Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench At Ahmedabad

REGIONAL BENCH- COURT NO.1

Customs Appeal No. 10438 of 2026
(Arising out of Order No. JMN-CUSTM-000-APP-470-25-26 dated 30.03.2026 passed by Commissioner of Customs)

Gujarat Craft Industries Limited **...Appellant**
431, Santej Vadsar Road, Santej,
Kalol, Gandhinagar, Gujarat-382721

VERSUS

C.C.-(P) Jamnagar **...Respondent**
Seema Shulka Bhavan, Rajkot Highway
Near Victoria Bridge, Jamnagar-361001-Gujarat

WITH

Customs Appeal No. 10465 of 2026
Arising out of Order No. AHD-CUSTM-000-APP-781-25-26 dated 31.03.2026 passed by Commissioner of Customs-Ahmedabad)

Gujarat Craft Industries Limited **...Appellant**
431, Santej Vadsar Road, Santej,
Kalol, Gandhinagar, Gujarat-382721

VERSUS

C.C.-Ahmedabad **...Respondent**
Office of the Pr. Commissioner of Customs,
1st Floor, Custom House, Opposite Old High
Court, Navrangpura, Ahmedabad-380009

APPEARANCE:
Shri Manish Jain, Advocate appeared for the appellant
Shri Himanshu Nachane, Authorised Representative appeared for the Respondent

CORAM:
HON'BLE MR. SOMESH ARORA, MEMBER (JUDICIAL)

FINAL ORDER NO. 10756-10757/2026

DATE OF HEARING: 25.08.2026
DATE OF DECISION: 08.10.2026

SOMESH ARORA:

In the instant case, appellants are engaged in business of manufacturing and supply of articles of Flexible Intermediate Bulk containers, HDPE Geo-Membrane etc. falling under Chapter 63 & 39. The appellant vide their letter dated 12.02.2024 submitted under Section 27(1)(a) of the Customs Act, 1962 in respect of refund of interest paid by them for availing benefit of exemption from payment of IGST under Advance Authorisation Scheme as per Notification NO. 79/2017-Cus dated 13.10.2017 during the period from July 17 to

March 2020. The benefit of IGST availed was surrendered by the appellants by making payment of IGST of Rs.55,41,245/- and interest on 9 Bills involved of Rs.30,62,310/- was claimed as refund. The matter in the instant case has been claimed to be decided by the decision of Mahindra & Mahindra as reported in 2022 (10) TMI 2012-Bom (HC) as well AR Sulphonates Private Limited vs UOI as reported in 2025 (393) ELT 246 (Bom. H.C.). This Tribunal vide order No. 37-39/2024 dated 03.12.2024 vide an interim in the matter of Meghmani Organics Limited vs Commissioner of Customs, Kandla on 03.12.2024 referred the matter to Hon'ble President of CESTAT noting that there were two views existing as in the case of M/s Mayur Unicoaters Limited vide Final Order No. 58005-58006/2024 and opposite view vide Final Order No. 11628-11630/2024 dated 23.07.2024 in the case of M/s Chiripal Poly Films Limited (Chiripal No. 1), which held to the contrary. It was held that the appellant had paid interest correctly on delayed payment of IGST in the matter of M/s Mayur Unicoaters. Whereas later in the matter of M/s Chiripal Polyfilms Limited this Tribunal as reported in 2025 (8) TMI 941 CESTAT AHD (Chiripal No.2) after noting that the matter has been referred to the Larger Bench by the Hon'ble Tribunal in Meghmani Organics Limited vs CC-Kandla on 03.12.2024 by giving a finding that the referring bench could not consider the decision of Hon'ble Bombay High Court in the matter of AR Sulphonates Private Limited vs UOI in Writ Petition No. 19366/2024 due to non-availability, remanded the matter to give reasoned order by the Appellate Authority.

1.1 These conflicting views of M/s Mayur Unicoaters and M/s Chiripal (1), therefore, were the basis of reference to the Hon'ble President for constituting a Larger Bench. The reference does not indicate that while referring the matter the decision of Hon'ble

Bombay High Court in the matter of AR Sulphonates Private Limited which became available later was considered by the referring bench.

