

The Customs Act, 1962

Section 27A - Interest on delayed refunds

¹[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, ²[not below five per cent.] and not exceeding thirty per cent. per annum as is for the time being fixed ³[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:

Provided that where any duty, ordered to be refunded under sub-section (2) of section 27 in respect of an application under sub-section (1) of that section made before the date on which the Finance Bill, 1995 receives the assent of the President, is not refunded within three months from such date, there shall be paid to the applicant interest under this section from the date immediately after three months from such date, till the date of refund of such duty.

Explanation.--Where any order of refund is made by the Commissioner (Appeals), Appellate Tribunal ⁴[, National Tax Tribunal] or any court against an order of the ⁵[Assistant Commissioner of Customs or Deputy Commissioner of Customs] under sub-section (2) of section 27, the order passed by the Commissioner (Appeals), Appellate Tribunal ⁴[, National Tax Tribunal] Tribunal or as the case maybe, by the court shall be deemed to be an order passed under that sub-section for the purposes of this section.]

1. Ins. by Act 22 of 1995, s. 55 (w.e.f. 26-5-1995).

2. Subs. by Act 14 of 2001, s. 102, for "not below ten per cent." (w.e.f. 11-5-2001).

3. Subs. by Act 10 of 2000, s. 78, for "by the Board" (w.e.f. 12-5-2000).

4. Ins. by Act 49 of 2005, s. 30 and the Schedule, Part VI (w.e.f. 28-12-2005). This amendment has been struck down by the Supreme Court's order dated 25th September, 2014 in the Madras Bar Association Vs Union of India.

5. Subs. by Act 27 of 1999, s. 100, for "Assistant Commissioner of Customs" (w.e.f. 11-5-1999).