CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI
REGIONAL BENCH - COURT No. I

Customs Appeal No.41996 of 2016

(Arising out of Order-in-Appeal No.C.Cus.II, No.761 & 762 / 2016 dated 11.08.2016 passed by Commissioner of Customs (Appeals II), Chennai)

M/s. JSW Steel Ltd. **.... Appellant**
JSW Centre,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051.

VERSUS

Commissioner of Customs, **... Respondent**
Commissionerate-II,
Custom House, 60, Rajaji Salai,
Chennai-600 001.

And

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APPEARANCE :
Shri Rohan Muralidharan, Advocate for the Appellant
Ms. Rajni Menon, Authorized Representative for the Respondent

CORAM :
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)
HON'BLE MR. AJAYAN T.V., MEMBER (JUDICIAL)

FINAL ORDER Nos. 40989-40987/2026

DATE OF HEARING : 23.03.2026
DATE OF DECISION : 04.09.2026

Per: Shri Ajayan T.V.

These two appeals being interconnected and filed against a common order in Appeal C.Cus II No.761 & 762/2016 dated 11.08.2016 passed by the Commissioner of Customs (Appeals-II) (impugned orders), were heard together and are being disposed of by this common order.

2. Briefly stated, the facts are that JSW Steel Limited (the Appellant/JSW) had exported "Non Alloy Steel Slabs Export Prime Steel" (subject goods) under ITC HS 72071290 on which export duty was leviable at the rate of 15% ad valorem vide notification No.66/2008-Cus dated 10.05.2008. The subject goods were exported vide four free shipping Bills No.3066930 dated 25.06.2008, No. 3069912 dated 27.06.2008, No.3080903 dated 08.07.2008 and No.3084299 dated 11.07.2008 and no export duty was assessed on these shipping bills. JSW paid export duty @ 15% of FOB Price of the steel products exported. The CBEC, vide circular No.18/2008-Cus dated 10.11.2008 clarified that a policy decision has been taken that till 31.12.2008, the existing practice of computation of export duty and cesses by taking the FOB price as the cum-duty price may be continued and that with effect from 1st January 2009, the practice of computation of export duty shall be changed and that for the purposes of calculation of export duty, the transaction value, that is to say the price actually paid or payable for the goods for delivery at the time and place of exportation under Section 14 of the Customs Act, 1962 shall be the FOB price of such goods at the time and place of exportation. The Circular also conveyed that the opinion obtained from the Ministry of Law is that the decision on the issue of procedure for calculation of assessable value for the purpose of charging export duty is essentially a matter of policy on which decision is to be taken by the administrative department. JSW contended that on the basis of the Circular it had discovered that excess duty has been paid and consequentially filed refund application dated 30.01.2009 for Rs.1,61,96,066/- being the excess export duty paid in respect of the said shipping bills. The refund application was rejected as time barred vide OIO No.9927/2009 dated 05.11.2009. JSW preferred an appeal before the Commissioner (Appeals) who vide OIA C.Cus No.387/2010 dated 03.05.2010 allowed the appeal, finding inter-alia, that the provisions of Section 27 of the Customs Act, 1962 are not applicable and thus there is no question of applicability of time limit prescribed there under and also that the doctrine of unjust enrichment envisaged under Section 27 ibid

would not come into play. Aggrieved by the OIA passed by the Commissioner (Appeals), Revenue had preferred appeal before the Tribunal and vide its Final Order No.40250/2014 dated 19.03.2014, the Tribunal held that the Commissioner (Appeals) proceeded on the basis of wrong facts and remanded the case back to the original authority to take a decision upon examination of facts and the applicability of Section 27 of the Act, keeping all the issues open.

3. The original authority revisited the case as per the directions of this Tribunal and vide Order in Original No.44746/2016 ordered for sanction of refund amount of Rs.1,61,96,066/- being the excess export duty paid by them. The refund was granted on the following grounds:

a) In the present case, irrespective of whether the said shipping bills were originally assessed to export duty or not, the claimant voluntarily paid export duty by calculating 15% of the FOB value declared in the respective shipping bills. The consignments were duly exported, and export proceeds were realized. Thus, it stands confirmed that the goods were exported, and the corresponding export proceeds have been realized.

