



DRAFT LETTER

OMVISHKAR EXPORTS <omvishkarexports@gmail.com>

Tue, Dec 20, 2022 at 1:31 PM

To: Chennai <chennai.chennai@bankofindia.co.in>, Sitaram Devasena <sitaram.devasena@bankofindia.co.in>

Kind Attn: Asst. General Manager
Bank of India, Chennai main Branch

Dear Madam,

Further to our mail yesterday regarding the delay in receiving payment form Convenience Foods Lanka, apart from addressing our appeal from Bank of India, Head Office to the ministry of External affairs and ministry of commerce etc, please also arrange to send copies to all the address given as per attachments to this mail, who are past and parcel of this scheme

Keep us also in loops

Kind regards
yours sincerely
M. D. Sivakumar
OMVISHKAR EXPORTS
52/297, Lingi Chetty Street,
George Town, Chennai - 600001
Tele No.: 044 - 25262949
044 - 42358800
Web: www.omvishkarexports.com
Kindly confirm & acknowledge this mail

[Quoted text hidden]

2 attachments



Sri Lanka USD 1000 mio facility LATEST (ceylon chamber of commerce).pdf
193K



bank letter sent on 19.12.2022.pdf
133K

Bills under LC ref. 25122LU00020 and 25122LU00021 by Convenience Foods Lanka Pvt. Ltd...

OMVISHKAR EXPORTS <omvishkarexports@gmail.com>
To: Sitaram Devasena <sitaram.devasena@bankofindia.co.in>

Thu, Jul 20, 2023 at 3:00 PM

Most important and urgent.

Kind attention: Mrs. Devasena,
ZM, NBD,
Bank of India, Chennai.

Dear Madam,

Please recall my earlier mails regarding the grave injustice meted to us by ICFCU, Ministry of Finance, Sri Lanka and SBI, Colombo with flagrant violation of ICL guidelines and UCPDC clauses. I hope you have taken the necessary actions on war footing to protect our firm's interests. Please apprise me of the actions being taken.

I would exhort you to kindly take this issue very seriously. Both ICFCU, Sri Lanka and SBI Colombo are blatantly and biasedly supporting their Sri Lankan customer against all the norms. Whereas our performance in this matter is flawless and you have to support us and get the justice.

Warm regards,

Thanking you,
Yours sincerely,
M D Sivakumar
Proprietor
Omvishkar exports,
Chennai.
Banking with BOI since 1997

Kindly confirm & acknowledge this mail

Thanks & Best Regards

OMVISHKAR EXPORTS
52/297, Linghi Chetty Street,
George Town, Chennai - 600001
Tele No.: +91 44 25262949
+91 44 42358800
Web: www.omvishkarexports.com

----- Forwarded message -----

From: **creditlk** <credit.lk@statebank.com>
Date: Tue, Jul 18, 2023 at 11:46 AM
Subject: Fw: Bills under LC ref. 25122LU00020 and 25122LU00021 by Convenience Foods Lanka Pvt. Ltd..
To: omvishkarexports@gmail.com <omvishkarexports@gmail.com>
Cc: vpcrik@statebank.com <vpcrik@statebank.com>, chlk@statebank.com <chlk@statebank.com>, tradelk@statebank.com <tradelk@statebank.com>

Dear Sir,

With regard to the trailing mail we have received the attached letter ref. MF/ICFCU/ICL/RF-Conv Foods dated 17.07.2023 from Indian Credit Facility Coordinating Unit (ICFCU).

Submitted for information please.

Best Regards,

Ramesh Amarasinghe
Head - Trade & Corporate Credit



Colombo Branch,
16, Sir Baron Jayatilake Mawatha,
PO Box 93, Colombo-01,
Sri Lanka

Tel : +94-11-4446800 (Ext:6854)
Direct : +94-11-4446854

C3

Kind attention: AGM,
Bank of India, Chennai Main Branch

Dt. 19/12/2022

Dear Madam,

Please go through the draft of letter that you have to arrange from your HO, Mumbai addressed to The Hon'ble Minister of External Affairs, of Commerce , Govt. of India with copies to CGM, SBI Mumbai, SBI Gift city, to The High commissioner of India, Colombo and other appropriate desks which you deem fit. For any clarification please ask us. I would urge BOI, Chennai to fight our cause unrelentingly till our genuine goals are achieved.

