



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO.50357 OF 2018 (GM-RES)

BETWEEN:

1. M/S. RAMYA REPROGRAPHIC PVT. LTD.,
REP. BY ITS MANAGING DIRECTOR
MR. R. NARENDRA
KATHA NO.16/2-B, SINGASANDRA VILLAGE
AECS LAYOUT ENTRANCE
BEHIND DAKSHINA HONDA SHOW ROOM
HOSUR ROAD, KUDLU
BENGALURU-560 068.
2. MR. R. NARENDRA
AGED ABOUT 49 YEARS
MANAGING DIRECTOR
M/S. RAMYA REPROGRAPHIC PVT. LTD.
KATHA NO.16/2-B,
SINGASANDRA VILLAGE
AECS LAYOUT ENTRANCE
BEHIND DAKSHINA HONDA
SHOW ROOM HOSUR ROAD, KUDLU
BENGALURU-560 068

...PETITIONERS

(BY SRI SUNIL P. PRASAD, ADVOCATE)

AND:

1. THE ADDITIONAL DIRECTOR
GENERAL OF REVENUE INTELLIGENCE
DIRECTORATE GENERAL OF
REVENUE INTELLIGENCE



503, 3RD A MAIN, OMBR LAYOUT
BANASWADI, BENGALURU-560 043

2. THE COMMISSIONER OF CUSTOMS
C. R. BUILDING, NO.1,
QUEENS ROAD
BENGALURU-560 001.
3. GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
OFFICE OF THE JOINT DIRECTOR
GENERAL OF FOREIGN TRADE
6TH FLOOR, KENDRIYASADAN
C AND E WING, KORAMANGALA
2ND BLOCK, 17TH MAIN ROAD
BENGALURU-560 034.
4. THE ASSISTANT COMMISSIONER OF CUSTOMS
INLAND CONTAINER DEPOT
CONTAINER CORPORATION ROAD
WHITE FIELD PLANTATION
NEAR ITPL, BENGALURU
KARNATAKA-560 066.
5. THE SENIOR INTELLIGENCE OFFICER
DIRECTOR OF REVENUE INTELLIGENCE
BHARATHI BHAVAN,
BEJAI CHURCH ROAD
BEJA, MANGALURU-575 004.

...RESPONDENTS

(BY SRI MADHU N. RAO, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO CALLING FOR THE RECORDS RELATING TO THE IMPUGNED SHOW CAUSE NOTICE BEARING F.NO.DRI/BZU/MRU/1/ENQ-03(INT-02)2016/SCN/505 O.R.NO.04/2016 DRI DATED 03.07.2018 ISSUED BY THE R-1 VIDE ANNEXURE-Q AND QUASH THE SAME.



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

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

Petitioners are before this Court seeking following reliefs;

"i. issue Writ of Certiorari or any other Writ or Direction in the nature of Writ calling for the records relating to the impugned show cause notice bearing F.No.DRI/BZU/MRU/1/ENQ-03(INT-02)/2016/SCN/505, O.R.No.04/2016 DRI dated 03.07.2018 issued by the 1st Respondent (Annexure - Q) and quash the same, in the interest of justice and equity.

ii. pass such other order or direction as this Hon'ble Court may deem fit and proper on the facts and circumstance of the case including the award of exemplary costs to render justice."

2. Case of the petitioner No.2 is that, he being a Managing Director of petitioner No.1 a private limited company, had applied to the respondent No.3-Joint Director General of Foreign Trade for necessary Export Promotion Capital Goods ('EPCG' for short) license which was granted in terms of Proceedings No.7/21/021/01103/AM06 dated 02.02.2006 and relevant EPCG Authorization was also granted vide No. 0730003769 dated 02.02.2006. That the said licence and authorization was subject to conditions laid down in Chapter 5



of the Foreign Trade Policy and Procedures (Vol. 1) 2004-2009 and Customs Notification No.97/2004.