b) Subsequent to issuance of the Circular dated 10.11.2008, a policy decision was taken that, until 31.12.2008, the existing practice of computing export duty and cesses by treating the FOB price as the cum-duty price may be continued, and that all pending cases may be finalized accordingly. Prior to this Circular, export duty and cesses were computed by treating the FOB price declared by the exporter as cum-duty price and working backwards. In view of this circular, all the relevant cases were referred to the Export Department for correction and computation of the appropriate export duty, which the Export Department re-quantified accordingly.

c) The cause of action for seeking refund arose only upon issuance of the Circular dated 10.11.2008. The claimant filed the refund claim on 30.01.2009, which falls well within one year from the date of the Circular.

d) This case involves modification of the original assessment in light of the said Circular concerning computation of value under Section 14 of the Customs Act, 1962 for levy of export duty. The duty earlier paid under the then-prevailing method was corrected/modified by the Assistant Commissioner, Export, on 21.09.2015, and the correct duty liability was recomputed as per Section 14 considering the Circular instructions. Such correction amounts to a re-assessment, bringing the case squarely within the ambit of Section 27(1B)(c) of the Customs Act. Since the re-assessment occurred on 21.09.2015, the limitation period commences from that date, rendering the refund claim well within the statutory time limit.

e) The Export Group re-assessed the shipping bills based on the Circular dated 10.11.2008 and in accordance with the directions of the Tribunal dated 19.03.2014. This reassessment resulted in quantification of excess export duty payment amounting to Rs.1,61,96,066/-. The requirement of examining unjust enrichment then arises. For this purpose, the claimant produced a Chartered Accountant's certificate dated 13.10.2015.

f) Therefore, in view of the foregoing discussion, the Board's Circular dated 10.11.2008, the Order of the Tribunal, the applicable case law, the quantification carried out by the Export Group regarding the correct duty payable, and the Chartered Accountant's certificate, the claimant is found entitled to refund of excess export duty paid, amounting to Rs.1,61,96,066/-.

4. Aggrieved, Revenue filed an appeal against the above Order-in-Original on the ground that the Ld. Assistant Commissioner had wrongly applied the provisions of Section 27 of the Customs Act to decide the aspect of limitation of time in filing the refund claim. Revenue also contended that the relevant date should have been taken as the date of payment of export duty and not the date of re-quantification of duty. Simultaneously, JSW also filed an appeal against the same Order-in-Original on the ground that interest on the sanctioned refund had not been granted.

5. Subsequently, the Ld. Commissioner of Customs (Appeals) passed the Impugned Order, allowing the appeal filed by Revenue and rejecting the appeal filed by the Appellant, holding that the refund application submitted by the Appellant was time barred under Section 27 of the Customs Act. The pertinent findings in the Impugned Order are provided below:

a) The refund claim filed by the Appellant was hit by limitation as provided under Section 27 of the Customs Act as it stood effective during the relevant period.

b) As per Section 51 of the Customs Act, 1962, the proper officer permits clearance and loading of goods for exportation only on being satisfied that the duty, if any, assessed thereon has been paid; the Let Export Order is granted only after ensuring such payment. The contention that there was no assessment in the present case is therefore not supported by the legal position.

c) The reliance placed by the Appellant on CC, Guntur v. Sameera Trading Co., 2011 (264) ELT 578 (Tri.-Bangalore) is misplaced, since that decision holds only that an error in computing export duty by treating FOB value as assessable value instead of cum-duty value can be corrected under Section 154 by re-assessing the shipping bills under Section 17(4); it contains no discussion of refund of excess duty paid after such re-assessment under Section 27.

6. Aggrieved by the Impugned Order, the Appellant, having filed Appeal No. C/41996/2016 regarding the refund claim for the principal amount and Appeal No. C/41997/2016 regarding the claim of interest, is now before this Tribunal.

7. Shri. Rohan Muralidharan, the Ld. Advocate appearing for the Appellant made his submissions on both the appeals, which as summarised in the common written synopsis, raised the following grounds:

A. Limitation runs from the date of rectification of the Impugned Shipping Bills

7.1. The refund claim under Section 27, as it stood during the period of dispute, stems from payment of excess duty in pursuance of an order of assessment; the limitation period is triggered only when an amount is paid pursuant to such an order.

7.2 In the present case, the subject goods were exported vide duty-free shipping bills and no export duty was assessed on the Impugned SBs, a fact not in dispute. The amount paid by the Appellant was recorded neither in the Impugned SBs nor in the Let Export Orders. Until the assessment itself was rectified, the cause of action for a refund claim under Section 27 could not have arisen.

