

2020 (10) - BOMBAY HIGH COURT

THE SUPREME INDUSTRIES LTD., VERSUS THE CBIC & OTHERS

Valuation - Detention of goods - Petitioner contended that, Authorities have raised frivolous queries - Manner in which adjudication order has been passed - Expiry of free time allowed by the shipping line and container freight station for clearance of imported cargo - vires of the Standing Order No.7493/99 dated 3rd December, 1999 and its subsequent amendment in Standing Order No.44/2016 dated 8th July, 2016, regarding PLATT Valuation of the Petitioner's goods as being contrary to the Customs Act, 1962.

HELD THAT:- Despite exercising complete restraint, we cannot help but say that the entire conduct of the officer suggests a complete non-application of mind which to say the least must be deprecated. We feel that this entire saga was wholly avoidable. When the Court had issued notice on 10th September, 2020 and had passed the order on 22nd September, 2020 stating that the interim application would be taken up for consideration on 24th September, 2020, the concerned officer ought to have informed the Court about the status of the adjudication process and ought to have sought the leave of the Court for issuance of the order-in-original.

Even a bare perusal of the file which has been produced before the Court clearly shows that the order-in-original was signed on 24th September, 2020. It is only the date on which the order is signed, is the date on which the order is passed. Revenue authority cannot at their own whim and fancy, split an order viz. first pass the operative part of the order without any discussion or finding or reasons and then pass the speaking order with discussion and findings and conveniently choose dates such as in this case.

If this Writ Petition had not been filed and if this Court had not passed the order dated 06th October 2020, requiring the Officer to clear the confusion of the dates, neither this Court nor the Petitioner would have ever known the manner in which the Revenue- Authority pass orders.

We are left with no choice but to set aside the order in original dated "4th September, 2020 signed on 24th September, 2020 and issued on 24th September, 2020" in toto. Also in view of the above discussion, we direct the Respondent No.2 to depute another Officer in place and instead of the present Officer to hear the case of the Petitioner and after giving an opportunity of personal hearing pass a speaking order with reasons in accordance with law within a period of two weeks from the date of this order - Petition disposed off.

No.- WRIT PETITION (ST.)NO. 92578 OF 2020 WITH INTERIM APPLICATION NO. 92972 OF 2020 IN WRIT PETITION (ST.)NO. 92578 OF 2020

Dated.- October 27, 2020

Citations:

1. [STATE OF PUNJAB AND PUNJAB STATE LEATHER DEVELOPMENT CORPORATION & ORS. Versus M/s. BANDEEP SINGH & ORS. - 2015 \(8\) - Supreme Court](#)
2. [Ram Kishun & Ors Versus State of UP. & Ors. - 2012 \(5\) Supreme Court](#)
3. [KRANTI ASSOCIATES PVT. LTD. Versus MASOOD AHMED KHAN - 2010 \(9\) Supreme Court](#)
4. [VARSHA PLASTICS PVT. LTD. Versus UNION OF INDIA - 2009 \(2\) Supreme Court](#)
5. [Jagdish Mandal Versus State of Orissa and others - 2006 \(12\) Supreme Court](#)
6. [Mr. B.S.N. Joshi & Sons Ltd. Versus Nair Coal Services Ltd. & Ors. - 2006 \(10\) Supreme Court](#)
7. [AIR INDIA LTD Versus COCHIN INTERNATIONAL AIRPORT LTD & ORS - 2000 \(1\) - Supreme Court](#)
8. [TATA CELLULAR Versus UNION OF INDIA - 1994 \(7\) - Supreme Court](#)
9. [Sterling Computers Limited Etc Versus M & N Publications Limited And Ors - 1993 \(1\) - Supreme Court](#)

UJJAL BHUYAN & ABHAY AHUJA, JJ.

Mr. Ashwin Gopal Kumar i/b. Mr. Ankit Kulkarni, for the Applicant/ Petitioner.

Mr. Pradeep S. Jetly, Sr. Advocate with Mr. Jitendra B. Mishra, for the Respondents.

(THROUGH VIDEO CONFERENCING)

P.C:- (Per Abhay Ahuja, J.)