3. That using the said EPCG licence, it imported machineries through Inland Container Depot (ICD), Bangalore vide BOE No.121159 dated 17.05.2006 and the same was duly installed within the office premises of the petitioner No.1-Company, same was also duly certified by Central Excise Department. Petitioner No.1 had obtained license amendment from the Office of respondent No.3 by adding one more export product i.e. Exercise Notebook vide Order dated 20.06.2012. That the petitioner No.1 through M/s. Riddhi Enterprises exported their exercise notebooks, vide their 76 shipping bills, endorsing EPCG license details in the shipping bills. The third party export made by the petitioner No.1-Company was as per the Policy Circular No. 3/2015-20 dated 02.09.2015 issued by respondent No.3. Thus, the petitioner No.1 had fulfilled the export obligation imposed in EPCG license dated 02.02.2006 by the third party exports through said M/s. Riddhi Enterprises by exporting their exercise Notebooks vide their 76 shipping bills and by endorsing the EPCG license details in the shipping bills. The export so made has been counted towards the fulfillment of



export obligation imposed on the petitioner No.1-company by the licensing authority and the same has been acknowledged.

4. That pursuance of the compliance of the export obligation so made, petitioner No.1 had applied for the Export Obligation Discharge Certificate (EODC) to the respondent No.3 along with relevant documents and verification of the details furnished by the petitioner No.1 and after satisfying itself regarding sufficiency of compliance of the export obligation the respondent No.3 issued a discharge certificate on 12.07.2013 as per Annexure-F. Petitioner No.1-company based on the said Redemption Letter applied to the respondent No.2 for cancelling the bond executed by the petitioners and for release of the bank guarantee furnished by them. Respondent No.2 after verifying all the records and satisfying himself about the proper compliance with regard to export obligation by the petitioner No.1-company and after accepting the Redemption Letter passed the order cancelling the bond executed by the petitioners and released the bank guarantee furnished by them vide order dated 06.08.2013 which was intimated to the Manager of the concerned Bank.



5. Things stood thus, petitioner No.1-company received 3 letters dated 19.08.2015, 23.10.2015 and 14.12.2015 from the Office of Directorate of Revenue Intelligence, requesting the petitioner No.1-Company to furnish details of the import of capital goods under EPCG scheme along with relevant documents such as BOE, Form ANF 5B, Appendix 26A, sampled copies of shipping bills etc. submitted to respondent No.3 for obtaining EODC. Being aggrieved by the same, petitioners are before this Court.

6. Counsel for the petitioners submits;

(a) that it is settled position of law that any question or dispute arising out of and in connection with EPCG license and authorization has to be raised and dealt with only by Directorate General of Foreign Trade. The Director of Revenue Intelligence has no jurisdiction to take up the matter.

(b) That admittedly, license was issued and due performance of the same had been accepted by the concerned authority resulting in issuance of EODC and



discharge of the bank guarantee. Thereby the licensing authority had discharged all their obligations as per the Policy of 2004-2009. The Director of Revenue Intelligence therefore could not have reopened the matter without jurisdiction.

(c) that initiation of proceedings and imposition of provisions of Section 111(a) and 114AA of the Customs Act, 1962, to the facts of the case is unwarranted.

(d) He also relies upon the judgment of the Coordinate Bench of this Court in the case of **ELC PUYVAST (INDIA) PVT. Ltd. AND OTHERS V. UNION OF INDIA AND OTHERS** reported in **(2025) 152 GSTR 616**. Referring to paragraph 20(ix) of the said judgment he submits that the Coordinate Bench of this Court relying upon the judgment of the Madras High Court in the case of **JEENA AND COMPANY VS. UNION OF INDIA** reported in (2024) 15 Centax 55 (Mad) has concurred that it is DGFT who is authorized and vested with a jurisdiction to initiate any proceedings including to cancel the licence if there is any non-compliance and



the customs authorities cannot assume the jurisdiction to issue the notice as sought to be done in instant case. Hence seeks for allowing of the petition.

7. Per contra, learned counsel appearing for the respondent-authorities submits;

(a) that the facts of the instant case and the facts involved in the judgment of the Coordinate Bench of this Court as relied upon by the counsel for the petitioner are distinct and different.

(b) that in the instant case, it is the non-compliance with condition No.13 of the license, which is an issue. He submits non-compliance of condition No.13, gives rise to consequences which has to be initiated and adjudicated only by the Director of Revenue Intelligence under Customs Act, 1962 which is done by respondent Nos. 1 and 5 as per law.

