

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI**

REGIONAL BENCH - COURT No. III

Customs Appeal No. 40936 of 2015

(Arising out of Order-in-Appeal C.Cus. II No.211/2014 dated 21.11.2014 passed by Commissioner of Customs (Appeals-II), 60, Rajaji Salai, Custom House, Chennai 600 001.)

M/s.MRF Limited

124, Greams Road,
Chennai 600 006.

... Appellant

VERSUS

The Commissioner of Customs

Custom House, 60, Rajaji Salai,
Chennai 600 001.

... Respondent

APPEARANCE :

Shri Karthick Sundaram, Advocate for the Appellant
Smt. Anandalakshmi Ganeshram, Authorized Representative
for the Respondent

CORAM :

**HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)**

FINAL ORDER No.40449/2026

**DATE OF HEARING : 29.01.2026
DATE OF DECISION : 30.03.2026**

Per: Shri P. Dinesha

This Appeal *inter alia* challenges the levy of Additional Duty of Customs under Section 3 (1) of the Customs Tariff Act, 1975 (CTA, for short) and confirmed in the impugned Order-in-Appeal No.211/2014 dated 21.11.2014.

2. Heard Shri Karthick Sundaram, Id. Advocate for the Appellant and Smt. Anandalakshmi Ganeshram, Id. Assistant Commissioner for the Revenue, we have carefully perused the documents placed on record including various judicial precedents relied upon by both the parties during the course of arguments.

3. It is the case of the Revenue that the Appellant who had filed various Bills of Entry for clearance of imported natural rubber falling under CTH 40012200, was liable for Cess and accordingly, a SCN/Demand notice issued demanding an amount of Rs.46,94,700/- along with applicable interest under Section 28AB of the Customs Act, 1962. After considering the reply, the Original Authority vide Order-in-Original No.19324/2012 dated 27.08.2012 read with corrigendum dt. 22.12.2012 confirmed the proposed demands, against which, an Appeal was filed before the First Appellate Authority and the First Appellate Authority also

vide impugned Order-in-Appeal No. 211/2014 dated 21.11.2014 having dismissed their Appeal thereby upholding the demands, the present Appeal has been filed before us.

4. In the impugned order, the Commissioner (Appeals) has referred to Section 3 (1) of CTA, Section 12 (1) & (2) of the Rubber Act, 1947 and also relied on a decision of the Hon'ble Apex Court in the case of **M/s.Hyderabad Industries Ltd. Vs Union of India** [1999 (108) ELT 321 (SC)], apart from an order of the Larger Bench of the CESTAT in the case of **TTK-LIG Ltd. Vs CC Chennai/New Delhi** [2006 (193) ELT 169 (Tri.-LB)].

5. During the course of arguments before us, Id. Advocate would submit that the short issue in this Appeal as to the levy of Additional Duty of Customs under Section 3 (1) *ibid* for the period 24.09.2010 to 23.,10.2010 is no more *res integra*, as decided in the following cases :

- (i) **London Rubber Co. India Ltd. Vs Commissioner** Final Order Nos.880-901/2003, dated 28.10.2003 by CESTAT Chennai affirmed by the Hon'ble Supreme Court reported in **2005 (188) ELT A30 (SC)**.
- (ii) **M.M. Rubber Company Ltd. Vs CC Chennai** [2004 (115) ECR 878 (Tri.-Chennai)], affirmed by the Hon'ble Supreme

Court reported in **2005 (186) ELT A 161 (SC)**.

- (iii) **Vikrant Tyres Ltd. Vs Commissioner**
Final Order No.1761/2001, dated
29.11.2001 by CESTAT Bangalore affirmed
by Hon'ble Supreme Court reported in **2003
(157) ELT A134 (SC)**.

6. He would further submit that the decision / order of the Larger Bench in the case of **TTK-LIG Ltd. supra** referred to/relied upon by the Commissioner (Appeals) is erroneous since the Larger Bench did not follow the decision of the Hon'ble Apex Court in the case of **London Rubber Co. India Ltd. supra** and **Vikrant Tyres Ltd. supra**.

