

## “RE-WISE” GST & CUSTOMS

### SEGMENT - 27

#### INTEREST COMPUTATION UNDER CUSTOMS ACT, 1962

Section	Purpose	Rate	From	Till	Example	
18	Interest on amount <b>Payable</b> under Provisional assessment	15% p.a.	1st Day of month in which duty is provisionally assessed	Actual Date of payment of Duty	Date of Provisional Assessment	12/12/2021
					Date of Final Assessment	02/12/2022
					Duty demanded	₹1,80,000
					Date of Payment of Duty	05/02/2022
					Interest period	1/12/2021 to 5/02/2022
					Days	67 Days
					Interest Payable	$\text{₹1,80,000} \times 15\% \times 67 / 365 = \text{₹4,956}$
18	Interest on amount <b>Refundable</b> under Provisional assessment	6% p.a.	After expiry of 3 months from finalization of assessment	Date of refund of such Duty	Date of Provisional Assessment	12/07/2021
					Date of Final Assessment	02/10/2021
					(+) 3 months	02/01/2022
					Refund	₹4,20,000
					Date of Refund	06/02/2022
					Interest period	03/01/2022 to 06/02/2022
					Days	35 Days
					Interest Payable	$\text{₹4,20,000} \times 6\% \times 35 / 365 = \text{₹2,416}$

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47	Interest on Late payment of import duty- <b>In case of Immediate Payment</b>		15%	1 <sup>st</sup> Day after Presentation of BOE	Actual Date of payment of Duty	Date of Presentation of BOE	12/10/2021
						Date of Payment	05/11/2021
						Duty Amount	₹1,00,000
						Interest period	13/10/2021 to 05/11/2021
						Days	24 Days
						Interest Payable	$\text{₹1,00,000} \times 15\% \times 24 / 365 = \text{₹986}$
47	Interest on Late payment of import duty- <b>In case of Deferred Payment</b>		15%	After Expiry of due date as mentioned under deferred scheme	Actual Date of payment of Duty	Date of Presentation of BOE	05/10/2021
						No. of holidays between 1/10 to 15/10	3
						Due Date of Payment	19/10/2021
						Actual Date of Payment	10/11/2021
	Period	Due date				Duty Amount	₹1,00,000
	BOE between 1 <sup>st</sup> to 15 <sup>th</sup> of a month	16 <sup>th</sup> Working day of that month				Interest period	20/10/2021 to 10/11/2021
	BOE between 16 <sup>th</sup> to end of that month	1 <sup>st</sup> Working day in next month				Days	22 Days
	BOE between 16 <sup>th</sup> to end	31 <sup>st</sup> March				Interest Payable	$\text{₹1,00,000} \times 15\% \times 22 / 365 = \text{₹904}$

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	of March month					
75A(1) of Customs Act r/w S. 27A of Customs Act	Interest on delayed payment of Drawback to claimant  [Interest payable by Department]	6% p.a.	After expiry of 1 month from date of filing drawback claim	Date of payment of such drawback	Particulars	Amount
					Duty Drawback	₹50,000
					Applied for Claim	30/07/2021
					Actual Receipt date	28/10/2021
					Interest period	31/08/2021 to 28/10/2021
					Days	59 Days
					Interest	$\text{₹}50,000 \times 6\% \times 59/365 = \text{₹}485$
75A(2) of Customs Act r/w S. 28AA of Customs Act	Interest on erroneous refund of drawback  [Interest payable to Department]	15% p.a. (If claimant does not pay within 2 months from date of demand, recovery proceedings will be initiated)	1 <sup>st</sup> day after payment of such drawback to claimant	Date of recovery of such drawback	Particulars	Amount
					DB Erroneously refunded	₹20,000
					Date of erroneously DB received	20/06/2021
					Demand raised by the department	28/08/2021
					Refund of DB to the Department	20/10/2021
					Interest period	21/06/2021 to 20/10/2021
					Days	122 Days
					Interest	$\text{₹}20,000 \times 15\% \times 122/365 = \text{₹}1,003$

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61	Interest on warehoused goods	15% p.a.	91 <sup>st</sup> day from the date of warehousing order	Date of actual clearance	Particulars	Amount
					Order for warehousing of goods	18/07/2021
					Goods cleared after filing ex-bond BOE	31/12/2021
					Customs duty payable upon clearance	₹1,20,000
					90 days from warehousing order	16/10/2021
					Interest period	17/10/2021 to 31/12/2021
					Days	76 Days
					Interest	$\text{₹}1,20,000 \times 15\% \times 76 / 365 = \text{₹}3,748$