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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on: 01.02.2024

\+ W.P.(C) 11962/2023

SAVI LEATHERS ..... Petitioner

versus

UNION OF INDIA AND ORS. ..... Respondents

Advocates who appeared in this case:

For the Petitioner: Mr. Rajendra Singhvi and Ms. Arundhati Chakraborty, Advocates.

For the Respondent: Mr. Harpreet Singh, Senior Standing Counsel with Ms. Suhani Mathur and Mr. Gurpreet Singh Gulati, Advocates
Mr. Anurag Ojha, Senior Standing Counsel with Mr. Subham Kumar for R-4

CORAM:-
HON'BLE MR. JUSTICE SANJEEV SACHDEVA
HON'BLE MR. JUSTICE RAVINDER DUDEJA

JUDGMENT

SANJEEV SACHDEVA, J. (ORAL)

1. Petitioner seeks a direction to the respondents to release the duty drawback of Rs. 41,82,661/-.

2. By order dated 17.11.2023, this Court had prima facie opined that there was no impediment in the claim for duty drawback being

considered and disposed of by the competent authority in accordance with law.

3. Pursuant thereto Mr. Harpreet Singh, Senior Standing Counsel appearing for the Custom authorities submits that he has received instructions that the claim of the petitioner for duty drawback of Rs. 41,82,661/- has been accepted and said amount has been remitted to the petitioner.

4. Learned counsel for the petitioner submits that petitioner has not been granted any interest on the delayed credit of duty drawback.

5. Learned counsel for the respondents submits that the competent authority has offered to grant 6% interest on the delayed is credit of duty drawback.

6. Learned counsel for the petitioner submits that petitioner should be granted higher rates of interest. He relies on Section 75-A read with Section 27-A of the Customs Act, 1962. (hereinafter referred to as the Act)

7. Section 75-A of the Customs Act, 1962 reads as under:

75A – Interest on drawback

(1) Where any drawback payable to a claimant under section 74 or section 75 is not paid within a period of one month from the date of filing a claim for payment of such drawback, there shall be paid to that claimant in addition to the amount of drawback, interest at the

rate fixed under section 27-A from the date after the expiry of the said period of one month till the date of payment of such drawback.

xxxx xxxx xxxx

8. Section 75-A of the Act stipulates that where any drawback is payable to a claimant under Section 74 or 75 of the Act and is not paid within a period of one month from the date of filing a claim, the claimant shall be entitled to, in addition to the amount of drawback, interest at the rates fixed under Section 27-A from the date after the expiry of period of one month till the date of payment of such drawback.

9. Section 27A of the Act, reads as under:-

Section 27A. Interest on delayed refunds:-

"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 under sub-section (1) of that section, there shall be paid to that applicant interest at such rate, (not below five percent) and no exceeding thirty percent per annum as is for the time being fixed by the Central Government by Notification in the Official Gazette, 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:"

10. Learned counsel for the respondents submits that by Notification dated 12.09.2023 bearing No. 75/2003-Custom (NT), Government of India in exercise of power conferred under Section 27-A of the Act has fixed the rates of interest @ 6% per annum for the purposes of Section 27-A of the Act.

11. Learned counsel for the petitioner submits that the application of the petitioner claiming duty drawback was approved and consequently scrolls were issued in October, 2018, however, the payment was not released despite the said scrolls being approved.

12. In terms of Section 75-A read with Section 27-A, petitioner is entitled to interest on expiry of period of one month from the date of his application. Further in terms of Notification dated 12.09.2003, petitioner shall be paid simple interest @ 6% per annum by the respondents in accordance with Section 75-A read with Section 27-A of the Act. The interest be paid within a period of four weeks from today.

13. The petition is disposed of in the above terms with no order as to costs.

SANJEEV SACHDEVA, J

FEBRUARY 1, 2024 **RAVINDER DUDEJA, J**
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