7. On merits, he would also contend that as per Section 12 of the Rubber Act, 1947 Cess is leviable on the rubber produced in India which is collected by Rubber Board established under the said Act, which means the above levy is contemplated only on the domestically produced rubber and hence, same is not contemplated on imported natural rubber. Similarly, in terms of Section 3 (1) of CTA, imported goods are subject to Additional Customs Duty equal to the Excise Duty on similar goods manufactured in India and hence, if the Revenue is seeking to levy equivalent to Rubber Cess, then it could be done only under Section 3 (1)

of CTA. He would thus pray for setting aside the demand and the impugned order and allowing the Appellant's Appeal.

8. *Per contra*, Smt. Anandalakshmi Ganeshram while supporting the findings of the lower authorities, would also contend that the issue in this Appeal is no more *res integra* as the same has been decided in favour of the Revenue in the following decisions / orders :

- (i) **TTK-LIG Ltd. Vs CC Chennai/New Delhi**
2006 (193) ELT 169 (Tri.-LB)
- (ii) **TTK-LIG Ltd. CC 2008 (231) ELT 452 (Tri.-Chennai)** affirmed by the Hon'ble Supreme Court reported in **2012 (277) ELT A85 (SC)**.
- (iii) **CC Tughlakabad Vs Malhotra Rubber Ltd.** - 2016 SCC OnLine CESTAT 6088.
- (iii) **MRF Ltd. Vs Commissioner of Customs, Chennai** - 2017 (358) ELT 566 (Tri.-Chennai)
- (iv) **MRF Ltd. Vs Commissioner of Customs, Cochin** - 2025 (10) TMI 399-CESTAT BANGALORE

She would thus pray for dismissal of the Appeal in the light of ratio laid down in the above cases.

9. In his rejoinder, Id. Advocate would submit that the Appellant has in fact filed an Appeal against the order of Chennai Bench in **MRF Ltd. supra** before the Hon'ble Apex

Court, which is pending and the Hon'ble Supreme Court was pleased to order notice on the Respondent-Commissioner of Customs and hence, he would submit that the order of CESTAT Chennai Bench in **MRF** case *supra* cannot be followed.

10. Having heard the rival contentions, the only issue that arises for our consideration is, ' whether levy of Additional Duty of Customs under Section 3 (1) of CTA equivalent to Rubber Cess under Section 12 of the Rubber Act, 1947 on the Appellant is legally sustainable ?'.

11. After hearing both the sides, we find that it is a very strange case, where both the contesting parties submit that the issue is no more *res integra* as decided by various judicial decisions in their favour.

12. With regard to various decisions / orders relied upon by rival parties, we find that the Appeals against the CESTAT orders in many cases were dismissed by the Hon'ble Apex Court either on account of inordinate delay or on the ground of disputed amount being very less. However, we find that in the Appellant's own case, very recently, the Bangalore Bench has dismissed the Appeal by following the order of the Tribunal in the Appellant's own case for an earlier period and after relying the ratio of Larger Bench decision in the

case of **TTK-LIG Ltd.** *supra*. We also note that while dismissing the Appeal against the order of Chennai Bench in the case of **TTK-LIG Ltd**, the Hon'ble Apex Court did dismiss the Appeal however, keeping the question of law open. It is ascertained that as on date, there is no stay order or any interim order granted by the Hon'ble Apex Court in any of the Appeals that were admitted by the Apex Court and hence, we follow the order of the coordinate Bangalore Bench in the Appellant's own case wherein, the issue has been decided against the Appellant and hence, we do not find any deviating facts to change our view.

13. Resultantly, the Appeal stands dismissed.

(Order pronounced in open court on 30.03.2026)

sd/-

(VASA SESHAGIRI RAO)
Member (Technical)

sd/-

(P. DINESHA)
Member (Judicial)