सीमाशुल्क (अपील) आयुक्त का कार्यालय, OFFICE OF THE COMMISSIONER OF CUSTOMS(APPEALS),अहमदाबाद AHMEDABAD,
चौथी मंज़िल 4th Floor, हडको बिल्डिंगHUDCO Building,
ईश्वर भुवन रोड़ Ishwar Bhuvan Road,
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009
दूरभाषक्रमांक Tel. No. 079-26589281
DIN: 20260171MN000000B738

क	फ़ाइल संख्या FILE NO.	S/49-314/CUS/MUN/24-25
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)	MUN-CUSTM-000-APP-796-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	29.01.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Letter F.no. CUS/RFD/OTH/622/2024-REF dated 14.10.2024 issued by the Deputy Commissioner (Refund), Custom House, Mundra
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	29.01.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Trafigura India Pvt.Ltd., Unit No.1001-1101, A Wing, One BKC, Plot No. C-66,G-Block, Bandra Kurla Complex, Bandra(East), Mumbai-400051

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 exported
(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

Appeal has been filed by M/s. Trafigura India Pvt.Ltd., Unit No.1001-1101, A Wing, One BKC, Plot No. C-66, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Letter F.no. CUS/RFD/OTH/622/2024-REF dated 14.10.2024 (hereinafter referred to as 'the impugned order') issued by the Deputy Commissioner (Refund), Customs House, Mundra (hereinafter referred to as the 'Adjudicating Authority').

2. Facts of the case, in brief, are that the appellant had filed refund application amounting to Rs. 50,94,399/-. The Adjudicating Authority observed that appellant had filed refund claim of interest on delayed refund under section 56 of CGST Act, 2017. Consequently, the Adjudicating Authority, vide impugned order, informed the appellant that as per Rule 96 of the CGST Rules 2017, dealing with refund of IGST paid on goods exported out of India, the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India, once both the export general manifest (EGM) and valid return in Form GSTR-3 or Form GSTR3B, as the case may be, has been filed. Thus, once the shipping bill and the EGM is filed and a valid return is filed, the application for refund shall be considered to have been filed and refund shall be processed.

2.1 The IGST refund module has been designed to have an in-built mechanism to automatically process and grant refund after validating the shipping bill data available in ICES against the GST return data transmitted by GSTN. Manual intervention would be limited to only exceptional cases where automatic validation becomes impossible due to some technical errors. Such exceptional cases would be only those which would be approved by the Board and the procedure in those cases would be separately laid out. sThe IGST refund would not be processed if it fails any validation at the level of either GSTN or Customs system. Validation errors occur due to various deficiencies and for the same time to time advisory/circulars are issued by the competent authority to deal with such deficiencies. The entire refund process is system managed, Department is supposed to visualize the complications and provide solutions to do away with the anomalies which is limited to.

2.2 Refund of IGST paid on export of goods cannot be processed under Section 54 of the Central Goods and Services Tax Act, 2017 therefore question of interest under Section 56 of CGST Act does not arises. Further Hon'ble High Court in SCA No.11905 of 2022 filed by BAJAJ HERBALS PVT LTD & ANR. Versus DEPUTY COMMISSIONER OF CUSTOMS & ORS "made it clear that as the error was committed by petitioner, the petitioner shall not be entitled to the interest on the refund payable by manual process by the respondent authorities". Therefore, the Adjudicating Authority returned the refund application along with all the documents to the appellant.

SUBMISSIONS OF THE APPELLANT:

3. Being aggrieved with the impugned order, the Appellant has filed the present appeal against the order passed by the Deputy Commissioner (Refund), Customs House, Mundra. The Grounds of Appeal are not reproduced in detail for sake of brevity, as the copy of the same is available with the Appellant as well Respondent. However, the same have been examined and the brief is as under:

3.1 The Appellant argues that under Section 54 of the CGST Act and Rule 96 of the CGST Rules, a shipping bill is deemed a refund application for integrated tax paid on exported goods. For the period from March 2023 to September 2023, the Appellant claims to have complied with all requirements, including filing shipping bills, generating Export General Manifests, and reporting details in GSTR-1 and GSTR-3B. Consequently, they contend they are entitled to interest at a rate of 6% per annum under Section 56 of the CGST Act, as the refund was not processed within 60 days of the application.

