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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 10th December, 2025

Uploaded on: 12th December, 2025

+ **W.P.(C) 18728/2025 & CM APPL. 77888/2025**

M/S NATIONAL FREGRANCE

.....Petitioner

Through: Mr. Rahul Raheja, Mr. Rohit Raheja
and Mr. Gaurav Prakash, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Sai Manik Sud, SPC

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+ **W.P.(C) 18744/2025 & CM APPL. 78029/2025**

M/S DACIK FOODS PVT LTD

.....Petitioner

Through: Mr. Rahul Raheja, Mr. Rohit Raheja
and Mr. Gaurav Prakash, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Sai Manik Sud, SPC.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE SHAIL JAIN

JUDGMENT

Prathiba M. Singh, J.

1. This hearing has been done through hybrid mode.
2. The present petitions have been filed by the Petitioners under Article 226 of the Constitution of India, *inter alia*, seeking the following prayers:

(i) In **W.P.(C) 18744/2025:**

“i) issue a writ of Mandamus thereby directing the Respondent no. 2 to finalize the shipping bill no.



5253762 and 5253855 both dated 29.10.2024 on the basis of the first test report dated 24.12.2024 and 27.12.2024 (Annexure - 6) instead of the second test report dated 10.11.2025 (Annexure - 8) issued by the respondent no. 3.

ii) Issue a writ of Mandamus thereby directing the respondent no. 2 to release the bank guarantee bearing no. 4615IGP251079769 dated 16.01.2025 and bond furnished at the time of releasing of the goods covered under shipping bill no. 5253762 and 5253855 dated 29.10.2024 on provisional basis.

iii) Issue a writ of Mandamus thereby directing the respondent no. 2 to issue NOC to the GST department and withdraw their letter dated 05.02.2025 whereby it was requested that the IGST refund of the petitioner may not be processed/sanctioned.

iv) pass any such other orders as it may deem fit to this Hon'ble Court in the facts and circumstances of the case."

(ii) In **W.P.(C) 18728/2025:**

"i) issue a writ of Mandamus thereby directing the Respondent no. 2 to finalize the shipping bill no. 5202192 and 5201743 both dated 28.10.2024 on the basis of the first test report dated 24.12.2024 and 27.12.2024 (Annexure - 6) instead of second test report dated 10.11.2025 (Annexure - 8) issued by the respondent no. 3.

ii) Issue a writ of Mandamus thereby directing the respondent no. 2 to release the bank guarantee bearing no. 4615IGP251079767 dated 16.01.2025 and bond furnished at the time of releasing of the goods covered under shipping bill no. 5202192 and 5201743 both



dated 28.10.2024 on provisional basis.

iii) Issue a writ of Mandamus thereby directing the respondent no. 2 to issue NOC to the GST department and withdraw their letter dated 05.02.2025 whereby it was requested that the IGST refund of the petitioner may not be processed/sanctioned.

iv) pass any such other orders as it may deem fit to this Hon'ble Court in the facts and circumstances of the case."

3. A brief background of the Petitioners case is that, the Petitioners are exporters engaged in the export of various Tobacco products including Pan Masala, etc. According to the Petitioners, they have a Good and Service Tax registration (*hereinafter*, 'GST registration') and are also registered with the Tobacco Board. The Petitioners also possess Food Safety and Standards Authority of India license (*hereinafter*, 'FSSAI license'). The GST registration and FSSAI license of the Petitioners are as follows:

Case No.	GST Registration No.	FSSAI License No.
W.P.(C) 18728/2025	07AAWFN4255AIZ6	12724999000601
W.P.(C) 18744/2025	06AAKCD7898N1ZM	10824999000495

4. The case of the Petitioners is that they have filed shipping bills for the purpose of export of goods described as *Mouth Fresheners, Pan Masala RG and Tobacco T*. The details of the shipping bills filed by the Petitioners is as follows:

- Bill Nos. 5202192 and 5201743 both dated 28th October, 2024 in ***W.P.(C) 18728/2025***.
- Bill Nos. 5253762 and 5253855 both dated 29th October, 2024 in

***W.P.(C) 18744/2025.***

5. The said goods were exported through the said shipping bills. Thereafter, an alert was issued, due to which the goods of the Petitioners were only released on a provisional basis.

