IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:15.06.2026

CORAM:

THE HON'BLE MR. JUSTICE M. DHANDAPANI

W.P. Nos.34348, 34350 and 34351 of 2023
and
W.M.P. Nos.34252 and 34253 of 2023

W.P. No.34348 of 2023:
M/s.MRF Ltd.,
No.114, Greams Road, Chennai-600 006.
Represented by its Power of Attorney Holder
Mr.Abu Skaria Kandathil

..Petitioner(s)

Vs

1. Commissioner of Customs
   Chennai-II (Import) Custom House, No.60,
   Rajaji Salai, Chennai-600 001.

2. Central Board Of Indirect Taxes And Customs
   Rep. By Its Chairman, Department of Revenue
   Ministry of Finance, North Block, Central
   Secretariat, New Delhi, Delhi-110 001.

3. Directorate General Of Systems And
   Data Management (Icegate), 1st Floor,
   CR Building IP Estate, New Delhi-110 095.

..Respondent(s)

W.P. No.34350 of 2023:

M/s.MRF Ltd.,
No.114, Greams Road, Chennai-600 006.
Represented by its Power of Attorney Holder
Mr.Abu Skaria Kandathil

..Petitioner(s)

Vs

1. Commissioner of Customs
   Chennai-II (import) Custom House, No.60,
   Rajaji Salai, Chennai-600 001.
2. Central Board Of Indirect Taxes And Customs
   Rep. By Its Chairman, Department Of Revenue
   Ministry Of Finance, North Block, Central
   Secretariat, New Delhi, Delhi-110 001.

3. Directorate General Of Systems And
   Data Management (Icegate), 1st Floor,
   CR Building IP Estate, New Delhi-110 095.

..Respondent(s)

W.P. No.34351 of 2023:

M/s.MRF Ltd.,
No.114, Greams Road, Chennai-600 006.
Represented by its Power of Attorney Holder
Mr.Abu Skaria Kandathil

..Petitioner(s)

Vs

1. Commissioner Of Customs
   Chennai-ii (import) Custom House,
   No.60, Rajaji Salai, Chennai-600 001.

2. Central Board Of Indirect Taxes And Customs
   Rep. By Its Chairman, Department of Revenue
   Ministry of Finance, North Block, Central
   Secretariat, New Delhi, Delhi-110 001.

3. Directorate General of Systems and
   Data Management (icegate), 1st Floor,
   CR Building IP Estate, New Delhi-110 095.

..Respondent(s)

PRAYER in W.P. No.34348 of 2023: Writ Petition filed under Article 226 of the Constitution of India praying for a writ of Certiorari calling for the records of the impugned show cause notice bearing SCN No.85/2023 (DIN 20231073MX000000FB4F) and dated 01.11.2023 issued by the 1st respondent and to quash the same.

PRAYER in W.P. No.34350 of 2023: Writ Petition filed under Article 226 of the Constitution of India praying for a writ of Prohibition to prohibit the respondents, their officers, agents and servants from recovering any interest or penalty in relation to the customs duty relating to Bill of Entry (BOE) No.5354170 dated 03.04.2023 filed by the petitioner before the office of the 1st respondent.

PRAYER in W.P. No.34351 of 2023: Writ Petition filed under Article 226 of the Constitution of India praying for a writ of Mandamus to direct the 1st respondent to grant refund of the interest amount of Rs.58,30,355 paid by the petitioner under protest in relation to Bill of Entry (BOE) No.5354170 dated 03.04.2023.

For Petitioner(s): in all cases	Mr.Karthik Sundaram
For Respondent(s): in all cases	Mr.Sai Srujan Tayi Senior Standing Counsel

COMMON ORDER

The petitioner is one of the leading tyre manufacturers in India. It is further stated that during the course of its business, the petitioner regularly imports goods and clears the same for home consumption upon payment of applicable customs duties. The petitioner imported certain goods through Chennai Port under Bill of Entry No.5354170 dated 03.04.2023 having an assessable value of Rs.21,40,27,960/- and involving a total duty liability of Rs.5,93,60,655/-. The said Bill of Entry was filed electronically through the ICEGATE portal.

2. According to the petitioner, on 04.04.2023 an attempt was made to remit the customs duty through the electronic payment mechanism. Though the payment transaction had failed, the ICEGATE portal erroneously reflected the payment status as "Success". As a consequence, the petitioner was unable to re-initiate the payment process electronically.

3. It is the further case of the petitioner that the issue was immediately brought to the notice of the respondents 2 and 3 and continuous representations were made pointing out the technical glitches encountered in the portal. However, before the issue could be resolved, the 1st respondent issued the impugned show cause notice dated 01.11.2023 proposing recovery of interest and imposition of penalty. Subsequently, the petitioner remitted the duty amount of Rs.5,93,60,655/- through manual TR-6 challan on 28.11.2023 and also paid a sum of Rs.58,30,355/- towards interest under protest.

