



Case	A V International & Anr. v. ADG, Directorate of Revenue Intelligence & Ors.
Appeal / Writ	W.P.(C) No. 16149/2023 and W.P.(C) No. 5024/2024
Forum	High Court of Delhi — Division Bench
Date of Order	07 August 2026

1. DELHI HIGH COURT DECISION

The Delhi High Court declined to interfere with the Order-in-Original dated 01.02.2024 passed pursuant to the First SCN. It held that two Show Cause Notices (“SCNs”) arising from a common DRI investigation retain their independent legal identity, even where assigned to a common Adjudicating Authority and heard together. The interim stay granted in respect of the Second SCN did not, by implication, extend to the First SCN.

The Court further held that common adjudication for administrative convenience does not convert distinct statutory proceedings into one composite proceeding. The challenge to the First SCN order was also not entertained under Article 226 because an effective statutory appeal before CESTAT was available.

KEY PRINCIPLE

TWO SCNs MA RETAIN SEPARATE LEGAL IDENTITY DESPITE A COMMON INVESTIGATION

A stay concerning one SCN must be construed on its own terms. Unless the stay expressly restrains proceedings

2. FACTUAL MATRIX

The DRI commenced an investigation in 2016 into alleged mis-declaration and undervaluation of imports by the Petitioners. The First SCN dated 27.03.2017 concerned goods seized during the investigation and proposed confiscation with consequential penalties. The Second SCN dated 11.05.2020 concerned earlier imports and proposed recovery of customs duty, interest and penalty under Section 28 of the Customs Act, 1962. On 13.10.2020, a common Adjudicating Authority was appointed and common hearing notices were issued.

After Canon India and the CBIC Instruction dated 17.03.2021, the matters were placed in the Call Book. Following the Finance Act, 2022, the matters were withdrawn from the Call Book and an extension of time was granted on 06.03.2023. The Petitioners thereafter obtained a stay on 14.12.2023 in respect of further proceedings pursuant to the Second SCN. Despite that stay, the Authority adjudicated the First SCN and passed the Order-in-Original dated 01.02.2024.

3. ISSUES BEFORE THE COURT

- ❖ Whether a stay concerning one SCN bars adjudication of another SCN arising from the same investigation.
- ❖ Whether a common Adjudicating Authority and common hearing convert two SCNs into one composite adjudication.
- ❖ Whether Article 226 should be invoked against the Order-in-Original when an efficacious statutory appeal before CESTAT is available.

4. FINDINGS / RATIO

- ✚ Independent statutory foundation: The two SCNs were issued on different dates and concerned different subject matters. Each gave rise to a separate adjudicatory proceeding.



- + Common investigation is not determinative: The fact that both SCNs emanated from the same DRI investigation, or were heard together, did not extinguish their separate legal identity.
- + Scope of interim stay: The order dated 14.12.2023 expressly stayed proceedings pursuant to the Second SCN only. An interim order must be construed on its own terms and cannot be enlarged by implication.
- + Administrative convenience cannot override statute: Appointment of a common Adjudicating Authority and common hearing notices did not create a legal bar against separate adjudication.
- + Alternative remedy: Grievances concerning non-supply of relied-upon documents, natural justice and the merits of the Order-in-Original could appropriately be examined by CESTAT; no exceptional circumstance justified writ interference.

5. WHAT THE COURT LEFT OPEN

The Court expressly refrained from deciding the merits of the Petitioners' contentions concerning limitation under Section 28, the Call Book mechanism, the validity of the extension dated 06.03.2023 and its alleged non-communication. All questions of fact and law were left open for the appropriate forum.

6. A4 COMMENTARY — PRACTICAL RELEVANCE

The ruling is relevant wherever multiple SCNs emerge from a single investigation. A common hearing or common adjudicating authority should not, by itself, be treated as creating a single indivisible proceeding. Parties should examine the precise wording of any stay order and should not assume that relief granted in relation to one SCN automatically extends to connected notices.

7. A4'S PRACTICAL TAKEAWAY

- ✓ Identify the statutory foundation and relief proposed under each SCN separately.
- ✓ Read every interim stay strictly: determine exactly which SCN/proceeding is restrained.
- ✓ Do not infer a composite adjudication merely from common authority, common hearing or overlapping facts.
- ✓ Where an Order-in-Original has been passed, assess the statutory appellate remedy before invoking Article 226.

Related provisions / authorities: Section 28, Customs Act, 1962; Article 226, Constitution of India; Canon India Pvt. Ltd. v. Commissioner of Customs [2021(376) ELT 3 (SC)].

Note- This update is for general information only. Applicability depends on the facts, relevant statutory provisions and period involved

