



CNR: KAHC010198632019

NC: 2026:KHC:48571
WP No. 29537 of 2019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO.29537 OF 2019 (GM-RES)

BETWEEN:

M/S K.K.NAG PRIVATE LIMITED
SY NO.182/1, ANEKAL TO ATTIBELE ROAD
BIDRAGERE GRAMA, KASABA HOBLI
BESTAMANAHALLI POST, ANEKAL
BENGALURU RURAL-562 106
(REPRESENTED BY ITS MANAGER - COMMERCIAL
SRI.SHIVANANDA ACHARYA)
(REGISTERED UNDER FOREIGN
CONTRIBUTION REGULATION ACT)

...PETITIONER

Digitally signed
by CHAITHRA A
Location: HIGH
COURT OF
KARNATAKA

(BY SRI.SANMATHI E I, ADVOCATE)

AND:

1. ADDITIONAL DIRECTOR GENERAL
OF FOREIGN TRADE
KENDRIYA SADAN, 6TH FLOOR, C & E WING
KORAMANGALA
BENGALURU -560 034
2. DIRECTOR GENERAL OF FOREIGN TRADE
POLICY RELATION COMMITTEE (PRC)
UDYOG BHAVAN, MOULANA AZAD ROAD
NEW DELHI-110 011



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3. THE COMMISSIONER OF CUSTOMS
RAJAJI SALAI CUSTOMS HOUSE
CHENNAI-1

...RESPONDENTS

(BY SRI.MAHESH ARAKALAGUD SRIKANTH, ADVOCATE
FOR R.1 AND R.2;
SRI.PREETHA MAHADEVAN, ADVOCATE FOR R.3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER PASSED BY THE ADDITIONL DIRECTOR GENERAL OF FOREIGN TRADE, BENGALURU DATED 18.6.2018 (ANENXURE-E AND F) AND ANOTHER ORDER DATED 28.6.2018 AND ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned writ petition is filed seeking for the following relief;

"Wherefore, the petitioner in the abovementioned case prays this Hon'ble Court to:

(a) Quash order passed by the Additional Director General of Foreign Trade, Bengaluru dated 18.06.2018 (Annexure-E & F) and another order dated 28.06.2018 by issuing a writ in the nature of Certiorari;

(b) Quash order dated 09.10.2018 in Case No.49, F.No.01/60/162/478/AM19/PRC, PRC Meeting No.18/AM19 (Annexure-J) passed by second respondent in the



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case of petitioner i.e., M/s K.K.NAG PRIVATE LIMITED, Bengaluru by issuing a writ in the nature of Certiorari;

(c) Issue a writ in the nature of mandamus by directing the respondents to condone/dispense with production of bill of export and close the advance authorisations bearing No.0710106618 dated 03.09.2014 and 0710106613 dated 03.09.2014 (Annexure-B);

(d) Grant such other relief as may be deemed fit to grant under the circumstances of the case; in the interest of equity and justice."

2. The petitioner is a Private Limited Company engaged in the manufacture of Expanded Polyethylene Products. The petitioner asserts that the raw materials required for manufacture of its products are predominantly imported from Japan and Singapore and are cleared under the Advance Authorisation Scheme. It is the specific case of the petitioner that the finished products are manufactured in accordance with the requirements of its customers and are primarily supplied as packing materials to customers who, in turn, use such materials for packing their finished products intended for export.

3. The petitioner states that upon receipt of purchase orders from its customer-dealers, it submits applications



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for grant of Advance Authorisation for import of the requisite raw materials under the Duty Free Scheme. Pursuant thereto, the petitioner obtained two Advance Authorisations bearing Nos.0710106618 and 0710106613, both dated 03.09.2014.

4. The grievance of the petitioner is that, though the requisite documents were furnished before the Office of the Additional Director General of Foreign Trade, Bengaluru - respondent No.1, certain further documents were called for by the said authority. The petitioner claims to have furnished the additional documents on 18.06.2018. However, without properly considering the documents so produced, respondent No.1 proceeded to reject the claim of the petitioner vide order dated 28.06.2018, principally on the ground that the petitioner had failed to produce the requisite 'Bill of Export'.

5. Aggrieved by the said order, the petitioner thereafter approached the Director General of Foreign



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Trade - respondent No.2, by filing an application seeking condonation of the delay/non-furnishing of the 'Bill of Export', which came to be registered as Case No.29. The petitioner contends that respondent No.2, without properly appreciating the material placed on record, affirmed the decision of respondent No.1 and rejected the claim of the petitioner. It is these orders which are called in question in the present writ petition.

