IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.08.2026

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THE HONOURABLE MR.JUSTICE **HEMANT CHANDANGOUDAR**

W.P.No.30786 of 2026
and
W.M.P.Nos.33825 & 33826 of 2026

M/s.JK Paper Limited
Represented by its Deputy General Manager (Commercial)
Shri.Sanjay Jain ... Petitioner

vs.

1. The Assistant Commissioner of Customs (ICD-CONCOR)
Import Commissionerate, Chennai Customs,
Inland Container Depot, Ennore High Road
Sathankadu Village, Tiruvottiyur
Chennai-600 019.

2. The Deputy Commissioner of Customs (ICD-CONCOR)
Import Commissionerate, Chennai Customs,
Inland Container Depot, Ennore High Road
Sathankadu Village, Tiruvottiyur
Chennai-600 019. … Respondents

Writ Petition filed under Article 226 of the Constitution of India seeking a Writ of Certiorari, to call for the records pertaining to the impugned order-in-original No.169/2025 dated 21.07.2025 passed by the first respondent in F.No.CUS/16520/2025-ICD-CONCOR and the consequential impugned recovery notice dated 09.07.2026 issued by the 1st respondent in F.No.CUS/DBK/REC/1/2026-ICD-CONCOR and quash the same.

For Petitioner	:	Mr.Hari Radhakrishnan
For Respondents	:	Mr.G.Meganathan Standing Counsel

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ORDER

Mr. G. Meganathan, learned Standing Counsel, accepts notice for the respondents.

2. The petitioner challenges the order dated 21.07.2025 and the consequential recovery notice dated 09.07.2026 issued by the first respondent.

3. The impugned order has been passed under Section 75(1) of the Customs Act, 1962, read with Rule 16A(1) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 and Rule 18(1) of the Customs and Central Excise Duties Drawback Rules, 2017, on the ground that the petitioner had received duty drawback, but had failed to realise the export sale proceeds within the period prescribed under the Foreign Exchange Management Act, 1999.

4. The petitioner is engaged in the manufacture and export of paper and paperboard products. During the period from 05.04.2022 to 30.12.2022, it exported goods under 176 shipping bills through the respondent Port and received duty drawback amounting to Rs.1,67,98,813/-.

5. According to the petitioner, a show cause notice dated 19.08.2024 was issued, to which it submitted a detailed reply along with Electronic Bank Realisation Certificates (eBRCs) evidencing realisation of the export sale proceeds. Thereafter, the petitioner received an email dated 07.04.2025 calling upon it to furnish the eBRCs once again. The petitioner claims that it replied to the email on 15.04.2025 enclosing the relevant documents. Despite the same, the impugned order came to be passed.

6. I have considered the submissions of the learned counsel on either side.

7. The records disclose that the petitioner had furnished documents to establish that the export sale proceeds had been realised. However, while passing the impugned order, the first respondent concluded that there was short realisation in respect of certain shipping bills when compared to the export value. Such a finding has civil consequences, as it results in recovery

of the drawback already granted.

8. Before recording such a finding, the first respondent was required to afford the petitioner a reasonable opportunity of personal hearing, as contemplated under Rule 16A(1) of the 1995 Rules and Rule 18(1) of the 2017 Rules. Such an opportunity would have enabled the petitioner to explain the alleged short realisation and produce any further material in support of its claim. Admittedly, no personal hearing was granted before the impugned order was passed.

9. Since the impugned order has been passed without complying with the mandatory requirement of affording the petitioner an opportunity of hearing, it is vitiated for violation of the principles of natural justice and is liable to be set aside on that ground alone.

10. Accordingly, the writ petition is allowed. The order dated 21.07.2025 and the consequential recovery notice dated 09.07.2026 are set aside. The matter is remitted to the first respondent for fresh consideration. The first respondent shall afford the petitioner a reasonable opportunity of personal hearing, consider all the documents produced by the petitioner, and thereafter pass a fresh order in accordance with law. The entire exercise shall

be completed within a period of two (2) months from the date of receipt of a copy of this order. Notice of hearing shall be issued to the address furnished by the petitioner in the cause title of the writ petition.

11. Consequently, the connected miscellaneous petitions are closed. There shall be no order as to costs.

04.08.2026

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

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To

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HEMANT CHANDANGOUDAR, J.,

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