

MODULE – I**(A) PAYMENT OF TAX & REFUNDS**

Section 49 of CGST Act 2017: Payment of Tax, Interest, Penalty and Other Amounts

As per [Section 49 of the CGST Act 2017](#), below are the various provisions for payment of tax, interests, penalty, and any other amounts:

- Every deposit by the taxable person towards payment of tax, interest, penalty, or any kind of fee must be done either through internet banking or using a credit or debit card or through NEFT or RTGS with subject to restrictions and conditions as imposed by [GST Act](#) and should be credited to electronic ledger of Government in prescribed manner.
- The self-assessed input tax credits of a person shall be credited to his registered electronic credit ledger as prescribed in section 41 of the [GST Act](#) and must be maintained as per the prescribed law.
- The total amount available in electronic cash ledger could be used for making any payments towards the tax, interest, penalty, fees, or any other amount which is payable under the provisions of [GST Act or the rules](#) as prescribed under this act subject to condition and time limits as may be prescribed.
- The amount available in electronic ledger maybe used for making payments towards the output tax under the GST Act or [IGST act](#) as in the manner prescribed to such conditions and in the time limits prescribed by the law.
- The amount of input tax credit available in the electronic credit ledger of the registered person on account of:
 - i) Integrated tax shall be first utilized towards the payment of integrated tax and remaining amount may be utilized for payment of central tax and State tax or Union territory tax, if any.
 - ii) The central tax shall be first utilized towards the payment of central tax and remaining amount may be utilized to pay taxes towards the integrated taxes.
 - iii) The State tax shall be first utilized towards the payment of State tax and remaining amount may be utilized to pay taxes towards the integrated taxes.
 - iv) The Union Territory taxes shall be first utilized towards the payment of union territory taxes and remaining amount may be used to pay toward integrated taxes.
 - v) The State tax or union territory tax shall not be utilized towards the payment of central tax or vice-versa.
 - vi) Any balance in the electronic cash ledger or electronic credit ledger after the payment of all taxes, penalty, fee, or any other payable amount may be refunded to the taxpayer as per provisions under section 54 of GST Act.

• Under this act, all the liabilities and payments of a person or entity shall be recorded as prescribed by the law.

• Each taxable person shall then discharge his taxes or any other dues under this act or under any of the rules in below mentioned order:

i) self-assessed tax and other dues related to the returns of previous tax periods

ii) self-assessed tax and any other dues related to current tax period

iii) any other amounts payable under this Act or the rule made under this act which may include the demand as determined under [section 73 or section 74 of the GST Law](#).

❖ **E-LEDGERS UNDER GST: ELECTRONIC CASH, CREDIT AND LIABILITY LEDGER:**

E-Ledger is an electronic form of passbook for GST. These e-ledgers are available to all GST registrants on the [GST Portal](#).

The e-ledgers contains details of the following-

A. Amount of GST deposited in cash to government in **Electronic Cash Ledger**

B. Balance of Input Tax Credit available (ITC) in **Electronic Credit Ledger**

C. Manner of Setoff of GST liability and balance liability (if any) **Electronic Liability Ledger**

Here is our guide on [How to access the e-ledgers on GST Portal](#).

The balances of these ledgers are also available on [ClearTax GST Software](#) while filing their GST Returns.

A. What is an Electronic Cash Ledger?

This is like an e-wallet. Any [GST payment](#) made in cash or through bank reflects in Electronic Cash Ledger.

After deduction of Input Tax Credit (ITC) any balance tax liability has to be paid using balance in Electronic Cash Ledger.

For example-

Mr. A has a GST on sales of Rs 50,000. He also has an Input Tax Credit on purchases of Rs 35,000. The **balance** in his **Electronic Cash Ledger** is Nil.

Particulars	Amount
GST on Sales	50,000
Input Tax Credit (ITC)	35,000
GST Liability to be paid	15,000

The GST Liability of Rs. 15,000 has to be paid in the form of cash/bank payment.

Mr. A will deposit Rs 15,000. This will be shown in Electronic Cash Ledger of Mr.A. The balance of the ledger will be utilised for payment of GST. This payment will reflect in Mr.A's Electronic Cash Ledger as shown below:

Electronic Cash Ledger

Select Period • Indicates mandatory fields

From: To:

Viewing Ledger details from 15/06/2017 to 30/06/2017

Sr.No	Date of deposit/Debit	Time of deposit	Reporting date (by bank)	Reference No.	Tax Period, if applicable	Description	Transaction Type (Debit/Credit)	Amount debited / credited (₹)			
								Integrated Tax	Central Tax	State Tax	Cess Tax
1	-	-	-	-	-	Opening Balance	-	-	-	-	
2	26/06/2017	-	26/06/2017	111462	-	Amount deposited	Credit	12,000	3,000		
3	28/06/2017	11:20:00	28/06/2017	111476	-	Amount deposited	Credit	12,000	3,000		
4	-	-	-	-	-	Closing Balance	-	-	-	-	

Balance in Electronic Cash Ledger is utilized for payment of GST liability. When offsetting GST liability this is how it reflects on the GST Portal.

6. Payment of tax Help

Interest to be paid on tax liabilities both for supplies attracting reverse charge as well as other than reverse charge

No pending Liabilities to pay.

Description	Tax payable (₹)	Paid through ITC				Tax/Cess Paid in cash (₹)	Interest Paid in cash (Total in ₹)	Late fee Paid in cash (₹)
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)			
Other than reverse charge								
Integrated Tax	30,000	18,000			12,000	0.00		
Central Tax	10,000		7,000		3,000	0.00	0.00	
State/UT Tax	10,000			10,000		0.00	0.00	
CESS	50,000	18,000	7,000	10,000	0.00	15,000	0.00	
Reverse charge								
Integrated Tax	0.00				0.00			
Central Tax	0.00				0.00			
State/UT Tax	0.00				0.00			
CESS	0.00				0.00			

B. WHAT IS ELECTRONIC CREDIT LEDGER?

All eligible Input Tax Credit that is claimed by a registered dealer in the GST returns (GSTR-2 or GSTR-3B) reflects in Electronic Cash Ledger.

