

Computation of assessable value

Particulars	Amount
CIF value	5000 US \$
Less: Freight	1500 US \$
Less: Insurance	500 US \$
Therefore, FOB value	3000 US \$
<i>Assessable value for Customs purpose:</i>	
FOB value	3000 US \$
Add: Freight (20% of FOB value) [Note 1]	600 US \$
Add: Insurance (actual)	500 US \$
CIF for customs purpose	4100 US \$
Add: 1% for landing charges [Note 2]	41 US\$
Value for customs purpose	4141 US \$
Exchange rate as per CBEC [Note 3]	60 per US \$
Assessable value (₹ 60 x 4141 US \$)	₹ 2,48,460

Notes:

1. If the goods are imported by air, the freight cannot exceed 20% of FOB price.
2. Even if there is no information regarding landing charges, still they are charged @ 1% of CIF value.
3. Rate of exchange determined by CBEC is considered.

Computation of assessable value

Particulars	Amount
Cost of the machine at the factory	\$ 10,000.00
Transport charges up to port	\$ 500.00
Handling charges at the port	\$ 50.00
FOB	\$ 10,550.00
Freight charges up to India	\$ 1,000.00
Insurance charges @ 1.125% of FOB [Note 1]	\$ 118.69
CIF	\$ 11,668.69
CIF in Indian rupees @ ₹ 60/ per \$	₹ 7,00,121.40
Add: Landing charges @ 1% of CIF [Note 1]	₹ 7,001.21
Assessable Value	₹ 7,07,122.61
Assessable Value (rounded off)	₹ 7,07,123

Notes:

1. Insurance charges and landing charges have been included @ 1.125% of FOB value of goods and 1% of CIF value of goods respectively.
2. Buying commission is not included in the assessable value.

Computation of export duty

Particulars	Amount
FOB price of goods [Note 1]	\$ 1,00,000
Value in Indian currency (US \$ 1,00,000 x ₹ 55) [Note 2]	₹ 55,00,000
Export duty @ 8% [Note 3]	₹ 4,40,000

Notes:

1. Assessable value of the export goods is the transaction value of such goods which is the price actually paid or payable for the goods when sold for export from India for delivery at the time and place of exportation.
2. Assessable value has to be calculated with reference to the rate of exchange notified by the CBEC on the date of presentation of shipping bill of export.
3. In case of goods entered for export, the rate of duty prevalent on the date on which the proper officer makes an order permitting clearance and loading of the goods for exportation, is considered.

Computation of total duty and integrated tax payable

Particulars	Amount
Price of machine	€ 8,000
Add: Design and development charges [Note 1]	€ 500
Total	€ 8,500
Total in rupees @ ₹ 100 per pound [Note 2]	₹ 8,50,000
Add: Local agency commission [Note 1] (2% of 8000 UK pounds) = 160 UK pounds × ₹ 100	₹ 16,000
FOB value	₹ 8,66,000
Add: Air freight (8,66,000 × 20%) [Note 3]	₹ 1,73,200
Add: Insurance @ 1.125% of customs FOB [Note 4]	₹ 9,742.50
CIF Value	₹ 10,48,942.50
Add: Landing charges @ 1% of CIF value [Note 5]	₹ 10,489.43
Assessable value (rounded off)	₹ 10,59,432
Add: Basic custom duty @ 10% [Note 6]	₹ 1,05,943.20
Add: Education Cess @ 2% & SAH Education Cess @ 1% on ₹ 1,05,943.20	₹ 3,178.30
Total	₹ 11,68,553.50
Add: Integrated tax leviable under section 3(7) @ 12% [Note 7]	₹ 1,40,226.42
Total duty and integrated tax payable (Rounded off)	₹ 2,49,348
(₹ 1,05,943.20 + ₹ 3,178.30 + ₹ 1,40,226.42)	

Notes:

1. Design and development charges paid in UK and commission paid to local agent (since it is not buying commission) are includible in the assessable.
2. The rate of exchange notified by the CBEC on the date of presentation of bill of entry has been considered.
3. If the goods are imported by air, the freight cannot exceed 20% of FOB price.
4. Where the insurance charges are not ascertainable, such cost is taken as 1.125% of FOB value of the goods.

Notes:

5. Even if there is no information regarding landing charges, still they are charged @ 1% of CIF value.
6. Rate of duty shall be the rate in force on the date of presentation of bill of entry or the rate in force on the date of arrival of aircraft, whichever is later.
7. Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is levied on the sum total of the assessable value of the imported goods, customs duties and applicable education cess and secondary and higher education cess.

Computation of total duty and integrated tax payable

Particulars	Amount (₹)
Assessable value (\$ 10,100 x 65) [Note 1]	6,56,500
Add: Basic custom duty @ 10% [Note 2]	65,650
Add: Education Cess @ 2% & SAH Education Cess @ 1% on ₹ 65,650	1,969.50
Total	7,24,119.50
Add: Integrated tax under section 3(7) @ 12% [Note 3]	86,894.34
Total Customs duty and integrated tax payable (rounded off) (65,650 + 1,969.50 + 86,894.34)	1,54,514

Notes:

1. Rate of exchange notified by CBEC as prevalent on the date of filing of bill of entry would be the applicable rate.
2. Rate of duty would be the rate as prevalent on the date of filing of bill of entry or entry inwards whichever is later.
3. Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is levied on the sum total of the assessable value of the imported goods, customs duties and applicable education cess and secondary and higher education cess.

Computation of total customs duty and integrated tax payable

Particulars	Amount (₹)
Assessable Value	1,00,000
Basic customs duty @ 10%	10,000
Add: Education Cess @ 2% & SAH Education Cess @ 1% on ₹ 10,000	300
Sub-total	1,10,300
Integrated tax u/s 3(7) of the Customs Tariff Act @ 12% of ₹ 1,10,300	13,236
Total customs duty and integrated tax payable	23,536

Computation of total customs duty and integrated tax payable

Particulars	Amount
CIF value	2000 US \$
Less: Freight	500 US \$
Less: Insurance	100 US \$
FOB value	1400 US \$
Add: Freight (20% of FOB value) [Note 1]	280 US \$
Add: Insurance (actual)	100 US \$
CIF for customs purpose	1780 US \$
Value in Rupees (@ ₹ 62) [Note 2]	₹ 1,10,360.00
Add: 1% for landing charges [Note 3]	₹ 1,103.60
Assessable value	₹ 1,11,463.60
Basic Custom Duty @ 10% [Note 4]	₹ 11,146.36
Add: E. Cess @ 2% & SAH E. Cess @ 1% on ₹ 11,146.36	₹ 334.39
Sub-total	₹ 1,22,944.35
Integrated tax u/s 3(7) (12% on ₹ 1,22,944.35) [Note 5]	₹ 14,753.32
Total duty and integrated tax (rounded off)	₹ 26,234

Notes:

1. If the goods are imported by air, the freight cannot exceed 20% of FOB price.
2. Rate of exchange notified by CBEC on the date of presentation of bill of entry would be the applicable rate.
3. Even if there is no information regarding landing charges, still they are charged @ 1% of CIF value.
4. Rate of duty would be the rate as prevalent on the date of filing of bill of entry or arrival of aircraft, whichever is later.
5. Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is levied on the sum total of the assessable value of the imported goods, customs duties and applicable education cess and secondary and higher education cess.

Computation of total customs duty and integrated tax payable

Particulars	Amount
FOB value	£ 10,000
Add: License fee required to be paid in UK [Note 1]	£ 400
Customs FOB value	£ 10,400
Value in Rupees (₹ 99 per £) [Note 2]	₹ 10,29,600.00
Add: Air freight [Restricted to 20% of ₹ 10,29,600 [Note 3]	₹ 2,05,920.00
Add: Insurance @ 1.125% of ₹ 10,29,600 [Note 4]	₹ 11,583.00
CIF Value	₹ 12,47,103.00
Add: Landing charges @ 1% [Note 5]	₹ 12,471.03
Assessable value	₹ 12,59,574.03
Add: Basic custom duty @ 10% [Note 6]	₹ 1,25,957.00
Add: Education Cess and secondary and Higher Education Cess (3% of ₹ 1,25,957)	₹ 3,779.00
Sub-total	₹ 13,89,310.03
Add: Integrated tax under section 3(7) @ 12% (rounded off)	₹ 1,66,717
Total customs duty and integrated tax payable	₹ 2,96,453

Notes:

1. Engineering and design charges paid in UK, licence fee relating to imported goods payable by the buyer as a condition of sale, materials and components supplied by the buyer free of cost and actual insurance charges paid are all includible in the assessable value.
2. Rate of exchange notified by CBEC on the date of filing of bill of entry has to be considered.
3. In case of goods imported by air, freight cannot exceed 20% of FOB value.
4. Insurance charges, when not ascertainable, have to be included @ 1.125% of FOB value of goods.
5. Landing charges @ 1% of the CIF value are includible in the assessable value, whether actually incurred or not.

Notes:

6. Rate of duty will be the rate in force on the date of presentation of bill of entry or on the date of arrival of the aircraft, whichever is later.
7. Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is levied on the sum total of the assessable value of the imported goods, customs duties and applicable education cess and secondary and higher education cess.