सीमाशुल्क (अपील) आयुक्तका कार्यालय, अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD
चौथी मंज़िल **4th Floor**, हडको बिल्डिंग **HUDCO Building**, ईश्वर भुवन रोड़ **Ishwar Bhuvan Road**,
नवरंगपुरा **Navrangpura**, अहमदाबाद **Ahmedabad – 380 009.**
दूरभाष क्रमांक **Tel. No. 079-26589281**

DIN-20260971MN000014353C

क	फ़ाइल संख्या FILE NO.	S/49-207/CUS/JMN/AUG/2025-26
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) :	JMN-CUSTM-000-APP-69-2026-27
ग	पारितकर्ता PASSED BY	Shri Vishwajeet Singh Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	24.09.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	10/AC/VNK/GPPL/REF/2025-26 dated 09.06.2025
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	24.09.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	1. M/s Pensla Steel Pvt. Ltd. E-7, Industrial Area, Dada Colony, Jalandhar-144004, Punjab

1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है.
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क(	बैगेज़ के रूप में आयातित कोई माल.
(a)	any goods imported
(ख(	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग (	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
.3	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.

(घ)	पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस,दण्ड,जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/-(रूपए दो सौ मात्र)या रु.1000/-(रूपए एक हज़ार मात्र), जैसा भी मामला हो, से सम्ब न्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.
4.	मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :
	सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ — **Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016 — 2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -
(क)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;
(ख)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;
(ग)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.

(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees
(घ)	इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के %10 अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के %10 अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा ।
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
6.	उक्त अधिनियम की धारा **129** (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.

ORDER-IN-APPEAL

1. Brief facts of the case

1.1 M/s Pensla Steel Pvt. Ltd. E-7, Industrial Area, Dada Colony, Jalandhar-144004, Punjab (herein after referred to as the "Appellant for the sake of brevity) has filed the present appeals against Orders-In-Original 10/AC/VNK/GPPL/REF/2025-26 dated 09.06.2025 (herein after referred to as the "impugned orders") issued by the Deputy Commissioner, Customs Division, Bhavnagar (herein after referred to as the "Adjudicating Authority).

1.2 The Appellant filed refund claim of Rs. 5,20,000/- under section 27 of Customs Act. 1962 before the Adjudicating Authority. The Appellant had paid Rs. 5,20,000/- towards Redemption Fine for release of the goods in pursuance of Order-In-Original No. 30/Additional Commissioner/2012/AS dated 28.09.2012/12.10.2012. The said amount of Rs. 5,20,000/- has been claimed as refund, in view of the Final Order No. 12792/2024 dated 22.11.2024 passed by the CESTAT, Ahmedabad. The refund of Rs. 5,20,00/- was sanctioned vide the impugned order and not interest was sanctioned.

1.3 Being aggrieved by the impugned order, the Appellant preferred the present appeal.

2. Ground of Appeal submitted by the Appellant

2.1 The Appellant submitted that the Respondent erred in not sanctioning the interest on redemption fine to the Appellant and therefore, the impugned order is bad and not sustainable to the extent of failure in sanctioning interest on refund of redemption fine. The Respondent ought to have appreciated that the Hon'ble CESTAT vide Order dated 22.11.2024 was pleased to quash and set aside the Order-in-Appeal dated 25.03.2015 passed by this Hon'ble Commissionerate and therefore, the Appellant is eligible to claim the refund of amount deposited during the stay proceedings and amount deposited as redemption fine while clearing the seized goods along with applicable interest.

2.2 The Appellant further submitted that the Respondent erred in holding that the redemption fine is neither a "duty" nor "penalty" and therefore, the Appellant is not liable for claiming interest on redemption fine. The Appellant submitted that the redemption fine is deposited by the Appellant for clearing the seized goods and the same was contested by the Appellant before the appropriate authority and therefore, they are liable to claim interest on such redemption fine

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which was retained by the department for no good reasons. Further, it is to be noted that the Appellant had deposited the redemption fine under protest and the same was never being admitted by them. In such situation, the Appellant is liable to be paid interest on such redemption fine which was deposited for clearing the goods.

