Government of India (भारत सरकार)
Department of Commerce (वाणिज्य विभाग)
Directorate General of Foreign Trade (विदेश व्यापार महानिदेशालय)
Vanijya Bhawan, New Delhi-110011
वाणिज्य भवन,नई दिल्ली
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01/92/180/101/AM26/PC6 /51

Date of Order: 03.11.2026

Date of Dispatch: 03.11.2026

Name of the Applicant:	Vivid Commodities Pvt. Ltd., 28, Tarachand Dutta St., Second Floor, Room No. 17, Kolkata – 700 073.
IEC No.	0206019769
Letter to be Reviewed:	Letters dated 28.09.2021 issued by the Dy. Director General of Foreign Trade, Office of Addl.DGFT, Kolkata bearing File No. 02/40/83/00080/AM10, 02/40/83/00081/AM10 and 02/40/83/00082/AM10.
Order passed by:	**Shri Lav Agarwal** **Director General of Foreign Trade**

Order-in-Review

M/s Vivid Commodities Pvt. Ltd., Kolkata (hereinafter "the Applicant") is a Domestic Tariff Area Unit (hereinafter "DTA Unit") having its registered office at 28, Tarachand Dutta St., Second Floor, Room No. 17, Kolkata – 700 073.

2. Brief History of the Case:

2.1 The Applicant is a DTA Unit who has filed the present review applications under Section 16 of the Foreign Trade (Development and Regulation) Act, 1992 (hereinafter "the Act") against the letters dated 28.09.2021 and 26.10.2022 issued by RA, Kolkata / Office of

Addl. DGFT, Kolkata, whereby the Applicant's claim for payment of interest under the Foreign Trade Policy (FTP) 2009-14 read with the Hand Book of Procedures (HBP) 2009-14 was rejected.

2.2 The Applicant supplied readymade apparels to M/s Humcha Impex Pvt. Ltd., a 100% Export Oriented Unit (EOU), and claimed duty drawback under Chapter 8 of the FTP 2009-14 treating the said supply as a deemed export. The Applicant had filed three separate applications for drawback, being File No. 02/40/83/00080/AM10 (filed 10.11.2009), File No. 02/40/83/00081/AM10 (filed 29.12.2009) and File No. 02/40/83/00082/AM10 (filed 10.11.2009). All three claims were initially approved by RA, Kolkata on 14.01.2010.

2.3 Before payment could be released, the approval granted on 14.01.2010 in all three files was withdrawn by RA, Kolkata on 01.07.2010.

2.4 The matter was thereafter placed before the Zonal Policy Committee (ZPC) on 12.02.2014. The ZPC rejected the Applicant's claims on 13.02.2014, holding that the goods supplied by the Applicant (DTA Unit) had not been utilized by the EOU for the purpose of exports, and that consequently the question of grant of deemed export drawback benefit to the DTA supplier did not arise.

2.5 On a representation made by the Applicant, DGFT (Hqs.), vide clarification dated 17.12.2018, clarified that supply of material by a DTA unit to an EOU is an independent deemed export transaction; that entitlement to deemed export benefit accrues on completion of the supply transaction itself; and that **actual export of the goods by the EOU is not a pre-condition for grant of deemed export benefit to the DTA supplier**. This clarification effectively displaced the very basis on which the ZPC had rejected the Applicant's claims.

2.6 Pursuant to the said clarification, RA, Kolkata granted **fresh approval to all three claims on 25.03.2019**, and the principal drawback amount was thereafter released to the Applicant. Since payment had admittedly been delayed, interest was also paid to the Applicant under Para 8.5.1 of the FTP 2009-14, calculated from the date of the fresh approval, i.e., 25.03.2019.

2.7 In respect of application nos. 02/40/83/00082/AM10, 02/40/83/00081/AM10 and 02/40/83/00080/AM10, the Applicant has claimed interest amounting to Rs. 2,62,295/-, Rs. 12,43,679/- and Rs. 2,64,529/- respectively, whereas the RA, Kolkata has paid interest of

only Rs. 19,495/-, Rs. 50,062/- and Rs. 21,872/- respectively for the said files, by treating the final date of approval, i.e., 25.03.2019, as the date for calculation of interest in each case.

2.8 Aggrieved that interest had been restricted only to the period after 25.03.2019, the Applicant filed applications for interest on 17.03.2020 (File No. 02/40/83/00080/AM10) and on 17.02.2020 (File Nos. 02/40/83/00081/AM10 and 02/40/83/00082/AM10), claiming interest from the date of the original applications filed in 2009. These applications, and a further representation dated 18.02.2021, were rejected by RA, Kolkata on 28.09.2021 and again on 26.10.2022, on the ground that the original approval dated 14.01.2010 stood withdrawn on 01.07.2010, that valid approval came into existence only on 25.03.2019, and that interest paid from that date was correct and proper, leaving no further amount payable.

3. The Applicant has now filed the present review applications against the aforesaid rejection letters dated 28.09.2021 and 26.10.2022 issued by RA, Kolkata / Office of Addl. DGFT, Kolkata.