4. Challenging the show cause notice dated 01.11.2023, the petitioner has filed W.P. No.34348 of 2023.

5. W.P. No.34351 of 2023 has been filed seeking a direction to refund the interest amount paid under protest and W.P. No.34350 of 2023 has been filed to prohibit the respondents from recovering any further interest or penalty in relation to the subject Bill of Entry.

6. Since the issues involved in all the writ petitions arise out of the same Bill of Entry viz., 5354170 and the consequential proceedings initiated by the respondents, all the writ petitions are taken up together and disposed of by this common order.

7. Learned counsel for the petitioner submitted that the petitioner had attempted to remit the customs duty immediately upon filing the Bill of Entry and there was never any intention to evade payment of duty. He strongly argued that the delay occurred solely on account of technical glitches in the ICEGATE portal, which erroneously reflected the payment status as "Success" despite the transaction having failed.

8. Pointing out the relevant pages of the typed set of papers, he submitted that the petitioner had continuously brought the issue to the notice of the respondents and had made several representations seeking rectification of the technical error.

9. He also submitted that the petitioner has already discharged the entire duty liability and has also remitted the interest amount under protest. It is the

argument of the learned counsel that the impugned show cause notice has been issued without properly considering the petitioner's explanation, waiver orders issued by the Department, the relevant CBIC circulars and the judicial pronouncements governing the issue.

10. Finally, he submitted that the delay in payment of duty was neither wilful nor deliberate and was solely attributable to technical glitches in the ICEGATE portal and therefore, no penalty is leviable. Learned counsel therefore prayed that appropriate directions may be issued to the 1st respondent / adjudicating authority to consider all the materials relied upon by the petitioner and pass orders on merits. Apart from the above, he prayed that an opportunity may be granted to place all materials before the adjudicating authority and till such adjudication is completed, no coercive action may be taken in respect of penalty.

11. Per contra, learned Senior Standing Counsel appearing for the respondents submitted that the impugned proceedings are only at the stage of show cause notice and that all the contentions now raised by the petitioner can be effectively considered by the adjudicating authority. He further submitted that the other reliefs sought in the connected writ petitions are incidental to and dependent upon the outcome of the adjudication proceedings arising out of the

show cause notice. In the light of the above, this Court may issue suitable directions, accordingly.

12. This Court has considered the rival submissions made by learned counsel on either side and perused the materials placed on record.

13. The principal challenge is to a show cause notice and the connected writ petitions seek consequential reliefs relating to interest and penalty arising out of the very same transaction. The contentions raised by the petitioner relating to technical glitches in the ICEGATE portal, absence of wilful default, applicability of the waiver order, levy of interest, invocation of extended period, imposition of penalty and other connected issues involve factual as well as legal aspects which require consideration by the adjudicating authority. Since the adjudication proceedings are yet to attain finality, this Court is not inclined to examine the merits of the rival contentions at this stage.

14. Accordingly, without expressing any opinion on the merits of the matter, the respondents are directed to conclude the adjudication proceedings pursuant to the impugned show cause notice of the 1st respondent dated 01.11.2023, after affording sufficient opportunity to the petitioner, including personal hearing, and by considering all the explanations, representations, documents, circulars, waiver orders and judicial precedents relied upon by the petitioner. The petitioner is at liberty to raise all contentions available to it in

law, including the issues relating to technical glitches in the ICEGATE portal, delay in payment of duty, levy of interest, invocation of the extended period, imposition of penalty and other hindrances faced by them.

15. The adjudication shall be completed as expeditiously as possible and in any event within a period of twelve weeks from the date of receipt of a copy of this order.

16. Till such adjudication is completed and final orders are passed, the respondents shall not take any coercive steps insofar as the proposed penalty proceedings are concerned. The issue relating to interest already paid under protest and the consequential reliefs sought in the connected writ petitions shall abide by the outcome of the adjudication proceedings.

17. With the above directions, all the writ petitions stand disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

15.06.2026

Index : Yes / No
Speaking Order / Non-speaking order
Neutral Citation Case : Yes / No
vsi2

M. DHANDAPANI, J.

vsi2

To :

1. The Commissioner of Customs
Chennai-II (Import) Custom House,
No.60, Rajaji Salai, Chennai-600 001.

2. Central Board Of Indirect Taxes And Customs
Rep. by its Chairman,
Department Of Revenue Ministry Of Finance,
North Block, Central Secretariat, New Delhi, Delhi-110 001.

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