2.3 The Appellant further submitted that the Respondent failed to consider that once the Order-In-Appeal dated 25.03.2015 passed by this Hon'ble Commissioner has been quashed and set aside and therefore, no charges/allegation would be continued / sustained against the Appellant and therefore, the Appellant is entitled to claim the entire amount alongwith applicable interest. It is a settled principle in taxation laws covering service tax, central excise, customs duty and GST that any amount deposited with the department should be refunded, in the event the Appellant succeeds in appeal, along with the interest from the date of deposit of the said amount. In the present case, the Appellant paid the amount of redemption fine (under protest) and contested the matter before the appropriate forums. By way of order dated 22.11.2024 passed by Hon'ble CESTAT, Ahmedabad, the Order-in-Appeal dated 25.03.2015 passed by this Hon'ble Commissioner has been quashed and set aside. In other words, once the Appeal filed by the Appellant has been allowed, it is a settled principle in taxation laws covering service tax, central excise, customs duty and GST that any amount deposited with the department should be refunded, in the event the Appellant succeeds in appeal, along with the interest from the date of deposit of the said amount.

2.4 The Appellant further submitted that they paid the amount of redemption fine (under protest) and contested the matter before the appropriate forums. By way of order dated 22.11.2024 passed by Hon'ble CESTAT, Ahmedabad, the Order-In-Appeal dated 25.03.2015 passed by this Hon'ble Commissioner has been quashed and set aside. In other words, once the Appeal filed by the Appellant has been allowed, it is an obligation upon the Respondent authority to sanction the amount along with applicable interest. The Respondent failed to appreciate that once the Hon'ble CESTAT quashed the Order-In-Appeal dated 25.03.2015, It leads to a situation wherein the Appellant was not required to pay Customs duty and redemption fine or if any paid by the Appellant, the same is required to be refunded along with the applicable interest. In the present case, the amount of redemption fine was paid by the Appellant under protest and the same was contested by the Appellant, it suffices that the amount was illegally collected and retained by the department, Therefore, the Appellant is entitled to a refund along with interest, calculated from the date of payment until the date

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of the refund, as the amount was paid under a mistake of law. Furthermore, since the department has already sanctioned the refund, it has accepted that the Appellant is not unjustly enriching itself by seeking the refund. Therefore, the department ought to have granted interest on the refund.

2.5 The Appellant placed reliance on the decision of the Hon'ble Supreme Court in case of Sandvik Asia Ltd. Vs. Commissioner of Income Tax-I, Pune reported in 2006 (196) ELT 257 (SC) wherein, it was held that an assessee is entitled to compensation by way of interest for the delay in the payment of amounts lawfully due to the appellant which were withheld wrongly and contrary to the law by the Department. In the case of M/s. Sona Plastic Udyog Vs. CCE, Jaipur reported. in 2022 (10) TMI 426 CESTAT New Delhi, it was held that:

"Having heard the rival contentions, I observe that in the present case what is sought to have been claimed to be refunded is the interest on the amount of redemption fine (Rs.15.5 Lakhs) as was paid by the appellant after the original adjudicating authority confirmed the confiscation of the goods, however, giving an opportunity to redeem those goods after payment of the redemption fine. The appellant opted for getting the goods redeemed. After paying Rs.15.5 Lakhs as redemption fine, the appellant had got the goods provisionally released. Later the said order of absolute confiscation has been set aside by this Tribunal vide the Final Order dated 08.01.2021. Consequent to said order, refund of amount of said redemption fine of Rs.15.5 Lakhs with interest was claimed. The refund sanctioned but without interest. The bare perusal makes it clear that the amount which was prayed to be refunded is nothing but the interest on the value of the goods, the ownership whereof stands finally confirmed in favour of the present appellants. From no stretch of imagination the same can be called as the amount of duty paid by the appellants. Hence as of now, the said amount is nothing but a deposit made with the Revenue. The issue of refund of such deposit alongwith the interest is no more res integra."

