

My students, please read my previous lectures upto L-4 and see that I have discussed Assesable Value - how to calculate and how Basic Custom Duty is charged and IGST is charged.

Now, you see that we add Education Cess and S.A.T. Cess on B.C.D @ 2% and 1% respectively.

Here, there is a change W.e.f - 2/2/2018.
Any transaction took place before 2/2/2018 (2nd Feb 2018) these cesses are to be charged. But if a transaction takes place on or after 2nd Feb 2018, in place of Education cess and S.A.T. Cess we will charge S.W.S (Social Welfare cess) @ 10% on Basic custom duty (B.C.D.). It should be noted and changes are to be made accordingly.

Example: Goods imported from USA
 - Assessable value Rs. 30000. B.C.D tax
 and CGST-18%. Date of import 10.5.2019.
 Find out total custom duty payable.

Ans. Assessable Value = Rs. 30000

Basic custom duty = Rs. 30,000

(10% \times Rs 30000).

S.W.S. 10% on Rs. 30,000 = Rs. 3000

Total value for calculation of

CGST = Rs. 30000 + Rs. 3000 + Rs. 3000

\rightarrow Rs. 333,000

DGST = 18% \times Rs. 333,900 = Rs. 60,102

Now total value of the goods

imported = Rs. 30000 + Rs. 30,000 +

Rs. 3000 + Rs. 60,102

= Rs. 393,102

Total duty payable:

B.C.D = Rs. 30,000

S.W.S. = Rs. 3,000

CGST = Rs. 60,102

93,102

Please note that date of import given 10.5.19 which is ~~prior to~~ ^{on or} after 02/02/2018. So, SWS is to apply, not Education cess or SALT cess.

Ans

Now, apart from B.S.D, there may be CVD (Countervailing Duty) and Special CVD (Special Countervailing Duty). Special CVD is also called special Additional Duty (SAD).

What is CVD? \rightarrow It is duty to be charged on imported goods as like as if same goods were being manufactured in India and what excise duty would have been charged on them. So it is equivalent to excise duty to be charged on these goods at specified given rate.

Spl CVD - It is duty to be charged as additional duty as like as if these goods are sold locally what Sales Tax would have been charged on these goods. So, it is equivalent to Sales Tax. The rate will be given in the problem.

Now if these are mentioned in the problem, then you charge only.

Please see examples in the next page.

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Example: A-B add imported 500 litres of High speed Diesel from U.S.A. Assessable value R. 50,000. B.C.D - 10%, C.V.D 12%, spl CVD 4%. find duty to be paid.

$$\text{Assessable Value} = \text{R. } 50,000$$

$$\text{Basic Custom Duty} = 5,000 \\ (\text{10%})$$

$$\text{C.V.D. } 12\% \text{ on R. } 55,000 = 6600$$

$$(\text{R. } 50,000 + \text{R. } 5,000)$$

$$\text{Spl CVD } 4\% \text{ on R. } 61,600$$

$$\text{R. } 2464$$

$$(\text{R. } 50,000 + \text{R. } 5,000 + \text{R. } 6600) = \text{R. } 2464$$

$$\text{S.W.S. Tax on R. } 2464 = \text{R. } 1406$$

$$(\text{R. } 5000 + \text{R. } 6600 + \text{R. } 2464)$$

Now total duty payable: B.C.D + C.V.D + Spl CVD
+ S.W.S -

$$= \text{R. } 5000 + \text{R. } 6600 + \text{R. } 2464 + \text{R. } 1406$$

$$= \text{R. } 15470$$

Total value to customs:

$$\text{A.V. + B.C.D + C.V.D + Spl CVD + S.W.S}$$

$$= \text{R. } 50,000 + \text{R. } 5,000 + \text{R. } 6600 + \text{R. } 2464 + \text{R. } 1406$$

$$= \text{R. } 65470$$

Now, we will add Road & Infrastructure

Cost @ R. 8/litre for 500 litres with the

$$\text{duty @ e.e. R. } 15470 + \text{R. } 4000 = \text{R. } 19470 \text{ total}$$

& total value of Company = R. 50000 + R. ^{duty}
_{19470 = R. 69470}

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1. ^{values} please note that Road & Infrastructure
car @ 2.8 per litre is imposed w.r.t 2.2-2.8
in case that are converted into Gondor.

2. ~~Dear~~ Petrol or High speed diesel is not
under GST, that is why C.V.D is charged
here along with Spcl. C.V.D. In other
case no C.V.D or special C.D.V. are
charged. that have subsectioned
in GST.

Yours

DB