

Topic: CUSTOMS

Total Marks - 30

Time allowed – 50 minutes

Q1.A. Geetanzali Overseas Pvt. Ltd. was erroneously refunded on 16.06.2019 a sum of Rs.30,000 in excess of the actual due amount of the duty drawback. A demand notice for recovery of the excess amount so paid was issued by the department on 24-08-2019. Geetanzali Overseas Pvt. Ltd. after receipt of the demand notice from the department returned the erroneous excess refund amount of Rs.30,000 of the duty drawback to the department on 16-10-2019. In this backdrop, you are required to explain in brief the provision contained under the Customs Act, 1962 and also to work out and calculate the amount of interest, if any chargeable from Geetanzali Overseas Pvt. Ltd. on the excess erroneous refund of drawback so made to them.

(5 marks)

Q1.B. Specify all those conditions which are to be satisfied for imposing countervailing duty on the subsidized articles as specified in section 9 of the Customs Tariff Act, 1962.

(5 marks)

Q2.A. State with brief reasons, whether the following statements are true or false in the light of the provisions contained in the Customs Act, 1962:

- a) Customs area includes a warehouse;
- b) A beneficial owner of imported goods is a person on whose behalf the goods are being imported.

(4 marks)

Q2.B. Calculate FOB Value, Cost of Insurance, Cost of Freight and Assessable Value where only the CIF value is given as US \$ 5,000. Exchange rate notified by RBI and CBIC are Rs. 70 and Rs. 68 respectively for one US \$.

(3 marks)

Q2.C. What is the meaning of the terms Derelict, Jetsam, Flotsam and Wreck used under Customs law?

(3 marks)

Q3.A. Particulars relating to import of product Z by Mr. Prahalad on 23-12-19 from Antwerp, Belgium to the Chennai airport, are given hereunder:

Particulars	Amount
FOB value of the Product	\$ 10,000
Cost of transport, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	\$ 2,000
Insurance	\$ 1,000
Unloading charges at Chennai airport	Rs. 34,000
Exchange rate notified by CBIC on 23-12-19	1\$ = Rs. 64
Exchange rate notified by RBI on 23-12-19	1\$ = Rs. 64.50
Basic customs duty	10%
IGST	12%

Ascertain the assessable value and the amount of duty payable by Mr. Prahalad.

(5 marks)

Q3.B. ABC Ltd., an exporter whose export turnover for the year ended 31st March, 2019 is Rs.20.00 Lakhs, approaches you to discuss the conditions to be complied to become a Status Holder and to know about the privileges available to Status Holder, if any. Advise the exporter suitably.

(5 marks)