Credit in Electronic Cash Ledger can be used only for payment of tax.

This means that balance of Electronic Credit Ledger cannot be utilised for payment of interest, penalty or late fees. Interest and Penalty can be paid only through actual cash payment.

Specific order and restrictions for utilizing ITC (IGST, CGST, SGST) for payment of GST liability:

- Credit of **IGST** can be utilised against all any tax liability in this order – IGST, CGST, SGST/UTGST.
- Credit of **CGST** cannot be utilised for payment of SGST. It can be set-off in the following order – CGST, IGST.
- Credit of **SGST/UTGST** cannot be utilised for payment of CGST. SGST can be set-off in the following order – SGST/UTGST, IGST.

Let's take the above example. Mr. A has a ITC of Rs 35000. The breakup of ITC is-

- IGST – Rs. 18,000
- CGST – Rs. 7,000
- SGST – Rs. 10,000

The IGST Liability is Rs 30,000. The IGST credit of Rs 18,000 will be entirely used to set off this liability. The balance IGST is paid in cash of Rs 12,000 which reflects in the Electronic Cash Ledger.

In case of CGST the credit of Rs. 7,000 will be set off against liability of Rs. 10,000 and CGST of Rs. 3,000 has to be paid.

The SGST payable is equal to the credit of SGST available. This means no SGST has to be paid by Mr. A.

Electronic Credit Ledger									
Select Period									
From		01/11/2017		To		30/11/2017		GO	
Viewing Electronic Credit ledger details from 01/11/2017 to 30/11/2017									
Sr. No.	Date	Reference No.	Tax Period, if any	Description	Transaction Type (Debit/Credit)	Credit / Debit (₹)			
						Integrated Tax (₹)	Central Tax	State Tax	CESS
1	-	-	-	Opening Balance	-	-	-	-	-
2	20/11/2017	AA3310174157884	Oct-17	ITC accrued through - Inputs	Credit	18,000	7,000	10,000	0.00
3	20/11/2017	DI3311170241666	Oct-17	Other than reverse charge	Debit	18,000	7,000	10,000	0.00
4	-	-	-	Closing Balance	-	-	-	-	-

On offsetting credit here is how the adjustments will reflect on the GST Portal-

6. Payment of tax Help

Interest to be paid on tax liabilities both for supplies attracting reverse charge as well as other than reverse charge

No pending Liabilities to pay.

Description	Tax payable (₹)	Paid through ITC				Tax/Cess Paid in cash (₹)	Interest Paid in cash (Total in ₹)	Late fee Paid in cash (₹)
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)			
Other than reverse charge								
Integrated Tax	30,000	18,000			12,000	0.00		
Central Tax	10,000		7,000		3,000	0.00	0.00	
State/UT Tax	10,000			10,000		0.00	0.00	
CESS	50,000	18,000	7,000	10,000	0.00	15,000	0.00	
Reverse charge								
Integrated Tax	0.00				0.00			
Central Tax	0.00				0.00			
State/UT Tax	0.00				0.00			
CESS	0.00				0.00			

BACK CHECK BALANCE OFFSET LIABILITY

SECTION 50 : INTEREST ON DELAYED PAYMENT OF TAX – STATUTORY PROVISIONS:

Every person who is liable to pay tax under GST fails to pay the tax or any part thereof to the Government within the due date then he shall pay on his own, interest at 18% or 24% P.A. on **outstanding tax liability**.

Further, the interest shall be calculated from the day succeeding the day on which such tax was due to be paid.

Vide [notification no 13/2017 – Central Tax dated 28th June 2017](#), interest rate on late payment of GST under section 50 of CGST Act as below:

- Interest on late payment of GST at 18% per annum.
- if any person takes undue or excess claim of input tax credit (ITC) then person shall be liable to pay interest at 24% .
- if any person takes undue or excess reduction in output tax liability then person shall be liable to pay interest at 24% .

Calculation of late interest on GST with example

Example -1

ABC ltd needs to pay the GST of Rs.10 lakh on or before 20th May, 2018. However, it only manages to pay the tax on 20th June, 2018. Please calculate the Interest on tax which is to be paid. To calculate the correct interest we need the following:

- Interest rate (18% as per section 50)
- No. of days default (31 days, we shall not count 20th may)

- Outstanding tax (Which is Rs.10 lakh)

Hence, interest on late payment of tax will be Rs.15,287/- (10 lakh*18%*31/365).

SECTION 51: TAX DEDUCTION AT SOURCE (TDS)

Section 51 CGST ([Central Goods and Services Tax Act 2017](#)), provides that

- A department or establishment of Central Govt or State Govt, or local authority or Govt Agencies or **other specified persons** are required to deduct
- TDS @ 2% (IGST 2%, or CGST 1% + SGST 1%)
- from the payment made or credited to supplier,
- for supply of taxable goods or services or both
- where the total value of such supply under a contract is > Rs 2.50 lacs.

[Notification No 33/2017 dated 15.09.2017](#) was brought which specified other persons who are required to deduct TDS u/s 51.

However the above [notification No 33/2017 dated 15.09.2017](#) has been superseded by recent notification [No 50/2018 dated 13.09.2018](#), which provides that TDS provisions u/s 51 will be applicable **w.e.f 01.10.2018** and provides **other specified persons** as below:

(1) an authority or a board or any other body, –

(i) set up by an Act of Parliament or a State Legislature; or

(ii) established by any Government,

with fifty-one per cent. or more participation by way of equity or control, to carry out any function;

(2) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860) & public sector undertakings (PSUs).

(3) The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.

(4) If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five days period until the failure is rectified, subject to a maximum amount of five thousand rupees.

(5) The deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of the deductor furnished under sub-section (3) of [section 39](#), in such manner as may be prescribed.

(6) If any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of sub-section (1) of [section 50](#), in addition to the amount of tax deducted.