(c) He draws attention of this Court to the relevant portions of show cause notice at Annexure-Q to point out that the petitioner herein was, given benefit of



Rs.92,13,675/- custom duty foregone pursuant to the Chapter 5 of Foreign Trade Policy 2004-2009 r/w Customs Notification No.97/2004-Cus dated 17.09.2004. That violation of the same, is within the domain of the Directorate of Revenue Intelligence under the Customs Act, 1962 and has got nothing to do with the licensing authority.

(d) He distinguishes the judgment relied upon by the counsel for the petitioner by stating that the said case in **ELC PUYVAST (INDIA) PVT. Ltd.** (supra) involved misrepresentation at the initial stage of obtaining the licence which was discovered and it is under those circumstances the Court had held, misrepresentation while obtaining the licence was within the domain of licensing authority, which is not the case at hand.

(e) that Statement under Section 108 of Customs Act, 1962 have already been recorded, which are admissible in evidence unlike Section 161 of the Criminal Procedure Code.



(f) that petitioner having given his statement before the concerned authority has neither retracted nor challenged the said proceedings. Since the admissibility of the said statement is provided under law, petitioner cannot now turn around and try to agitate on the merits of the case before this Court under Article 226 of the Constitution of India.

(g) that the role of licensing authority comes to an end the moment they issue discharge certificate as per Policy 5.13 and any fraud brought to the notice of the authorities will have to be adjudicated in the manner known to law which is done in the instant case.

(h) that the petitioner is at liberty to raise all the contentions of he having complied strictly with the terms of the licence before the adjudicatory authority, the same will be considered in accordance with law.

8. Heard. Perused the records.



9. Petitioners are before this Court being aggrieved by the mere issuance of show cause notice as per Annexure-Q by Respondent No.1 questioning his jurisdiction.

10. At the outset it is necessary to note, as rightly pointed by learned counsel for the respondent-authorities the judgment relied upon by the learned counsel for the petitioners in the case of **ECL Puyvast (India) Pvt Ltd.**, (supra), is inapplicable to the facts of the instant case. As narrated above the issue raised in the show cause notice is about alleged fraud committed by the petitioner No.1-company in submitting the unconnected shipping bills and obtaining export obligation discharge certificate by filing false declaration. It has got nothing to do with petitioners or any of its group companies misrepresenting the licensing authority at the time of availing the licence, which appears to be the case involved in the case cited by the counsel for the petitioners.

11. The Directorate of Revenue Intelligence, under the Customs Act, 1962 in the instant case, is investigating and in the process of adjudication of the revenue loss caused to it in view of petitioners not adhering to the license condition and



submitting the alleged false shipping bills belonging to a third party, which according to the Directorate of Revenue Intelligence was not permissible under the Foreign Trade Policy (2004-2009) as mandated under Condition No.13 of the license No.0730003769 dated 02.02.2006.

12. Condition No.13 of the License dated 02.02.2006 read as under;

"This licence shall only be utilised in accordance with the permission of Foreign Trade Policy (2004-2009) and the connected Customs notification No.(97/2004 dated 17.09.2004) as amended from time to time."

13. The allegation of violation of the said Policy is traceable at page 22 of the show cause notice. Relevant portion of it would read as under;

"(v) As per Customs Circular No.120/1995 dated 23/11/1995 as amended by Circular No.30/2005-Customs dated 12/07/2005 (copy placed at Sl.No.11 of List of documents relied upon), "Exports made by a third party can be counted towards discharge of export obligation by the EPCG licence (authorization) holder subject to the condition that;

(a) There is a contractual agreement between the EPCG licence holder and the third party (export order holder) in respect of export goods sought to be exported.

(b) The shipping bill shall indicate the name of both the manufacturing exporter/manufacturer i.e., Authorisation holder and the third party exporter.



(c) The BRC, GR declaration, export order and the invoice should be in the name of the third party exporter".

This is the distinguishing factor from the case at hand with the one cited by the counsel for the petitioners.