Kind regards,

Sivakumar

FACTS OF THE MATTER.

PARTICIPANTS

A: EXPORTER (Our client): Omvishkar Exports (OE), a Govt. of India recognized 2 star status holder exporter is our continuous customer since 1997.

B: IMPORTER: M/s. Convenience Food Lanka Plc (CFL) is the importer in Sri Lanka.

C: BANK OF INDIA, CHENNAI BOI Chennai) - We are the bankers for the explorers M/s. Omvishkar exports since their inception in 1997.

D: STATE BANK OF INDIA, COLOMBO, SRI LANKA SBI Colombo): They are the bankers for the importers, M/s. Convenience Foods Lanka Plc and they opened 2 letters of credit favouring the exporter OE for the supply of Dried red chilies - medium to the importer.

CONTRACT

E: Proforma invoices bearing Ref No OM/CFL/449 Dt.25/03/2022 and bearing Ref No OM/CFL/450 Dt. 25/03/2022 were sent by OE to CFL for the supply of Dried Red Chili - Medium quality with the mutually agreed terms of supply and the documents required.

F: Letter of credit bearing Ref: 25122LU00020 Dt. 27/06/2022 and bearing Ref No. 25122LU00021Dt. 27/06/2022 were issued by SBI Colombo on behalf of the importer CFL, favouring the exporter OE for the supply of Dried Red chili - Medium quality with the list of documents required which included the statutory certificate required by the Food Administrative Control Unit (FACU), Ministry of Health (MOH), Sri Lanka for the testing and passing of the consignments based on the admissible aflatoxin levels by Spices Board, Quality Evaluation Branch, Govt. of India for the importation of dried red chili into Sri Lanka.

PRODUCT;

G ; Dried red chili is an eligible product (food products) that can be imported into Sri Lanka from India under the Indian Credit Line facility extended by the Govt. of India to the Govt. of Sri Lanka. The above contracts between OE and CFL are agreed mutually between them to be performed under ICL facility.

INCLUSION OF CONTRACT UNDER ICL FACILITY.

H: As per sub-clause c of para C of SBI Credit facility agreement with Sri Lanka and as per clauses (c) and (d) of Ans to Q 6 of FAQ's of SBI SOP Mechanism Govt. of Sri Lanka had authorised the inclusion of the subject contracts between OE and CFL under ICL facility by the High Commission of India, Colombo / MEA and as per clause (g) of para C of SBI Credit facility agreement with Sri Lanka and as per clauses (c) and (d) of Ans to Q 6 of FAQ's of SBI SOP Mechanism, State Bank of India GIFT CITY (the lending bank to Govt. of Sri Lanka) had conveyed in writing the inclusion of the subject contracts under the ICL facility indicating the eligible value thereof.

PERFORMANCE OF THE PARTICIPANTS.

I: OMVISHKAR EXPORTS

1) Our client had shipped the dried red chili consignments as detailed below as per the letters of credit to the CFL vide 5 bills of lading and have submitted the post-shipment documents to us with the additional documents as required under the LCs, which chiefly included the quality certificate in terms of admissible levels of aflatoxin for the importation of dried red chili into Sri Lanka, by the Spices Board, Govt. of India which is the ultimate authority in India to certify the export consignments.

2) As per Sec B of SBI credit facility agreement (SBI CFA) - Operations of Disbursements and payment to Indian exporters, OE had already submitted the relevant documentary evidence pertaining to the subject trade transactions viz copies of commercial invoice, Bill of lading, insurance cover note and certificate of origin to the Govt. of Sri Lanka.

J: State Bank of India, Colombo, Sri Lanka.

1) As per 4.10 and 10.3.1 of Indian Credit Line -Operating guidelines (ICL - OGL), SBI Colombo had accepted the above documents sent by BOI Chennai and after collecting 100% payments from CFL had transferred the monies for the subject bills to Central Bank of Sri Lanka treasury account No. 7041549 specially maintained with Bank of Ceylon, Taprobane branch, Colombo

2) SBI, Colombo had sent swift messages to OE's bank M/s. Bank of India, Chennai Main branch conveying their acceptance of each 5 bills and had given the corresponding maturity / due dates of payment for each bill, as tabulated below.

