

Overall performance is good. You need to save time from working notes part. You can score good marks. Attempt more questions. Best of luck

Question 5

5 Marks

34 Marks

As per Section 27A, interest on refund shall be payable on expiry of three months from the date of application for refund, of amount claimed as refund not refunded at the rate of 6% per annum.

In the instant case, the application for refund was filed by the assessee on 25-12-2018 and all necessary documents to support refund claim also filed. It is irrelevant that the assessee got the refund after making an appeal to the Tribunal.

Hence assessee is entitled to receive interest as follows as per Section 27A :

a) Amount of refund	5,00,00,000
b) Date of application	25-12-2018
c) Date after expiry of 3 months from (b)	25-03-2019
d) Date of refund paid	25-03-2021
e) No. of years delayed	2 years
f) Interest rate per annum	6%
g) Interest amount (a x e x f)	Rs 60,00,000

This has been appropriately solved by you.

P.T.O

Question 4

M/S AMTL Ltd.

8 Marks

Computation of Assessable value for Custom duty payable.

Particulars	working Note.	Currency	Amounts
a. Free on Board value		\$	50000
b. Supply of extra set of accessories for free of cost	1	-	-
c. Warranty cost	2	\$	4500
d. Design and Development charges	4	\$	6000
e. Licence fees.	5	\$	1000
f. Value of Drawing supplied by AMTL Ltd for free of cost	6	\$	1000
g. Customs Free on Board value (a to f)		\$	62500
h. Air Freight. Actual Freight or vol. of (g) whichever is less \$ 15,000 or \$ 12,500 whichever is less		\$	12500
i. Insurance @ 1.25% of (g)		\$	703.125
j. Total value (g+h+i)		\$	75703.125
k. Exchange rate	7	Rs	Rs. 66.25
l. Assessable value (j x k)		Rs	50,15,332.03

Working Notes :

1. Sale price of machine is deemed to be included value accessories
2. Warranty cost related to imported machine and is payable in sale of imported machine hence included.
3. Buying commission is not includable in assessable value.
4. Design and design development charges paid are included when work is done in abroad.
5. Royalty or license fees payable by the buyer to the seller or 3rd party as condition of sale is included in assessable value.
6. Value of materials, tools, dies, molds and similar items supplied by buyer to supplier at free of cost or reduced cost and use in imported goods shall be considered while calculating assessable value.
7. Exchange rate shall be considered as per CBR rate as on the date of presentation of bill of entry.

You have good conceptual knowledge of this question

4

4 Marks

Question 3

As per the provision of custom law, any notification issued by the central government is effective from the date of notification unless it is mentioned that notification is effective with effect from retrospective date.

In present case, notification is issued with effect from 13.07.2014 section 18 of The Customs Act, 1962 was amended with the insertion of certain provisions in terms of which it became necessary for the assessee to prove that they had not passed on the amount to their customers.

M/s HIL has filed two refund claims arising out of the finalisation of the bills of entry by the authorities on 01.03.2014 and on 15.03.2014.

Conclusion: In given notification central government not mention notification is effective from retrospective date hence M/s HIL need not prove that they had not passed duty on the amount to other person to claim refund.

Hence action of the department is not correct in law.

You did an excellent work of describing it.

P.T.O

Question 2.

Ms. X
Computation of custom duty and antidumping duty payable.

This has been appropriately solved by you.

Particulars	Amount
CIF value of goods $(14,000 \times 13.65)$	9,360,000
Basic custom duty @ 10% of a.	9,36,000
Add: Social welfare surcharge @ 10% of b	93,600
Cost of goods (landed value catec)	10,389,600
Cost of goods for the purpose of	
Anti dumping duty $(14,000 \times 13.80)$	1,56,00,000
$(3000 \text{ kg} \times \$ 80 \text{ per kg} \times R 65/1)$	
Anti dumping duty ($14,000 \times 13.80$)	50,10,400

Note: Social welfare surcharge shall not impose on Anti dumping duty.

4 Marks

Question 1

Conditions to be fulfilled by the importer to make the imported goods eligible for preferential rate of duty prescribed by the Central Government by notification under the Section 25 of the Customs Act, 1962 are as follows:

1. Importer of the goods must claim of the type of importation of goods that it is eligible for preferential rate.
2. Importer must claim goods shall be produced or manufactured in preferential area.

P.T.O

You have correctly described this.

3. Area should notified as per Section 6 of The Customs Tariff Act notified by the Central Government.

u. The origin of each goods must be determined in accordance with rules made in the behalf.

Marks

1 B

✓

5 Marks

2 D

✓

3 C

✓

4 A

✓

5 B

✓

very good attempt