6. During the course of hearing, learned counsel appearing for the petitioner has drawn the attention of this Court to the Circulars dated 07.06.2022 and 03.06.2024 issued by the Ministry of Commerce and Industry. Placing reliance upon the said Circulars, learned counsel would contend that the requirement of production of the 'Bill of Export', in respect of supplies made to SEZ units, has subsequently been relaxed and that exporters are permitted to furnish specified corroborative evidence in lieu of the 'Bill of Export'.



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7. Sri.Mahesh Arakalagud, learned Standing Counsel appearing for respondent Nos.1 and 2, fairly does not dispute the issuance or applicability of the aforesaid policy Circulars issued by the Ministry of Commerce and Industry. However, he would submit that the petitioner would still be required to satisfy the conditions stipulated in the said Circulars and produce the documents prescribed thereunder. He would, therefore, fairly submit that the matter may be remitted to respondent No.1 for fresh consideration in the light of the subsequent Circulars.

8. I have heard the learned counsel appearing for the parties and perused the material available on record.

9. In view of the rival submissions, the following point arises for consideration:

"Whether, in the case of supplies made to SEZ units under Advance Authorisation, the petitioner is required to produce the 'Bill of Export' as the only acceptable evidence for discharge of export obligation,



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notwithstanding the subsequent Circulars dated 07.06.2022 and 03.06.2024 permitting furnishing of corroborative evidence in lieu thereof?"

Finding on point for consideration:

10. The controversy lies within a narrow compass. The claim of the petitioner came to be rejected essentially on the ground that the requisite 'Bill of Export' had not been produced. The petitioner has, however, placed reliance on the subsequent Circulars dated 07.06.2022 and 03.06.2024 issued by the Ministry of Commerce and Industry. These Circulars contemplate furnishing of specified corroborative evidence in cases where supplies are made to SEZ units and the exporter is unable to furnish the 'Bill of Export'.

11. The Circulars, *inter alia*, contemplate acceptance of corroborative evidence such as the ARE-1 form duly attested by the jurisdictional Central Excise/GST Authorities of the Advance Authorisation holder, evidence of receipt of supplies by the recipient in the SEZ, or



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evidence of payment made by the SEZ unit to the Advance Authorisation holder, subject to satisfaction of the conditions stipulated in the said Circulars.

12. The issuance of the aforesaid Circulars is not disputed by the learned Standing Counsel appearing for the respondents. In view thereof, the claim of the petitioner requires reconsideration by the competent authority in the light of the subsequent policy instructions. Whether the documents relied upon by the petitioner satisfy the requirements stipulated under the Circulars is a matter which ought, in the first instance, to be examined by the competent authority.

13. In that view of the matter, this Court is of the considered view that the ends of justice would be met by setting aside the impugned orders and remitting the matter to respondent No.1 for fresh consideration. Respondent No.1 shall examine the claim of the petitioner in the light of the Circulars dated 07.06.2022 and



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03.06.2024 and the documents that may be produced by the petitioner in terms thereof, and thereafter pass appropriate orders in accordance with law. Accordingly, the point for consideration is answered in the '**Negative**'.

14. It is made clear that this Court has not expressed any opinion on the merits of the petitioner's claim or on the sufficiency or otherwise of the documents relied upon by the petitioner. All such questions are left open for consideration by the competent authority.

15. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

- i) The writ petition is ***allowed in part***.
- ii) The orders dated 18.06.2018 and 28.06.2018 passed by the Additional Director General of Foreign Trade, Bengaluru - respondent No.1, produced as Annexures-E and F, respectively, are hereby set aside.



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- iii) The matter is remitted to respondent No.1 for fresh consideration.
- iv) Respondent No.1 shall reconsider the claim of the petitioner bearing in mind the Circulars dated 07.06.2022 and 03.06.2024 issued by the Ministry of Commerce and Industry and pass appropriate orders in accordance with law.
- v) The petitioner is at liberty to produce all documents and corroborative evidence contemplated under the aforesaid Circulars before respondent No.1.
- vi) Since the parties are represented by their respective learned counsel, the petitioner shall appear before respondent No.1 on 30.09.2026, without awaiting any further notice from the said authority.
- vii) Respondent No.1 shall thereafter afford reasonable opportunity to the petitioner and pass appropriate orders



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expeditiously and in accordance with
law.

viii) All contentions of the parties are kept
open.

No order as to costs.

Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE