

Central Excise Act, 1944

Section 11AA - Interest on Delayed Payment of Duty

1[11AA. Interest on delayed payment of duty

2[(1)]3[Subject to the provisions contained in section 11AB, where a person, chargeable with duty determined under sub-section (2) of section 11A, fails to pay such duty within three months from the date of such determination, he shall pay, in addition to the duty, interest4[at such rate not5[below ten per cent and not exceeding thirty-six per cent 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 the said period of three months till the date of payment of such duty:

Provided that where a person chargeable with duty determined under sub-section (2) of section 11A before the date on which the Finance Bill, 1995 receives the assent of the President, fails to pay such duty within three months from such date, then, such person shall be liable to pay interest under this section from the date immediately after three months from such date, till the date of payment of such duty.

Explanation 1. -Where the duty determined to be payable is reduced by the Commissioner (Appeals), Appellate Tribunal7[, National Tax Tribunal] or, as the case may be, the court, the date of such determination shall be the date on which an amount of duty is first determined to be payable.

Explanation 2.- Where the duty determined to be payable is increased or further increased by the Commissioner (Appeals), Appellate Tribunal7[, National Tax Tribunal] or, as the case may be, the court, the date of such determination shall be,-

- (a) for the amount of duty first determined to be payable, the date on which the duty is so determined;
- (b) for the amount of increased duty, the date of order by which the increased amount of duty is first determined to be payable;
- (c) for the amount of further increase of duty, the date of order on which the duty is so further increased].

6[(2) The provisions of sub-section (1) shall not apply to cases where the duty becomes payable on and after the date on which the Finance Bill, 2001 receives the assent of the President.]

1. Inserted by Act 22 of 1995, section 73 (w.e.f. 26-5-1995).

2. Section 11AA renumbered as sub-section (1) thereof by Act 14 of 2001, section 124 (w.e.f. 11-5-2001).

3. Substituted by Act 33 of 1996, section 75, for "Where a person" (w.e.f. 28-9-1996).

4. Substituted by Act 10 of 2000, section 98, for certain words (w.e.f. 12-5-2000).

5. Substituted by Act 20 of 2002, section 135, for "eighteen per cent."

6. Inserted by Act 14 of 2001, section 124 (w.e.f. 11-5-2001).

7. Inserted by the National Tax Tribunal Act, 2005.
