IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-04-2026

CORAM

THE HON'BLE MR.JUSTICE MOHAMMED SHAFFIQ

WP No. 17573 of 2026

M/S.Poorvi Fab
Rep by its proprietor
Smt.R.Shanmugapriya
3rd floor, New No.65,
Old No.33,Prakasham salai
George Town, Broadway,
Chennai-600 001

..Petitioner(s)

Vs

1. Principal Commissioner of Customs
   (Preventive) Chennai
   Custom House,
   No.60 Rajaji salai,
   Chennai-600 001.

2. Director General, Directorate of Revenue
   Intelligence,
   7th floor, Drum shaped Building
   I.P.Bhavan, I.P.Estate,
   New Delhi-110 002.

3. Principal Additional Director General
   Directorate of Revenue Intelligence
   7th floor, Drum shaped building
   I.P.Bhavan, I.P.Estate,
   New Delhi-110 002.

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Mandamus, directing the respondents to permit the petitioner to immediately export the goods, imported vide Z-type Bills of Entry Nos.7767113 dated 13.01.2025 and 7799203 dated 15.1.2025.

For Petitioner(s): Mr.Lohith Vasa Kumar Prithvi

For Respondent(s): Mr.S.M.Deenadayalan,
Senior Standing Counsel

ORDER

The present writ petition is filed praying for a writ of Mandamus directing the respondents to permit the petitioner to immediately export the goods, imported vide Z-type Bills of Entry Nos.7767113 dated 13.01.2025 and 7799203 dated 15.1.2025.

2. At the outset, it is submitted by both the learned counsel for petitioner and the learned Senior Standing Counsel for respondents in unison that the issue involved in this writ petition stands covered by an order of this Court in W.P. No.48760 of 2025 dated 09.03.2026, wherein it was held as under:

> *"This Writ Petition has been filed seeking a direction to the respondents to permit the petitioner to immediately export the goods, imported vide Z-Type Bills of Entry Nos.7752786, 7753306, 7752983, 7754614 and 7753850 dated 13.01.2025.*
>
> *2. The learned counsel for the petitioner submitted that the petitioner had imported fabrics, which have been lying with the first respondent from 18.02.2025. It is submitted that samples of fabrics imported have already been tested and verified by the Department as well as the Laboratory. The petitioner received a series of seizure memos on 18.02.2025 issued by the second*

respondent, alleging that the petitioner had misclassified the goods imported and resultantly, it did not satisfy the condition relating to the minimum import price applicable to the import of fabrics. The goods imported were allegedly found to be in violation of MIP condition and were seized in exercise of the powers under Section 110 of the Customs Act, 1962 (hereinafter referred to as 'the Act').

3. It is the case of the petitioner that the allegations of misclassification and resultant undervaluation are based solely on the CRCL test report, and that there was no corroborative material or opportunity of being heard. A summon dated 19.02.2025 was issued under Section 108 of the Act, calling upon the petitioner to appear before the respondents 2 and 3 on 28.02.2025. The CRCL test report was intimated to the petitioner on 25.07.2025. Pursuant thereto, petitioner appeared and participated in the investigation and submitted necessary documents, including supplier invoices, product specifications and import correspondence. Despite which, the seized fabrics continue to remain under seizure and in the possession of the first respondent.

4. The learned counsel would further submit that the respondents, in not releasing the goods in question, have acted contrary to the mandate under Section 110 of the Act. In the meanwhile, the petitioner received an intimation dated 12.07.2025 from the respondents stating that a further period of six months was required to complete the investigation until then the seized goods would be liable to remain in their custody. The learned counsel for the petitioner would submit that the petitioner had not made any payment to its overseas suppliers – M/s.Shaoxing

Joylong Import & Export Co. Ltd., and M/s.Shaoxing Keqiao Ruanfa Trade Co. Ltd.

5. In view of the seizure of the goods by the respondents, the petitioner's overseas supplier, vide letter dated 07.10.2025, requested the petitioner to export the goods to another purchaser, namely, M/s.GCN Resources, No.6B, Jalan TMR 25, Taman, Melaka Raya, 75000 Melaka, Malaysia.

6. In such circumstances, the petitioner vide representation dated 13.10.2025, requested the second respondent to permit re-export of the seized goods to the designated foreign buyers in terms of Section 69 of the Act, while also stating that continued retention of the goods, pursuant to the seizure, would only result in diminish its value. It is also submitted by the learned counsel for the petitioner that the fabrics which have been imported are design-specific and season-specific and their continued retention without it being used, would result in the fabric being rendered useless. He would also bring to the notice of the Court that the seized fabrics were lying in the Special Economic Zone (SEZ) and not cleared for home consumption. It is also submitted that at that stage, the question of misdeclaration would possibly not arise.

7. This Court does not propose to go into the above question. But, keeping in view the facts of the present case, this Court is inclined to direct the respondents to permit the petitioner to re-export the goods, keeping in view the submissions which were not in dispute, but these goods have been lying with the respondents for more than a year and samples have also been drawn and no *useful purpose would be served by continued seizure of the goods.*

8. As a matter of fact, while the learned counsels for the respondents 1 to 3 do not have any serious objection to permitting re-export, however, while the petitioner would submit, placing reliance upon the order of the Division Bench of this Court in the case of ***The Assistant Commissioner of Customs-Imports, Tuticorin and others vs. Mahadev Enterprises*** *made in W.A(MD).No.556 of 2022 dated 23.06.2022, that the re-export may be permitted subject to the condition that he would execute a bond to cover the value of the goods pending adjudication.*

9. The learned counsels for the respondents 1 to 3, on other hand, would submit that in addition to executing the bond, the petitioner shall also furnish a Bank Guarantee.

10. After submitting for a brief while, the petitioner offered to furnish a bank guarantee in addition to executing a bond equivalent to 5% of the re-determined value, which was also agreed by the learned counsels for the respondents.

11. In that view of the matter, this Writ Petition stands disposed of with a direction to the respondents to permit the petitioner to re-export the goods imported vide Z-Type Bills of Entry Nos.7752786, 7753306, 7752983, 7754614 and 7753850 dated 13.01.2025. subject to the following condition:

(i) The petitioner shall execute a bond for the total value of the differential duty payable to them;

(ii) The petitioner shall furnish a bank guarantee equivalent

to 5% of the re-determined value; and

(iii) On the petitioner fulfilling the above two conditions, they shall be permitted to re-export the goods within a period of 12 days from the date of compliance of the above conditions as imposed by this Court.

No Costs."

3. In view thereof, the writ petition stands disposed of on similar terms. There shall be no order as to costs.

30-04-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

jv

To

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MOHAMMED SHAFFIQ, J.

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