(7) The determination of the amount in default under this section shall be made in the manner specified in [section 73](#) or [section 74](#).

(8) The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of [section 54](#):

Provided that no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee.

➤ **Section 52 of CGST Act 2017: Tax Collection at Source (TCS)**

(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the “operator”), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

(2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.

(3) The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.

(4) Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.

(5) Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.

(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of [section 50](#):

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.

(7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.

(8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.

(9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under [section 37](#) [or [section 39](#)], the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.

(10) The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.

(11) The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of [section 50](#) on the amount so added from the date such tax was due till the date of its payment.

(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—

(a) supplies of goods or services or both effected through such operator during any period; or

(b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice.

(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.

(14) Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under [section 122](#), be liable to a penalty which may extend to twenty-five thousand rupees.

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(B) REFUND OF TAX**Section 54 of CGST Act 2017: Refund of Tax (CHAPTER XI – REFUNDS)**

(1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:

Provided that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of [section 49](#), may claim such refund in the return furnished under [section 39](#) in such manner as may be prescribed.

(2) A specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any other person or class of persons, as notified under [section 55](#), entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such form and manner as may be prescribed, before the expiry of six months from the last day of the quarter in which such supply was received.

(3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period:

Provided that no refund of unutilised input tax credit shall be allowed in cases other than—

(i) zero rated supplies made without payment of tax;

(ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council: Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

(4) The application shall be accompanied by—

(a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and

(b) such documentary or other evidence (including the documents referred to in [section 33](#)) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person:

Provided that where the amount claimed as refund is less than two lakh rupees, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.

(5) If, on receipt of any such application, the proper officer is satisfied that the whole or part of the amount claimed as refund is refundable, he may make an order accordingly and the amount so determined shall be credited to the Fund referred to in [section 57](#).

(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent. of the total amount so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.

(7) The proper officer shall issue the order under sub-section (5) within sixty days from the date of receipt of application complete in all respects.

(8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—

- (a) refund of tax paid on [Export]\$1 of goods or services or both or on inputs or input services used in making such [Exports]\$1;
- (b) refund of unutilised input tax credit under sub-section (3);
- (c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;
- (d) refund of tax in pursuance of [section 77](#);
- (e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or
- (f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.

(9) Notwithstanding anything to the contrary contained in any judgment, decree, order or direction of the Appellate Tribunal or any court or in any other provisions of this Act or the rules made thereunder or in any other law for the time being in force, no refund shall be made except in accordance with the provisions of sub-section (8).

(10) Where any refund is due under sub-section (3) to a registered person who has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, the proper officer may—

- (a) withhold payment of refund due until the said person has furnished the return or paid the tax, interest or penalty, as the case may be;
- (b) deduct from the refund due, any tax, interest, penalty, fee or any other amount which the taxable person is liable to pay but which remains unpaid under this Act or under the existing law.

Explanation: For the purposes of this sub-section, the expression “specified date” shall mean the last date for filing an appeal under this Act.

(11) Where an order giving rise to a refund is the subject matter of an appeal or further proceedings or where any other proceedings under this Act is pending and the Commissioner is of the opinion that grant of such refund is likely to adversely affect the revenue in the said appeal or other proceedings on account of malfeasance or fraud committed, he may, after giving the taxable person an opportunity of being heard, withhold the refund till such time as he may determine.

(12) Where a refund is withheld under sub-section (11), the taxable person shall, notwithstanding anything contained in [section 56](#), be entitled to interest at such rate not exceeding six per cent. as may be notified on the recommendations of the Council, if as a result of the appeal or further proceedings he becomes entitled to refund.

(13) Notwithstanding anything to the contrary contained in this section, the amount of advance tax deposited by a casual taxable person or a non-resident taxable person under sub-section (2) of [section 27](#), shall not be refunded unless such person has, in respect of the entire period for which the certificate of registration granted to him had remained in force, furnished all the returns required under [section 39](#).

(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.

Explanation: For the purposes of this section,—

(1) “refund” includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3).

(2) “relevant date” means—

(a) in the case of goods exported out of India where a refund of tax paid is available in respect of goods themselves or, as the case may be, the inputs or input services used in such goods,—

(i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India; or

(ii) if the goods are exported by land, the date on which such goods pass the frontier; or

(iii) if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;

(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;

(c) in the case of services exported out of India where a refund of tax paid is available in respect of services themselves or, as the case may be, the inputs or input services used in such services, the date of—

(i) receipt of payment in convertible foreign exchange [or in Indian rupees wherever permitted by the Reserve Bank of India,] where the supply of services had been completed prior to the receipt of such payment; or

(ii) issue of invoice, where payment for the services had been received in advance prior to the date of issue of the invoice;

MODULE – II RETURNS

❖ Section 37 of CGST Act 2017: Furnishing Details of Outward Supplies:

(1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of [section 10](#) or [section 51](#) or [section 52](#), shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed.

(2) Every registered person who has been communicated the details under sub-section (3) of [section 38](#) or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of [section 38](#), shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.

(3) Any registered person, who has furnished the details under sub-section (1) for any tax period and which have remained unmatched under [section 42](#) or [section 43](#), shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under [section 39](#) for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

❖ Section 38 of CGST Act, 2017 – Furnishing details of inward supplies Section 38 of CGST Act, 2017 from bare act : –

(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of section 37 to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by him in respect of such supplies that have not been declared by the supplier under sub-section (1) of section 37.

(2) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically, the details of inward supplies of taxable goods or services or both, including inward supplies of goods or services or both on which the tax is payable on reverse charge basis under this Act and inward supplies of goods or services or both taxable under the Integrated Goods and Services Tax Act or on which integrated goods and services tax is payable under section 3 of the Customs Tariff Act, 1975, and credit or debit notes received in respect of such supplies during a tax period after the tenth day but on or before the fifteenth day of the month succeeding the tax period in such form and manner as may be prescribed: Provided that the Commissioner may, for

reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein: Provided further that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

(3) The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.

