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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRIES
OFFICE OF THE ADDL. DIRECTOR GENERAL OF FOREIGN TRADE
4, ESPLANADE EAST :: KOLKATA-700 069
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No.ALS-G/02/24/40/25/AM'08 / 2372238 .

Dated:- 18/06/2013.

ORDER - IN - ORIGINAL

Passed by:-
Shri R. L. Meena, Joint Director General of Foreign Trade.

1. Any person aggrieved by the order may, under section 15 of the Foreign Trade(Development and Regulation) Act,1992 file an appeal against the same to the appropriate authority i.e. the Additional Director General of Foreign Trade, Udyog Bhawan, New Delhi-110 107 within a period of 45 days from the date of serving of this Order together with a copy of this order and a complete set of evidence to be relied upon in support of the appeal in the form an annexure.
2. Any person/party desirous of filing an appeal against this order shall deposit the 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(I) of the Foreign Trade(Development and Regulation)Act,1992.
3. The penalty amount is to be deposited within a period of 15 days from the date of issue of this order under the head of account "1453 Foreign Trade & Export Promotion", Minor Head- 102 other receipts, fines and penalties etc. failing which, the Importer Exporter Code Number 0288001265 allotted to the party may be suspended without any further notice, till payment of the full fiscal penalty amount.
4. The firm obtained an Advance Authorization No.0210100542 dt.04.05.2007 in the following manner in terms of para 4.7 of Handbook of Procedure, Vol.I, 2004-2009:-

Item of import:- Sitolacton-945.000 K..G., Chloroket-877.500 K.G., Pyridine:-420.000 K.G., Methanol- 2160.000 K.G., Toluene-4282.000 K.G. for C.I.F.Value US\$.468259.00 (Rs.22008173.00). Item of Export:-Norandrostenedione(Purity not less than 90%)- 750.000K.G.,for Fob value US\$ 622785.00 (Rs.20270895.00).
5. In terms of Para 4.24 of Hand Book of Procedures, Vol.I 2004-2009, Authorization Holder shall submit requisite evidence in discharge of export obligation in accordance with paragraph 4.25 of the said Hand Book of Procedures.

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6. As per para- 4.24 1 of Hand Book of Procedures Vol.I, 2004-2009, in case Authorization Holder fails to complete EO or fails to submit relevant information/documents RA shall take action by refusing further Authorization, enforce condition of Authorization and undertaking and also initiate penal action as per Law.
7. The Export Obligation period expired on 03.05.2010. The firm did not submit complete Export documents towards fulfillment of export obligation.
8. A notice of even number dated 11.03.2011 was issued to M/s Organon (India) Ltd , Saturday Club Building, 7.Wood Streed, Kolkata-700 016 (hereinafter referred to as the "Noticee firm") under Rule 7(1) (K) of Foreign Trade Regulation Rules,1993, calling upon the noticeefirm to show cause as to why they should not be issued order for denial grant of any licence or renewal of any licences as also for cancellation of the licence ab-initio. The Noticee firm was given 15 days time for submission of their reply and opportunities for personal hearing was allowed. The reason for the notice arose from the fact that the firm had failed to fulfill the export obligation imposed against the above mentioned Advance Authorization. The firm neither submitted complete export documents nor appeared for personal hearing. The firm vide their letter dated 22.03.2011 approached the Policy Relaxation Committee in the DGFT, New Delhi for allowing Clubbing of the Authorisation in question with Authorization No.0210089056 dated 05.05.2006. The Policy Relaxation Committee in its Meeting No.21/AM'12 dated 06.09.2011 allowed Clubbing subject to certain condition. Subsequently the said Committee decided to reject the request for Clubbing as Authorization No.0210089056 dated 05.05.2006 was already redeemed. The firm was issued Demand Notice of even number dated 21.06.2012 for payment of Customs Duty and interest on excess import in terms of Para-4.28 of Hand Book of Procedures, Vol-I. The firm did not comply with the said Demand Notice. So, they were placed under Denied Entity List vide order of even number dated 25.07.2012. Thereafter, a notice of even number dated 19.09.2012 was issued to the firm calling upon the notice firm to Show Cause under section 11(2) of the Act.as to why Fiscal Penalty should not be imposed against them for violation of the conditions of the Authorization as well as import of duty free goods thus made in violation of exim policy.
9. I have gone through the facts and records of the case carefully. I find that M/s.Organon (India) Ltd., Saturday Club Building, 7,Wood Street, Kolkata-700 017 had obtained the above mentioned advance authorization for duty free import of items as allowed on the authorization for a CIF Value of U \$. 468259.00 (Rs.22008173.00). Authorization holder should export for a FOB Value US\$ 622785.00 (Rs.29270895.00) mentioned in the authorisation which has not been fulfilled within the stipulated period as mentioned in the Condition sheet of the authorisation.
10. After expiry of the export obligation period, the firm have not produced complete documents prescribed as evidence for fulfillment of export obligation. Hence he has imported goods in violation of the provisions of the export-import policy. He has diverted duty free imported goods for purposes other than export.

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