

**IN THE COURT OF APPEAL OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI
LANKA**

In the matter of an Application for Mandates in the nature of Writs of Certiorari, Mandamus and Prohibition under and in terms of Article 140 of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1. SIR Agro Lanka (Pvt) Ltd,
No.17, Ambagahawatta Road,
Gangodawila,
Nugegoda.

2. Vidya Ranga Wellappilli
No. 17, Ambagahawatta Road,
Gangodawila,
Nugegoda.

CA/ Writ Application No:

PETITIONERS

CA/WRT/290/2025

Vs.

1. The Director of Customs
Sri Lanka Customs,
No. 40, Main Street,
Colombo-01.

2. Mr. Sandagopan
Deputy Director of Customs (Revenue Task Force),
Sri Lanka Customs,
No. 40, Main Street,
Colombo-01.

3. D. G. L. U. Gonawala
Deputy Director of Customs (Revenue Task Force),
Sri Lanka Customs,
No. 40, Main Street,
Colombo-01.

4. G. M. Herath

Superintendent of Customs
Sri Lanka Customs,
No. 40, Main Street,
Colombo-01.

RESPONDENTS

Before: **M. T. MOHAMMED LAFFAR, J (President C/A)- Acting.
K. P. FERNANDO, J.**

Counsel: Suren Gnanaraja with Iqtar Hasan and Sakuni Weeraratne, instructed by Amila Kumara for the Petitioners.

Manohara Jayasinghe, D. S. G. for the State.

Supported on: 30. 04. 2025

Decided on: 14. 05. 2025

MOHAMMED LAFFAR, J. (President of The Court of Appeal- Acting)

The Petitioners are seeking a mandate, *inter alia*, in the nature of a writ of certiorari quashing the decisions of the Respondents to detain the four containers of sugar declared in CUSDEC/CBHQI13425 marked P2 and quashing the decision to impose charge, levy and demurrage charges in respect of the said goods. The Petitioners are further seeking a writ of mandamus directing the Respondents to release the said good to the Petitioners. The Petitioners are seeking interim orders suspending the decision of the Respondents to detain the four containers of sugar pending the final determination of this application, and release the said goods to the Petitioner subject to a reasonable security.

On 30.04.2025 we heard the learned Counsel for the Petitioners in support of this application and the learned Deputy Solicitor General appeared on behalf of the State.

On 02.01.2025, the Petitioners imported four containers of white sugar. Accordingly, on 07.01.2025, the 1st Petitioner submitted the relevant customs declaration for the said consignment. The 1st Petitioner also paid customs duties amounting to Rs. 5,252,950.00 at the rate applicable to white sugar.

Sri Lanka Customs obtained a report from the Sri Lanka Standards Institution (SLSI), which confirmed that the consignment in question consisted of white sugar, and therefore recommended its release (Vide documents marked P5 and P6). Despite this, Sri Lanka Customs sought a second opinion from the Sugarcane Research Institute. The report issued by the Sugarcane Research Institute, dated 13.02.2025 and marked as R6, stated that the consignment did not consist of pure white sugar, but rather raw sugar. The Petitioners contend that once the SLSI, the competent authority for standards, confirmed that the four containers met the SLS 191 specification for white sugar and recommended their release, Sri Lanka Customs had no legal authority within the framework of the law to disregard that report and seek a second analysis from the Sugarcane Research Institute.

Document marked P3 is the Gazette Notification dated 17.05.2024, which sets out regulations relevant to the issues at hand. In terms of Rule No. 03 and Rule No. 08(c) of the said regulations, Sri Lanka Customs shall not release goods without obtaining the approval of the Director General of the Sri Lanka Standards Institution (SLSI). The SLSI is the designated authority responsible for testing samples of goods. And in pursuant to the said Gazette Notification, regulations, and the specifications relating to sugar and sugar confectionery marked as P4, the SLSI has submitted its report confirming that the consignments in dispute consist of white sugar and, accordingly, recommended their release.

In these circumstances, Sri Lanka Customs has no lawful basis to withhold the release of the goods. There are no rules, regulations, or legal provisions that empower Customs to obtain a second testing report from the Sugarcane Research Institute, especially when a conclusive report has already been issued by the competent authority the Sri Lanka Standards Institution (SLSI). The regulations, including those set out in the Gazette Notification dated 17.05.2024, make it explicitly clear that the approval of the Director General of the SLSI is a prerequisite for the release of such goods, and that the SLSI is the designated authority for testing and certifying standards.

A reasonable and unavoidable question arises as to what prompted Sri Lanka Customs to disregard the SLSI report and seek a second opinion from another institution that is not empowered by law to make such determinations? The report issued by the SLSI was made in compliance with the applicable laws and regulations and confirmed that the consignment was white sugar as per the SLS 191 specification.

When two reports are before the Respondents, they are not at liberty to arbitrarily choose between them. They are bound to act on the report that has been lawfully obtained through the proper regulatory process. In this case, the SLSI report clearly falls within that category.

Moreover, the act of seeking a second report after receiving a clear recommendation from the lawful authority raises legitimate concerns. The conduct of Sri Lanka Customs in disregarding a valid report without any statutory basis may give rise to suspicion that the decision was influenced by considerations external to the regulatory framework.

This Court is mindful of the fact that the consignment in question consists of a perishable good that has not been released by Sri Lanka Customs for over four months.

If not released immediately, the goods are at risk of perishing and becoming unfit for use. Therefore, an urgent necessity arises to facilitate the release of the goods, as continued delay would result in material prejudice to the Petitioners and unnecessary waste.

Having carefully examined the Petition, the accompanying affidavit, the documents filed, and the submissions made by both Counsel, this Court is of the view that this is a fit and proper case to issue notices on the Respondents. Accordingly, notices are issued on the Respondents.

Furthermore, interim orders as prayed for in paragraphs (g), (h), and (i) of the prayers to the Petition are also granted. However, prior to the release of the four containers containing the sugar consignment declared in the said CUSDEC, the Petitioners are directed to furnish a bank guarantee in the sum of Rs. 2,000,000.00 (Two Million) in favour of Sri Lanka Customs.

Upon receipt of the said bank guarantee, the Respondents are directed to release the four containers forthwith.

President of the Court of Appeal (Actg)

K. P. Fernando, J.

I agree.

Judge of the Court of Appeal