In the case of Vijay Industries & Projects Ltd. Vs. CCE, Vapi- 2006 (206) E.L.T. 552 (Tri. Mumbai), It was held as under:

"I have examined the case record and heard both sides. I am of the view that the appellants' claim of interest is both, legal and correct, particularly in terms of the case laws referred to by them (which also includes the Apex Court's direction in the case of I.T.C. Ltd.) and also Board's Circular dated 8-12-2004 presented before me. It is therefore directed that the interest may be granted as per prescribed procedure

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in the Board's Circular. The appeal is, therefore, allowed with consequential relief."

Reliance is also placed upon following case-law of Eastern Coils Private Ltd. Vs. CCE, Kolkata-I, 2003 (153) E.L.T. 290 (Cal.)

2.6 The Appellant further submitted that the Respondent ought to have appreciated that in terms of Order dated 22.11.2014 passed by Hon'ble CESTAT, Ahmedabad, the Appellant was not liable to any duty, and therefore, the amount deposited as redemption fine was merely a revenue deposit. Since, there is no crystallized demand against the Appellant, the amount deposited by the Appellant under protest cannot be retained by the department and the same is to be refunded along with interest. The Appellant placed reliance upon the decision of the Hon'ble CESTAT, Allahabad In the case of M/s. Parle Agro Pvt. Ltd. v Commissioner, Central Goods & Service Tax, Noida reported in 2022 (380) E.L.T. 219 (Tri. -All.), wherein the Hon'ble CESTAT, Allahabad held as under:

"33. There is no provision in the Excise Act, which deals with refund of revenue deposit and so rate of interest has not been prescribed, when revenue deposit is required to be refunded.

34. To be able to have some guidance regarding the rate of Interest in case revenue deposit has to be refunded, the aid of the interest provisions under Section 11AA (which deals with Interest on delayed payment of duty), Section 1188 (which deals with interest on delayed refunds under Section 118(2) and Section 11DD (which deals with interest on the amount collected in excess of the duty) can be taken.

.....

41. In view for the aforesaid decisions, and the fact that the rate of interest varies from 6% to 18% in the aforesaid Notifications issued under Sections 11AA, 1188, 11DD and 11AB of the Excise Act, the grant of interest @ 12% per annum seems to be appropriate."

2.7 The Appellant further submitted that the amount collected by the Department was without authority of law and rightfully belongs to the Appellant. As per the Article 300A of the Constitution of India, no person shall be deprived of their property, except by the authority of law. Any person cannot be deprived of the same and is entitled for benefits arising out of said property. Hence, interest accrued on the amount in question during the period it remained deposited with the department, is the property of the owner of the amount i.e. the Appellant herein. Therefore, the Appellant is entitled to get refund along with interest. Reliance is placed upon the decision of the Hon'ble CESTAT, New Delhi

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in the case of M/s. Modern Threads India Limited v Commissioner of CGST & Central Excise, Jodhpur reported in 2024 (7) TMI 7 CESTAT New Delhi. Reliance is also placed upon the decision of the Hon'ble CESTAT New Delhi in the case of M/s. India Trade Promotion Organization v Commissioner of Central Excise & CGST -Delhi South reported in 2024 (11) TMI 792 CESTAT New Delhi. Further, reliance is also placed upon the following decisions wherein the Hon'ble Courts have held that the amount deposited during Investigation is Revenue deposit which is to be refunded along with Interest:

(i) M/s. Churchit International v Commissioner of Customs (Export), New Delhi reported in 2024 (9) TMI 418 CESTAT New Delhi;

(ii) Vijay Anand & Associates Pvt. Ltd. v Commissioner, Central Excise & CGST-Delhi reported in 2022 (12) TMI 364 CESTAT New Delhi;

(iii) Executive Engineer (Workshop) M.P. Power Transmission Co. Ltd. v Commissioner (Appeals) Central Excise Customs & CGST, Bhopal-I reported in 2025 (1) TMI 1254 - CESTAT New Delhi.

