सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,
चौथी मंज़िल 4th Floor, हडको भवन HUDCO Bhawan, ईश्वर भुवन रोड़ Ishwar Bhuvan Road
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009
दूरभाष क्रमांक Tel. No. 079-26589281

DIN-20260171MN0000120145

क	फ़ाइल संख्या FILE NO.	S/49- 81/CUS/KDL/2024-25
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)	KDL-CUS-000-APP - 78 - 25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	21.01.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF Order – In - Original.	KDL/AC/196/NKC/REF/24-25, dated 21.01.2025
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	21.01.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Indian Farmers Fertilisers Cooperative Ltd., SMO Gujarat, NP Patel Bhawan, Shiv Ranjani Cross Road, Satellite, Ahmedabad, Gujarat- 380015

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

The present appeal has been filed by M/s. Indian Farmers Fertilisers Cooperative Ltd., situated at SMO Gujarat, NP Patel Bhawan, Shiv Ranjani Cross Road, Satellite, Ahmedabad, Gujarat- 380015, (hereinafter referred to as "the Appellant") under Section 128 of the Customs Act, 1962 against Order-in-Original No. KDL/AC/196/NKC/REF/24-25, dated 21.01.2025 (hereinafter referred to as the "impugned Order") passed by the Assistant Commissioner of Customs, Custom House, Kandla (hereinafter referred to as the "Adjudicating Authority").

2. Facts of the case, in brief, are that the appellant is engaged in the manufacture and distribution of fertilizers and imports Granular Urea inter alia from M/s Oman India Fertilizer Company (OMIFCO) under a long-term Urea Off-take Agreement between the Government of India and OMIFCO.

2.1 During the period May 2012 to December 2012, the appellant imported Granular Urea and filed Bills of Entry which were assessed provisionally on account of a dispute relating to unit price/valuation. Although a Show Cause Notice dated 29.08.2013 was issued by DRI covering certain Bills of Entry, the Bills of Entry involved in the present proceedings were not covered under the said SCN and were finalized separately vide Order-in-Original No. 56/FA/AJ/2015-16 dated 02.03.2016, whereby differential duty was confirmed.

2.2 Aggrieved by the said Order-in-Original, the appellant filed an appeal before the Commissioner (Appeals) and, in compliance with statutory requirements, deposited an amount of Rs. 84,08,591/- as pre-deposit. The Commissioner (Appeals), vide Order dated 23.06.2016, set aside the Order-in-Original and remanded the matter to the adjudicating authority with directions to finalize the provisional assessment only after issuing a Show Cause Notice and following principles of natural justice.

2.3 Pursuant thereto, a fresh Show Cause Notice dated 22.03.2017 was issued under Section 28 of the Customs Act, 1962, alleging undervaluation of imported Urea. The adjudicating authority, after due adjudication, vide Order-in-Original No. KDL/ADJ/AC/185/BVSP/2024 dated 27.12.2024, dropped the proceedings in entirety, holding that the charges of undervaluation were not sustainable in law and set aside the proposed differential duty demand along with interest.

2.4 Consequent upon the said favourable order, the appellant filed a refund claim for the pre-deposit amount of Rs. 84,08,591/- along with applicable interest. The Assistant Commissioner (Refund), Custom House, Kandla, vide Order-in-Original dated 21.01.2025, sanctioned the refund of the pre-deposit amount along with interest of Rs. 58,053/- @ 6% from the date of deposit of pre-

deposit to date of the order of Commissioner (Appeals), holding that the refund is admissible under Section 129EE of the Customs Act, 1962 read with CBEC Circular No. 984/08/2014-CX dated 16.09.2014.

3 Being aggrieved with the impugned Order to the Appellant has filed present appeal and mainly contended as under:

3.1 Impugned Order is Non-Speaking and Violative of Principles of Natural Justice

- The Appellant submits that the impugned order dated 21.01.2025 passed by the Ld. Assistant Commissioner is a non-speaking order, as it does not deal with the submissions and arguments advanced in the refund application.
- The order does not disclose reasons nor does it discuss the relevant statutory provisions, rendering it violative of the principles of natural justice.
- A speaking order is a sine qua non for effective judicial review; the affected party must know the reasons for denial of relief.
- The Ld. Assistant Commissioner failed to examine and apply Section 129EE of the Customs Act, 1962, which specifically governs interest on refund of pre-deposit.

