



## ***ALO Law Office- IDT Tax | Arbitration | Litigation***

**Date: 03.06.2025**

### **CESTAT Bangalore Quashes Customs Duty Demand on Gardner Aerospace Upon EODC Submission**

The Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore Bench delivered a favorable judgment in Appeal Nos. C/20784 and C/20785 of 2016, filed by M/s. Gardner Aerospace Pranitha Engineering Pvt. Ltd. The appeals challenged the demand of customs duty and penalties imposed due to non-submission of the Export Obligation Discharge Certificate (EODC) under Notification No. 96/2009-Cus. dated 11.09.2009.

#### **Key Highlights of the Proceedings**

**1. Appellant:**

M/s. Gardner Aerospace Pranitha Engineering Pvt. Ltd., Bangalore

**2. Appeal Numbers:**

C/20784/2016 and C/20785/2016

**3. Issue in Dispute:**

Demand of customs duty, interest, and penalty for non-submission of Export Obligation Discharge Certificate (EODC) against duty-free imports under Advance Authorization Licenses granted under Notification No. 96/2009-Cus. dated 11.09.2009.

**4. Licenses Involved:**

- 0710074821

- 0710074824
- 0710074825

#### 5. **Department's Allegation:**

The appellant failed to submit EODC within the prescribed period, thus violating the condition of duty exemption, resulting in recovery of duty and imposition of penalty under Section 112(a) of the Customs Act.

#### 6. **Appellant's Defence:**

The appellant submitted that they had complied with the export obligations and produced Redemption Letters (EODCs) for License Nos. 0710074824 and 0710074825, thereby discharging the core obligation under the scheme.

#### 7. **EODC Submission Dates:**

- License No. 0710074824: EODC dated 09.08.2017
- License No. 0710074825: EODC dated 20.05.2019

#### 8. **Tribunal's Observation:**

The Tribunal acknowledged that the EODCs had been issued by the competent authority (DGFT), establishing fulfillment of the export obligation. Consequently, customs duty and penalty demands could not be sustained.

#### 9. **Final Outcome:**

Both appeals were allowed, and the customs demand including penalty was quashed. The appellant was granted consequential relief in accordance with law.

#### 10. **Legal Importance:**

Reiterates that a valid EODC is conclusive proof of compliance under the Advance Authorization Scheme and must be accepted by Customs without further dispute.

*This Article has been written by Shri Ravi Shekhar Jha, Advocate Delhi High Court based on his interpretation of the law. He can be reached at his email id [intelconsul@gmail.com](mailto:intelconsul@gmail.com) or on his Mobile +91-9999005379.*

**Source: CESTAT Bangalore**

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**CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL  
BANGALORE**

REGIONAL BENCH - COURT NO. 1

**Customs Appeal No. 20784 of 2016**

(Arising out of Order-in-Appeal No. 133 to 135/2016 dated 25.02.2016 passed by the Commissioner of Customs (Appeals), Bangalore.)

**M/s. Gardner Aerospace  
Pranitha Engineering Private  
Limited**

*(Formerly M/s. Pranitha Engineering Solutions Private Limited)*  
No.261/70, Gollarhalli,  
Near Sun Valley Country Club,  
Magadi Main Road, Viswaneedam Post,  
Bangalore – 560 091.

Appellant(s)

VERSUS

**The Commissioner of Customs**

Central Revenue Building,  
P.B. No.5400, Queens Building,  
Bangalore – 560 001.

Respondent(s)

WITH

**Customs Appeal No. 20785 of 2016**

(Arising out of Order-in-Appeal No. 133 to 135/2016 dated 25.02.2016 passed by the Commissioner of Customs (Appeals), Bangalore.)

**M/s. Gardner Aerospace  
Pranitha Engineering Private  
Limited**

*(Formerly M/s. Pranitha Engineering Solutions Private Limited)*  
No.261/70, Gollarhalli,  
Near Sun Valley Country Club,  
Magadi Main Road, Viswaneedam Post,  
Bangalore – 560 091.

Appellant(s)

VERSUS

**The Commissioner of Customs**

Central Revenue Building,  
P.B. No.5400, Queens Building,  
Bangalore – 560 001.

Respondent(s)

**APPEARANCE:**

Shri N. Anand, Advocate for the Appellant.

Shri Maneesh Akhouary, Authorised Representative for the Respondent

**CORAM: HON'BLE DR. D.M. MISRA, MEMBER (JUDICIAL)  
HON'BLE MRS. R. BHAGYA DEVI, MEMBER  
(TECHNICAL)**

**Final Order No. 20251 – 20252 / 2024**

DATE OF HEARING: 01.04.2024

DATE OF DECISION: 01.04.2024

**PER : R. BHAGYA DEVI**

These two appeals are filed against Order-in-Appeal Nos. 133 to 135/2016 dated 25.02.2016 against non-production of Export Obligation Discharge Certificate (EODC).

2. The appellants M/s. Gardner Aerospace Pranitha Engineering Private Limited had imported goods vide advance Licenses No.0710074825, 0710074821, 0710074824 claiming duty exemption under Notification No.96/2009-Cus. dated 11.09.2009. As per the terms of this Notification, the appellant had to export the resultant products within a specified period from the date of issuance of the licenses and also required to produce Export Obligation Discharge Certificate (EODC) issued by JDGFT within 30 days from the expiry of specified export obligation confirming fulfilment of the export obligation, in terms of quantity and value. Since the appellant had failed to produce the EODC, the duty was confirmed along with the applicable interest and penalty was imposed under Section 112(a) of the Customs Act, 1962 which was upheld by the Commissioner (Appeals). Aggrieved by this order, appellants are before us.