OMV NOS	NO OF FCLS	OUR BANK REF.	BILL VALUE USD	DUE DATE	Acceptance Date.	LC NOS
OMV/154, OMV/155, OMV/156, OMV/157, OMV/163	10	8000FBC22000459	2,96,223.75	09-08-2022	27.07.2022	25122LU00021 Dt. 27/06/2022
OMV/164, OMV/168	5	8000FBC22000471	1,54,620.00	15-08-2022	27.07.2022	25122LU00020 Dt. 27/06/2022
OMV/171	2	8000FBC22000476	59,062.50	22-08-2022	04.08.2022	25122LU00020 Dt. 27/06/2022
OMV/166, OMV/172, OMV/179	7	8000FBC22000516	2,07,405.00	06-09-2022	22.08.2022	25122LU00020 Dt. 27/06/2022
OMV/223	2	8000FBC22000518	61,267.00	08-09-2022	23.08.2022	25122LU00020 Dt. 27/06/2022

3) SBI, Colombo has given the following details of funds transferred dates to Bank of Ceylon, for each of the 5 bills as tabulated below.

FUND TRANSFER NOTIFICATION				
OUR BANK REF.	BL BATE	BILL VALUE USD	FUND TRANSFER TO BOC DT.	SBI TRANSFER REF.
8000FBC22000459	10.08.2022	2,96,223.75	19.07.2022	25122LU00020B001
8000FBC22000471	16.07.2022	1,54,620.00	22.07.2022	25122LU00020B003
8000FBC22000476	21.07.2022	59,062.50	27.07.2022	25122LU00020B004
8000FBC22000516	07.08.2022	2,07,405.00	15.08.2022	25122LU00020B005
8000FBC22000518	09.08.2022	61,267.00	15.08.2022	25122LU00020B007
	TOTAL USD	7,78,578.25		

4) As per 10.3.1 of ICL OGL SBI, Colombo had sent the "Fund transfer notifications" to ICFCU (Indian Credit Facility Coordinating Unit) , Govt. of Sri Lanka on the days the monies were transferred for each of 5 bills to the Govt. of Sri Lanka's treasury account maintained with Bank of Ceylon, Sri Lanka.

5) As per 10.3.2, SBI, Colombo had uploaded the details of subject invoices on the " Sri Lanka customs " Remittance Management System" stating the terms of payment as " ICL credit Line".

6) AS per 4.11 of ICL OGL, SBI, Colombo had released the import clearance documents to CFL and in doing so, SBI, Colombo has transferred the clear title of said goods to the importer CFL.

K: BANK OF INDIA, Chennai Main

1) We as the remitting bank had sent the documents pertaining to the shipments to SBI, Colombo the LC opening bank along with our schedules and cover notes citing terms as covered under UCPDC clauses.

2) On receipt of acceptance and due date advice from SBI, Colombo, we have negotiated the documents and credited the proceeds to the account of our client OE to enable them to meet their working capital requirements.

L : CONVENIENCE FOOD LANKA PLC (CFL), Sri Lanka - Importer.

1) As per 4.10 of ICL OGL, CFL has paid 100% money towards payment of subject invoices to their bank and collected the clearance documents.

2) As per 4.12 of ICL OGL, CFL had submitted the import clearance documents to Sri Lanka customs.

M : Sri Lanka Customs.

1) As per 3.3 of ICL OGL Special Investigation Unit (SIU) at Sri Lanka customs, had investigated the consignments of dried red chili in the context of ICL agreement and had issued the release order by declaring in their Examination Panel Report that the goods imported under subject invoices are the eligible food product Dried Red chili, as declared in the documents stating that the quantity, HS code, description and cargo were correct.

2) SIU as per 3.3 of ICL OGL had provided recommendation to ICFCU with regard to the customs clearance after investigating about the veracity of the subject shipments and their eligibility under ICL facility.

3) As per 4.13 of ICL OGL, Sri Lanka customs had released the subject consignments to the importer CFL.

N : Ministry of Health, Govt. of Sri Lanka.

