

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

F.No. 18/41/2024-25/ECA-I/E- 41950/199 Date of Order : 30 . 06 .2025

Date of Dispatch: 01 . 07 .2025

Name of the Petitioner: M/s. Galvano Track Solutions Pvt. Ltd.,
#148/A, Industrial Suburb, 1st Stage,
Yeshwanthpur, Bengaluru- 560022

IEC No. IEC- 0708013767

Order Reviewed against: Order-in-Appeal F.No.
04/95/(25)/ECA/Bang/AM23
dated 01.03.2023 passed by Zonal Addl.
DGFT, RA Chennai.

Order-in-Review passed by: Ajay Bhadoo, DGFT

Order-in-Review

M/s. Galvano Track Solutions Pvt. Ltd. (here-in-after referred to as 'the petitioner'), having IEC- 0708013767, filed a Review Petition dated 24.09.2024 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. 04/95/(25)/ECA/Bang/AM23 dated 01.03.2023, passed by Zonal Addl. DGFT, RA Chennai. The appeal was dismissed.

Brief of the Case

M/s. Galvano Track Solutions Pvt. Ltd., Bengaluru had been granted an EPCG Authorization No. 0730010570 dated 21.09.2011 under 0% concessional duty EPCG Scheme for duty saved value of Rs. 30,86,775/- with an obligation to export

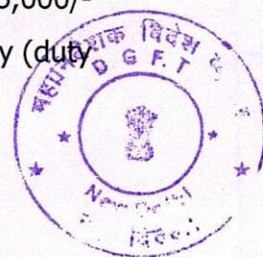


"Induction hardened products" to the tune of total FOB value of US\$ 414,332.21(Rs. 1,85,20,650/-) i.e. 6 times of the duty saved value within a period of 6 years from the date of its issue, subject to the condition that 50% export obligation should be met in the first block within four years from the date of issue of license/ authorization and balance 50% export obligation in the next two years. The export obligation period (EOP) expired on 21.09.2017.

2. For the purpose of discharge of said export obligation (EO), the petitioner was required to submit the export documents under ANF-5B, as per Para 5.13 of Handbook of Procedures (HBP), 2009-14 as amended. The petitioner was required to submit a report on fulfillment of export obligation by 30th April of every year to the Licensing Authority/Regional Authority concerned as per Para 5.9 of HBP 2009-14, details of BRC evidencing realization of the export proceeds and the Installation Certificate issued by the Central Excise Authority or Chartered Engineer as the case may be, within a period of six months from the date of import to the Regional Authority/Licensing Authority concerned, as per Para 5.3.1 of HBP, 2009-14 as amended.

3. Whereas, as per the facts/record of the case, due diligence was not shown by the petitioner failing to comply with the above-mentioned provisions and did not submit complete EO fulfillment documents under ANF-5B or year-wise progressive reports and Installation Certificate as required. In view of the above, RA Bengaluru issued a Show Cause Notice (SCN) dated 07.08.2019 with an opportunity of Personal Hearings (PH) to explain the reasons and facts as to why action should not be taken for placing the petitioner under Denied Entity List (DEL), refusing issuance of further Authorizations/renewal of old Authorizations and other export benefits etc. and as to why penalty should not be imposed under Section 11(2) the Act.

4. However, they failed to reply to the SCN, submit the EO documents and did not appear for PH. The petitioner failed to submit the documents evidencing fulfillment of the conditions governing the authorization and therefore contravened the provisions of Foreign Trade Policy (FTP). In view of the foregoing facts, absence of export documents and carefully deciding the case, Joint DGFT, RA Bengaluru vide Order-in-Original (OIO) dated 30.12.2021 imposed a fiscal penalty of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) in addition to the customs duty (duty



saved value utilized) and interest thereon under Section 11(2) of the Act and placed it under the Denied Entity List (DEL).

5. Aggrieved by the OIO dated 30.12.2021, the petitioner filed an appeal under section 15 of the Act. In the appeal, the petitioner stated that they had fulfilled the EO but did not submit the export documents due to lack of awareness of the rules and procedures. During the PH given by the Appellate Authority, RA Chennai, the petitioner had submitted that they have fulfilled the EO and the documents have been submitted to RA Bengaluru. Based on the PH and the documents submitted, RA Chennai observed that exports have been completed beyond the EOP. No extension of EOP has been obtained. The period for which extension could be granted is over.

6. Addl. DGFT, RA Chennai in the exercise of powers vested under Section 15 of the Act issued an OIA dated 01.03.2023 dismissing the appeal and directed the petitioner to approach the Reviewing Authority and Policy Relaxation Committee (PRC) if it desires for condonation/extension of EOP.

7. Aggrieved by the OIA passed by the Addl. DGFT, RA Chennai, the petitioner, has filed this Review Petition dated 24.09.2024 under Section 16 of the Act on the following grounds. Firstly, they had approached to PRC for the extension; however, PRC directed them to file the Review Petition. They have completed the EO in full and therefore, request to consider the exports made till 30.04.2022 for closure of the license. Secondly, they have paid the fees of Rs.10,000/- for EOP extension and the penalty of Rs. 1,25,000/- on 11.01.2022 imposed vide OIO dated 30.12.2021. Further, the petitioner has prayed to set aside the OIO and OIA, extend the EOP till 30.04.2022 and grant them EODC/Redemption.