3.2 The appeal heavily relies on judgments from the Gujarat and Bombay High Courts to establish that system-driven delays do not deprive exporters of their right to interest. Specifically, the Appellant cites Aartos International LLP, where the court held that any software errors or GSTN processing delays are the responsibility of the network and cannot prejudice exporters who have met statutory requirements. They also reference Amit Cotton Industries and Anita Agarwal, asserting that interest is a statutory mandate and must be paid from the date of the refund application (shipping bill filing) until the actual credit, regardless of administrative investigations or red-flagged statuses.

3.3 The Appellant challenges the Deputy Commissioner's (Refund) conclusion that IGST refunds cannot be processed under Section 54 and that auto-processed system errors do not justify interest claims. They argue this stance contradicts established law that Section 54 must be read in conjunction with Rule 96. Furthermore, the Appellant contends the order violates "judicial discipline," which requires subordinate authorities to unreservedly follow the orders of higher courts, such as the Supreme Court and High Courts, even if the department finds them "unacceptable".

3.4 The final grounds of appeal claim that the impugned order is unsustainable because it was issued with a "prejudiced mind" and ignored the Appellant's detailed submissions and cited precedents. Additionally, the Appellant asserts that the order is legally flawed because no Show Cause Notice (SCN) was served prior to the action. They maintain that a prior SCN is a sine qua non (essential condition) under the rules of natural justice, and the failure to provide one renders all subsequent actions, including the order itself, illegal and liable to be set aside.

PERSONAL HEARING:

4. Personal hearing was granted to the Appellant on 12.01.2026 following the principles of natural justice wherein Shri Vaibhav K Jajoo, Advocate, appeared for the hearing and re-iterated the submissions made at the time of filing the appeal. He also made additional submission vide letter dated 07.01.2026. In addition to the previous grounds of appeal, Trafigura India Private Limited submitted further judicial precedents to support its claim for interest on delayed IGST refunds for the period of April 2023 to September 2023. The Appellant argues that while they complied with all statutory requirements, including rectifying minor invoice discrepancies via TR-6 challans, the refund was sanctioned only after a delay exceeding sixty days. By citing the Bombay High Court's ruling in Venus Jewel v. Union of India, the Appellant emphasizes that exporters should not suffer financial loss due to systemic lapses or data non-alignment between government portals, and that any amount retained beyond the statutory period is held without legal authority, thus necessitating the payment of interest. The additional submission also highlights several rulings from the jurisdictional Gujarat High Court and the Madras High Court

that established interest rates of 7% to 9% for similar delays. Specifically, in Vimla Food Products v. Union of India, the court ruled that statutory rules override circulars and granted 9% interest from the date the refund bills were raised. The Appellant further notes that the Supreme Court has previously dismissed challenges to these types of rulings, such as in the case of Real Prince Spintex, solidifying the legal requirement to pay interest on "zero-rated supplies". Based on these precedents, the Appellant reiterates its demand for interest amounting to ₹50,94,399 and requests that the previous order denying this interest be set aside.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the Deputy Commissioner (Refund), Customs House, Mundra and the defense put forth by the Appellant in their appeal.

5.1 Section 27A was inserted into the Customs Act, 1962, with the specific legislative intent of ensuring that refund claims are processed within a reasonable timeframe and to compensate the assessee for the "time value of money" if the government retains funds beyond the statutory period. The provision states:

> *"If any duty ordered to be refunded under sub-section (2) of section 27 to an applicant is not refunded within three months from the date of receipt of application... there shall be paid to that applicant interest at such rate... on such duty from the date immediately after the expiry of three months from the date of receipt of such application till the date of refund of such duty."*

