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

Date of decision: 15th December, 2025

Uploaded on: 17th December, 2025

\+ **W.P.(C) 18966/2025**

M/S TRUESPICES INDIA INC .....Petitioner

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

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Suhail Malik, SPC
Mr. Shaunak Dutta, Adv

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

Prathiba M. Singh, J. **(Oral)**

1. This hearing has been done through hybrid mode.

CM APPL. 78971/2025 (for exemption)

2. Allowed, subject to all just exceptions. The application is disposed of.

W.P.(C) 18966/2025

3. The present petition has been filed by the Petitioner under Article 226 of the Constitution of India, *inter alia*, seeking the following prayers:

> *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 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. 0181IGF241077527 dated 27.12.2024 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.

4. A brief background of the Petitioner's case is that, the Petitioner is an exporter engaged in the export of various Tobacco products including Pan Masala, etc. The Petitioner has a Good and Service Tax registration *(hereinafter, 'GST registration')* being 09AAVFT2274Q1Z1 and is also registered with the Tobacco Board. The Petitioner also possesses Food Safety and Standards Authority of India license *(hereinafter, 'FSSAI license')* being 12724999000306.

5. Petitioner had filed shipping bills bearing Nos. 5201496 and 5201551 both dated 28th October, 2024 for the purpose of export of goods described as *Mouth Fresheners, Pan Masala RG and Tobacco T*.

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

7. 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) CRCL report dated 24th December, 2024:

TEST REPORT

1. **Lab No: CRCL/Food/21/1942 (E)/03.12.2024** **Reported Date: 24.12.2024**
2. **Test Memo No: 7/CUS/ECFS/MISC/393/2024-Docks**
3. **Name Contact information of customer:** Customs House Chennai
5. **Description of Sample:** Mouth Freshners Pan 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 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	4.61
2.	Total Ash on dry basis (% by mass)	IS 5643:2019	7.25
3.	Total alkaloids as Nicotine (% by mass) on dry basis	AOAC 960.08	0.067
4.	Silicated residues insoluble in Hydrochloric acid (on dry basis)	IS 5643:2019	1.65
5.	pH of the sample	----	9.19

Sealed remnant sample returned.

(ii) CRCL Report dated 27th December, 2024:

TEST REPORT

1. **Lab No: CRCL/Food/21/1946 (E)/03.12.2024** **Reported Date: 27.12.2024**
2. **Test Memo No: 5/CUS/ECF/MISC/393/2024-Docks**
3. **S/B No: 5201496** **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 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	4.08
2.	Total Ash On dry basis (% by mass)	IS 5643:2019	6.06
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	2.70
5.	pH of the sample	----	9.85

Sealed remnant sample returned.

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

9. According to the Petitioner, surprisingly, without drawing any further samples, a new CRCL report dated 10th November, 2025 *(hereinafter, 'second CRCL report')* was issued to the Petitioner, 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."*

10. Pursuant to the second CRCL report, letter dated 5th February, 2025 *(hereinafter, 'letter')*was sent by the Commissioner of Customs to the GST Department, to not issue the refunds to the Petitioner.

11. Aggrieved by the clarification in the second CRCL report, the Petitioner has preferred the present petition.

12. Issue Notice. Mr Shaunak Dutta is requested to accept notice on behalf of the Respondents.

13. Heard. The case of the Petitioner is that the first CRCL reports would be binding on the Petitioner and the clarification in the form of second CRCL report 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 Petitioner were *Gutka*.

14. Additionally, Petitioner also seeks release of the bank guarantees and withdrawal of the letters issued to the GST Department.

15. In the opinion of this Court, for the release of the bank guarantees, the Petitioner has made several representations to the Commissioner of Customs. These representations have neither been replied to nor decided till date.

16. Moreover, the circumstances which warranted the issuance of the second CRCL report are completely unknown and it does not specify as to why the same were issued. The second CRCL report refers to an email of the Customs Department dated 07th November, 2025.

17. The matter deserves to be considered by the Commissioner of Customs in a holistic manner and the representations for release of the bank guarantees deserve to be decided on an early date.

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

19. Accordingly, the following directions are issued:

(i) All the representations of the Petitioner 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.

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

21. All the rights/remedies and contentions of the parties are left open.

22. The petition is disposed of in these terms. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

DECEMBER 15, 2025/*pt/sm*