6. Pursuant there to, samples of Petitioner's goods were sent to the Central Revenues Control Laboratory, Government of India, Ministry of Finance, Department of Revenue (*hereinafter*, 'CRCL') which gave test reports dated 24th December, 2024 and 27th December, 2024 (*hereinafter*, 'first CRCL reports') to the following effect:

(i) In ***W.P.(C) 18744/2025*** CRCL report dated 24th December, 2024 :

TEST REPORT

1. Lab No: CRCL/Food/21/1943 (E)/03.12.2024

Reported Date: 24.12.2024

2. Test Memo No: 9/CUS/ECFS/MISC/393/2024-Docks

3. Name Contact information of customer: Customs House Chennai

5. Description of Sample: Mouth Fresheners Pen Masala RG

5. Sample Plan: Sample Not Drawn By this Laboratory.

Report: The sample as received is in the form of light brown irregular granules having characteristic odor. The sample w/r has the characteristics of tobacco. It is composed of betel nut, nicotine, catechu, added lime, and flavouring substances. It is having following constants.

Sr. No.	Parameters	Test method	Result
1.	Moisture (% by mass)	IS 5643:2019	3.92
2.	Total Ash on dry basis (% by mass)	IS 5643:2019	6.44
3.	Total alkaloids as Nicotine (% by mass) on dry basis	AOAC 960.08	0.096
4.	Silicated residues insoluble in Hydrochloric acid (on dry basis)	IS 5643:2019	1.55
5.	pH of the sample	---	9.33

(ii) In ***W.P.(C) 18744/2025*** the CRCL report dated 27th December, 2024 :

" TEST REPORT

1. Lab No: CRCL/Food/21/1947(E)/03.12.2024

Signature Not Verified

Digitally Signed
By:DHIRENDER KUMAR
Signing Date:12.12.2025
12:43:27



Reported Date:27.12.2024

2. Test Memo No: 11/CUS/ECF/MISC/393/2024-Docks

3. S/B No: 5253855

Dated: 29.10.2024

4. Name Contact information of customer: Custom House Chennai

5. Description of Sample: Mouth Freshners Pan Masala RG

6. Sample Plan: Sample Not Drawn By this Laboratory.

Report: The sample as received is in the form of light brown irregular granules having characteristic odor, The sample u/r has the characteristics of tobacco. It is composed of betel nut, nicotine, catechu, added lime and flavouring substances. It is having following constants:

Sr. No.	Parameters	Test method	Result
1	Moisture (% by mass)	IS 5643:2019	3.92
2	Total Ash On dry basis (% by mass)	IS 5643:2019	5.91
3	Total alkaloids as Nicotine On dry basis (% by mass)	AOAC 960.08	0.12
4	Silicated residues insoluble in Hydrochloric acid On dry basis (% by mass)	IS 5643:2019	2.73
5	pH of the sample		9.9

(iii) In **W.P.(C) 18728/2025** CRCL report dated 24th December, 2024 :

“

TEST REPORT

Reported Date:24.12.2024

1. Lab No: CRCL/Food/21/1944(E)/03.12.2024

2. Test Memo No: 11/CUS/ECF/MISC/393/2024-Docks

3. S/B No: 5201743

Dated: 28.10.2024



4. Name Contact information of customer: Custom House Chennai

5. Description of Sample: Mouth Freshners Pan Masala RG

6. Sample Plan: Sample was not Drawn By this Laboratory.

Report: The sample as received is in the form of light brown irregular granules having characteristic odor, The sample u/r has the characteristics of tobacco. It is composed of betel nut, nicotine, catechu, added lime and flavouring substances. It is having following constants:

Sr. No.	Parameters	Test method	Result
1	Moisture (% by mass)	IS 5643:2019	4.69
2	Total Ash On dry basis (% by mass)	IS 5643:2019	6.27
3	Total alkailoids as Nicotine (% by mass) On dry basis	AOAC 960.08	0.06
4	Silicated residues insolable in Hydrochloric acid (On dry basis)	IS 5643:2019	1.43
5	pH of the sample		9.38

(iii) In **W.P.(C) 18728/2025** CRCL report dated 27th December, 2024 :