Heard. Rule. Rule made returnable made forthwith. With the consent of the learned Counsel for the parties, this Writ Petition is being heard finally.

2. This Petition dated 4th September, 2020 has been moved by the Petitioner vide Advocate's praecipe dated 6th September, 2020, for the following reliefs:-

“(a) That this Hon’ble Court be pleased to issue a writ of certiorari or any other appropriate writ, direction or order and quash the impugned Standing Orders;

(b) That this Hon’ble Court be pleased to issue a writ of mandamus or any other appropriate writ, direction or order commanding the Respondents its agents, officers and servants to forthwith release the goods imported by the Petitioner by accepting the price of the goods indicated in the invoice and declared in the Bill of entry, for the purposes of valuation in Customs law;

(c) That this Hon’ble Court be pleased to issue a writ of mandamus or any other appropriate writ, direction or order commanding the Respondents to pay to the Petitioner, the aggregate of ascertainable costs and losses suffered by the Petitioner, including the detention charges and the CFS ground rent charges, which arose due to the gross inaction and culpable actions of Respondent No.4 and other concerned Officers;

(d) That, pending the hearing and final disposal of this writ petition, this Hon'ble Court be pleased to stay the operation of the impugned Standing Orders."

3. The Petitioner is in the plastics industry with a variety of applications in moulded furniture, storage and material handling products, XF films and products, performance films, industrial moulded products, protective packaging products, composite plastic products, plastic piping system and petrochemicals and offers wide range of plastic products in India manufactured at its various plants. It is the case of the Petitioner that it has imported various inputs required for its manufacturing units. In respect of one such import of PVC resin suspension grade under CTH 39041020 imported from USA, the Petitioner filed Bill of Entry No. 8389492 dated 6th August, 2020 for home consumption by making self-declaration of the value. However, according to the Petitioner, the Respondent-Authorities have raised frivolous queries noting that unit price for the imported cargo in the commercial invoices is lower than the rates found in the website of 'S&P Global Platts' and that on such untenable grounds, the goods of the Petitioner were withheld at Nhava Sheva Port, Mumbai.

4. The Petitioner is aggrieved by the expiry of free time allowed by the shipping line and container freight station for clearance of imported cargo attracting huge penal charges in the form of container detention charges, ground rent etc. due to the alleged failure of the Respondent-Authorities to clear for home consumption the goods imported by the Petitioner under Bill of Entry No.8389492 dated 06th August 2020.

5. The Petitioner has, therefore filed this Writ Petition, not only challenging the action/ omission as above, but also the vires of the Standing Order No.7493/99 dated 3rd December, 1999 and its subsequent amendment in Standing Order No.44/2016 dated 8th July, 2016, regarding PLATT Valuation of the Petitioner's goods as being contrary to the Customs Act, 1962 (the "Customs Act").

6. On 10th September, 2020, when this matter was listed, this Court passed the following order in the Writ Petition:-

"[1] Heard learned counsel for the parties.

[2] Issue notice returnable three weeks.'

[3] Mr. J. B. Mishra, learned counsel assisting Mr. Pradeep Jetly, learned senior counsel waives notice for all the Respondents.

[4] Respondents to file affidavit.

[5] Stand over to 06.10.2020."

7. By an Interim Application dated 18th September, 2020, the Petitioner has prayed that the imported goods be provisionally released in accordance with Section 18 of the Customs Act.

8. On 22nd September, 2020, this Court has passed the following order in the Interim Application:-

“In the related writ petition, notice was issued on 10th September, 2020 making it returnable on 6th October, 2020.

[2] Now the present interim application has been filed seeking interim direction to the respondents for provisional release of the goods in accordance with Section 18 of the Customs Act, 1962.

[3] Mr. Jetly may obtain instructions.

[4] This interim application will be taken up for consideration on 24th September, 2020.”