2.8 The Appellant further submitted that the dictum of aforesaid cases is squarely applicable to the present case, and the Appellant is entitled to get refund as prescribed under law. The Appellant submitted that the impugned order dated 09.06.2025 passed by the Respondent is even otherwise bad, erroneous and therefore, it deserves to be set aside to the extent of not sanctioning interest on redemption fine to the Appellant.

2.9 The Appellant further submitted that they their right to add to, alter, amend or substitute any of the submissions made hereinabove, as and when required. The Appellant desires an opportunity of personal hearing before the Appeal is decided. The present Appeal is filed claiming Interest on "Redemption Fine" and therefore, mandatory pre-deposit under Section 129E of the Customs Act, 1962 is not required to be made.

3. PERSONAL HEARING:

Opportunity of personal hearing was granted to the Appellant. Shri AMot Laddha, Advocate/Authorized representative of Appellant appeared for personal hearing in virtual mode through video conferencing wherein they re-iterated written submission filed during the appeal.

4. DISCUSSION AND FINDINGS:

4.1 The date of the impugned order is 09.06.2025 and the date of filing appeal by the Appellant is 20.08.2025. The Appellant in its appeal memorandum has

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submitted the date of receipt of order as 23.06.2025. To verify the authenticity of the claim of the Appellant an email dated 18.09.2026 was sent to Customs Division Pipavav for verification of date of receipt of impugned order by the Appellant. Customs Division, Pipavav vide email dated 23.09.2026 submitted proof of receipt of order by the Appellant as 14.06.2025. The Appellant filed submission for condonation of delay. The Under the proviso to Section 128(1) of the Customs Act, 1962, the Commissioner (Appeals) is vested with the discretionary power to allow an appeal to be presented within a further period of 30 days, provided there is "sufficient cause" that prevented the Appellant from filing within the prescribed 60 days. Upon examining the submissions, I find that the delay of 7 days falls squarely within the condonable grace period of 30 days stipulated by the statute. The reasons adduced by the Appellant for the delay appear genuine and constitute sufficient cause under the law. There is no evidence on record to suggest any mala fide intent, deliberate inaction, or dilatory tactics on the part of the Appellant. It is a well-settled principle of law that a pragmatic and liberal approach should be adopted for minor procedural delays so that substantive justice is not defeated by technicalities, provided the delay is within the statutory condonable limits. Accordingly, in the interest of natural justice, I accept the cause shown by the Appellant. The delay of 7 days in filing the present appeal is hereby condoned, and the appeal is admitted for consideration on its merits.

4.2. I find that the matter pertains to the issue of interest on refund therefore, there is no question of pre-deposit of 7.5% of duty demanded as prescribed under Section 129E of the Customs Act, 1962.

4.3 The Customs Division, Pipavav was requested for submission of comments of the appeal filed by the Appellant vide letter dated 09.09.2025 but no comments have been received by this office till date therefore, I am taking up the issue for decision based on the facts of the case and documentary evidence available on record.

4.4 I have carefully gone through the case records, the impugned Order-In-Original, and the comprehensive written submissions filed by the appellant. The limited and singular issue to be decided in this appeal is whether the appellant is legally entitled to interest on the refund of a Redemption Fine under the provisions of the Customs Act, 1962.

4.5 I find that it is a well-settled principle of statutory interpretation, particularly in fiscal statutes, that the law must be construed strictly. The right to claim interest from the Exchequer is not an inherent or common law right; it is entirely a creature of the statute. An assessing or appellate authority

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functioning under the Customs Act, 1962, is bound by the four corners of the legislation and does not possess the inherent equitable jurisdiction of a writ court to award interest based on broader principles of equity or compensation.

