

Government of India  
Ministry of Commerce & Industry  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi-110011

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F.No. 11/20/2012-13/ECA.I

Date of Order: 29 .03.2022

Date of Despatch: 29 .03.2022

Name of the Appellant:

Huma International,  
Baradari Sarai Husaini Begum,  
Moradabad- 244001

IEC No.

2991000813

Order reviewed against:

Order-in-Appeal No. 11/20/2012-13/ECA-I dated 01.11.2013 passed by Addl. DGFT, DGFT (Hqrs.), New Delhi.

Order-in-Review passed by:

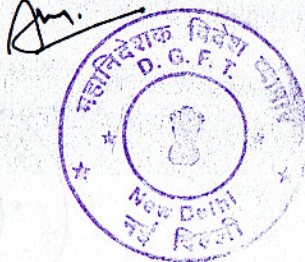
Santosh Kumar Sarangi, DGFT

Order-in-Review

Huma International, Moradabad (here-in-after referred to as the 'Petitioner') filed a Review Petition dated 25.11.2013 under Section 16 of the Foreign Trade (Development & Regulation) Act, 1992, as amended (here-in-after referred to as 'the Act') against Order-in-Appeal (OIA) No. 11/20/2012-13/ECA-I dated 01.11.2013 passed by Addl. DGFT, DGFT (Hqrs.), New Delhi upholding the Order-in-Original (OIO) No. 29/96/192/0084/AM.06/JDG/MBD dated 30.03.2012. The Adjudicating Authority imposed a penalty of Rs. 10,00,000/- on the Petitioner and its Proprietor.

Brief of the case

2.1 The Petitioner obtained a Quantity Based Advance License No. P/K/1522 804 dated 31.08.1994 for a CIF value of Rs. 19,44,000/- with an obligation to export for an FOB value of US\$107308.00 (Rs. 33,53,400/-) to be completed within a period of 12 months from the date of the License. As per conditions of the License, the Petitioner was required to submit the prescribed documentary evidence of having fulfilled its export obligation (EO).

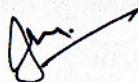


2.2 Export Obligation Period (EOP) including extended EOP expired on 31.12.1997. The Petitioner did not submit any documents evidencing fulfillment of export obligation despite Show Cause Notice dated 17.04.2002 and subsequent letters dated 25.03.2003, 19.09.2003, 13.11.2003 & 23.06.2005 issued to it. RA, Moradabad again issued a Demand Notice dated 25.10.2005 to the Petitioner directing it to pay Customs duty plus interest. The Petitioner was also granted personal hearing on 22.02.2006. The Petitioner submitted photocopies of shipping bills and 4 Bank Realization Certificates. The Adjudicating Authority observed that the Petitioner neither submitted the prescribed documents towards fulfillment of export obligation nor made sufficient payment to get its case regularized and passed OIO dated 30.03.2012 imposing a fiscal penalty of Rs. 10,00,000/- on the Petitioner and its proprietor namely Mohd. Hassan.

2.3 The Petitioner filed an appeal on 02.05.2012 before the Appellate Authority. The Appellate Authority granted several opportunities of personal hearings to the Petitioner and also advised to submit prescribed export documents, but, the Petitioner failed to respond. The Appellate Authority observed that in some of the shipping bills, the date of export was outside the export obligation period and the others were provisional or drawback bills and that the Petitioner did not submit documents evidencing exports made and foreign exchange realized and there was no reason to interfere with the orders passed by the Adjudicating Authority. The Appellate Authority dismissed the appeal vide OIA dated 01.11.2013.

3.1 The Petitioner has now submitted a Review Petition dated 25.11.2013 to the undersigned. It has stated that:

- (i) it had fulfilled the export obligation in terms of quantity by 98.46% and in terms of value by 215.28%,
- (ii) it had deposited custom duty of Rs. 14,403/- on 13.04.2007 and interest Rs. 23,765/- on 27.04.2007 in respect of balance export obligation ,
- (iii) it had submitted all the relevant original documents as demanded by letter dated 13.06.2013 during the pendency of the appeal ,
- (iv) it had submitted two original drawback shipping bill dated 25.08.1998 and 23.12.1997 to Dy. Commissioner(Customs), Mumbai for their conversion to DEEC shipping bills vide the letter dated 21.02.2006 ,
- (v) an opportunity of personal hearing was not granted and therefore aforesaid facts were not explained to the Appellate Authority



3.2 The Petitioner has prayed that :

- (i) the Quantity Based Advance License No. P/K/1522804 dated 31.08.1994 be closed;
- (ii) appropriate orders be passed for stay of DEL orders.

4. A report was called RA, Moradabad. RA, Moradabad vide their letter dated 18.02.2014 furnished its comments in which they have informed that the Petitioner has only deposited Customs Duty of Rs. 14,403/- and interest of Rs. 23,765/-.

5. The Petitioner was granted personal hearing on 10.03.2022 which was attended by Shri PC Pattnaik, Advocate of the Petitioner. He asked for one week time for submission of documents. The Petitioner vide letter dated 16.03.2022 furnished copies of seven shipping bills out of which two bills Nos. 1000150579 dt. 20.07.1998 & 1000118881 dt. 03.06.1998 are outside the EOP and bill Nos. 1000176012 & 1001006167 are in respect of DBK.

6. I have gone through the records and the submissions made by the Petitioner. It is observed that out of seven shipping bills, the dates of two bills are outside the EOP and the Petitioner has not submitted any proof that the EOP was further extended. Two bills are drawback shipping bills which has been admitted by the Petitioner and the Customs Authorities had rejected the request for conversion of the drawback shipping bills to DEEC vide letter No. 5/6-B-255/06 EXP dated 10.03.2006. The Petitioner has failed to produce any subsequent document showing that the Custom Authorities have agreed to convert the said shipping bills from DBK to DEEC bills. Thus the Petitioner has failed to produce the prescribed documents evidencing fulfillment of export and has not paid the prescribed Custom duty plus applicable interest to the full extent.

7. I, therefore, in exercise of powers vested in me under Section 16 of the Act pass the following order:

**ORDER**

F. No. 11/20/2012-13/ECA.I/ 560

Dated: 29.03.2022

The Review Petition dated 25.11.2013 is rejected. Order-in-Appeal No. 11/20/2012-13/ECA-I dated 01.11.2013 and Order-in-original No. 29/96/192/0084/AM.06/JDG/MBD dated 30.03.2012 are upheld. The Petitioner is



*(Handwritten signature)*

directed to pay the complete Custom duty plus applicable interest and regularize the Advance License No. P/K/1522804 dated 31.08.1994.



28.3.2022

(Santosh Kumar Sarangi)  
Director General of Foreign Trade

Copy to:

- 1) Huma International, Sarai Husaini Begum, Baradari, Moradabad - 244001.
- 2) Addl. Director General of Foreign Trade, CLA, A-Wing, Indraprastha Bhawan, I.P. Estate, Y-Shape Building, Near I.T.O, New Delhi-110 002. It is requested to initiate recovery proceedings against the Petitioner.
- 3) Central Economic Intelligence Bureau, 1<sup>st</sup>, 6<sup>th</sup> & 8 Floor, 'B' Wing, Janpath Bhawan, Janpath, New Delhi - 110001.
- ✓ 4) DGFT Website.

Dilip Kumar

(Dilip Kumar)

Dy. Director General of Foreign Trade