9. Thereafter, the Revenue has filed its affidavit in reply notarized on 23rd September, 2020, inter alia, stating that pursuant to the letter dated 27th August, 2020 whereby the Petitioner had requested for waiver of show cause notice and personal hearing with a request to load the value as per PLATT rate by giving 10% variation as per Standing Order No.7439/99 dated 3rd December, 1999 and subsequent Standing Order No.44/2016 dated 8th July, 2016, the bill of entry No. 8389492 dated 6th August, 2020 filed by the Petitioner was adjudicated by the Additional Commissioner of Customs, Nhava Sheva on 4th September, 2020, rejecting the declared value under Section 12 of the Customs Valuation Rules and re-determined the same at ₹ 2.63 crore with a fine of ₹ 8 lakhs under Section 125 of the Customs Act and penalty of ₹ 80,000/- under Section 112 (a) of the Customs Act. By the said affidavit, it was also stated that the bill of entry has been finally assessed on 9th September, 2020 after query reply given by the Petitioner on 9th September, 2020. Interestingly, a copy of the order of the adjudicating authority was not annexed to the reply.

10. Thereafter, when the matter was taken up on 25th September, 2020, as there was no Court working on 24th September, 2020 on account of heavy rains and flood, the following order was passed by this Court.;

“Mr. Jetly, learned Sr. Counsel appearing for the Respondents submits that he has filed affidavit in reply.

[2] However, the said affidavit in reply is not on record. Learned Counsel for the Petitioner submits that he has also not received a copy of the same.

[3] Registry to place the affidavit in reply on record. Mr. J. B. Mishra, shall ensure that copy of the said affidavit is served on learned Counsel for the Petitioner.

[4] Considering the urgency expressed by learned Counsel for the Petitioner, we will take up this matter on 29th September, 2020 under the caption ‘high on board’.

[5] Stand over to 29th September, 2020.”

11. On 29th September, 2020, the learned Counsel for the Respondents placed before this Court a copy of the order in original dated 4th September, 2020, whereby declared value of the goods had been rejected as the same had been re-determined and the goods confiscated. The order dated 29th September, 2020 of this Court is reproduced as under:-

“During the course of hearing today, Mr. Jetly, learned Sr. Counsel for the Respondents has placed before us a copy of order-in-original dated 4th September, 2020 issued on 24th September, 2020 whereby declared value of the goods has been rejected and the same has been re-determined. Further the goods have been confiscated after re-determination of the value at ₹ 2,63,75,328/-. However, adjudicating authority has given option to the Petitioner to redeem the goods on payment of redemption fine of ₹ 8,00,000/- under Section 125(1) of Customs Act, 1962 (the “Act”) besides imposing penalty of ₹ 80,000/- under Section 112(a) of the said Act.

[2] In view of the aforesaid development, we grant liberty to learned Counsel for the Petitioner either to bring on record the aforesaid order-in-original or to take instructions as to the future course of action which the Petitioner would like to pursue if aggrieved by the aforesaid order.

[3] At this stage, Mr. Jetly, learned Sr. Counsel for the Respondents submit that if the Petitioner is aggrieved by the order-in-original, he may prefer appeal as provided under Section 128 of the said Act.

[4] However, we express no opinion today.

[5] Stand over to 6th October, 2020.”

12. By additional affidavit dated 1st October, 2020, Petitioner has brought on record the order in original dated 4th September, 2020.

13. When the matter was listed on 6th October, 2020, this Court passed the following order:-

“[1] Heard learned counsel for the parties.

[2] We have also perused our previous order dated 29.09.2020.

[3] Though Petitioner has filed an additional affidavit, for the moment we are concerned only with the order in original which was brought to our notice on the previous date by Mr. Pradeep Jetly, learned senior counsel for the Respondents.

[4] On a perusal of the order in original, we find that the date of the order is mentioned as 04.09.2020 and the date of issue is mentioned as 24.09.2020. But we find that the adjudicating authority had signed the order on 24.09.2020, which prima facie means that the order was passed on 24.09.2020. However, in paragraph 6 of the affidavit in reply filed by the Commissioner, it is mentioned that the bill of entry was finally assessed on

09.09.2020 after query reply was given by the Petitioner on 09.09.2020. This means that the assessment was after 04.09.2020 i.e. on 09.09.2020. If that be so then the order in original could not have been passed on 04.09.2020.