7.3 The Appellant itself submitted a letter dated 24.11.2009 requesting re-assessment of the Impugned SBs after the first Order-in-Original was passed, confirming that the SBs remained unrectified during the first round of litigation. They were ultimately rectified vide Note dated 21.09.2015 issued by the Customs Export Department, an act amounting to assessment or re-assessment for the purposes of Section 27. The impugned order recognizes the fact that during the period of dispute, there was no separate provision for computation of time limit in the case of re-assessment of duty.

7.4. Section 2(2) of the Customs Act, as then in force, expressly provided that "assessment" includes re-assessment. The rectification carried out vide the Note dated 21.09.2015 therefore constitutes a valid reassessment under Section 27.

7.5. Accordingly, the cause of action for the refund claim arose only upon reassessment of the Impugned SBs on 21.09.2015, when the excess payment stood acknowledged. The refund application, filed even prior to that cause of action, cannot be treated as time-barred.Reliance is placed on ***Commissioner of Cus. (Import) v. Indian Farmers Fertiliser Co-Op. Ltd., 2009 (243) E.L.T. 687 (Bom.)***, ***Keshari Steels v. Collector of Customs, Bombay, 2000 (115) E.L.T. 320 (Bom.), affirmed 2000 (121) E.L.T. A139 (S.C.); and Principal Commissioner of Customs, New Delhi v. Lava International Ltd., 2023 (3) TMI 25-CESTAT New Delhi***.

B. Without prejudice, limitation runs from the date of the Circular

7.6. Since the excess amount was paid under a mistake, Section 27 limitation is inapplicable, and limitation must instead be reckoned under Section 17 of the Limitation Act, 1963, which postpones the limitation period until discovery of the mistake. The Circular was issued on 10.11.2008 and the refund claim filed on 30.01.2009. The date of discovery of the mistake is therefore the date of the Circular, and the claim is within time under Section 17 of the Limitation Act.

7.7 Reliance is placed on ***Parijat Construction v. Commissioner of Central Excise, Nashik, 2018 (359) E.L.T. 113 (Bom.); Messrs Aculife Health Care Pvt. Ltd. & Anr. v. Union of India & Ors., 2025 (2) TMI 501 (Guj.); CCE Bangalore v. KVR Construction, 2012 (26) STR 195 (Kar.), maintained 2018 (14) GSTL J70 (S.C.); 3E Infotech v. CESTAT, Commissioner of Central Excise (Appeals-I), 2018 (7) TMI 276 (Mad.)***; and ***Oil and Natural Gas Commission Ltd. v. Commissioner of Customs, Central Excise & Service Tax, Dibrugarh, 2025 (4) TMI 882***.

C. Section 27 limitation does not apply in the absence of an order of assessment

7.8. Section 27 provides for refund of duty paid in terms of an order of assessment under Section 17(2) or 17(4). Under Section 16, the applicable rate of export duty is the rate in force on the date of the Let Export Order.

7.9. On a perusal of the hard copies of the subject shipping bills along with let export orders, it is seen that no duty was assessed on any of the shipping bills. Where no order of assessment has been passed, the amount must be regarded as duty not assessed, and the Section 27 time limit does not arise.

D. The refund amount does not partake the character of "duty"

7.10.The term "duty" under Section 27 refers only to customs duty leviable under the Act. The excess amount deposited by the Appellant was never leviable, as evidenced by the Note dated 21.09.2015 clarifying the correct duty liability.

7.11. Article 265 of the Constitution provides that no tax shall be levied or collected except by authority of law. An amount collected without such authority is not "duty" and does not fall within the refund provisions of the statute.

7.12.The Appellant paid Rs.12,43,69,827/-, of which only Rs.10,81,73,761/- was actually leviable; the excess of Rs.1,61,96,066/- was collected without authority of law, as confirmed by the Note dated 21.09.2015, and the Section 27 time limit accordingly does not apply. Reliance is placed on ***Joshi Technologies International v. Union of India, 2016 (339) E.L.T. 21 (Guj.); 3E Infotech v. CESTAT, 2018 (7) TMI 276; Commissioner of Customs and Central Excise v. M/s. Credible Engineering Construction Projects Ltd., 2024 (4) TMI 1041***; and ***ONGC v. Commissioner of Customs, Central Excise & Service Tax, Dibrugarh, 2025 (4) TMI 882***.

7.13. It is accordingly submitted that the refund sanctioned to the Appellant is in accordance with law, and the Impugned Order rejecting the refund claim is liable to be set aside. It was also contended that the appellant is entitled to interest which was not sanctioned while allowing the refund.

