

DEMAND AND APPEALS

Question

Discuss with a brief note the provisions of section 129E of the Customs Act, 1962 regarding deposit of duty and interest or penalty levied pending appeal. (4 Marks) (Nov 2010)

Answer

As per section 129E of Customs Act, 1962 where, in any appeal the decision or order appealed against relates to any duty and interest demanded in respect of goods which are not under the control of customs authorities or any penalty levied under this Act, the person desirous of appealing against such decision or order shall, pending the appeal, first deposit the duty and interest demanded or penalty levied with the proper officer.

However, such deposit may be waived by the Commissioner (Appeals) or the Appellate Tribunal if he or it is of the opinion that deposit of duty and interest demanded or penalty levied would cause undue hardship to such person. Such waiver may be allowed subject to conditions as he or it may deem fit to impose so as to safeguard the interest of revenue.