[5] From the above it appears that there is some confusion as to the exact date of passing of the order and issuance of the order. We feel that this needs to be clarified by the adjudicating authority by filing an affidavit. Besides, Mr. Pradeep Jetly shall also produce the record pertaining to passing of the order in original physically before us. Let the affidavit and record be produced by the next date.

[6] Stand over to 13.10.2020.

[7] In the meanwhile Petitioner may amend the Writ Petition if so advised.”

14. Pursuant to our order dated 6th October, 2020, the adjudicating authority – Mr. Kamlesh Kumar Gupta, Addl. Commissioner, has filed an affidavit and also the original record was placed before us.

15. Accordingly, on 13th October, 2020, we passed the following order:-

“[1] Pursuant to our earlier order, an affidavit has been filed by Mr. Kamlesh Kumar Gupta, Additional Commissioner. The original record has also been produced which we have retained.

[2] Order reserved.”

16. We have perused the aforementioned papers and record and also heard the learned Counsel for the parties.

17. At the very outset, it is pertinent to first refer to paragraphs 8 and 11 of the affidavit of Mr. Kamlesh Kumar Gupta, which for the sake of convenience are reproduced as under:-

“8:- I say that the operative part as recorded on 04-09-2020 on the file is reproduced below:-

“ I find that the Importer is regularly importing this item and is fully aware of the S.O. 7493/99 dated 03.12.1999 and prevailing PLATT price. In one more case of their imports, Out of charge Officer has pointed out the valuation issue and accordingly the value was enhanced the importer paid the differential duty accordingly. Despite this fact, they knowingly attempted to clear the goods of the said B/E at below PLATT price and Standing Order on the issue. Had it not been detected by the Out of Charge Officer, it would have remained unnoticed causing loss to the exchequer. In view of this, I hold that it is a case of mis-declaration of value to evade duty to the tune of ₹ 8.15 lac (approx). Accordingly, I pass the following order:-

(i) I reject the declared value (unit price USD 600 PMT) U/S 12 of CVR 2007 and re determine the same as USD 666.5 PMT. The B/E be re-

assessed accordingly and the importer shall pay the differential duty fore with.

(ii) I confiscate the goods 520 MT PVC resin suspension grade 1230 p covered by bill of entry No. 8389492 dated 06.08.2020 having re-determined value of ₹ 2.63 crore (Two Crore Sixty three lac) U/S 111 (m) of Customs Act, 1962. However, I give option to redeem the same on payment of redemption fine of ₹ 8,00,000/- (eight lac only) under Section 125 of Customs Act, 1962.

(iii) I also impose penalty of ₹ 80,000/- (Eighty Thousand only) under Section 112 (a) of Customs Act, 1962.”

(11) I say that a draft of the typed speaking order with discussion and finding was put up on 17.09.2020. I say that after due corrections, fair copies of the Order-in-Original were signed on 24.09.2020 and issued on 24.09.2020 itself under DIN No.20200978NW00002059EI.”

18. The statement made in the aforementioned paragraphs quite surprises us to say the least. To say that on 4th September, 2020, the operative part of the order was recorded and that the reasons/ discussion and findings would come later is to put the cart in front of the horse rather than behind it. We are unable to comprehend as to how without dealing with the facts and without giving reasons, the operative part of a quasi judicial order can be arrived at or even recorded. According to us, this kind of approach by a quasi judicial authority is not only shocking but also against the basic tenets of conduct by quasi judicial authorities.

19. Further more, it is stated in paragraph 9 of the said affidavit of Mr. Gupta that the adjudication was done on 4th September, 2020 and the Petitioners were informed of the said adjudication on 8th September, 2020. The said paragraph is also reproduced as under:-

“9:- I say that the fact of the adjudication done on 04-09-2020 was informed to the Petitioners vide letter dated 08-09-2020 issued by the Deputy Commissioner of Customs Group II G, a copy whereof is hereto annexed and marked as Exhibit 2. I say that the same was received under due acknowledgment by the authorized representative of the Petitioners on 08-09-2020, which is available/ recorded on the office copy of the same.”