(4) The details of supplies modified, deleted or included by the recipient in the return furnished under sub-section (2) or sub-section (4) of section 39 shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.

(5) Any registered person, who has furnished the details under sub-section (2) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in the tax period during which such error or omission is noticed in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period.

❖ **Section 41 of CGST Act, 2017 – Claim of input tax credit & provisional acceptance thereof**
Section 41 of CGST Act, 2017 from bare act : –

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.

(2) The credit referred to in sub-section (1) shall be utilized only for payment of self assessed output tax as per the return referred to in the said sub-section.

❖ **Section 39 of CGST Act, 2017 – Furnishing of returns Section 39 of CGST Act, 2017 from bare act : –**

(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.

(2) A registered person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable and tax paid within eighteen days after the end of such quarter.

- (3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.
- (4) Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.
- (5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.
- (6) The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein: Provided that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner.
- (7) Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return.
- (8) Every registered person who is required to furnish a return under sub-section (1) or sub-section (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been made during such tax period.
- (9) Subject to the provisions of sections 37 and section 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed, subject to payment of interest under this Act: Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.
- (10) A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.

PRACTICAL'S OF PAYMENT OF TAX

1. Vidya Ltd. has the following information for the month of October, 2018.

Particulars	IGST	CGST	SGST	Total
Output Liability	1,50,000	80,000	80,000	3,10,000
ITC:				
Opening Balance	40,000	10,000	10,000	60,000
Credit for the month	60,000	20,000	20,000	1,00,000

Give your computation.

2. Ujjwal Ltd. Gives following information for the month of December 2018. Compute company's liability.

Particulars	IGST	CGST	SGST	Total
Output Liability	40,000	70,000	70,000	1,80,000
ITC:				
Opening Balance	20,000	5,000	5,000	30,000
Credit for the month	60,000	80,000	80,000	2,20,000

3. Ms. Paranjpe and company gives following information for the month of December, 2018. Compute Liability.

Particulars	IGST	CGST	SGST	Total
Output Liability	50,000	1,00,000	1,00,000	2,50,000
ITC:				
Opening Balance	10,000	50,000	90,000	2,50,000
Credit for the month	42,000	20,000	20,000	82,000

4. M/s. ABC Ltd. Being a registered person supplying taxable goods in the following manner:

Particulars	Rs.
Intra-State supply of goods	18,00,000
Inter-State supply of goods	13,00,000
Intra-State purchases	13,00,000
Inter-State purchases	1,50,000
ITC at the beginning of the relevant tax period:	
CGST	1,30,000
SGST	1,30,000
IGST	1,70,000

i) Rate of CGST, SGST and IGST to be 9%, 9% & 18% respectively.

ii) Inward and Outward supplies are exclusive of taxes.

iii) All the conditions necessary for availing the input tax credit have been fulfilled.

Compute the net GST payable by M/s ABC Ltd. During the tax period. Make suitable assumptions.

5. Mrs. Shruti, registered in state of Tamil Nadu, provides following details for the months of December. Calculate her Tax Liability for the month of December.

Opening Balance in Electronic Cash Ledger as on 1st December

IGST – Rs. 43,000

CGST – Rs. 16,740

SGST – Rs. 13,820.

Transactions during the month	Rs.
Sold Goods @12% GST to Surbhi in Salem, TN	13,70,000
Purchased goods @28% GST from Bidar, Telangana.	1,24,000
Provided services @18% GST to Sanika in Panaji, GOA	8,90,000
Availed Services @5% GST from Madhurai, TN	2,80,000

6. M/s. Komal Electric works registered in State of Chhattisgarh provides following details for the month of January.

Calculate its Net Tax Liability for the month of January.

Opening Balance in Electronic Credit Ledger as on 1st January is

IGST – Rs. 10,000

CGST – Rs. 1,70,000

SGST – Rs. 23,000

Opening Balance in Electronic Cash Ledger as on 1st January is

IGST – Rs. 16,700

CGST – Rs. 24,000

SGST – Rs. 39,000

Transactions during the month	Rs.
Sold Goods @18% GST to Krishna in Hyderabad, Telangana	6,00,000
Sold Goods @12% GST to Kanha in Jammu, J&K	4,00,000
Provided Services @5% GST to Kusum in Imphal, Manipur	13,50,000
Provided Services @18% GST to Kumud in Raipur, Chhattisgarh	17,00,000
Inward Supplies @28% GST from Jabalpur, MP	2,70,000
Inward Supplies @5% GST from Pali, Rajasthan	4,30,000
Inward Supplies @12% GST from Korba, Chhattisgarh	8,50,000

7. Mr. Kalpesh, registered in state of Maharashtra, provides following details for the month of July.

a. calculate the Net Tax Liability for the month of July

Opening Balance in Electronic Credit Ledger as on 1st July

IGST – Rs. 3,78,000/-

CGST – Rs. 4,72,070/-

SGST – Rs. 5,68,020/-

Transactions during the month	Rs.
Sold Goods @28% GST To Anil in Pune	14,00,000
Sold Goods @5% GST To Asha in Nagpur	16,00,000
Sold Goods @12% GST To Rakesh in Surat	17,00,000
Sold Goods @148% GST To Meena in Chennai	23,00,000
Provided Services @18% GST to Vimal in Chandigarh	21,00,000
Provided Services @5% GST to Bimal in Patna	18,50,000
Provided Services @12% GST to Komal in Kolkata	17,80,000

Provided Services @28% GST to Kamal in Jalna, Maharashtra	22,00,000
Inward Supplies @12% GST from Akola	15,70,000
Inward Supplies @18% GST from Bangalore	19,40,000
Inward Supplies @28% GST from Ranchi	6,80,000
Inward Supplies @5% GST from Amravati	20,30,000

b. The due date for payment of tax was 20th August. However, Mr. Kalpesh made the payment on 25th August, Calculate the amount of interest payable.

