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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: 02nd July, 2025

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W.P.(C) 8788/2025

M/S SHREEHARI ANANTA OVERSEAS PVT. LTD.Petitioner

Through: Mr. Arjun Raghvendra & Mr. P. R. Abhiram, Advocate.

versus

THE COMMISSIONER OF CUSTOMS ICD PATPARGANJ

.....Respondent

Through: Mr. Anurag Ojha, SSC with Mr. Dipak Raj, Mr. Shashank Kumar & Ms. Garima Kumar, Advocates.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPL. 37500/2025 (Exemption)

2. Allowed, subject to all just exceptions.

W.P.(C) 8788/2025

3. The present petition has been filed by the Petitioner- M/s Shreehari Ananta Overseas Pvt. Ltd under Article 226 and 227 of the Constitution of India, *inter alia*, seeking issuance of an appropriate writ directing the Respondent to provisionally release the Roasted Areca Nuts (hereinafter, 'goods') of the Petitioner. The petition further challenges the order bearing no. 1/2025 dated 29th May, 2025 (hereinafter, 'impugned order') passed by the Joint Commissioner of Customs, ICD Patparganj Port imposing conditions for provisional release of the goods of the Petitioner.



4. The case of the Petitioner is that it had obtained an Advance Ruling from Customs Authority of Advance Ruling, New Delhi (hereinafter, 'CAAR') that the goods are to be classified under Customs Tariff Heading 2008 specifically under *CTI 2008 19 20- 'Other roasted nuts & seed'* of Chapter 20 of the First Schedule.

5. On the said basis, five containers of goods *i.e.* Areca Nuts were imported from Indonesia at ICD Patparganj and three bills of entry were filed. The Petitioner had classified the goods in terms of the CAAR Ruling.

6. The Customs Department had sent the goods for sample testing to Central Revenues Control Laboratory (hereinafter, 'CRCL'). Some samples were found fit for consumption while others were declared unfit. The test reports viewed that the goods may be considered the products as 'dried areca nuts'.

7. The Petitioner *vide* letter dated 14th November 2024 requested for re-testing of the samples. In response to Petitioner's letter, the CRCL analyzed the samples and re-test reports were issued which contained the same inconsistencies as the original test reports.

8. In view of the extreme delay from September, 2024 onwards in the release of the consignments, the Petitioner filed ***W.P. (C) 5024/2025 titled 'M/s Shreehari Ananta Oversean Pvt. Ltd. v. Commissioner of Customs ICD Patparganj'***. *Vide* order dated 22nd April, 2025 passed in ***WP (C) 5024/2025*** in respect of the same consignments, the Court had directed as under:-

"3. The present petition has been filed by Petitioner-M/s Shreehari Ananta Overseas Pvt. Ltd under Article 226 and 227 of the Constitution of India, interalia, seeking release of the impugned goods i.e. roasted areca nuts



imported vide Bills of Entry Nos. 5890050 dated 30th September 2024, 6003769 dated 07th October 2024 and 6139769 dated 15th October 2024.

4. The case of the Petitioner is that it had imported roasted areca nuts and after obtaining an advance ruling bearing no. CAAR/Del/Shree Hari/28/2024 dated 13th May 2024, classified the impugned goods under the Custom Tariffs Heading 2008, specifically under CTI 2008 19 20.

5. The impugned goods imported under three bills of entry were detained by the Customs Department. According to the Petitioner the Food Safety and Standards Authority of India (hereinafter, 'FSSAI') had given a clean report to the Petitioner's goods.

6. However, the Customs Department again chose to send the impugned goods for testing to the Central Revenue Control Laboratory (hereinafter, 'CRCL'). Certain inconsistent reports have been submitted by CRCL.

7. The import of the impugned goods itself took place sometime in September, 2024 and October, 2024 and till date the goods are lying with the Customs Department. The warehousing permission was also granted to the Petitioner subject to the investigation which has consumed a substantial period of time.

8. Mr. Arjun Raghavendra M, Id. Counsel for the Petitioner, submits that the Petitioner now only wishes to seek release of the impugned goods not for human consumption but for industrial purposes on the basis of provisional assessment.

