

GIB/GJ/INOX INDIA/12.03.2021/HC-219

High Court Category : REWARD UNDER MEIS SCHEME

State : Gujarat

Order No.: GIB/GJ/INOX INDIA/12.03.2021/HC-219

Name of Entry :
INOX INDIA PVT LTD

Date : 12-03-2021

Breif Issue :

FACTS AND ISSUE OF THE CASE:

In this case the petitioners are engaged in the manufacture and export of Cryogenic Tanks and Vessels and such other specially manufactured items as per the Special Economic Act and its allied rules and regulations.

The challenge in this petition is to the denial of rewards under the Merchandise Exports from India Scheme based on technical objections and procedural infractions when the substantial benefits had accrued and available in favour of the petitioner. It is further the say of the petitioner that in Foreign Trade Policy and in Export Import Policy 2015-2020 there are certain rewards as this was a specific scheme by the Government of India introduced for the benefits of exporters and to encourage them since the same is meant for contributing to the earnings of the country.

The petitioner was granted the MEIS License for an amount of Rs. 21.34 lakhs against their exports already from their unit located at KASEZ against the shipping bill. Accordingly, under the license, reward under the MEIS at the rate of 2% from FOB value of export was the entitlement of the petitioner. It is also under the shipping bill exported two numbers of cryogenic tanks for liquefied gases.

The petitioner applied for the registration of license to the KASEZ on 22.04.2016, however, no positive response was received for a long time in this regard and eventually on 08.06.2016, the petitioners met the Development Commissioner of Kandla Special Economic Zone and apprise him of lapse of seven months where the benefits were not made available.

According to the petitioner, he received a letter suggesting that their authorization has been suspended until further clarification is received from the office of DGFT, New Delhi, on the aspect, whether such SEZ units which are non- Electronic Data Interface (EDI) ports can also receive such benefits on the shipping bills prior to June 1.06.2015 and that too, without declaration of the intent on the shipping bills.

Decision of Advance Ruling Authority :

DECISION:

The declaration of intent on the shipping bill for claiming the benefit under the reward scheme is made mandatory w.e.f 01.06.2015 under the Foreign Trade Policy, 2015-20 or the Handbook of Procedure, 2015-20, in wake of the aforementioned decision, there could be no exclusion of SEZ or non-EDI Port unit for availing the benefit.

The court said that it is also expected of the respondent authority to adopt an approach, giving progressive interpretation to all these provisions and the policy decisions rather than having a conventional outlook.

Accordingly, the present petition is allowed