



Chapter 8

AUDIT AND REFUND

INDEX

Sr. No.	Descriptions	Pg. No.	Illustration
1	Sec 99A - Audit	34	4
2	Refund	34	6
	Total No. of Illustrations		10

S.No.	Description	Chapter	Que. No.	No. Illus.
1	ICAI Material	08	Q. 02.07/	1
2	Examination	08	-	-
3	RTP & MTP	08	02.06/	1
4	Other	08	01.01. to 02.05/ 02.08/02.09/02.10	8
	Total No. of Illustrations			10

01. General Questions

Students, let's try to solve it



01. Sec 99A:- Audit

MCQ 08.01.01.00

Auditee has to preserve (in written, printed or electronic form) and make available relevant documents for the following minimum period:

- a. 5 years
- b. 6 years
- c. 8 years
- d. 10 years

[Hint:- Refer Sec 99A]

MCQ 08.01.02.00

The proper officer shall give advance notice to the auditee before start of audit to conduct audit at the premises of auditee under customs, not less than:

- a. 30 days
- b. 25 days
- c. 15 days
- d. 60 days

[Hint:- Refer Sec 99A]

MCQ 08.01.03.00

Any Auditee, who contravenes provisions of regulations made under section 99A is liable to penalty which may extend to:

- a. ₹1,00,000
- b. ₹50,000
- c. ₹10,000
- d. 10% of tax involved

[Hint:- Refer Sec 99A]

MCQ 08.01.04.00

Where the audit is conducted at the premises of the auditee, the proper officer shall complete

audit within:

- a. 30 days from the date when audit documents are made available
- b. 30 days from the date of starting of the audit
- c. 15 days from the date when audit documents are made available
- d. 15 days from the date of starting of the audit

[Hint:- Refer Sec 99A]

Answer:-

08.01.01	a
08.01.02	c
08.01.03	b
08.01.04	b

02. Refund:-

MCQ 08.02.05.00

Refund will not be granted if, the amount involved is:

- a. ₹100
- b. less than ₹100
- c. less than ₹500
- d. ₹500

[Hint:- Refer proviso to sec 27(1)]

MCQ 08.02.06.00

Which of the following statements is/are incorrect in relation to refund provisions under the Customs Act, 1962?

- (i) Interest on delayed refund is payable to the applicant only if duty ordered to be refunded is not refunded within 3 months from the date of receipt of application.
- (ii) If imports were made by an individual for his personal use, the amount of duty found refundable, is paid to the applicant instead of being credited to the Consumer Welfare Fund.
- (iii) Application for refund has to be made within 1 year of payment of duty where duty is paid under protest.
- (iv) Doctrine of unjust enrichment is applicable if refund of duty is relatable to drawback of duty payable under sections 74 and 75. [ICAI Material]

[CA Final RTP Nov 20]

- (a) (i) and (iv)
- (b) (i) and (ii)
- (c) (iii) and (iv)
- (d) (ii), (iii) and (iv)

[Hint:- Refer sec 27A, 27(2), there is no time limit for refund under protest & Sec 27(2)]

MCQ 0802.07.00

In which of the following cases, the refund under section 27 of the Customs Act, 1962 is credited to the consumer welfare fund? [ICAI Material]

- (a) If the importer proves that there is no unjust enrichment.
- (b) Where goods are imported for non-personal use of an individual and he could not prove that there is no unjust enrichment.
- (c) If the amount of refund relates to drawback of duty under sections 74 and 75 of the Customs Act, 1962.
- (d) If the amount relates to the duty paid in excess (as evident from the bill of entry in case of self-assessed bill of entry) by the importer before an order permitting clearance of goods for home consumption is made.

[Hint:- Refer Sec 27(2)]

MCQ 08.02.03.00

Mr. Rohan exported some goods to Nepal which were returned back due to defect in those goods. Export duty paid at the time of exportation by Mr. Rohan was ₹ 50000. Now Mr. Rohan claims the refund of export duty paid on 10.4.XX. The application for refund was received by an Appellate Authority on 30.4.XX and the refund was paid on 31.10.XX. Calculate the amount of interest payable by C.G. on such refund amount.

- a. ₹ 1512
- b. ₹ 756

- c. ₹ 1677
- d. ₹ 3000

[Hint:- Refer Sec 27A- here, interest = ₹50000 * 6% p.a. * 92/365 = ₹756]

MCQ 08.02.09.00

Export duty paid by the exporter or any other person on his behalf will be refunded only if:

- a. Goods are returned to such person otherwise than by way of re-sale
- b. Goods are re-imported within 1 year from the date of exportation
- c. An application for refund of such duty is made before the expiry of 6 months from the date on which the proper officer makes an order for the clearance of goods
- d. All of the above

[Hint:- Refer Sec 26]

MCQ 08.02.10.00

Refund claim cannot be a substitute for an appeal.

State true or false.

- a. True
- b. False

[Hint:- They both are different]

Answer:-

08.02.05	b
08.02.06	c
08.02.07	b
08.02.08	b
08.02.09	d
08.02.10	a