9. Considering the fact that the Petitioner is now willing to give an undertaking that the goods would not



be used for human consumption and hence, seeks provisional release of the impugned goods, let the Petitioner appear before the Customs Department on 08th May, 2025 at 11:00 A.M. along with requisite documents. The Customs Department can examine the reports and seek the requisite undertaking they wish from the Petitioner.

10. The prayer for provisional release of the impugned goods shall be considered by the Customs Department on such terms and conditions as may be appropriate, in accordance with law.

11. All remedies with the Petitioner are left open in respect of the order of provisional assessment.

12. The Customs Authority is directed to pass the order on provisional assessment by 31st May, 2025.

13. The petition stands disposed of in the above terms. Pending applications, if any, are also disposed of.”

9. As can be seen from the above order, this Court had directed that the goods shall be released for industrial use and the prayer for provisional release of the goods shall be considered by the Customs Department on such terms and conditions. The Department was to pass the said order by 31st May, 2025.

10. The said order was passed by the Joint Commissioner of Customs which is the order now impugned before this Court. In terms of the impugned order dated 29th May, 2025, the conditions imposed are as under:-

Order

“Keeping in view of the above discussion and legal provisions and in compliance of the Hon'ble High Court order dated 22.04.2025, wherein it has been directed that :-

“..9. Considering the fact that the Petitioner is now



willing to give an undertaking that the goods would not be used for human consumption and hence, seeks provisional release of the impugned goods, let the Petitioner appear before the Customs Department on 08th May, 2025 at 11:00 A.M. along with requisite documents. The Customs Department can examine the reports and seek the requisite undertaking they wish from the Petitioner.

10. The prayer for provisional release of the impugned goods shall be considered by the Customs Department on such terms and conditions as may be appropriate, in accordance with law.”,

The request for the provisional release of the goods for industrial use only, in the light of the order of the Hon'ble High Court, is hereby allowed subject to execution of Bond of Rs. 4,10,67,000/- and Bank Guarantee of Rs. 5,81,20,350/- (Rs. 4,31,20,350/- as provisional duty and Rs. 50,00,000/- as estimated Redemption Fine and Rs. 1,00,00,000/- as estimated penalty). M/s Shreehari Ananta Overseas Pvt Ltd are also hereby directed to submit an undertaking as per "Annex. A" attached, to the effect that the impugned goods being released provisionally will be used only for specified industrial purposes. After, consumption of the impugned goods in industrial uses, they are also required to submit an 'End Use Certificate' to this office. In case, any deviation in the use of impugned goods other than for industrial purposes, is noticed by the Department or any other Partner Government Agency, action will be initiated in accordance with law.”

11. The Court has heard the submissions of Id. Counsels for the parties. Mr. Arjun Raghavendra, Id. Counsel for the Petitioner submits that considering the value of the goods itself is Rs. 1 Crore, the conditions imposed are extremely onerous.



12. Mr. Anurag Ojha, Id. SSC on behalf of Customs Department submits that the value of the goods is as per the minimum import price, which is approximately Rs 4.10 Crores, therefore, the conditions are not onerous.

13. The Court has considered the matter. The goods have been released only for industrial use. The impugned order requires a personal bond for more than Rs. 4.10 crores along with a Bank Guarantee for a sum of over Rs. 5.81 crores i.e., the overall security demanded is almost Rs. 10 crores. Even if the value as stated by the Department is taken into consideration, bearing in mind the value of goods itself, the conditions for provisional release are clearly onerous.

14. Accordingly, it is directed that the Petitioner shall furnish a bond of Rs.4,10,67,000/- along with a Bank Guarantee of Rs. 50,00,000/- to the concerned authorities within a period of two weeks, subject to which the goods shall be released.

15. The above release shall be subject to the further ongoing investigation and any further orders, which may be passed by the concerned authorities.

16. The present petition is disposed of. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

RAJNEESH KUMAR GUPTA
JUDGE

JULY 2, 2025/dk/sk/ck