20. Further in paragraph 10, it is stated that the concerned bill of entry was finally assessed on 9th September, 2020 as per adjudication order after reply to the query was given by the importer in ICES System on 9th September, 2020. For the sake of convenience, paragraph 10 of the said affidavit is also quoted as under:-

“10:- I say that Bill of Entry No.8389492 dated 06-08-2020 was finally assessed on 09-09-2020 as per adjudication order after reply to the query was given by the importer in the ICES system on 09-09-2020.”

21. From the above, we note that the Commissioner concerned has made contradictory statements; on the one hand, he submits that the operative part was

recorded on 4th September, 2020 and the typed speaking order with discussion and findings was signed on 24th September, 2020, on the other hand, he says in paragraph 10 that the bill of entry was finally assessed on 9th September, 2020 as per adjudication order. We are unable to comprehend as to how after an order is signed on 24th September, 2020 that an assessment could be done on 9th September, 2020.

22. As if that was not enough, in paragraph 13 of the said affidavit, it is stated that the re-assessment under Section 17 (4) of the Customs Act, was completed on 9th September, 2020 and that he has issued a speaking order under Section 17(5) of the Customs Act on 24th September, 2020 which is well within the 15 days period from the date of 9th September, 2020. Paragraph 13 of the said Affidavit is quoted as under:

“13:-I say that in the present re-assessment under Section 17(4) of the said Act, was been completed by the proper officer on 09-092020 and the competent adjudicating authority [Deponent] has issued speaking order under Section 17(5) of the said Act, on 24-09-2020 which is well within the period of 15 days from the date of re-assessment, provided under Section 17(5) of the said Act.”

23. At this stage, for the sake of convenience, we reproduce section 17 of the Customs Act as under:-

“17- Assessment of duty – (1) *An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.*

(2) The proper officer may verify the entries made under section 46 or section 50 and the self-assessment of goods referred to in subsection (1) and for this purpose, examine or test any imported goods or export goods or such part thereof as may be necessary.

[Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.]

3 For the purposes of verification under sub-section (2), the proper officer may require the importer, exporter or any other person to produce any document or information, whereby the duty leviable on the imported goods or export goods, as the case may be, can be ascertained and thereupon, the importer, exporter or such other person shall produce such document or furnish such information.

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

(5) Where any re-assessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re-assessment in writing, the proper office shall pass a speaking order on the reassessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.”

23.1 It is clear from the high lighted portion of sub-section 5 above, that the proper officer shall pass a speaking order within 15 days of the re-assessment of the shipping bill; there is no language to suggest that he shall issue the speaking order within 15 days. There is difference between passing of an order and issuance of an order. We would have expected that an officer of the rank of Additional Commissioner who is discharging quasi judicial function under the Customs Act to have atleast read the section before stating what has been stated in paragraph 13 of his affidavit.

24. Despite exercising complete restraint, we cannot help but say that the entire conduct of the officer suggests a complete non-application of mind which to say the least must be deprecated. We feel that this entire saga was wholly avoidable. When the Court had issued notice on 10th September, 2020 and had passed the order on 22nd September, 2020 stating that the interim application would be taken up for consideration on 24th September, 2020, the concerned officer ought to have informed the Court about the status of the adjudication process and ought to have sought the leave of the Court for issuance of the order-in-original. It needs no reiteration that an officer conferred adjudicatory authority exercises quasi-judicial powers while passing adjudication order. He has to discharge his duties in a fair, proper and judicious manner befitting his status as an adjudicating authority. We say this much and no more.

