



of 1%. Hence, Assessable Value of lathe is 90,269 (89,375 + 894) and AV of motors is Rs 36,107 (35,750 + 357).

Calculation of duty payable is as follows -				
		Duty %	Amount	Total Duty
(A)	Assessable Value Rs 10,000		90,269.00	
(B)	Basic Customs Duty	10	9,026.90	9,026.90
(C)	Sub-Total for calculating CVD '(A+B)'		99,295.90	
(D)	CVD 'C' x excise duty rate	16	15,887.34	15,887.34
(E)	Education cess of excise - 2% of 'D'	2	317.75	317.75
(F)	SAH Education cess of excise - 1% of 'D'	1	158.87	158.87
(G)	Sub-total for edu cess on customs 'B+D+E+F'		25,390.86	
(H)	Edu Cess of Customs - 2% of 'G'	2	507.82	507.82
(I)	SAH Education Cess of Customs - 1% of 'G'	1	253.91	253.91
(J)	Sub-total for Spl CVD 'C+D+E+F+H+I'		116,421.59	
(K)	Special CVD u/s 3(5) - 4% of 'J'	4	4,656.86	4,656.86
(L)	Total Duty			30,809.45
(M)	Total duty rounded to			30,809

Notes – Buyer who is manufacturer, is eligible to avail Cenvat Credit of D, E, F and K above. A buyer, who is service provider, is eligible to avail Cenvat Credit of D, E and F above. A trader who sells imported goods in India after charging Vat/sales tax can get refund of Special CVD of 4% i.e. 'K' above..

Duty on Motors – Student should himself calculate duty by using aforesaid procedure. Total customs duty payable is Rs. **12,323.57**. See if your answer tallies.

Question : An importer has imported a machine from UK at FOB cost of 10,000 UK Pounds. Other details are as follows :

- Freight from UK to Indian port was 700 pounds.
- Insurance was paid to insurer in India : Rs. 6,000
- Design and development charges of 2,000 UK pounds were paid to a consultancy firm in UK
- The importer also spent an amount of Rs. 50,000 in India for development work connected with the machinery.
- Rs. 10,000 were spent in transporting the machinery from Indian port to the factory of importer.
- Rate of exchange as announced by RBI was : Rs. 68.82 = one UK Pound