

SOME CRITICAL ISSUES IN CUSTOMS LAW



- (g) Rate of exchange as announced by CBE&C (Board) by notification under section 14(3)(a)(i) : Rs. 68.70 = One UK pound**
- (h) Rate at which bank recovered the amount from importer : Rs. 68.35 = One UK Pound.**
- (i) Foreign exporters have an Agent in India. Commission is payable to the agent in Indian Rupees @ 5% of FOB price.**

Customs duty payable was 10%. If similar goods were produced in India, excise duty payable as per tariff is 24%. There is an excise exemption notification which exempts the duty as is in excess of 16%. Education cess is as applicable Spl CVD is payable at applicable rates. Find customs duty payable. What are the duty refunds/benefits available if the importer is (a) manufacturer (b) service provider (c) Trader?

Answer :

FOB Value	=	10,000.00 UK Pounds
Add :Design & Development Charges	=	2,000.00 UK pounds
Add : Ocean freight	=	700.00 UK Pounds
Total C & F	=	12,700.00 UK Pounds
Total in Rs. @ 68.70	=	8,72,490.00 Rs.
Add : Insurance	=	6,000.00 Rs.
Add : Local Agency commission 500 UK pounds @ Rs. 68.70 = 1 UK Pound	=	34,350.00 Rs.
Total CIF Price	=	9,12,840.00 Rs.
Add : Landing Charges @ 1% of CIF	=	9,128.40 Rs.
Assessable Value	=	9,21,968.40 Rs.
Assessable Value (rounded to)	=	9,21.968.00 Rs.