25. Even a bare perusal of the file which has been produced before the Court clearly shows that the order-in-original was signed on 24th September, 2020. It is only the date on which the order is signed, is the date on which the order is passed. Revenue authority cannot at their own whim and fancy, split an order viz. first pass the operative part of the order without any discussion or finding or reasons and then pass the speaking order with discussion and findings and conveniently choose dates such as in this case, where the operative part of the order is claimed to have been passed without discussion or findings or reasons on 4th September, 2020 whereas the order with discussion and findings in respect of the same operative order was passed / signed on 24th September, 2020 and the same was also issued on 24th September, 2020. In fact, in said order-in-original there are also two dates mentioned on the top right hand corner of the first page i.e. – the date of order - 4th September, 2020, the date of issue -24th September, 2020 and on the last page under the signature of the officer the date is 24th September 2020. It is due to this confusion that we had passed our order dated 06th October 2020 reproduced above requesting for an affidavit of the adjudicating authority and production of the original record. It is only in the affidavit of Mr. Gupta that an explanation has been given that there is also a date of signing. According to us, this type of conduct is not acceptable in conducting the affairs of the Revenue. If this Writ Petition had not been filed and if this Court had not passed the order dated 06th October 2020, requiring the Officer to

clear the confusion of the dates, neither this Court nor the Petitioner would have ever known the manner in which the Revenue- Authority pass orders.

26. In this context, it would also be pertinent to refer to a Master Circular No.1053/02/2017 – CX dated 10th March, 2017 issued by the Central Board of Excise and Customs. Paragraph 14.5 which refers to adjudication order is quoted as under:-

“14.5- Adjudication order:- The adjudication order must be a speaking order. A speaking order is an order that speaks for itself. A good adjudication order is expected to stand the test of legality, fairness and reasons at higher appellate forums. Such order should contain all the details of the issue, clear findings and a reasoned order.”

27. This circular binding on the field formations clearly states that the adjudication order must be a speaking order which speaks for itself. It further goes on to say that a good adjudication order is expected to stand the test of legality, fairness and reasons at higher appellate forums and that such order should contain all the details of the issue, clear findings and a reasoned order.

28. Not only that, the Government of India vide its Instruction No.7 dated 5th April, 2017 with reference to Section 17(5) of the Customs Act, has high lighted the need to pass a speaking order and to ensure compliance with the provisions of the Customs Act. The said Circular issued by the CBIC is also quoted as under:-

“Section 17(5) of the Customs Act provides that ‘where any reassessment done under sub-section (4) is contrary to the self-assessment done by the importer or exporter regarding valuation of goods, classification, exemption or concessions of duty availed consequent to any notification issued thereof under this Act and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.’

2. It has been observed that officers exercising the powers under the above mentioned sub-section are not issuing a speaking order in each and every case particularly where the importer or exporter, as the case may be, does not confirm his acceptance of the reassessment. It may be appreciated that an importer or an exporter has an inalienable right to know the reasons for loading of value, change of classification, any decision regarding entitlement to an exemption notification etc. Omission to issue speaking orders in matters of re-assessment, may not prejudicially affect the right of the importer or exporter to appeal as such, but nevertheless deprives him of knowing the grounds of such re-assessment. At the same time, any such re-assessment without the support of a speaking order could be perceived as legally questionable. Time and again, courts have frowned upon the instances of non-issuance of speaking orders under the said subsection.

3. *In view of the above, all Chief Commissioners are requested to take stock of the prevailing practice in their zones so as to ensure compliance with the provisions of the Act.”*

29. There are several judgments of the Apex Court that give guidance on the manner in which Revenue Authorities have to pass orders.

30. The decision of the Supreme Court in the case of ***State of Punjab v/s. Bandip Singh and others reported in (2016) 1 SCC 724*** is relevant. It has been held by the Supreme Court that every decision of an administrative or executive nature must be a composite and self-sustaining one, in that it should contain all the reasons which prevailed on the official taking the decision to arrive at his conclusion. In the same judgment in paragraph 7, the Supreme Court clarifies that the Government does not have carte blanche to take any decision it chooses to; it cannot take a capricious, arbitrary or prejudiced decision. Its decision must be informed and impregnated with reasons. Paragraph 7 of the said decision is quoted as under:-