8. Ms. Rajni Menon, Ld. Authorised Representative for the Respondent reiterated the findings in the Impugned Order. Ld. A.R. contended that the Note dated 21.09.2015 cannot be regarded as a reassessment. It was submitted that this was not a case of provisional duty paid under Section 18 so as to fall within Section 27(1B)(c), and that the Appellate Authority had rightly held the refund to be barred by limitation.

9. Post-hearing, the Ld. Counsel for the Appellant submitted a decision of the Hon'ble Madras High Court in ***Commissioner of Service Tax v. Hardy Explorations, C.M.A No.3249 of 2019 dated 10.08.2026***, for the proposition that where duty has been paid under mistake of law, the statutory time limit does not apply.

10. We have heard the rival submissions and perused the materials on record.

11. To our mind, the two issues that arise for our determination are whether the refund claim dated 30.01.2009 was time-barred under Section 27, and, if not, whether interest is payable.

12. We find that the contentions of the appellant at Grounds B and D, as noticed above, both seek to displace Section 27 limitation altogether, Ground B via the contention that limitation runs from discovery of the mistake and thus attracts Section 17 of the Limitation Act, 1963 and Ground D via Article 265, namely, that an amount collected without authority of law is not "duty". In our considered view, arguments advanced on both these routes were foreclosed by the Nine-Judge Bench in *Mafatlal Industries Ltd. v. Union of India, 1996 INSC 1514 : (1997) 5 SCC 536 : 1997 (89) E.L.T. 247 (S.C.)*. The Honourable Apex Court, in its answer to the first question posed therein, has unequivocally held that any claim for refund founded on mis-construction, mis-application, or wrong interpretation of a provision of law, rule, notification or regulation lies only under Section 27, and Section 72 of the Contract Act and, by the same logic, Section 17 of the Limitation Act, cannot be used to import an alternative limitation trigger ousting or ignoring that stipulated in a self-contained statute. That bar is not confined to mistakes discovered through a judgment in another assessee's case; it extends equally to a purported mistake corrected pursuant to the Board's own Circular, as is stated here, assuming arguendo that a mistake did occur in the first place, of which we are not convinced for the reasons further stated infra. The arguments in Grounds B and D, do not impress us and fail for the aforesaid reasons.

13. That apart, even independently, Ground B fails on its own facts. A plea under Section 17 of the Limitation Act requires that the mistake was not known, and could not with reasonable diligence have been known, until the date relied on for discovery, here, the Circular dated 10.11.2008. It is on record that the EDI system itself indicated the FOB value as the cum-duty price at the time the subject shipping bills were filed in June–July 2008, and that this was precisely the computation the Circular went on to confirm as correct for the period up to 31.12.2008. If that figure was before the Appellant at the point of export, the Appellant cannot be said to have discovered in 2009 what the EDI system indicated in 2008 at the time of filing the Bills of entry. Thus, the actual or constructive knowledge at the time of payment of duty is fatal to a discovery plea. The Appellant's explanation, as noticed from the appeal records, that it paid the higher, non-EDI figure at the insistence of Revenue, carries no contemporaneous documentation, either by way of any memo, note, letter, or endorsement evidencing any such insistence or any correspondence in writing by the appellant that it is paying such duty on the verbal insistence of the authorities. In fact, the duty has been paid without demur. The burden of establishing both the mistake, and the date of its discovery, lies on the party invoking Section 17. To our mind, such an unsupported assertion of oral pressure, which continued to be reflected in the written submissions in the denovo proceedings, i.e., that though no duty was assessed, the appellant was required to pay export duty on the goods exported @ the rate of 15% on the FOB value, can then be considered only as an assertion advanced merely to locate a later discovery date. It does not discharge that burden of establishing the mistake and the date of its discovery. If anything, the absence of any record suggests the higher payment was the Appellant's own computational choice in 2008, and not a mistake first discovered in 2009. Ground B accordingly fails on facts as well as in law.