8. Mr. Suresh, a professional based in Maharashtra, Purchased certain goods from Rajasthan worth Rs. 1,00,000 + GST @12%, Mr. Suresh claimed ITC of these goods on 20/09/2018. However, he realized that ITC on these goods was not allowed and reversed the same on 20/10/2018.

Calculate the amount of Interest payable.

JMPC

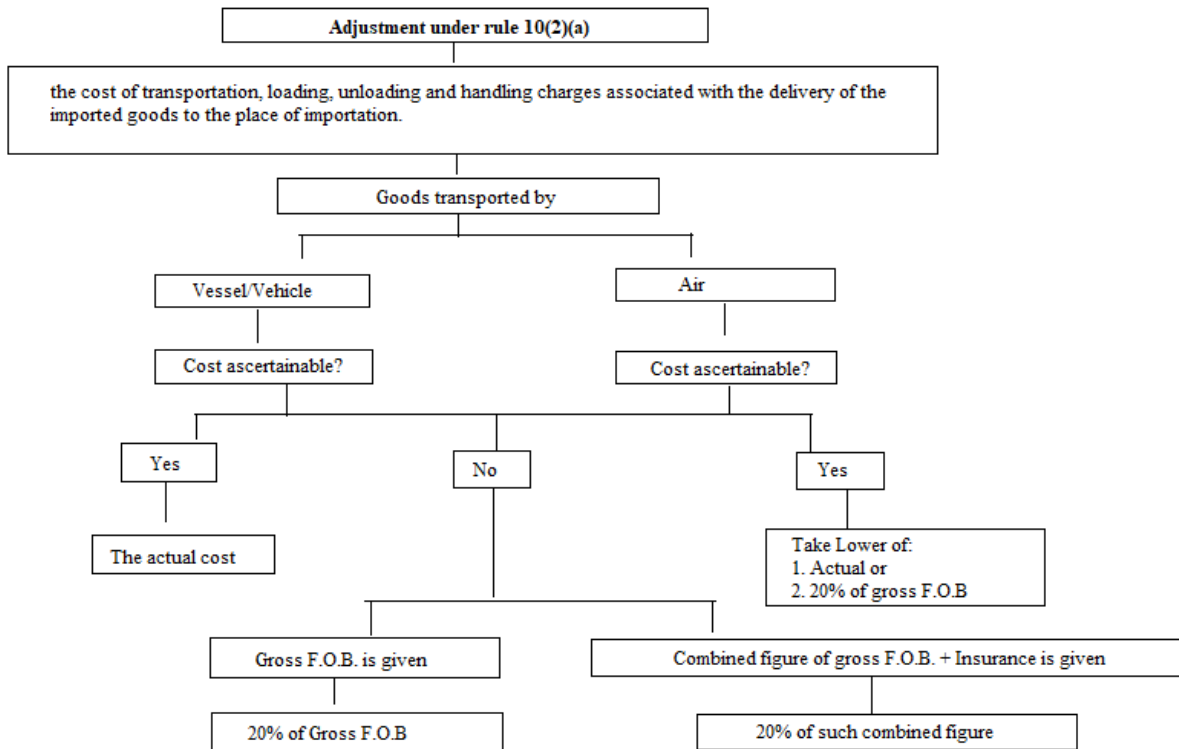
Section 14 – Valuation of Goods:

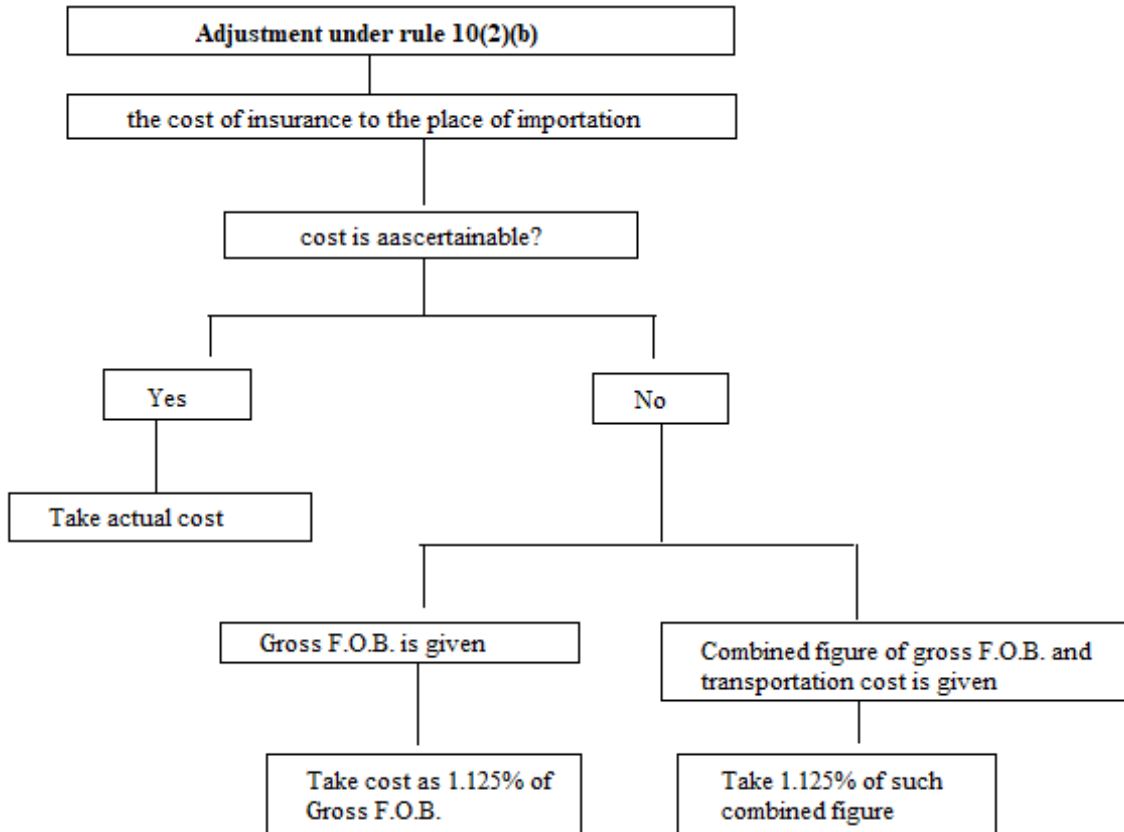
(1) For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf:

