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## RoDTEP Benefit Cannot Be Denied for 'Restricted' Exports Permitted with Specific Authorization

The Hon'ble Bombay High Court in the case of *Rika Global Impex Limited v. Union of India and Ors. [Writ Petition No. 2310 Of 2024, order dated April 20, 2026]* held that benefit under the RoDTEP Scheme cannot be denied to exporters of sugar merely because the export was categorized as 'restricted', when such exports were undertaken with specific permission under the applicable notifications and policy conditions.

### Facts:

Rika Global Impex Limited (**'the Petitioner'**) and other Petitioners were engaged in export of white refined sugar and had been availing benefits under the RoDTEP Scheme.

The Union of India and Ors (**'the Respondent'**) denied RoDTEP benefits on the ground that sugar became a 'restricted' export item pursuant to *Notification No. 10/2015-20 dated May 24, 2022*, and hence fell within ineligible categories under the Scheme.

The Petitioner contended that export of sugar was not prohibited but only regulated; and that exports were undertaken with specific permission from the Directorate of Sugar. Therefore, the denial of benefit was arbitrary and based on misinterpretation of the notification.

The Respondent contended that the export of sugar was categorized as 'restricted' and therefore fell within ineligible goods under *Notification No.76/2021-Customs (N.T.) dated September 23, 2021* which excludes goods restricted or prohibited under Schedule 2 of Export Policy from RoDTEP benefits.

The Petitioner's grievance was that despite lawful exports under permission and fulfillment of all conditions, RoDTEP benefits were denied and recovery proceedings were initiated, leading them to approach the Court by way of writ petitions.

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## Issue:

Whether exporters are entitled to RoDTEP benefits when goods are categorized as 'restricted' for export but are exported with specific permission under the applicable policy and notifications?

## Held:

The Hon'ble Bombay High Court in ***Writ Petition No. 2310 Of 2024*** held as under:

- Observed that, it would be arbitrary to deny RoDTEP benefits when exports were permitted under the policy through specific permissions and quota allocations.
- Noted that, the restriction imposed by Notification No. 10/2015-20 dated May 24, 2022 did not amount to a total prohibition but only regulated exports subject to permission.
- Observed that, once exports are permitted under the regulatory framework, such exports cannot be treated as ineligible for benefits under the Scheme.
- Observed that, uniformity in interpretation of central statutes requires following decisions of other High Courts unless per incuriam.
- Held that, the petitioners are entitled to RoDTEP benefits for exports undertaken with specific permission.
- Directed that, RoDTEP benefits be granted where not already provided; Refund be issued with 6% interest.

## Our Comments:

In the case of ***Shree Renuka Sugars Ltd. v. Union of India [SCA No.2186 of 2023, order dated April 13, 2023]*** it was held that RoDTEP benefits cannot be denied merely due to procedural

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lapses such as non-declaration in shipping bills, and exporters are entitled to claim benefits even subsequently, with adjudication under Section 28 of the Customs Act.

The Gujarat High Court in the case ***M/s Satyendra Packaging Ltd. v. Union of India [Special Civil Application No.3084 of 2023, order dated November 29, 2023]***, wherein it was held that exporters who complied with export permissions and policy conditions are entitled to RoDTEP benefits despite the 'restricted' classification of goods.

Further the principle laid down in ***Maneklal Chunilal & Sons Ltd. v. CIT [AIR 1954 Bom 135]*** says that for central statutes, uniformity requires following decisions of other High Courts unless per incuriam.

## **Relevant Provisions:**

### ***Notification No.10/2015-20 dated May 24, 2022***

*"In order to maintain domestic availability and price stability of sugar, Central Government in exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.01 of the Foreign Trade Policy, 2015-20, hereby amends export policy of sugar under S.No.93 of Chapter 17 of ITC (HS), Schedule-II as under:*

*(i) With effect from 1st June, 2022 upto 31st October, 2022 or until further orders, whichever is earlier, export of sugar is allowed only with specific permission from Directorate of Sugar, Department of Food and Public Distribution (DFPD), Ministry of Consumer Affairs, Food & Public Distribution.*

*(ii) Detailed procedure for issue of necessary permissions for export of sugar will be notified separately by Department of Food and Public Distribution (DFPD)."*

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