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Demand & Recovery



*Think GST!
Think Vishal Sir...!!*

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Section 28: Demand, recovery & proceedings under custom

1. The time limit for issuing notice u/s 28 of Customs Act, in cases other than collusion, any willful misstatement or suppression of facts is:

- a. 1 year
- b. 2 years
- c. 5 years
- d. 180 days

Ans: (a) (b) (c) (d)

2. The proper officer shall after five years from the relevant date issue show cause notice on the person liable to duty or interest, if cases are of collusion, any willful misstatement or suppression of facts

State true or false

- a. True
- b. False

Ans: (a) (b) (c) (d)

3. The time limit is for serving show cause notice in cases of collusion, any willful misstatement or suppression of facts u/s 28 of Customs Act.

- a. 1 year
- b. 2 years
- c. 5 years
- d. 7 years

Ans: (a) (b) (c) (d)

4. The amount below which the proper officer shall not serve the notice is ₹:

- a. Less than 50
- b. Less than 100
- c. Less than 500

d. Less than 1000

Ans: (a) (b) (c) (d)

5. Mr. Batra who is chargeable with duty or interest in non-evasion cases was informed by the customs officer that he cannot make voluntary payment before service of show cause notice by the proper officer. Identify whether the statement is valid in the eyes of law.

- a. Valid
- b. Invalid

Ans: (a) (b) (c) (d)

6. The person chargeable with the duty or interest may make payment of duty before service of Show cause notice on the basis of:

- a. duty assessed provisionally
- b. his own ascertainment of such duty
- c. the duty ascertained by the proper officer
- d. Either b or c above

Ans: (a) (b) (c) (d)

7. Mr. Brijesh was served with a show cause notice (SCN) for evasion of import duty u/s 28(4). State the option available to Mr. Brijesh for payment of such duty

- a. Mr. Brijesh can make voluntary payment before SCN on the basis of his own ascertainment of such duty
- b. Mr. Brijesh cannot make voluntary payment before SCN
- c. Mr. Brijesh can make voluntary payment after SCN along with interest @ 15% p.a. & penalty equal to 15% of duty specified in

the notice within 30 days of receipt of notice

d. Both b & c above

Ans: (a) (b) (c) (d)

8. The proper officer shall issue notice for shortfall in voluntary payment of duty with interest and penalty after SCN, in respect of amount which falls short of amount actually payable. The period of in this case shall be computed from the date of receipt of information of payment
- a. 5 years
 - b. 2 years
 - c. 30 days
 - d. 90 days

Ans: (a) (b) (c) (d)

9. The Demand Order can be raised by proper officer where SCN is issued to the concerned person and an opportunity of being heard has been given in cases of collusion, willful-misstatement etc. The time limit for determining the amount of duty shall be:
- a. within two years from the date of notice
 - b. within five years from the date of notice
 - c. within one years from the date of notice
 - d. within 6 months from the date of notice

Ans: (a) (b) (c) (d)

10. The time limit of six months to determine the amount of duty to be mentioned in Demand Order in cases other than collusion, willful-

misstatement, etc. can be further extended to a period of six months by:

- a. Assistant Commissioner
- b. Deputy Commissioner
- c. Proper Officer
- d. Officer Senior in rank to the proper officer

Ans: (a) (b) (c) (d)

11. The penalty shall be reduced to of duty or interest if duty, interest & penalty paid within 30 days of demand order in case of collusion or willful-misstatement
- a. 50%
 - b. 30%
 - c. 25%
 - d. 15%

Ans: (a) (b) (c) (d)

12. Identify the relevant date where the duty is not levied or not paid or short levied or short paid or interest is not charged
- a. Date on which the proper officer makes an order for the clearance of goods
 - b. Date on which the proper officer serves show cause notice
 - c. Date on which Demand order is received
 - d. Date of payment of duty or interest

Ans: (a) (b) (c) (d)

Answers:-

| | | | |
|----|---|----|---|
| 1 | b | 11 | c |
| 2 | b | 12 | a |
| 3 | c | | |
| 4 | b | | |
| 5 | b | | |
| 6 | d | | |
| 7 | d | | |
| 8 | b | | |
| 9 | c | | |
| 10 | d | | |

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