

**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMERCE & INDUSTRY**  
**DEPARTMENT OF COMMERCE**  
**OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE**  
**S.C.O.288, SECTOR 35-D, CHANDIGARH**  
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F.No. 22/21/040/00008/AM09

2336-2337

Date: 16/11/2018

ECA: FNo. 9/45/ECA/AM2019/CHD

**ADJUDICATION ORDER**

- 1 This order is passed by the undersigned on the basis of the power conferred vide Section 13 of the FTDR Act, 1992 read with Notification No. 20(RE-2013)/2009-2014 dated the 13<sup>th</sup> June, 2013 by the Central Government.
- 2 An Advance Authorization was obtained M/s Punjab Lighting Aids Private Limited, #20, Sector-4, Chandigarh, 160001, **from** this office with the following details: Advance Authorization **No.2210007755 dt. 02/05/2008** CIF value **USD-101,819 (Rs.4,072,760/-)** for import of, **item as per Advance Authorization**. The Authorization was issued, *inter alia*, with the condition that the firm shall export items as per Authorization, for an FOB of **USD-618,240(Rs.24,729,600/-)** by 01/05/2011 as per the Foreign Trade Policy and Hand book of Procedures 2004-09.
- 3 And whereas the firm/company had executed LUT under Para 2.20 read with Para 4.18 of the Hand book of Procedures (HBP)-2004-09 with the condition, *inter-alia*, that in the event of default in fulfilling the aforesaid export obligation within the stipulated time, they shall pay an amount equal to the amount of duty saved with interest (as per DOR guidelines) from the date of import of the first consignment till the date of payment.
- 4 It is stated that authorization was issued with the condition that export shall be made within six months from the date of import of first consignment and as per authorization the date of import of Nickel Alloy Wire was 01/05/2010 and the E.O. Period has expired on 01/05/2011 and firm has made 'NIL' exports with in above mentioned E.O. period.
- 5 Firm has not submitted the complete requisite details for processing Export Obligation Discharge Certificate.

In view of the above, the firm has accordingly made excess import against this authorization in relation to 'NIL' eligible exports as follows:-

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E.O. fixed	E.O. Fulfilled	Admissible E.O.
21864 kg LIW Electrodes NPS PILA and 9331 kg LIW Electrodes STD Deurne (worth USD-618,240	Nil	Nil

The firm has made import as under:-

Import Item Name.	Import allowed as per Authorization	Imports made (kg)	Excess Imports(kg)
Nickel Alloy Wire	3023 kg	3023	3023

- 6 And whereas a Show Cause Notice dated 08/03/2018 under Section 14 for action under Section 11(2) of FTDR Act-1992 was issued to the firm directing as to why action should not be taken against it under section-11(2) & (7) of the Foreign Trade (Development & Regulation) Act, 1992, as amended and under Rule-7.1 (k) of the Foreign Trade (Regulation) Rule, 1993 with personal hearing on 23/03/2018 Company did not attend personal hearing and did not submit the required export documents.
- 7 The firm has been advised to submit documents evidencing Export Obligation Discharge, and deposit custom duty with interest for the excess imports, however, firm has shown no inclination towards complying with these conditions and getting the case closed and has also not got the case regularized by paying applicable duties & interest on excess imports.
- 8 Thus, it is clear that the firm/company has defaulted on their export obligations and made excess imports under the above Authorization in contravention of FTP and therefore, the undersigned in exercise of power vested under Section 11(2) read with Section 13 of FTDR Act, 1992 as amended pass the following order:
  - vii) Impose a fiscal penalty of Rs. 4,072,800 /-( Rs. **Forty lakh Seventy Two thousand Eight Hundred only** ) on the company. The penalty amount is to be deposited under the **Head of Account '1453' -Foreign Trade and Export Promotion, Minor Head-102 -other receipts, fines and penalties etc. Import and export Trade Control Organization** within a period of 45 days from the date of this order failing which penalty amount will be recovered as per Section 11(5) of FTDR Act, 1992 without any further reference to the noticee company.

- viii) You have been declared defaulter and placed in the Denied Entity List (DEL) so that benefit under Foreign Trade Policy are stopped including pending/future refusal of licenses under Section 7.1 (k) of the Foreign Trade (Regulation) Rule, 1993.
- ix) Penalty as in Para 8(i) above is in addition to the Customs Duty plus applicable interest (as per DoR guidelines) to be paid by the company/ firm on excess imports made under this Authorization.

9. Further, if penalty at Para 8(i) above is not paid within 45 days from the date of issue of this order, then, **under Section 11(7) of the FTDR Act, 1992 as amended in 2010**, the IEC No. **2297000227** issued in favour of M/s Punjab Lighting Aids Private Limited, #20, Sector-4, Chandigarh, 160001 will stand suspended without making any further reference to the noticee firm/company.

10. Any person aggrieved by this order may, under Section 15 of the FTDR Act, 1992 as amended in 2010, file an appeal to the appropriate appellate authority i.e. Additional Director General of Foreign Trade, O/o Additional Jt. Director General of Foreign Trade, 133-136, Green Field, Near Shakti Nagar, Chowk, Ludhiana within 45 days from the date of serving of this adjudication order together with a copy of this order and a complete set of evidences in the form of Annexes to the appeal relied upon in support of the appeal. (Information shall be sent to this office within a week of filing such an appeal).

11. 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 appeal to the Appellate Authority failing which appeal is liable to be rejected for non-compliance of the provision of Section 15 of the Foreign Trade (Development and Regulation) Act, 1992.

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

(DR. MANJEET BHATOYA)  
ASSTT.DIRECTOR GENERAL OF FOREIGN TRADE

**Branches**

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| 1. M/s Punjab Lighting Industries Limited,<br>Plot No.E-3, Phase 2, Industrial Area, Mohali, Punjab-160055           |
| 2. M/s Punjab Lighting Industries Limited,<br>A-2, Greenview ADTS, Plot no. 33, Sector – 9, Rohini, New Delhi-110085 |

Endst.No.: 9/45/ECA/AM2019/CHD

Date:

A. The Addl. Director General of Foreign Trade, CLA, 'A' Wing, Indraprastha Bhawan, I.P. Estate, New Delhi.

B. Asstt. Commissioner of Customs, O/o Commissioner of Customs, C.F.S., GRFL, Sanhewal, Ludhiana

C. B/L Section.