

Exporters cannot be denied the MEIS benefit due to technical error in the electronic system

The Hon'ble Madras High Court in *M/s Gupta Hair Products (P) Ltd. V the Additional Director General of Foreign Trade [W.P.No.25860 of 2021 dated July 7, 2022]* held that, due to technical error or lacunae in the electronic system, exporters cannot be deprived of the benefit or incentive given under the Merchandise Export from India Scheme (“MEIS”).

Facts:

M/s Gupta Hair Products (P) Ltd. (“**the Petitioner**”) is an exporter of human hair. During the export of the goods, while submitting the shipping bills online, the Petitioner has stated “No” for whether the petitioner intends to claim rewards or not, which is a default option. However, the same has been amended subsequently by the certificate issued by the Deputy Commissioner, Office of the Principal Commissioner of Customs dated July 31, 2019, and it has been amended to “Yes”.

Further, the assessing authority (“**the Respondents**”), did not allow the Petitioner's application for MEIS benefit on the ground that in the shipping bill, they have declared “No” concerning their intention to claim the benefit under MEIS, and further, the amendment dated July 31, 2019, having been done manually and not in electronic form.

Therefore, this writ petition has been filed for a mandamus seeking direction from the Respondent to sanction the benefits under MEIS.

Issue:

Whether the petitioner can be denied MEIS benefit on account of technical error or lacunae in the electronic system?

Held:

The Hon'ble Madras High Court in ***W.P.No.25860 of 2021 dated July 7, 2022*** held as under:

- Observed that due to technical error or lacunae in the electronic system, the Petitioner cannot be deprived of its benefit or incentive under MEIS. Further, the Petitioner cannot be deprived of its rights to avail the benefits under MEIS only on the ground that the subsequent amendment ratifying the earlier inadvertent mistake was done manually and not electronically.
- Furthermore, the Court directed the respondents to consider the Petitioner's representation, seeking to get the benefit under MEIS for the shipping bill and pass orders in favor of the Petitioner as observed by the Court within a period of six weeks from the date of receipt of a copy of this order.

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