After the subject eligible dried red chili consignments were released by the Sri Lanka customs to the importer CFL, based on the results for aflatoxin levels from two tests , one optionally done by SGS at importer's choice and the other, in the event of rejection by the 1st optional test, by the laboratory of Ministry of Health , Sri Lanka on a sample drawn by MOH and shared with SGS laboratory, but with tests on same sample done at different times, 10 x 40' containers out of the total of 26 x 40' containers of goods were declared not up to the standard by MOH, Sri Lanka and the importer, who by now is the owner of all the 26 x 40' containers of goods was asked to re-export the not up to the standard consignments. It is to be noted here that the results of aflatoxin levels from the 2 tests which were done on the same sample with a gap of about 10 days between the tests were having big differences and were both ascending and descending from test 1 to test 2. Out of our interest for the consignee we, along with the importer, represented to Food Administrative Control Unit, MOH, Sri Lanka to conduct another final test to decide on the subject 10 x 40' containers which were declared not up to the standard. Even Spices Board, the ultimate authority in India to certify the exports of spices wrote to MOH, Sri Lanka stating that they have passed the subject consignments after due testing with respect of norms of Sri

Lanka and therefore a retest may be considered. But MOH, SL did not concede to the request from us and the importer.

It is pertinent to mention here that before all these 26 x 40' containers were shipped from India, they had been tested and certified by India Govt's ultimate authority that the aflatoxin levels were well within the permitted levels as prescribed by the importing country that is Sri Lanka's Food Administrative Control Unit, Ministry of Health.

O : PLANT QUARANTINE DEPT. OF SRI LANKA.

1) All the subject consignments in 26 x 40' containers were passed by the plant quarantine department of Sri Lanka.

P : ISSUE.

The crucial points of this case are summarized below for easy and quick scrutiny,

1) The contract between the exporter OE and the importer (CFL) was included by both Govt. of India and Govt. of Sri Lanka under ICL facility.

2) The contract was for the supply of Dried red chili which was an eligible good that can be imported into Sri Lanka under this facility and the same was supplied from India.

3) The contract required the importer CFL to pay 100% of CIF value of each bill to the exporter OE.

4) The contracts were by Irrevocable letters of credit issued by SBI, Colombo favouring the beneficiary OE.

5) Importer CFL had already paid 100% of the value of the subject commercial invoices and the title of ownership was already passed onto the importer.

6) SBI, Colombo has accepted all the subject documents and had already paid the entire money collected for the subject bills from the importer to the treasury account of GOSL maintained with Bank of Ceylon, Taprobane branch

- 7) SBI, Colombo had sent the : Fund transfer Notifications" to ICFCU on the dates of money being transferred to the treasury account with Bank of Ceylon.
- 8) SBI, Colombo had uploaded the invoice details, stating payments under ICL facility to the " Remittance Management System" of Sri Lanka customs on the dates of money being transferred to the treasury account of GOSL with Bank of Ceylon.
- 9) SBI, Colombo had sent swift messages to exporter's bank, Bank of India Chennai Main giving details of payment due dates for each of 5 bills as per the terms of UCPDC
- 10) bank of India Chennai Main had negotiated the subject bills and credited the proceeds to the account of the exporter OE.
- 11) Sri Lanka customs had investigated as per clause 3.3 of ICL OGL and declared that the imported goods are eligible goods and have clearly mentioned in their examination panel report that the " Goods are in order, released".
- 12) Exporter OE had already submitted the relevant evidence of the trade transactions viz copies of commercial invoice, bills of lading, insurance cover note and the certificate of origin to Govt. of Sri Lanka.

In the light of foregoing listed events, the exporter Omvishkar Exports must have received the payment for 26 x 40' containers of goods with a total value of US\$ 7,78,578.25 by now. But though it is more than 4 months since the first lot of these 26 x 40' containers were cleared by the importer with 100% payments , our client OE has not received any payment for these 26 containers so far.

We have sent several mails and swift messages to SBI, Colombo asking for payment citing their due date advice but to no avail yet. SBI, Colombo takes cover under ICL OGL and shirks their responsibility by maintaining that they have transferred the monies to the treasury account of Govt. of Sri Lanka with Bank of Ceylon whereas ICL OGL requires the importer bank, SBI Colombo in this case, to ensure interbank transactions are done on time. The very purpose of LC after acceptance by the opening bank is to fix the responsibility on them to get the payment / payment authorization from Govt. of Sri Lanka to SBI, Gift city through the High Commission of India, Colombo which SBI, Colombo has failed to do so in brazen violation of UCPDC terms.