Provided that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and license fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf: Provided further that the rules made in this behalf may provide for,—

- (i) the circumstances in which the buyer and the seller shall be deemed to be related;
- (ii) the manner of determination of value in respect of goods when there is no sale, or the buyer and the seller are related, or price is not the sole consideration for the sale or in any other case;
- (iii) the manner of acceptance or rejection of value declared by the importer or exporter, as the case may be, where the proper officer has reason to doubt the truth or accuracy of such value, and determination of value for the purposes of this section:

Adjustment under rule 10(2)(a)





PRACTICAL'S ON CALCUALTION OF BCD & IGST

1. 25,000 Blankets were imported for charitable distribution in India by a Trust. The Trust did not pay either for the cost of goods or for the design and development charges, which was borne by the supplier, Customs officer computed its FOB Value at USD 40,000 (including design and development charges), which was accepted by the Trust. Other details obtained were as follows:

Particulars	Rs.
1. Freight paid (USD)	9,000
2. Design & Development Charges Paid in USA (USD)	5,200
3. Commission Payable to an agent in India (INR)	25,400

In addition to above inspection charges of USD 2,000 were incurred, this inspection was carried out by foreign supplier on his own and was not required under contract for making goods ready for shipment.

	Date	BCD	Exchange Rate	
			Notified by CBEC	Inter bank rate
Date of Bill of entry	07/02/2018	20%	USD 1 = INR 71	USD 1 = INR 70
Date of arrival of aircraft	28/02/2018	10%	USD 1 = INR 69	USD 1 = INR 71

IGST u/s 3(7) of Customs Tariff Act, 1975 is 12%.

Calculate amount of duty payable by Trust.

2. Mr. Prashant imported goods from Singapore by air, which was contracted on CIF basis. However, there were changes in prices in the international market between the date of contract and actual importation. As a result negotiations, the parties agreed for a negotiated price payable as follows:

Particulars	In SGD		
	Contract Price	Changed Price	Negotiated Price
CIF Value	8,000	8,900	8,800
Freight Charges	400	700	600
Insurance	300	500	500

Commission to local agent was paid @ 1% of F.O.B. in SGD.

	Date	BCD	Exchange Rate	
			Notified by CBEC	Interbank rate
Date of Bill of entry	25/10/2017	10%	SGD 1 = INR 51	SGD 1 = INR 50
Date of arrival of aircraft	28/02/2018	10%	SGD 1 = INR 50	SGD 1 = INR 51

Compute the assessable value and custom duty payable by Mr. Prashant.

3. Ganesh Ltd. Imported a machine from Canada in January, 2018. The details in this regard are as under:

Particulars	Rs.
FOB of machine (CAD)	24,000
Air Freight (CAD)	7,500
License fees required to be paid by buyer (CAD)	1,000
Buying commission paid in India (INR)	50,000

	Date	BCD	Exchange Rate	
			Notified by CBEC	Interbank rate
Date of Bill of entry	15/01/2018	10%	CAD 1 = INR 54	CAD 1 = INR 52
Date of arrival of aircraft	28/02/2018	10%	CAD 1 = INR 55	CAD 1 = INR 53

IGST u/s 3(7) of Customs Tariff Act, 1975 is 12%. Insurance details are not available.

You are required to compute the total customs duty and integrated tax payable on the importation of machine. You may make suitable assumptions wherever required.

4. Boca Ltd. Has imported a machine from Germany. From the following particulars furnished by its arrive at the assessable value for the purpose of custom duty payable:

Particulars	Rs.
Price of Machine	35,000
Air Freight	10,000
Engineering & Design paid to a firm in Germany	800
Buying commission paid by Boca Ltd. To agent in Germany	500

Apart from above following charges were also incurred by Boca Ltd.

- License fees relating to machinery payable by the buyer as a condition of sale @ 20% of price of machine.
- Material and components supplied in Germany free of cost valuation at Rs. 75,000.
- Insurance paid to Insurer in India Rs. 16,000.

- d. Demurrage charges for delayed clearing at the airport Rs. 5,000.
 e. Exchange rate as notified by CBEC is EUR 1 = INR 82
 f. Interbank exchange rate is EUR 1 = INR 81.
 Calculate Assessable value of the goods for the purpose of charging import duty.

5. Compute the total custom duty and integrated tax payable under Customs Law on an imported machine based on the following information:

Particulars	Rs.
Cost of the machine at the factory of the exporter	EUR 50,000
Transport Charges from the factory of exporter to the port for shipment	EUR 2,000
Handling charges paid for loading the machine in the ship	EUR 125
Freight charges from exporting country to India	EUR 12,500
Buying commission paid by the importer	EUR 250
Lighterage charges paid by the importer at port of importation	INR 30,000
Freight incurred from port of entry to Inland Container depot	INR 1,50,000
Ship demurrage charges paid at port of Importation.	INR 84,000

	Date	BCD	Exchange Rate	
			Notified by CBEC	Interbank rate
Date of Bill of entry	15/01/2018	25%	EUR 1 = INR 80	EUR 1 = INR 81
Date of arrival of aircraft	28/02/2018	10%	EUR 1 = INR 78	EUR 1 = INR 77

Integrated tax payable under section 3(7) of the customs Tariff Act, 1975 is @12%.

6. Product 'PK' was imported by Mr. Xavier by air. The details of the import transaction are as follows:

Particulars	USD
Price of 'PK' at exporter's factory	7,000
Freight from factory of the exporter to load airport (<i>airport in the country of exporter</i>)	100
Loading & handling charges at the load Airport	
Freight from Load Airport to the airport of importation in India	200
Insurance Charges	4,000
	1,600

Though the Aircraft arrived on 26/02/2018, the bill of entry for home consumption was presented by Mr. Xavier on 24/02/2018.