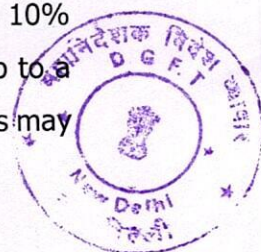
8. As per section 16 of the Act, the Reviewing Authority granted an opportunity of PH to the petitioner on 12.03.2025. The Reviewing Authority raised issues regarding the fulfillment of EO, submission of e-BRC and relaxation of EOP since the entire EO has been fulfilled between 2019 and 2022. Mr. K S Swami, Director appeared for the PH on behalf of the petitioner. Submissions made by the petitioner were based on the fact that since they could not fulfill the EO in the initial 6 years of EOP, they had paid the penalty levied vide OIO dated 30.12.2021. Thereafter, they completed the EO beyond the EOP. The petitioner prayed for the extension of EOP upto the year 2022 so that their EO is considered fulfilled.



9. Smt. Dona Ghosh, Joint DGFT, RA Bengaluru and Shri Adarsh K, Asst. DGFT, RA Bengaluru attended the PH. In response to the contention made by the petitioner, RA Bengaluru submitted that the Authorization was issued in the year 2011. The EO has been completed between 2019 and 2022 which is much beyond the EOP. Moreover, RA Bengaluru didn't have the power to grant the extension. The petitioner has not submitted electronic Bank Realization Certificates (e-BRCs) for the export proceeds earned. The Installation Certificate as per the FTP/HBP has to be produced from the Central Excise Authority, whereas the petitioner has submitted the same from the Chartered Engineer.

9.1 Another opportunity of personal hearing (PH) was granted to the petitioner on 06.06.2025, during which the Reviewing Authority reiterated that the core issue pertained to the non-fulfilment of Export Obligation (EO) within the prescribed Export Obligation Period (EOP). Additionally, it was noted that the petitioner had failed to apply for an extension of the EOP within the stipulated timeframe. RA Bengaluru submitted that the application for extension was filed **only after** the issuance of the OIO. The original EOP expired in 2017. Even assuming that a two-year extension had been granted—extending the EOP until 2019—the EO still appears to remain unfulfilled, as the Shipping Bills submitted indicate that the exports were made between 2020 and 2022. The petitioner contended that the delay was due to lack of awareness about the procedures under the Foreign Trade Policy (FTP) and the Handbook of Procedures (HBP), which resulted in their failure to timely seek an extension of the EOP. However, in compliance with the directions issued by the Reviewing Authority during the earlier PH, the petitioner has since submitted the relevant e-BRCs to RA Bengaluru.

10. I have carefully examined the facts and records of the case. It is observed that the petitioner has made exports and submitted supporting documents; however, the EO appears to have been fulfilled **beyond** the permissible EOP, even accounting for possible extensions. As per para 5.11 of the HBP 2009-14, the concerned Regional Authority may consider granting an extension of the EOP under the EPCG scheme, subject to payment of a composition fee equivalent to 2% of the proportionate duty saved on the unfulfilled EO, or the imposition of an additional EO amounting to 10% of the total EO, at the exporter's option, for each year of extension sought—up to a maximum of two years. Further, a second extension of up to two additional years may



be granted, provided that 50% of the proportionate duty on the unfulfilled EO is deposited with Customs prior to endorsement. In such cases, no composition fee or additional EO is levied. For zero duty EPCG authorizations, only one extension of two years is permissible under similar conditions. In light of the above provisions and after due consideration of the facts, submissions, and principles of natural justice, it is evident that the EO has not been fulfilled within the original or the extended EOP. The exports carried out between 2020 and 2022 fall beyond the maximum permissible extension period, and hence, the EO cannot be considered as fulfilled within the applicable regulatory timeframe.

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

ORDER

F. No. 18/41/2024-25/ECA-I/E- 41950

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Date: 30 . 06 .2025

The Review Petition filed by the petitioner is dismissed.

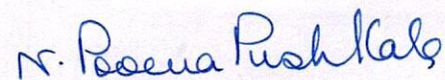


(Ajay Bhadoo)

Director General of Foreign Trade

Copy to:

1. M/s. Galvano Track Solutions Pvt. Ltd., #148/A, Industrial Suburb, 1st Stage, Yeshwanthpur, Bengaluru- 560022
2. Addl. Director General of Foreign Trade, Chennai
3. Joint Director General of Foreign Trade, Bengaluru
4. Central Economic Intelligence Bureau, 1st, 6th& 8th Floor, 'B' Wing, Janpath Bhawan, Janpath, New Delhi – 110001
5. DGFT Website



(N. Poorna Push Kala)

Dy. Director General of Foreign Trade