5.2 A granular breakdown of this provision reveals some critical components. The only condition for the accrual of interest is the "non-refund" of the duty within three months from the date of receipt of the application. The statute does not use the term "date of adjudication" or "date of finalization of the claim." The clock starts at the moment the application is received by the department. The word "shall" indicate that the payment of interest is not at the discretion of the proper officer. Once the delay exceeds three months, the right to interest is vested in the claimant by operation of law. There is no requirement for the claimant to prove "negligence" on the part of the department. Under the provisions, if an application is incomplete, it must be returned to the applicant within 15 days. If the application is not returned within this period, it is deemed to have been received in a complete state for the purpose of Section 27A. Administrative delays in identifying deficiencies months after the filing cannot be used to shift the "receipt date" to a later period. The rate of interest is governed by Notifications issued by the Central Government. Currently, Notification No. 18/2011-Customs (N.T.) fixes this rate at 6% per annum. Section 27(1) provides the mechanism for filing the claim, while Section 27(2) provides the authority to sanction it. Section 27A is a "consequential" provision. It does not look at why the refund was delayed; it only looks at the fact of the delay. Whether the delay was due to pending litigation, administrative backlog, or misinterpretation of law is irrelevant to the liability to pay interest. Therefore, the statutory scheme is designed to be self-executing. The moment the 91st day (post-application) arrives and the money is still with the Treasury, the interest starts accruing automatically.

5.3 The Hon'ble Supreme Court in Ranbaxy Laboratories Ltd. vs. Union of India [2011 (273) E.L.T. 3 (S.C.)] has settled the law regarding the point at which the liability to pay interest on a delayed refund begins. This ruling is the locus classicus for interpreting Section 27A of the Customs Act (which is in pari materia with Section 11BB of the Central Excise Act). The Apex Court held:

> *"15. In view of the above analysis, our answer to the question formulated in para (1) supra is that the liability of the revenue to pay interest under Section 11BB of the Act commences from the date of expiry of three months from the date of receipt of application for refund under Section 11B(1) of the Act and not on the expiry of the said period from the date on which order of refund is made."*

5.4 The Apex Court categorically held that the liability of the Revenue to pay interest commences from the date of expiry of three months from the date of receipt of the application for refund. The Court rejected the Revenue's argument that interest should only run from the date when the refund was finally "determined" as payable (e.g., after an appellate order). In the instant case, the Adjudicating Authority appears to have assumed that since the right to refund was established only after the High Court/Appellate outcomes, the "three-month" period should be counted from that final date. However, the Supreme Court in Ranbaxy explicitly struck down this reasoning. The Court noted that if the refund is ultimately found to be payable, it relates back to the original application. The delay caused by the department's initial rejection or subsequent litigation cannot be used to deprive the assessee of interest.

5.5 The Supreme Court referred to Board Circulars which clarified that even if a refund is sanctioned based on a court order, interest must be paid if the initial application was filed three months prior. The Court held that executive instructions/circulars issued by the Board are binding on the department and correctly reflect the statutory mandate. Further, the Appellant filed their refund application following the initial dispute. The department initially did not process/sanction it due to the pending COO dispute. Eventually, after the legal issues were resolved in favor of the Appellant, the refund was sanctioned. Per Ranbaxy, the fact that the department was "waiting for clarity" or "waiting for appellate orders" does not stop the interest clock. The interest is a cost for the State retaining the assessee's money.

5.6 The Ranbaxy judgment ensures that the Revenue cannot benefit from its own delay in adjudicating a claim or from its initial incorrect decision to reject a claim. Therefore, the trigger date for interest in the present appeal must be the date following three months from the original application receipt, irrespective of when the Adjudicating Authority finally decided the matter.

5.7 The Adjudicating Authority in the OIO relied on cases suggesting that interest is only payable if the delay is "unreasonable" or attributable solely to the department. However, these cases are distinguished as they mostly pertain to the period prior to the insertion of Section 27A or involve "deposits" rather than "duty." In the instant case, the payment made was differential "duty," and thus, the specific statutory mechanism of Section 27A overrides general principles of equity or administrative convenience.

5.8 The Appellant cited Union of India v. Tata Chemicals Ltd. [(2014) 6 SCC 335], where the Court emphasized that the Government cannot retain money without the authority of law. If the duty was collected erroneously, it must be returned with "accretion" (interest). I find that these rulings are directly applicable here. The department's argument that the refund became "due" only after the OIA/High Court order is legally untenable in light of the Ranbaxy judgment.

