents and took 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 Rs 354598/- with addition of interest calculated from 15.07.08. So I found that the noticee violated Section 11 of Foreign Trade (Development and Regulation) Act, 1992.



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

**ORDER**

14. I therefore in exercise of powers vested in me under Section 11 & 13 of the Foreign Trade (Development & Regulation) Act, 1992, hereby impose fiscal penalty of Rs. 1,00,000/- (Rupees One Lakh only) on M/s LAXMI FASHION (IEC: 5208014343, PAN: AHIPB9489K) with proprietor Shri Kalpeshbhai Veljibhai Bodar (Mo No 9825490290), the noticee, having address at 76, Subhash Nagar-1, Opp Shakit Nagar ni Vadi, Katargam, Surat 395004.
15. I ordered to pay custom duty and all other duties payable to Custom against this license as per utilization to respected Custom authority with interest payment and penalty as per rules and regulation under Custom Act.
16. I also order for suspension of IEC 520814343 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.



(Suvidh Shah)

Joint Director General of Foreign Trade, Surat

To:

M/s LAXMI FASHION (IEC: 5208014343, PAN: AHIPB9489K)  
Shri Kalpeshbhai Veljibhai Bodar (Mo No 9825490290)  
76, Subhash Nagar-1,  
Opp Shakit Nagar ni Vadi,  
Katargam, Surat 395004

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

Copy to:

1. Additional Director General of Foreign Trade, 11<sup>th</sup> Floor, Apna Bazaar, Laldarwaja, Ahmedabad - 380001
2. ECA Section, DGFT HQ, Udyog Bhanvan, Maulana Azad Road, New Delhi - 110011
3. Directorate of Revenue Intelligence - 15, Magnat Corporation Park, Opp Sola Flyover, SG Highway, Thaltej, Ahmedabad 380054
4. Regional Economic Intelligence Committee (REIC), Central GST Vadodara Zone, 2<sup>nd</sup> Floor, GST Bhavan, Race Course Circle, Vadodara - 390007
5. EPCG Section, JNPT Port, Nhava Sheva, Jawaharlal Nehru Custom House, Raigad, Maharashtra - 400707