4. The list of dates relevant to this review, across the three files, is as follows:

S. No.	**Event**	**File No. 02/40/83/00080/AM10**	**File No. 02/40/83/00081/AM10**	**File No. 02/40/83/00082/AM10**
1.	Drawback application filed	10.11.2009	29.12.2009	10.11.2009
2.	Initial approval by RA, Kolkata	14.01.2010	14.01.2010	14.01.2010
3.	Approval withdrawn by RA, Kolkata (on DGFT Hqs. directions)	01.07.2010	01.07.2010	01.07.2010
4.	Matter placed before Zonal Policy	12.02.2014	12.02.2014	12.02.2014

	Committee (ZPC)			
5.	Claim rejected by ZPC	13.02.2014	13.02.2014	13.02.2014
6.	Clarification issued by DGFT (Hqs.)	17.12.2018	17.12.2018	17.12.2018
7.	Fresh approval by RA, Kolkata pursuant to clarification	25.03.2019	25.03.2019	25.03.2019
8.	Claim for interest submitted	17.03.2020	17.02.2020	17.02.2020
9.	Claim for interest rejected	28.09.2021 & 26.10.2022	28.09.2021 & 26.10.2022	28.09.2021 & 26.10.2022

5. In the review application, the Applicant has raised, inter alia, the following grounds:

5.1 The impugned rejection letters are contrary to law and unsustainable, and deserve to be set aside at the threshold.

5.2 The denial of interest as claimed by the Applicant is in contravention of the Act and the provisions of the Foreign Trade Policy 2009-14.

5.3 The rejecting authority erroneously read the provisions of Para 7.09 of the FTP 2009-14 and proceeded to hold that the interest already paid was correct and proper, and that no further interest claim remained outstanding.

5.4 Before passing the impugned rejection letters, the authority ought to have considered the purport and object of Para 8.5.1, Chapter 8 of the FTP 2009-14, read with Chapter 9 of the HBP 2009-14.

5.5 The delay in disbursement of drawback was wholly attributable to lapses and/or defaults on the part of the revenue authorities, and in such circumstances it was not open to the authority to restrict payment of interest only to the period between final approval and disbursement of payment.

5.6 The withdrawal of the original approval dated 14.01.2010, effected on 01.07.2010, was itself illegal and arbitrary, and no right or privilege could accrue to the Department on the strength of such an illegal withdrawal.

5.7 The Applicant has been deprived of its legitimate dues for a prolonged period, contrary to all canons of justice, fairness and equity.

5.8 The interest claimed by the Applicant, across the three files, ought to be paid to the Applicant forthwith and without further delay.

6. In response, RA, Kolkata has furnished the following comments:

6.1 RA, Kolkata has confirmed the chronology of events as set out above, including the initial approval dated 14.01.2010, its withdrawal on 01.07.2010, the rejection by the ZPC on 13.02.2014, the clarification issued by DGFT (Hqs.) on 17.12.2018, and the fresh approval dated 25.03.2019.

6.2 It has been stated that, pursuant to the fresh approval dated 25.03.2019, the principal drawback amount was released and interest was paid in terms of Para 8.5.1 of the FTP 2009-14.

6.3 The Applicant's further representation dated 18.02.2021, seeking interest from the date of the original applications filed in 2009, was considered and rejected on 28.09.2021 on the ground that the approval dated 14.01.2010 stood withdrawn on 01.07.2010; that a valid and subsisting approval came into existence only on 25.03.2019; and that interest computed from 25.03.2019 was, therefore, correctly paid, leaving no further amount payable to the Applicant.

6.4 The subsequent representation was again rejected on 26.10.2022 for the same reasons.

7. A personal hearing in the matter was held on 21.08.2026, at which the Applicant, through its authorised representative, reiterated the grounds taken in the review applications.

8. Findings and Reasons:

8.1 I have considered the review application; the grounds raised therein, the comments of RA, Kolkata, the submissions made at the personal hearing and the documents on record.

8.2 The question that falls for determination is whether the Applicant's claim for interest, computed from the date of its original drawback applications filed in 2009 rather than from the date of the fresh approval dated 25.03.2019, has been rightly denied by RA, Kolkata.

8.3 It is not in dispute that the Applicant's claims were initially approved on 14.01.2010,and then was withdrawn on 01.07.2010, the subsequent adverse view taken by the ZPC on 13.02.2014. It is also not in dispute that the basis for withdrawal and rejection is negated by the clarification dated 17.12.2018 issued by DGFT (Hqs.), which held, that supply by a DTA unit to an EOU is an independent transaction and that deemed export benefit does not depend upon actual export having been effected by the EOU.

8.4 As regards the applicable legal provision, Para 8.5.1, Chapter 8 of the FTP 2009-14, read with Para 8.5 of the HBP 2009-14, governs the grant of interest in respect of claims arising under the FTP 2009-14. Since it is the FTP 2009-14 under which the Applicant's underlying deemed export benefit itself came to be granted, it follows, that it is the HBP prescribed for FTP 2009-14, and not HBP 2023, which governs the procedure for the Applicant's interest claims.

8.5 In a similar matter of the firm Order-in-Review dated 11.03.2025 was passed by the Director General of Foreign Trade, wherein it was held that FTP 2009-14 granted benefits to the Applicant, consequently, it should be HBP prescribed for the FTP 2009-14 which should regulate all the procedural matters arising from the grant of benefits under FTP 2009-14. In accordance with the order, RA, Kolkata granted the firm the interest benefits.

8.6 In view of above , the Applicant is entitled to interest computed in accordance with Para 8.5.1 of the FTP 2009-14 read with Para 8.5 of the HBP 2009-14. The quantification of the interest payable is a matter of computation on facts, which is more appropriately left to RA, Kolkata whoshall verify the underlying figures and dates from its own records.

Order

01/92/180/101/AM26/PC6 /51 **Dated:** 03.11.2026

Accordingly, RA, Kolkata is directed to examine the Applicant's claim afresh, in light of the findings recorded above, and to grant the dues payable to the Applicant.

(Lav Agarwal)

Director-General of Foreign Trade

Copy To:

1) M/s Vivid Commodities Pvt. Ltd., 28, Tarachand Dutta St., Second Floor, Room No. 17, Kolkata – 700 073.

2) RA, Kolkata for taking necessary action.

3) DGFT's website.

(Sumit Verma)

Deputy Director General of Foreign Trade