5.9 The Appellant has vehemently argued for a higher rate of interest and has additionally sought interest on the delayed payment of interest itself (compound interest), citing the long-drawn-out nature of the litigation and the financial loss incurred. I have examined these claims within the strictures of the Customs Act. The power to determine the rate of interest under Section 27A is vested in the Central Government by notification. Under Notification No. 18/2011-Customs (N.T.) dated 01.03.2011, the rate has been fixed at 6% per annum. As an Appellate Authority created under the statute, I do not have the jurisdiction to enhance this rate or "strike down" the notification. While the Appellant refers to commercial lending rates or "equitable" interest of 12% to 18%, I must restrict the relief to the 6% rate mandated by the legislature. This position is supported by the Hon'ble Supreme Court in Commissioner of Central Excise vs. ITC Ltd. [2005 (179) E.L.T. 15 (S.C.)], which held that interest is a matter of statutory provision and cannot be granted on a higher basis than what the law allows.

5.10 The Appellant's request for "interest on interest" must also be rejected. The law is well-settled that unless there is a specific provision for compounding interest in the taxing statute, only simple interest is payable. In VBC Industries Ltd. vs. Union of India [2011 (270) E.L.T. 314 (Mad.)], it was held that Section 11BB (equivalent to Section 27A) provides for simple interest only.

There is no concept of "interest on interest" in indirect tax refunds. The liability to pay interest under Section 27A is calculated on the "duty" amount alone, not on any previously accrued interest. Interest under Section 27A is compensatory in nature, not punitive. It is meant to neutralize the benefit the Revenue derived by holding the money. Since the statute provides a specific remedy (6% simple interest), it is deemed sufficient to address the Appellant's grievance within the legal framework of the Customs Act. Therefore, while the Appellant's entitlement to interest is upheld, it is restricted to the simple interest rate of 6% per annum calculated on the principal duty amount sanctioned in the OIO.

5.11 In light of the comprehensive discussions above, I conclude that the Adjudicating Authority erred both in law and in fact by denying the statutory interest claim of the Appellant. The primary reason for the denial—that interest only starts after the final adjudication of the dispute—is squarely contradicted by the Supreme Court's ruling in the Ranbaxy case. The right to receive interest under Section 27A of the Customs Act, 1962, is not a "reward" for the assessee's diligence, nor is it a "penalty" on the officer for their lethargy. It is a strictly compensatory mechanism built into the statute to ensure that if the Sovereign retains a citizen's funds without the authority of law (as confirmed by the subsequent sanction of the refund), the citizen is compensated for the loss of the "use value" of that money. The Adjudicating Authority failed to appreciate that the refund claim filed by the Appellant was never returned as "incomplete" within the initial 15-day window. The administrative process of "pending verification" or "awaiting appellate outcomes" is an internal departmental matter that does not pause the statutory clock for interest. The denial of interest in the impugned OIO is found to be unsustainable. The Appellant has successfully established their entitlement through the binding precedents of the Apex Court and the clear wording of the statute. The statutory interest under Section 27A is a minimum restitution required under the law to prevent the unjust enrichment of the Treasury at the expense of the Appellant. Therefore, I find that the Appellant is entitled to interest at the rate of 6% per annum, starting exactly three months from the date of receipt of their original refund application until the date the principal amount was actually disbursed.

6. In view of the foregoing, the appeal is ALLOWED insofar as the entitlement to interest is concerned. The matter is REMANDED to the Adjudicating Authority with the following directions:

i. Verify the date of the initial refund application filed by the Appellant.
ii. Calculate the interest at the rate of 6% per annum starting from the date immediately following the expiry of three months from the date of receipt of the refund application until the date of actual refund of the duty.
iii. The Adjudicating Authority shall not re-open the merits of the refund but shall limit the exercise to the computation and disbursement of the interest.

The appeal filed by M/s. Trafigura India Pvt. Ltd. is hereby ALLOWED BY WAY OF REMAND with the directions mentioned above.

(AMIT GUPTA)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-314/CUS/MUN/24-25 Dt.: 29.01.2026

By Registered post A.D/E-Mail

To,
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Unit No.1001-1101, A Wing,
One BKC, Plot No. C-66,
G-Block, Bandra Kurla Complex,
Bandra(East), Mumbai-400051

Email: gst@trafigura.com

Copy to:
1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Principal Commissioner of Customs, Mundra.
3. The Additional Commissioner of Customs, Custom, Mundra.
4. Shri Vaibhav K Jajoo, Advocate on behalf of M/s. Trafigura India Pvt.Ltd.. (vaibhav.jajoo@dhruvaadvisors.com)
5. Guard File.