As per Ans. to Q 3 of FAQ's (frequently asked questions) of SBI India SOP / Mechanism, it is the irrefutable responsibility of SBI, Colombo to ensure that the Payment Authorization from Govt. of Sri Lanka reached the SBI, Gift city through the High Commission of India, at least 3 clear business days prior to the bill maturity dates.

For a contract which was included mutually by Govt. of India and Govt. of Sri Lanka, once the eligible goods were exported, title of ownership was passed onto the importer, the relevant evidence of trade transactions were submitted to the Govt. of Sri Lanka, as per Ans. to Q 25 of FAQ's of SBI India SOP / Mechanism " the liability of Govt. of Sri Lanka to make any payment is PRIMARY" to Govt. of India which presupposes Govt. of Sri Lanka's liability to pay the exporter at the first place and this liability of Govt. of Sri Lanka shall in no way conditional upon any other circumstances.

In consideration of above facts and in the best interest of our client OE, we request your esteemed office to take up with the Ministry of Trade, Govt. of Sri Lanka , High commission of India, Colombo and other appropriate Ministries of Sri Lanka to get the Payment Authorization released immediately from Govt. of Sri Lanka so that the payments are settled to our client OE through SBI Gift city. Our client is suffering badly because of this unbearable delay in receiving this hefty sum of money and is being forced to ponder about winding up their two and half decade old business as they are unable to make both the ends meet.

Warm regards,

Thanking you,
Yours sincerely,

For Bank of India HO, Mumbai

My Dear Sir,

We are exporters since 1997, having earned an aggregate of about Rs.2000 crores foreign exchange to our country since inception and still continuing to earn about Rs.150 crores every year.

We seek your kind intervention in a longdrawn issue of non-payment of our legitimate export bills of US\$ 296,752.50 by ICFCU, Ministry of Finance, Govt. of Sri Lanka by withholding the payment authorisation for more than 9 months.

We have exported dried red chili to M/s. Convenience Foods Lanka Pvt. Ltd under Indian Credit Line (ICL) to Govt. of Sri Lanka and we have judiciously complied with all the terms and conditions as stipulated by the guidelines of Indian Credit Line, by the Govt. of India for chili exports, by the Govt. of Sri Lanka for chili imports into their country and by the buyer vide their letters of credit. There is absolutely no flaw from our side. Even the Ministry of Finance, Sri Lanka vide their Contract Inclusion Form and Part Payment Authorisation – Lot No. 014 has corroborated this fact of our 100 percent compliance to the terms and conditions that behove the exporter.

We invite your kind attention to the accompanying documents which include the correspondence among all parties involved, the shipping documents and more importantly the certification by our Govt's apex authority for dried chili exports, the Spices Board and a perusal of these documents will bring to the fore, the injustice meted to us by the ICFCU, Ministry of Finance, Govt. of Sri Lanka which is purposely delaying the sending of payment authorisation under the garb of nonexistent rules.

ICFCU has already collected our payment from the buyer on transferring the ownership of the subject consignments but enjoying the money legitimately due to us as loan from us to them without incurring any interest charges. This tantamount to flagrant violation of ICL guidelines which only entails Indian Govt. extending credit facility at an interest charge to Govt. of Sri Lanka through a designed payment mode exclusively for this credit facility.

We request your goodselfs to advise the recalcitrant ICFCU through appropriate official channels to send the payment authorisation for US\$ 296,752.50 immediately.

We await your kind reply advising positive action.

Warm regards,

Thanking you,
Yours sincerely,

M.D.Sivakumar
Proprietor, (Mobile: +91 98410 41942)
Omvisshkar exports, Chennai India

Cc.Honorable Prime Minister Shri. Narendra Modi Ji, Govt. of India. Prime Minister of India.

ANIL BOI,

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Cc.Honorable Prime Minister Shri. Narendra Modi Ji, Govt. of India. Prime Minister of India.

BOI HO,

Date.20.06.2023

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