The other details furnished by Mr. Xavier are:

Date	IGST	BCD	Exchange Rate	
			Notified by CBEC	Interbank rate
15/01/2018	18%	24%	USD 1 = INR 64	USD 1 = INR 61
28/02/2018	12%	14%	USD 1 = INR 61	USD 1 = INR 62

Compute:

- a. Value of Product 'PK' for the purpose of levying customs duty.
 b. Customs duty and tax payable.

PRACTICAL'S ON CALCULATION OF ASSESSABLE VALUE

7. Compute assessable value from the following information:

- (a) FOB Value of machine – \$ 2,00,000.
 (b) Cost of insurance, cost of transportation, loading, unloading and handling charges associated with delivery of imported goods to place of importation are not ascertainable.
 (c) Unloading & handling charges at place of importation – Rs. 35,000
 (d) Exchange rate notified by CBEC Rs. 68 Per \$.

8. Compute assessable value from the following information:

- (a) FOB Value of machine - \$ 15,000.
 (b) Air freight, loading, unloading and handling charges - \$4,000.
 (c) Cost of Insurance – \$1,000.
 (d) Unloading and Handling charges at place of importation. = Rs 35,000.
 (e) Exchange rate notified by CBEC 1\$ = Rs. 65.

9. Compute assessable value from the following information:

- (a) FOB = \$ 20,000.
 (b) Cost of transportation, airfreight, loading, unloading charges to place of importation - \$1,000.
 (c) Cost of Insurance – not ascertainable.
 (d) Exchange rate notified by CBEC 1 \$ = Rs. 70.

10. Compute assessable value.

- (a) FOB Value – not ascertainable.
 (b) Cost of Insurance not ascertainable.
 (c) FOB value and airfreight, loading, unloading and handling, charges to place of importation is \$1,00,000.
 (d) Exchange rate notified by CBEC 1\$ = Rs.68.
 (e) Unloading and handling charges at place of importation – Rs. 45,000.

11. Product 'A' was imported by Mr. Mihir by air. The details of import transaction are as follows:

Particulars	US \$
a. Price of 'A' at exporter's factory	16,000
b. Freight from Factory of exporter to load airport (airport in country of exporter)	500
c. Loading and handling charges at the load airport.	500
d. Freight from load airport to airport importation in India	7,000
e. Insurance Charges.	4,000

Though the aircraft arrived on 22nd September 2018 bill of entry for home consumption was presented by Mr. Mihir on 19th September, 2018.

Other details:

Particulars	19/09/2018	22/09/2018
Rate of Basic Custom duty	18%	15%
Exchange rate notified by CBEC	Rs. 64 per \$	Rs. 62 per \$
Exchange rate prescribed by RBI	Rs. 65 per \$	Rs. 61 per \$
Integrated tax u/s 3(7) of CTA, 1975	18%	12%

Compute:

- a. Value of Product 'A' for purpose of levying customs duty.
b. Customs duty and tax payable.

12. Compute assessable value and customs duty payable from following information:

- a. FOB value of machine = £ 10,000.
b. Freight paid (air) = £ 2,500.
c. Design and development charges paid in UK = £ 500.
d. Commission payable to local agent @2% FOB in Indian Rs.
e. Date of Bill of entry = 25th November 2018.
f. Date of arrival of Aircraft = 20th November 2018 (Rate BCD = 15%, exchange rate notified by CBEC = Rs. 98 per £.
g. Integrated tax leviable under 3(7) of CTA, 1975 = 12%.
h. Insurance charges paid but not ascertainable.

13. Compute assessable value and total customs duty payable from the following particulars:

- a. Date of Presentation of bill of entry – 20/05/2017. (Rate of BCD 15%, rate of exchange by CBEC Rs. 67)
b. Date of arrival of goods in India is – 30/05/2017 (Rate of BCD – 12%, rate of exchange by (BECG) – Rs. 66)
c. Integrated tax rate @28%.
d. CIF Value 5,000 US \$, Airfreight 1,200 US \$, Insurance Cost is 150US \$.
e. Education cess applicable @3%.
f. GST compensation cess @10%.

14. Calculate customs duty payable in following situation:

Particulars	Rs.
FOB price of imported goods (mobile phones)	2,00,000
Cost of Transportation	40,000
Cost of Insurance	10,000

Basic Custom duty is at 10% and GST on like article is at 18%.

15. Calculate customs duty payable in following situation:

Particulars	Rs.
CIF price of imported goods (power banks)	10,00,000
Cost of Transportation	75,000
Cost of Insurance	40,000

Basic Custom duty is at 20% and GST on like article is at 12%.

16. Calculate customs duty payable in following situation:

Particulars	Rs.
FOB price of imported goods (LED TVs)	45,60,000
Cost of Transportation	2,15,000
Cost of Insurance	1,50,000

Basic Custom duty is at 18% and GST on like article is at 28%.

17. Calculate customs duty payable in following situation:

Particulars	Rs.
FOB price of imported goods (Crude Petrol)	35,70,000
Cost of Transportation	2,10,000
Cost of Insurance	1,10,000

Basic Custom duty is at 12% and Excise duty is 20%.

18. Calculate customs duty payable in following situation:

Particulars	Rs.
FOB price of imported goods (Luxury recliner Chairs)	46,99,000
Cost of Transportation	20,15,000
Cost of Insurance	5,06,000

Basic Custom duty is at 65% and GST is at 28% and GST Compensation cess at 12%.