3. The Learned counsel on behalf of the appellant has produced the Redemption Letters for two DEEC Licenses No. 0710074824 and 0710074825 issued by the Office of the Additional DGFT Bangalore which is reproduced below:

Government of India  
Ministry of Commerce and Industry  
O/o Additional Director General of Foreign Trade  
C & E Wing, Kendriya Sadan 17th Main Road, Koramangala Bengaluru Karnataka -560034

## REDEMPTION LETTER

TO,  
M/s PRANITA ENGINEERING SOLUTIONS PRIVATE LIMITED,  
NO.261/70,GOLLARHATTI,NEAR SUN  
VALLEY COUNTRY CLUB,MAGADI  
MAIN RD,VISHWANEEDAM,PO,BANGALORE-560091

**SUBJECT: REDEMPTION LETTER in respect of Advance Authorisation NO. 0710074824  
DATED : 14.10.2010**

This REDEMPTION Sheet is issued against the Authorisation No : 0710074824 Dated : 14.10.2010 issued by this office. The Custom Authorities and Licencee are requested not to make any endorsement on this Sheet.

The FOB Value of Licence fixed/realised to be read as Rs. 11,501,819.00 / 11,501,819.00 and Foreign Currency as. 230,036.37 / 230,036.37 ( US Dollars )

The CIF Value of Licence Issued/Utilised to be read as Rs. 4,931,828.00 / 4,931,828.00 and Foreign Currency as. 98,636.60 / 98,636.60 ( US Dollars )

Export Obligation met in full value as well as in quantity term, in proportion to import made. Consequently, the case has been redeemed in terms of Para 4.26 of Handbook of Procedures 2004-09

This EO Discharge/Redemption Certificate is issued without prejudice and will not preclude Custom Authority to take action against the licencee at any stage, in case any sort of misdeclaration, misrepresentation or misuse of the scheme is noticed.

Place:Bengaluru  
Date:09.08.2017

(.)  
Asst. DGFT / F.T.D.O

ADDITIONAL SHEET ATTACHED TO Authorisation No. 0710074824 DATED : 14.10.2010 FOR REDEMPTION (Issued from File Number : 07/24/040/00279/AM11/ Dated : 12.10.2010)

Issued from File Number 07/80/165/01647/AM16/ dated 14.10.2010

Copy To : I. Commissioner customs, ( INWFD6 ) Bangalore ICD

Place:Bengaluru  
Date:09.08.2017

(.)  
Asst. DGFT / F.T.D.O

Government of India  
Ministry of Commerce and Industry  
O/o Additional Director General of Foreign Trade  
C & E Wing, Kendriya Sadan 17th Main Road, Koramangala Bengaluru Karnataka -560034

## REDEMPTION LETTER

TO,  
M/s PRANITA ENGINEERING SOLUTIONS PRIVATE LIMITED,  
NO.261/70,GOLLARHATTI,NEAR SUN  
VALLEY COUNTRY CLUB,MAGADI  
MAIN RD,VISHWANEEDAM,PO,BANGALORE-560091

**SUBJECT: REDEMPTION LETTER in respect of Advance Authorisation NO.  
0710074825 DATED : 14.10.2010**

This REDEMPTION Sheet is issued against the Authorisation No : 0710074825 Dated : 14.10.2010 issued by this office. The Custom Authorities and Licencee are requested not to make any endorsement on this Sheet.

The FOB Value of Licence fixed/realised to be read as Rs. 17,575,659.50 / 17,575,659.50 and Foreign Currency as. 351,513.19 / 351,513.19 ( US Dollars )

The CIF Value of Licence Issued/Utilised to be read as Rs. 6,974,589.00 / 6,974,589.00 and Foreign Currency as. 139,491.72 / 139,491.72 ( US Dollars )

Export Obligation met in full value as well as in quantity term, in proportion to import made. Consequently, the case has been redeemed in terms of Para 4.26 of Handbook of Procedures 2004-09

This EO Discharge/Redemption Certificate is issued without prejudice and will not preclude Custom Authority to take action against the licencee at any stage, in case any sort of misdeclaration, misrepresentation or misuse of the scheme is noticed.

Place:Bengaluru  
Date:20.05.2019

(.)  
Asst. DGFT / F.T.D.O

ADDITIONAL SHEET ATTACHED TO Authorisation No. 0710074825 DATED 14.10.2010 FOR REDEMPTION (Issued from File Number : 07/24/040/00278/AM17 Dated : 12.10.2010)

Issued from File Number 07/80/165/01896/AM15/ dated 14.10.2010

Copy To : I. Commissioner customs, ( INWFD6 ) Bangalore ICD

Place:Bengaluru  
Date:20.05.2019

(.)  
Asst. DGFT / F.T.D.O

4. As seen from the above Redemption Letters, the EODC is related to the impugned DEEC License No.0710074824 dated

09.08.2017 and 0710074825 dated 20.05.2019 and therefore, the demand is set aside to the extent of the above two DEEC Licenses.

5. In the result, the appeals Nos. C/20784/2016 and C/20785/2017 are allowed with consequential benefits, if any, as per law.

(Operative portion of the order was pronounced in Open Court on conclusion of hearing.)

**(D.M. MISRA)**  
**MEMBER (JUDICIAL)**

**(R. BHAGYA DEVI)**  
**MEMBER (TECHNICAL)**

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