14. As we had observed supra, the decision in Mafatlal Industries, held that the theory of mistake of law, and the limitation under Section 17 of the Limitation Act, cannot be invoked to bypass a self-contained refund provision such as Section 27. It was also held that Article 265 furnishes no independent route to refund for amounts collected by misinterpretation of a provision, as distinct from amounts collected under a provision later declared unconstitutional. The Judgement of the Apex Court in ***Escorts Ltd. v. Union of India, 1998 (97) E.L.T. 211 (S.C.),*** submitted by the Appellant, in a customs case, confirms that a specific

limitation provision such as Section 27 displaces the general law, distinguishing *Shri Vallabh Glass Works Ltd. v. Union of India, (1984) 3 SCC 362*, on the ground that no such dedicated provision existed in that case. This Bench applied the same reasoning in ***M/s. Metec Construction Technology Pvt. Ltd. v. Commissioner of GST and Central Excise, Final Order No.40761/2025 dated 24.07.2025***, following *Veer Overseas Ltd. v. CCE, Panchkula, 2018 (15) GSTL 59 (Tri-LB), ONGC v. Commissioner of GST & Central Excise, Tiruchirappalli, 2024 (6) TMI 1417-CESTAT Chennai (LB), and Enmaz Andritz Pvt. Ltd. v. CESTAT, Chennai, 2017 (6) GSTL 12 (Mad.)*. Judicial discipline ordinarily binds this Tribunal to its Jurisdictional High Court over any coordinate forum; but where that ruling appears to conflict with the binding ratio of a larger Bench of the Hon'ble Supreme Court under Article 141, whether the two can be harmonised, or whether the High Court decision was rendered without the benefit of paragraphs 66 to 99 of Mafatlal Industries, is not a question to be settled in passing. Given that Ground B fails independently on the facts set out above, the post-hearing citation of ***Commissioner of Service Tax v. Hardy Explorations, C.M.A No.3249 of 2019 dated 10.08.2026 (Mad.)*** as well as the other decisions in similar vein relied upon by the appellant; do not call for resolution even at the level of conflict with Mafatlal Industries. The question thus not arising on these facts, we are disinclined to pronounce on the same and have decided the appeals on other valid grounds that disposes them of.

15. Ground A does not seek to escape Section 27 limitation but argues that the limitation period ought to be computed from the date of rectification of the shipping bills vide note dated 21.09.2015 issued by the Customs Export Department. In Ground C the argument goes that there is no order of assessment passed under Section 17(2) or as the case may be under Section 17(4), and thus being a case of pending assessment the question of applying the time limit under Section 27 does not arise. On examination, however, the record does not support the Appellant's submission, as raised at Ground C, that no assessment whatsoever took place on the subject SBs. It is on record that the Let Export Order was granted only after payment was made by challan. Under Section 51 of the Customs Act, as it then stood, the proper officer permits clearance only on being satisfied that duty "assessed thereon" has been paid. Clearance conditioned in this manner is not consistent with an entirely unassessed shipping bill; it indicates that the proper officer treated some

duty figure as due and satisfied before granting LEO. To that extent, the Impugned Order's reliance on Section 51 has force, and it is difficult for us to accept the sweeping contention at Ground C that no assessment occurred at all, as that goes further than the facts of this case allow. That, however, does not disturb the outcome and in fact it narrows it. The only figure that can be said to have been assessed, in the sense of having been arrived at through the proper officer's satisfaction, is the amount the EDI system itself indicated, the cum-duty computation, which was the practice in vogue as later confirmed by the Circular. The excess amount actually paid by challan, over and above that indicated figure, finds no reflection in the subject SBs, the Let Export Orders, or any other contemporaneous assessment record. Nothing on record shows the proper officer examining, requiring, or assessing this additional amount. Its existence as excess duty comes to light only through the Note dated 21.09.2015. It is this excess, not the duty liability as a whole, that remained unassessed until that Note, and it is only in respect of this excess that Grounds A and C have some force.

16. Section 2(2) of the Customs Act, as then in force, defined "assessment" to include "reassessment". The Note dated 21.09.2015, recomputed the duty consistent with the Circular dated 10.11.2008 and pursuant to this Tribunal's remand. The cause of action therefore arose, at the earliest, on 21.09.2015. The refund application dated 30.01.2009, read with the correction sought by the Appellant vide its letter dated 24.11.2009 that remained on record and was revived by that reassessment, cannot be treated as time-barred. The said Note dated 21.09.2015 therefore in our considered view, is a reassessment within Section 27(1B)(c). Therefore, in view of the decision in ***Commissioner of Cus. (Import) v. Indian Farmers Fertiliser Co-Op. Ltd., 2009 (243) E.L.T. 687 (Bom.)***, that till the assessment order is rectified, the question of refund would not arise, and further holding that the refund claim having been made prior to the rectification, it could not be said to be time-barred, and given that the fact situation herein being similar, we hold that in the instant case too, the refund claim could not be said to be time barred. The decisions in ***Keshari Steels v. Collector of Customs, Bombay, 2000 (115) E.L.T. 320 (Bom.), affirmed 2000 (121) E.L.T. A139 (S.C.), and Principal Commissioner of Customs, New Delhi v. Lava International Ltd., 2023 (3) TMI 25-CESTAT New Delhi***, would also support our aforesaid view. Our opinion is also not in conflict with the Apex Court decision in **ITC Ltd. v. Commissioner of Central Excise,**