*“7. The same principle was upheld more recently in **Ram Kishun v. State of U.P. (2012) 11 SCC 511 : (2013) 1 SCC (Civ) 382**. However, we must hasten to clarify that the Government does not have a carte blanche to take any decision it chooses to; it cannot take a capricious, arbitrary or prejudiced decision. Its decision must be informed and impregnated with reasons. This has already been discussed threadbare in several decisions of this Court, including in **Sterling Computers Ltd. v. M & N Publications Ltd (1993) 1 SCC 445, Tata Cellular v. Union of India (1994) 6 SCC 651, Air India Ltd. v. Cochin International Airport Ltd. (2000) 2 SCC 617, B.S.N. Joshi & Sons Ltd. v. Nair Coal Services Ltd. (2006) 11 SCC 548 and Jagdish Mandal v. State of Orissa (2007) 14 SCC 517”***

31. Also the decision of the Supreme Court in the case of ***Kranti Associates Pvt. Ltd. and another v/s Masood Ahmed Khan and others cited in (2010) 9 SCC 496*** also highlights this point. The Supreme Court in paragraph 15 opined that the face of an order passed by a quasi judicial authority or even an administrative authority affecting the rights of parties, must speak. It must not be like the inscrutable face of a sphinx.

In paragraph 47 the Supreme Court summarised its discussion. The relevant subparagraphs of the said summary are quoted as under:-

“47. Summarising the above discussion, this Court holds: (f) Reasons have virtually become as indispensable a component of a decision-making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.

(h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.

(i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.

*(n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision-making, the said requirement is now virtually a component of human rights and was considered part of Stasbourg Jurisprudence. See **Ruiz torija v. Spain (1994) 19 EHRR 553, at 562 para 29 and Anya v. University of Oxford 2001 EWCA Civ 405 (CA)**, wherein the Court referred to Article 6 of the European Convention of Human Rights which requires, "adequate and intelligent reasons must be given for judicial decisions".*

32. In view of the above discussion and the circumstances of the case, we are left with no choice but to set aside the order in original dated "4th September, 2020 signed on 24th September, 2020 and issued on 24th September, 2020" in toto. Also in view of the above discussion, we direct the Respondent No.2 to depute another Officer in place and instead of the present Officer to hear the case of the Petitioner and after giving an opportunity of personal hearing pass a speaking order with reasons in accordance with law within a period of two weeks from the date of this order. In the meanwhile, parties to maintain status-quo in respect of the goods under Bill of Entry No. 8389492 dated 6th August, 2020.

33. We express no opinion on the merits of the matter.

34. Also since the **Supreme Court in the case of Varsha Plastics Pvt. Ltd. v/s. Union of India [2009 (235)** has dealt with the impugned Standing Order No.7493/99 dated 3rd December, 1999 while confirming the view of the Gujarat High Court that the impugned Standing Order is not binding but it is just in the nature of guidelines to streamline the functioning of Customs Officers at various field formations and in view of the Petitioner's letter dated 27th Authority, 2020 to the Respondent-Authorities referred to above, we do not consider it necessary to deal with the challenge to the vires of the said Standing Order.

35. Accordingly, Writ Petition is disposed of in the above terms. Record produced is returned herewith. However, there shall be no order as to costs.

36. In view of the disposal of the Petition itself, nothing survives in the interim application and the same is also disposed of as above.

37. This order will be digitally signed by the Private Secretary of this Court. Sheristedar of this Court is permitted to forward to the Petitioner copy of this order by e-mail. All concerned to act on a digitally signed copy of this order.

1. [STATE OF PUNJAB AND PUNJAB STATE LEATHER DEVELOPMENT CORPORATION & ORS. Versus M/s. BANDEEP SINGH & ORS. - 2015 \(8\) - Supreme Court](#)
2. [Ram Kishun & Ors Versus State of UP. & Ors. - 2012 \(5\) Supreme Court](#)

3. [KRANTI ASSOCIATES PVT. LTD. Versus MASOOD AHMED KHAN - 2010 \(9\) - Supreme Court](#)
4. [VARSHA PLASTICS PVT. LTD. Versus UNION OF INDIA - 2009 \(2\) Supreme Court](#)
5. [Jagdish Mandal Versus State of Orissa and others - 2006 \(12\) Supreme Court](#)
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[Sterling Computers Limited Etc Versus M & N Publications Limited And Ors - 1993 \(1\) - Supreme Court](#)