Baggage Rules, 2016

• **Important definitions (Rule 2)**

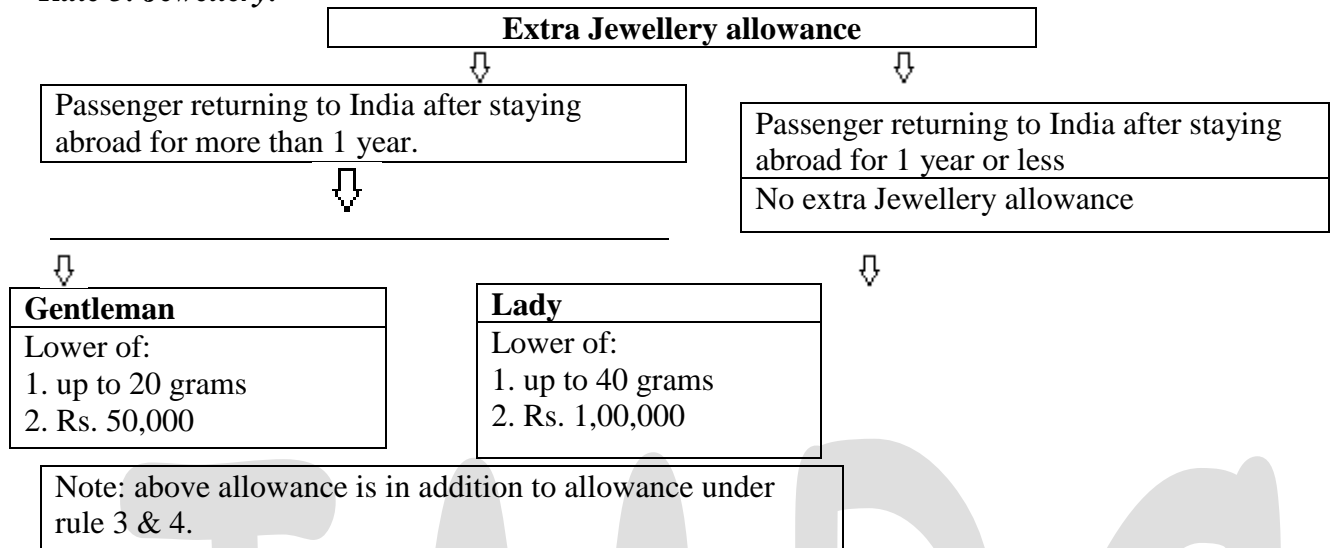
Family	Includes all person who are residing in the same house and form part of the same domestic establishments;
Infant	Means a child not more than 2 years of age;
Resident	Means a person holding a valid passport issued under the Passports Act, 1967 (15 of 1967) and normally residing in India;
Tourist	Means a person not normally resident in India, who enters India for stay of not more than six months in the course of any twelve months period for legitimate non-immigrant purposes;
Personal effects	Means things required for satisfying daily necessity but does not include Jewellery.

Rule 3: Free allowances of passengers arriving from Nepal, Bhutan or Myanmar:-

Type of baggage	Limit for each category of passenger (Rs.)		
	1	2	3
i) Used personal effect and travel souvenir	Free	Free	Free
ii) Articles other than those mentioned in Annexure – I	Rs. 50,000	Rs. 15,000	No Benefit

Rule 4: Free allowances for passengers arriving from countries other than Nepal, Bhutan or Myanmar –

Type of baggage	Limit for each category of passenger (Rs.)	
	1&2	3
i) Used personal effect and travel souvenir	Free	Free
ii) Articles other than those mentioned in Annexure – I		
Passenger arriving by land route	No benefit	No Benefit
Passenger arriving by other route	Rs. 15,000	No Benefit

Rule 5: Jewellery:

PRACTICAL'S ON CALCULATION OF DUTY DRAWBACK U/S 75

1. Mr. K, an exporter exported 4,500 pair of sports shoes at Rs. 800 per pair. All industry rate of drawback on average basis is 12% of FOB subject of Rs. 95 per pair. Mr. K has paid actual import duty paid on inputs was Rs. 4,70,000/-. He has approached you as a consultant to apply under rule 7 of the drawback rules for application under the special brand rate. Give him suitable advice. Would yours be different if actual import duty paid would have been Rs. 5,40,000/-?

2. Paresh Ltd. A manufacturer has imported following goods to Brazil. You are required to calculate duty drawback for these goods based on information given below: -

Product	FOB Value of exported goods (Rs.)	Market price of goods (Rs.)	Duty Drawback
P	8,70,000	7,20,000	28% of FOB
Q	12,00,000	13,00,000	3% of FOB
R	2,40,000	1,80,000	0.80% of FOB
S	6,00,000	7,00,000	1.20% of FOB

Other Information:

- a. Imported value of Product Q is Rs. 16,00,000.
- b. Product S is manufactured out of duty-free inputs.

Working note should form part of your answer.

3. K Ltd. Of Mumbai imported printing machinery from Gruber Inc. Canada on 04/02/2018 by paying custom duty of Rs. 44,50,000/- at time of import. The printing machinery developed some faults in August 2018, initially Gruber Inc. sent its technicians to Mumbai to fix the machinery, but when it didn't work, K ltd. Re-shipped the machinery to Gruber Inc. on 07/02/2019. Can K Ltd. Claim duty drawback at the time of returning the machinery? If Yes, how much of duty can be claimed as drawback?

4. Mr. Q filed a claim for payment of duty drawback amounting to Rs. 1,00,000 on 30/07/2018. However, the amount was received on 28/10/2018. You are required to calculate the amount of interest payable to Mr. Q on the amount of duty drawback claimed.

5. Mr. Y was erroneously refunded a sum of Rs. 40,000 in excess of actual drawback on 20.06.2018. A demand for recovery of the same was issued by the department on 28.08.2018. Mr. Y returned the erroneous refund to the department on 20.10.2018. You are required to calculate the amount of interest chargeable from Mr. Y.

6. Mr. X exported goods to Alpha Inc. of USA, these goods were imported from chaos Ltd. of China. An import duty of Rs. 12,50,000 was paid at the time of imports. While the goods were being exported to USA from India, the ship carrying the goods sank before crossing Indian Territorial waters. Can Mr. X claim duty drawback of these goods? If no, why? If yes, what can be the maximum amount that can be claimed as duty drawback?

*******THE END*******