2. The Learned Advocate for the appellants extensively relies on the decision of AR Sulphonates Private Limited as well on the decision of Chiripal No. 2 which allowed the waiver of interest because of lack of provision by stating that when a reference is made and the Hon'ble High Court decision relevant to the facts or legal proposition becomes available then as per precedent it is a decision of the High Court which needs to be followed and same was also done in case of Chiripal Polyfilms Limited (2) reported in 2025 (8) TMI 941 CESTAT-AMD, wherein it will be proper to ignore the reference to the Larger Bench and give due respect to the decision of higher authority i.e. Bombay High Court in this case, in the matter of AR Sulphonates Private Limited (supra).

3. The Learned Authorised Representative, per contra, seeks to defend the referral in the decision of Meghmani Organics Limited (i.e. the Larger Bench reference) which heard the matter on 13.04.2026 and to decide the matter only thereafter. He states that discussion before the Larger Bench had also taken place on AR Sulphonates Private Limited. As against this, the advocate informs that there is no impropriety involved in following the decision of Hon'ble High Court of Bombay and not in case the Larger Bench reference in M/s Meghmani Organics Limited which was heard on 13.04.2026 and the decision has still not become available. He states that case clearly falls within the legal frame work as decided in the case of AR Sulphonates Private Limited vs UOI, therefore, the reference as well as the Larger Bench decision has no meaning based as the reference was on the conflicting decision of the Tribunal in the absence of Rulings being made available in AR Sulphonates Private Limited vs

UOI reported in 2025 (29) CENTAX 212-Bom. It was his submission that the reference has become infructuous in view of the later ruling of the Bombay High Court of AR Sulphonates Private Limited which was not part of the term's reference.

4. In this instant case, the fact is that the reference was made to the Larger Bench as the view taken by the Ahmedabad Bench was different from the view taken by the Delhi Bench, as noted in M/s Meghmani Organics Pvt. Ltd. Vs Commissioner of Customs, Kandla on 03.12.2024 and the Larger Bench was constituted as the decisions in earlier matters i.e. M/s Mayur Unicoaters delivered vide Final Order No. 58005-58006/2024 was in favour of Revenue and whereas case of M/s Chiripal Polyfilms Limited in the Final Order No. 11628-11630/2024 dated 23.07.2024 took a contrary view, on the point that delayed payment of IGST will or will not attract interest when there was no specific provision in the IGST Act. The decision of Hon'ble Bombay High Court in the matter of AR Sulphonates Private Limited vs UOI in Writ Petition NO. 19366 of 2024 reported in 2025 (29) CENTAX 212-Bom however took a view in favour of the petitioner holding that no interest could be levied. Thereafter a legislative amendment was carried out by which a specific provision was brought in the relevant legislation also. This court is concerned with the period prior to date of amendment when there was no specific provision existing in the statute regarding delayed payment interest on IGST. Though the reference has been made to the Larger Bench and Larger Bench has been constituted, the fact remained that decision of M/s AR Sulphonates Private Limited vs UOI reported in 2025 (29) CENTAX 212-Bom touches upon and covers the same issue which has been referred to the Larger Bench, albeit, in the absence of the decision becoming available while making the reference to the

Larger Bench which heard the matter on 13.04.2026. Decision is still awaited. This court finds that the decision of M/s AR Sulphonates Private Limited vs UOI reported in 2025 (29) CENTAX 212-Bom clearly applies to the matter in hand. This being the position and the ruling of the higher authority being available same shall prevail, than any of the authorities of the Tribunal. Further, the limitation for refund of two years will not apply as it is not the case of refund of duty, but deposit. As such UPL Limited vs UOI reported at 2022 (379) ELT 183 (Guj.) ruling will apply, which view has also been upheld by G.B. Engineering vs UOI reported as 2025 (10) TMI 1027. Therefore, on point of limitation, the impugned order also cannot be sustained. Further, as decision of higher authority i.e. Hon'ble Bombay High Court in AR Sulphonates Private Limited vs UOI reported in 2025 (29) CENTAX 212-Bom is available, this court is inclined to follow the same as per judicial discipline. In view of the stated position, this court is of the view that order is not sustainable both in relation to legal propositions as well on limitation. Appeals are allowed with consequential relief.

(Pronounced in the open court on 08.10.2026)

(SOMESH ARORA)
MEMBER (JUDICIAL)

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