3.2 Appellant is Statutorily Entitled to Interest Under Section 129EE of the Customs Act

- The Appellant submits that it is entitled to interest on the refunded pre-deposit from the date of payment till the date of refund in terms of Section 129EE of the Customs Act, 1962.
- Section 129EE clearly mandates payment of interest where a pre-deposit made under Section 129E is required to be refunded consequent upon appellate orders.
- The Appellant's pre-deposit was made after the commencement of the Finance (No. 2) Act, 2014, and therefore squarely falls within the beneficial provision of Section 129EE.
- The Central Government has prescribed the rate of interest at 6% per annum vide Notification No. 70/2014-Cus. (N.T.) dated 12.08.2014.
- Restricting interest only till the date of remand order is contrary to the express statutory mandate.

3.3 Sections 129E and 129EE Are Pari Materia With Central Excise Provisions

- The Appellant submits that Sections 129E and 129EE of the Customs Act are pari materia with Sections 35F and 35FF of the Central Excise Act, 1944.

- Accordingly, the judicial principles governing interest on refund of pre-deposit under Central Excise law apply with equal force to the present case.

3.4 Department is Duty-Bound to Refund Pre-Deposit With Interest

- It is submitted that once the dispute is decided in favour of the assessee, the burden lies on the department to refund the pre-deposit along with interest.
- The assessing authority is duty-bound to implement appellate orders expeditiously and cannot adopt a hyper-technical approach.
- Reliance is placed on:
- CC, Cochin v. Shree Simandar Enterprises, 2012 (283) E.L.T. 369 (Ker.)
- CC, Cochin v. Shree Simandar Enterprises, 2012 (285) E.L.T. 328 (Ker.)

3.5 CBEC Circular Mandates Automatic Refund With Interest

- The Appellant places reliance on Circular No. 984/8/2014-CX dated 16.09.2014, which clarifies that:
- Refund of pre-deposit along with interest is automatic where appeal is decided in favour of the assessee.
- Pre-deposit is not duty and is not governed by Section 27 of the Customs Act.
- Refund with interest must be granted within 15 days, irrespective of departmental challenge.

3.6 Circulars Issued by CBEC Are Binding on the Department

- It is a settled position of law that circulars issued by CBEC are binding on departmental authorities, and the department cannot take a stand contrary thereto.
- Reliance is placed on:
    - Paper Products Ltd. v. CCE, 2000 (112) E.L.T. 765 (S.C.)
    - CCE v. Dhiren Chemical Industries, 2002 (139) E.L.T. 3 (S.C.)
    - Dabur India Ltd. v. CCE, 2003 (157) E.L.T. 129 (S.C.)
    - Union of India v. Arviva Industries, 2007 (209) E.L.T. 5 (S.C.)
    - UCO Bank v. CIT, 1999 (111) E.L.T. 673 (S.C.)

3.7 Refund of Principal Amount Does Not Extinguish Liability to Pay Interest

- The Appellant submits that refund of the pre-deposit without interest does not exhaust the statutory liability of the department.
- Interest remains payable till the date of actual refund.

Reliance is placed on:

- Arthanari Loom Centre v. Secretary, CBEC, 2016 (332) E.L.T. 778 (Mad.)
- Ratan Udyog v. CC (Import), Mumbai-II, 2014 (299) E.L.T. 374 (Tri.-Mum.)

3.8 Interest is Compensatory in Nature and Payable Till Actual Refund

- Interest being compensatory in nature, the Appellant is entitled to interest for the entire period during which the amount remained with the department.
- Reliance is placed on:

- Kesar Enterprises v. Commissioner of CGST, Noida, 2022 (380) E.L.T. 319 (Tri.-All.)
- Goldstone Engineering Ltd. v. Union of India, 2005 (181) E.L.T. 11 (A.P.)

3.9 Impugned Order is Unsustainable in Law

- The action of sanctioning interest only up to the date of remand order passed by the Commissioner (Appeals) is contrary to Section 129EE, binding circulars, and settled judicial precedents.
- The Appellant is entitled to interest at 6% per annum from the date of deposit till the date of actual refund, and the impugned order deserves to be set aside to that extent.