“TEST REPORT

Report dated 27.12.2024

1. Lab No: CRCL/Food/21/19__(E)/

2. Test Memo No: __/CUS/ECFS/MISC/393/2024-Docks

3. S/B No: **Dated: 28.10.2024**

4. Name Contact information of customer: Custom House Chennai

5. Description of Sample: Mouth Freshners Pan Masala RG

6. Sample Plan: Sample was not Drawn By this Laboratory.



Report: *The sample as received is in the form of light brown irregular granules having characteristic odor, The sample u/r has the characteristics of tobacco. It is composed of betel nut, nicotine, catechu, added lime and flavouring substances. It is having following constants:*

Sr. No.	Parameters	Test method	Result
1	Moisture (% by mass)	IS 5643:2019	
2	Total Ash On dry basis (% by mass)	IS 5643:2019	
3	Total alkailoids as Nicotine (% by mass) On dry basis	AOAC 960.08	
4	Silicated residues insolable in Hydrochloric acid (On dry basis)	IS 5643:2019	
5	pH of the sample		

7. At the time of provisional release of the goods, certain bank guarantees were furnished by the Petitioners. Since there was no objection in the first CRCL reports, the Petitioners sought finalisation of the shipping bills and release of the bank guarantees.

8. According to the Petitioners, surprisingly, without drawing any further samples, new CRCL reports dated 10th November, 2025 (*hereinafter*, ‘second CRCL reports’) were issued in the form of clarification wherein it was observed as under:

*“The tested samples u/r were found to contain betelnut, nicotine (ingredient of tobacco), catechu, lime and flavouring substances. **Based on the test findings each sample u/r has the characteristics of Gutka**, which is chewing tobacco product as per IS 10335; 2016. Each sample is other than Pan masala, Khaini and Surti. Each sample is other than food preparation as per*



Section 2.3.4 of Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011.”

9. Pursuant to the second CRCL reports, letters dated 5th February, 2025 (*hereinafter, 'letters'*) have been sent by the Commissioner of Customs to the GST Department, to not issue the refunds to the Petitioners.
10. Aggrieved by the clarification in the second CRCL reports, the Petitioners have preferred the present petitions.
11. Issue Notice in ***W.P.(C) 18728/2025***. Mr Sai Manik Sud is requested to accept notice on behalf of the Respondents in ***W.P.(C) 18728/2025***.
12. Heard. The case of the Petitioners is that the first CRCL reports would be binding on the Petitioners and the clarification in the form of second CRCL reports would be completely non-tenable as no fresh samples of the goods were drawn and no reasoning has been given as to why such a finding has been arrived at, that the products of the Petitioners were *Gutka*.
13. Additionally, Petitioners also seek release of the bank guarantees and withdrawal of the letters issued to the GST Department.
14. In the opinion of this Court, for the release of the bank guarantees, the Petitioners have made several representations to the Commissioner of Customs. These representations have neither been replied to nor decided till date.
15. Moreover, the circumstances which warranted the issuance of second CRCL reports are completely unknown and it does not specify as to why the same were issued. The second CRCL reports refer to an email of the Customs Department dated 07th November, 2025.
16. The matter deserves to be considered by the Commissioner of the



Customs in a holistic manner and the representations for release of the bank guarantees deserve to be decided on an early date.

17. Further, it is also noticed that no Show Cause Notice (*hereinafter*, 'SCN') has been issued to the Petitioners. If any SCN is to be issued to the Petitioners, the same ought to be done expeditiously so that further shipments of the Petitioners are not unnecessarily put on hold.

18. Accordingly, the following directions are issued:

(i) All the representations of the Petitioners shall now be considered and the decision on the release of bank guarantees shall be taken by 28th February, 2026 by the Commissioner of Customs.

(ii) If any SCN is to be issued, the same shall be issued by 10th January, 2026 and the same shall also be decided simultaneously with the representations of the Petitioner.

19. Needless to add, this Court has not gone into the merits of the matter.

20. All the rights and contentions of the parties are left open.

21. The petitions are disposed of in these terms. All pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
JUDGE**

**SHAIL JAIN
JUDGE**

DECEMBER 10, 2025/jyh/pd/sm