Kolkata-IV, 2019 (368) E.L.T. 216 (S.C.). That decision bars a refund officer from re-opening a final, unchallenged assessment by way of a refund claim. However, we are of the considered view that the said decision has no application to an amount that was never part of any assessment to begin with, and whose correction, unlike a unilateral refund-stage recomputation, was carried out by the departmental Export Group itself, pursuant to this Tribunal's remand. We are therefore of the firm opinion that the Ld. Commissioner (Appeals) erred in reckoning limitation from the 2008 date of payment rather than from the date of reassessment. That finding, and the Revenue's contention's in support thereof, cannot be sustained.

17. We also notice that the Order-in-Original separately examined and accepted the Appellant's Chartered Accountant's certificate dated 13.10.2015 on unjust enrichment. This finding was not disturbed in the Impugned Order, which rested solely on limitation, and nothing has been urged before us to disturb it.

18. In view of our aforesaid analysis and for the reasons given above, we hold that the refund claim was not time-barred. Order-in-Original No.44746/2016, sanctioning refund of Rs.1,61,96,066/-, was correctly passed. The Impugned Order, to the extent it allows the Revenue's appeal and rejects the Appellant's, is set aside. Appeal No. C/41996/2016 is allowed.

19. As regards the Appeal No.C/41997/2016, we find that in *Ranbaxy Laboratories Ltd. v. Union of India, 2011 (273) E.L.T. 3 (S.C.)*, construing the *pari materia* Section 11BB of the Central Excise Act, 1944, the Hon'ble Supreme Court held that interest on a delayed refund runs from expiry of three months from the date of receipt of the refund application and not from the date of the order sanctioning refund, and unaffected by the pendency of appellate proceedings. Thus, the law is settled that Revenue cannot escape interest liability merely because its own wrongful rejection of an otherwise ascertained claim occasioned appellate proceedings and consequent delay.

20. However, we are of the considered view that such a premise does not translate, without modification, to the present facts. Our finding recorded above on limitation rests on the basis that the cause of action for this refund, i.e. the ascertained existence of an excess payment of Rs.1,61,96,066/-, did not arise until the Note dated 21.09.2015. It was for that very reason that the application dated 30.01.2009, filed before

any such ascertainment, could not be treated as time-barred. That same finding cannot be set aside for the purpose of computing interest. Section 27A fastens interest liability where a refund "ordered" is not paid within three months of receipt of the application, and presupposes an application for an ascertained, presently refundable sum, with the intervening period attributable to departmental delay in disposing of it. Prior to 21.09.2015, there was no ascertained sum for the Department to have refunded, and no delay on its part in refunding one. The delay lay in the reassessment itself becoming necessary and being carried out, not in any default following receipt of a complete claim. To fix the interest clock at 30.01.2009 while fixing the limitation clock at 21.09.2015 for the identical cause of action would be to hold, in the same order, that the claim was both premature and overdue at the same moment and is therefore an inconsistency this Tribunal declines to introduce. Ranbaxy, properly applied on these facts, requires interest to run from 21.09.2015, the same date fixed as the relevant date under Section 27(1B)(c).

21. We therefore hold that interest under Section 27A is accordingly payable on Rs.1,61,96,066/- from the date immediately following the expiry of three months from 21.09.2015, that is, from 22.12.2015, until the date of actual refund, at the notified rate. Appeal No. C/41997/2016 is allowed to this extent.

22. In sum, the Impugned Order dated 11.08.2016 is set aside. Order-in-Original No.44746/2016 stands restored, with interest to be computed and paid as directed in paragraph 21.

The appeals are allowed in the aforesaid terms, with consequential relief in law.

(Order pronounced in open court 04.09.2026)

(AJAYAN T.V.)
Member (Judicial)

(VASA SESHAGIRI RAO)
Member (Technical)

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