4. Record of Personal Hearings:

In accordance with the principles of audi alteram partem, the Appellant was afforded the opportunity of personal hearing which was attended virtually by Ms. Raksha Bhandari, Advocate on behalf of the Appellant on 13.01.2026 wherein she reiterated the submissions made at the time of filling appeal.

5. Discussion and Findings:

5.1 I have carefully gone through the records of the case, the impugned Order-in-Original dated 21.01.2025, the grounds of appeal, and the written and oral submissions made by the Appellant.

5.2 The issue involved in the present appeal is whether the Appellant is entitled to interest on the refunded pre-deposit under Section 129EE of the Customs Act, 1962 from the date of deposit till the date of actual refund, and whether the Adjudicating Authority was justified in restricting the grant of interest only up to the date of the remand order passed by the Commissioner (Appeals).

5.3 On perusal of the impugned Order-in-Original, I find that the Ld. Assistant Commissioner has sanctioned interest only for the period commencing from the

date of deposit of pre-deposit till the date of remand order passed by the Commissioner (Appeals), without assigning any cogent reasoning or statutory basis for such restriction.

5.4 I note that the impugned order does not discuss the scope, applicability, or legislative intent of Section 129EE of the Customs Act, 1962, nor does it deal with the specific submissions of the Appellant that interest under Section 129EE is payable from the date of deposit till the date of refund. The order merely records the conclusion without analysis.

5.5 It is a settled principle of law that a quasi-judicial authority is required to pass a speaking order, dealing with the contentions raised and recording reasons for arriving at its conclusion. Failure to do so amounts to violation of the principles of natural justice. An order which does not disclose reasons is unsustainable in law.

5.6 I further find that Section 129EE of the Customs Act, 1962 specifically provides for payment of interest on the amount deposited under Section 129E, from the date of payment of such amount till the date of refund, at the rate notified by the Central Government. The impugned order does not record any finding as to why the clear statutory mandate has been curtailed.

5.7 I also find merit in the contention of the Appellant that the Adjudicating Authority has failed to examine the applicability of Notification No. 70/2014-Cus. (N.T.) dated 12.08.2014, as well as the binding CBEC Circular No. 984/8/2014-CX dated 16.09.2014, which clarify that interest on refund of pre-deposit is payable from the date of deposit till the date of refund.

5.8 The impugned order is conspicuously silent on the judicial precedents relied upon by the Appellant, which consistently hold that interest on pre-deposit is compensatory in nature and is payable till the date the amount is actually refunded. The absence of any discussion on these aspects renders the findings non-speaking and incomplete.

5.9 In view of the above, I am of the considered opinion that the impugned Order-in-Original, to the extent it restricts the grant of interest, has been passed without proper examination of statutory provisions, circulars, and settled legal position, and therefore cannot be sustained. However, since the issue involves determination of the correct period for which interest is payable under Section 129EE, and the same has not been examined by the Adjudicating Authority in a reasoned manner, I find it appropriate to remand the matter for fresh consideration on this limited issue.

6. The impugned Order dated 21.01.2025 is set aside to the extent of denial/restriction of interest on the refunded pre-deposit. The matter is

remanded to the Adjudicating Authority for fresh adjudication limited to the issue of grant of interest under Section 129EE of the Customs Act, 1962, after examining the statutory provisions, applicable notifications, binding circulars, and judicial precedents, and after passing a reasoned and speaking order in accordance with law.

7. The appeal is allowed by way of remand on the above terms.

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

सत्यापित/ATTESTED
अधीक्षक/SUPERINTENDENT
सीमा शुल्क (अपील), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD.

F. No. S/49- 81/KDL/2024-25

Date: 21.01.2026

By Registered post A.D/E-Mail

To,

M/s. Indian Farmers Fertilisers Cooperative Ltd.,

SMO Gujarat, NP Patel Bhawan, Shiv Ranjani Cross Road, Satellite, Ahmedabad, Gujarat- 380015

Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Commissioner of Customs, Kandla.
3. The Assistant Commissioner of Customs, Tuna Port, Kandla.
4. Guard File.