4.6 I find that under the Customs Act, 1962, the payment of interest on delayed refunds is specifically governed by Section 27A. The statutory language of Section 27A explicitly stipulates that interest is payable only on the delayed refund of "duty." The legislature has meticulously drawn a distinction between "duty" (levied under Section 12), "penalty" (imposed under Sections 112, 114, 114A, etc.), and "redemption fine" (imposed under Section 125). A redemption fine is not a tax or a duty; it is an option offered to an importer or exporter in lieu of absolute confiscation to redeem their goods. When the appellant deposited the sum of Rs. 5,20,000/-, it was a conscious commercial decision to secure the release of the goods. The legislature, in its wisdom, has deliberately omitted words like "fine" and "penalty" from the ambit of Section 27A. Reading "redemption fine" into Section 27A would amount to judicial legislation, which is entirely impermissible for a statutory appellate authority.

4.7 I find that the appellant's attempt to categorize this payment as a mandatory pre-deposit to attract interest under Section 129EE is equally flawed. Section 129E mandates a pre-deposit of a certain percentage of duty or penalty as a prerequisite to filing an appeal, and Section 129EE expressly guarantees interest on the refund of such specific pre-deposits if the appeal succeeds. The amount in question here was not paid to fulfill the statutory pre-deposit requirement for entertaining an appeal; it was paid strictly to redeem physical custody of confiscated goods for the appellant's commercial utility. The statutory guarantee of interest under Section 129EE cannot be stretched to cover voluntary payments made to redeem goods under Section 125.

4.8 Regarding the appellant's reliance on Article 300A of the Constitution of India, the argument that the amount was retained "without authority of law" is legally unsound in this context. At the time the redemption fine was collected, it was backed by a valid, operative Order-In-Original. The subsequent setting aside of this order by the Hon'ble CESTAT created a statutory right to restitution of the principal amount, which the department has already honored by sanctioning the refund of Rs. 5,20,000/-. Restitution places the parties back in their original positions, but it does not automatically generate a statutory liability for interest unless the governing Act explicitly commands it.

4.9 I have also reviewed the case laws cited by the appellant, including the Apex Court's decision in Sandvik Asia Ltd. That judgment, rooted in the specific provisions of the Income Tax Act and extraordinary delays in refunding

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authorized amounts after orders attained finality, does not confer blanket authority on Customs officers to bypass the strict wording of Section 27A. Furthermore, the decisions in Sona Plastic Udyog and Parle Agro heavily lean on the concept of "revenue deposits." However, even if the amount is rhetorically termed a "revenue deposit," the Customs Act lacks any equivalent machinery to grant interest on it. The Hon'ble Supreme Court in Union of India vs. Orient Enterprises and Commissioner of Customs vs. ITC Ltd. has categorically ruled that in the absence of a specific statutory provision in the Customs Act authorizing the payment of interest on refund of amounts other than duty, the statutory authorities cannot grant such interest.

4.10 I find that the adjudicating authority has acted strictly in accordance with the law by sanctioning the refund of the principal amount while rightly rejecting the extra-statutory claim for interest. There is no infirmity, illegality, or irregularity in the impugned order.

5. In view of the detailed findings recorded above, the impugned Order-In-Original No. 10/AC/VNK/GPPL/REF/2025-26 dated 09.06.2025 is upheld in its entirety. The appeal filed by M/s Pensla Steel Pvt. Ltd. is devoid of legal merit and is hereby rejected.

Vishwajeet Singh
24.09.2026.

(Vishwajeet Singh)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-207/CUS/JMN/AUG/2025-26

By Registered post A.D/Email

M/s Pensla Steel Pvt. Ltd. E-7, Industrial Area, Dada Colony, Jalandhar-144004, Punjab

Copy to,

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad. (email: ccoahm-guj@nic.in).
2. The Commissioner, Customs (Prev), Jamnagar.
3. The Deputy/Assistant Commissioner, Custom House, Pipavav
4. Guard File