14. Counsel for the respondent-authorities also referred to the judgment of the Division Bench of Delhi High Court in the case of **INTER GLOBE ENTERPRISES LTD., Vs. UNION OF INDIA** reported in **2006(203) E.L.T 202 (Del)**. Para 13 of the said judgment read as under;

"13. That apart the power of this Court to interfere in the pending investigation is limited to cases where the investigation itself is incompetent or mala fide. Such incompetence may arise out of any statutory bar to the institution of the proceedings or their continuance generally or by any particular authority. No such statutory bar has, however, been pointed out to us that could render the on-going investigation incompetent for want of Jurisdiction. The issue of a certificate by the DGFT may also not be conclusive in such circumstances for any such certificate cannot circumscribe the power of the authority to reopen even a concluded matter if it is shown that such conclusion was vitiated by fraud, concealment of facts, misrepresentation or mis-declaration. We are supported in that view by the decision of the Supreme Court in Sheshank Sea Foods Pvt. Ltd. v. Union of India and Ors., (1996) 11 SCC 755. In that case the petitioner had challenged the action of the Customs authorities whereunder certain seizure operations to investigate the utilisation of the raw material imported by the dealer under the duty exemption scheme was started. The allegation being investigated was that the terms and conditions subject to which such import was permitted was being violated by the importer. The High Court had dismissed the petition and allowed the investigation to go on. In appeal before the Supreme Court, their Lordships held that under



Section 111(0) when goods are exempted from customs duty subject to a condition and the condition is not observed, the goods are liable to confiscation. The Court noticed that the respondents had alleged the violation of the condition subject to which the goods had been imported which matter the customs authorities were competent to investigate under Section 111(o). The Court held that the provisions of the Import and Export Policy and the Handbook of Procedure, issued by the Ministry of Commerce did not even remotely suggest that the powers of the customs authorities to investigate compliance with a condition, subject to which the import was made had been taken away. The following passage is in this regard apposite:

"We do not find in the provisions of the Import and Export Policy or the Handbook of Procedures issued by the Ministry of Commerce, Government of India, anything that even remotely suggests that the aforesaid power of the Customs authorities had been taken away or abridged or that an investigation into such alleged breach could be conducted only by the licensing authority. That the licensing authority is empowered to conduct such an investigation does not by itself preclude the Customs authorities from doing so."

15. He also referred to the judgment of Apex Court in the case of **ASSISTANT COMMISSIONER OF STATE TAX AND OTHER VS. M/S COMMERCIAL STEEL LTD.** in **Civil Appeal No. 5121/2021**. Paragraph 11 of the said judgment read as under;

"11 The respondent had a statutory remedy under section 107. Instead of availing of the remedy, the respondent instituted a petition under Article 226. The existence of an alternate remedy is not an absolute bar to the maintainability of a writ petition under Article 226 of the Constitution. But a writ petition can be entertained in exceptional circumstances where there is:



- (i) a breach of fundamental rights;*
- (ii) a violation of the principles of natural justice;*
- (iii) an excess of jurisdiction; or*
- (iv) a challenge to the vires of the statute or delegated legislation."*

16. Thus, the facts and circumstances involved in the present case pertaining to the false submissions of the bills resulting in loss of revenue, which eventually amounts to violation of terms of the license, falling within the domain of the Customs authorities and in the absence of petitioners specifically pointing out any provision, barring such initiation of proceedings by the respondent No.3, submissions that the respondent No.3 acting without having jurisdiction, cannot be countenanced.

17. In that view of the matter, following;

ORDER

- (i) Petition is ***disposed of*** relegating the matter to the respondent No.2- Commissioner of Customs.
- (ii) The proceedings shall continue from the stage of show cause notice.



(iii) The petitioners are at liberty to submit their additional statement of objections/ cause along with the documents if advised.

(iv) Such additional response/representation and documents shall be furnished before the respondent No.2 within a period of 30 days from the date of receipt of certified copy of this order.

(v) The respondent No.2 shall thereafter afford sufficient opportunity including personal hearing to the petitioners and pass appropriate order strictly in accordance with law.

(vi) It is made clear that the respondent-authorities shall not take any coercive action until orders are passed by respondent No.2 as directed herein.

Sd/-
(M.G.S. KAMAL)
JUDGE