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Central Excise Act, 1944

Section 14AA - Special Audit in Cases Where Credit of Duty Availed or Utilised is Not Within the Normal Limits, Etc.

1[14AA. Special audit in cases where credit of duty availed or utilised is not within the normal limits, etc

(1) If the Commissioner of Central Excise has reason to believe that the credit of duty availed of or utilised under the rules made under this Act by a manufacturer of any excisable goods--

(a) is not within the normal limits having regard to the nature of the excisable goods produced or manufactured, the type of inputs used and other relevant factors, as he may deem appropriate;

(b) has been availed of or utilised by reason of fraud, collusion or any wilful mis-statement or suppression of facts, he may direct such manufacturer to get the accounts of his factory, office, depot, distributor or any other place, as may be specified by him, audited by a 3[cost accountant or chartered accountant] nominated by him.

(2) The 3[cost accountant or chartered accountant] so nominated shall, within the period specified by the Commissioner of Central Excise, submit a report of such audit duly signed and certified by him to the said Commissioner mentioning therein such other particulars as may be specified.

(3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the said manufacturer aforesaid have been audited under any other law for the time being in force or otherwise.

2[* * *]

(5) The manufacturer shall be given an opportunity of being heard in respect of any material gathered on the basis of the audit under sub-section (1) and proposed to be utilised in any proceeding under this Act or rules made thereunder.

4[Explanation 1].- For the purpose of this section, "cost accountant" shall have the meaning assigned to it in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959).]

5[Explanation 2.--For the purposes of this section, chartered accountant shall have the meaning assigned to it in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949).]

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1. Inserted by Act 26 of 1997, section 83 (w.e.f. 14-5-1997).

2. Sub-section (4) omitted by Act 10 of 2000, section 105 (w.e.f. 12-5-2000).

3. Substituted by the Finance (No. 2) Act, 2009 for the words :- "cost accountant"

4. Renumbered by the Finance (No. 2) Act, 2009 for the words :- "Explanation"

5. Inserted by the Finance (No. 2) Act, 2009.

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