

Customs Act, 1962

Section 28AB - Interest on Delayed Payment of Duty in Special Cases

(1) Where any duty has not been levied or paid or has been short-levied or short-paid or erroneously refunded, the person who is liable to pay the duty as determined under sub-section (2), or has paid the duty under sub-section (2B), of section 28, shall, in addition to the duty, be liable to pay interest at such rate not 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, from the first day of the month succeeding the month in which the duty ought to have been paid under this Act, or from the date of such erroneous refund, as the case may be, but for the provisions contained in sub-section (2), or sub-section (2B), of section 28, till the date of payment of such duty :

Provided that in such cases where the duty becomes payable consequent to issue of an order, instruction or direction by the Board under section 151A, and such amount of duty payable is voluntarily paid in full, without reserving any right to appeal against such payment at any subsequent stage, within forty-five days from the date of issue of such order, instruction or direction, as the case may be, no interest shall be payable and in other cases the interest shall be payable on the whole of the amount, including the amount already paid.

(2) The provisions of sub-section (1) shall not apply to cases where the duty or interest had become payable or ought to have been paid before the date on which the Finance Bill, 2001 receives the assent of the President.

Explanation 1.-Where the duty determined to be payable is reduced by the Commissioner (Appeals), the Appellate Tribunal¹, the National Tax Tribunal] or, as the case may be, the court, the interest shall be payable on such reduced amount of duty.

Explanation 2.-Where the duty determined to be payable is increased or further increased by the Commissioner (Appeals), the Appellate Tribunal¹, the National Tax Tribunal] or, as the case may be, the court, the interest shall be payable on such increased or further increased amount of duty.

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