IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02-02-2026

CORAM

THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

WP No. 33469 of 2024

1. M/s.Tagros Chemicals India Pvt. Ltd.,
Rep. By Its Director V.Kailasam,
Tagros House, No.4, Club House Road,
Anna Salai Chennai-600 002.

Petitioner(s)

Vs

1. The Chairman
Central Board Of Indirect Taxes And Customs (cbic) North Block, New Delhi-110 001.

2.The Joint Secretary (drawback)
Government Of India, Ministry Of Finance Department Of Revenue, Central Board Of Indirect Taxes And Customs 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi-110 001.

3.The Osd (drawback)
Government Of India, Ministry Of Finance Department Of Revenue, Central Board Of Indirect Taxes And Customs 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi-110 001.

4.The Deputy Commissioner Of Customs (drawback-brc)
Custom House, 60 Rajaji Salai,
Chennai-600 001.

Respondent(s)

PRAYER
Call for the records pertaining to the impugned communication F.No. 609(A)/ 04/ 2017-DBK/ 535 dated 20.06.2024 issued by the 3rd respondent and quash the same and further direct the 2nd and 3rd respondent to consider and pass appropriate orders on the application dated 09.01.2017 filed by the petitioner company in terms of Rule 17 of the customs, Central Excise Duties and Service Tax Drawback Rules 1995

For Petitioner(s): Sethu Prabakaran.R

For Respondent(s): Mr.S.M.Deenadhayalan,
Senior Standing Counsel
for R1 to R3
Mr. M.Santhanaraman,ssc For
R4

ORDER

This writ petition has been filed, challenging the impugned order dated 20.06.2024 passed by the third respondent, rejecting the petitioner's application dated 09.01.2017 seeking for relaxation under Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

2. The petitioner has challenged the impugned order on the ground that the same has been passed by the third respondent by total non application of mind to the fact that the petitioner had submitted an application seeking for relaxation under Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 even prior to a demand made against the petitioner for the subject shipping bills pertaining to the subject exports.

3. The case of the petitioner is that since the petitioner has satisfied all the requirements for relaxation as per Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, which had been highlighted in the petitioner's application dated 09.01.2017, the petitioner is entitled for relaxation of conditions specified under Rule 16A of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

4. According to the petitioner, since the relaxation application was filed before the respondents on 09.01.2017, even prior to any demand that have been made by the respondents with regard to the subject shipping bills, the impugned order dated 20.06.2024, rejecting the petitioner's request for relaxation, has been passed by total non application of mind.

5. Under the impugned order, dated 20.06.2024, the petitioner's application has been rejected on the ground that the respondents are not in a position to intervene in the matter as it will amount to interference of the quasi judicial proceedings, viz., the challenge being made by the petitioner with regard to the demand made by the respondents in respect of the non realization of the export proceeds for the subject exports made by the petitioner, which is also the subject matter of the relaxation application filed by the petitioner under Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, which culminated in the passing of the impugned order rejecting

the petitioner's relaxation application.

6. The petitioner categorically contends before this Court that the petitioner's application for relaxation was submitted on 09.01.2017 itself even prior to any demand having been made by the respondents with regard to the subject exports.

7. Till date, counter has not been filed by the respondents 2 and 3 in this writ petition. The respondents 2 and 3 are the contesting respondents in so far as the prayer for relaxation under Rule 17 of Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 sought for by the petitioner is concerned. The fourth respondent has filed a counter affidavit before this Court. However, in the counter filed by the fourth respondent, the contents of the impugned order has been reproduced. However, with regard to the ground raised by the petitioner that the relaxation application was filed by the petitioner even prior to any demand having been made against the petitioner has not been considered in the counter filed by the fourth respondent before this Court. The said contention has also not been considered in the impugned order passed by the second respondent while rejecting the petitioner's application seeking for relaxation under Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

8. The petitioner also categorically contends before this Court that the petitioner is entitled for relaxation as they claim that they have satisfied all the requirements for the grant of relaxation, as according to them, they have satisfied the following:

a) ECGC has compensated for the non-realization of sale proceeds;

b) The RBI has written-off the petitioner's request for realization of sale proceeds;

c) In so far as the third criteria required for grant of relaxation under Rule 16A of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 viz., obtaining a certificate from the Indian Embassy in the Country of the buyer about the fact of non recovery of sale proceeds from the buyer is concerned, the petitioner in their application seeking for relaxation submitted before the second respondent by giving reasons as to why such a certificate could not be obtained. However, in the impugned order, the aforesaid contentions of the petitioner has not been considered by the second respondent. No personal hearing was also afforded to the petitioner by the second respondent before passing the final order.

9. This Court after giving due consideration to the aforementioned facts, recorded by this Court, is of the considered view that the impugned order has to be quashed and the matter has to be remanded back to the very same respondent for fresh consideration on merits and in accordance with law after providing

sufficient opportunities to the petitioner including granting them the right of personal hearing within a time frame to be fixed by this Court.

10. This Court is not expressing any opinion on the merits of the petitioner's application, seeking for relaxation as per Rule 17 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

11. In the result, the impugned order dated 20.06.2024 passed by the third respondent is hereby quashed and the matter is remanded back to the third respondent for fresh consideration of the petitioner's application dated 09.01.2017 seeking for relaxation in terms of Rule 17 of the Customs Central Excise Duties and Service Tax Drawback Rules 1975 for the subject shipping bills after providing sufficient opportunities to the petitioner including granting them the right of personal hearing within a period of four months from the date of receipt of a copy of the order.

12. Accordingly, this writ petition is disposed of. No Costs.

02-02-2026

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No
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To

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ABDUL QUDDHOSE J.

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