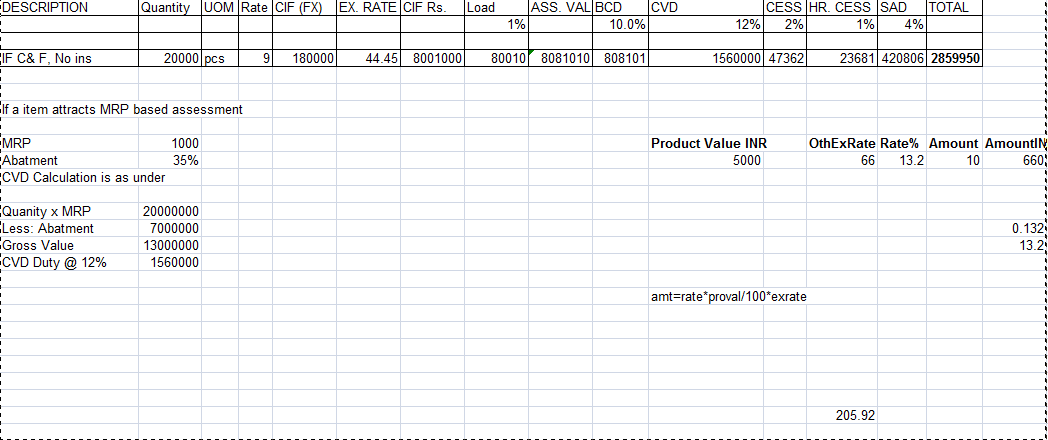
\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*Duty Calculation \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

Given By Mr.Sriram Sir.



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| **Freight Amount:- Air:** |
| Air Freight = (Product Value + Miscellaneous Amount) \* 20 / 100; OR  ACTUAL Freight Amount whichever is lower should be taken for calculation of Assessable Value |
| **Remarks:**   * **It is suggested to read the Freight amount as 20%frt and actual freight** * **Similarly for insurance – 1.125% or actual (both AIR and SEA Shipments) whichever is lower to be added for ass. Value calculation.**   **Validation :**   1. **Please note that while such comparison of Actual Freight Vs. 20% of FOB, please ensure that both are in SAME CURRENCY.** 2. **In case of Single freight for multiple invoice or multiple product, the freight should be calculated on “Proportionate Basis”. Total Freight / Total FOB Value (Product Value + Misc Amount) \* Invoice Value or Item Value.** |
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| **Assessable Value:-**Sea:- |
| Assessable Value =Product Value + Freight Amount + Insurance Amount + Miscellaneous Amount + Agency Charge + Additional Charge |
| **Remarks:** |
| **There are additions and deductions in the Customs for calculation of Assessable Value. The are briefly described in “Other Charges - These charges are normally NIL and if entered should be added to the above value”.**  **Deduction : Commonly used deductions are “Discounts” which are denoted as “-1234” (Starts with minus symbol).** |

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| **Assessable Value:-**Air:- |
| Assessable Value =Product Value + (Freight Amount or Airfreight which one is less) + Insurance Amount + Miscellaneous Amount + Agency Charge + Additional Charge  Loading Charge=Assessable Value/100  Assessable Value=Assessable Value+Loading Charge |
| **Remarks:** |
| **As Above.** |

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| **SAPTA Calculation**:- |
| SAPTADutyAmount = ((Assessable Value\* BCDTax) / 100) \* SAPTARate/ 100;  SAPTADutyAmountQty = ((Qty \* BasicDutyAmount)) \* SAPTARate / 100;  It should be as under : (for all FTA cases)   1. Amount of Duty saved in FTA should be stored. (Amount otherwise to be paid minus amount paid under the FTA – SAPTA et) 2. BCD = AV \* BCD Rate 3. BCD under FTA = AV \* (BCD Rate – (BCD Rate \* % of Concession)  For example = AV = Rs.105 BCD is 10% and FTA Concession is 56%   BCD under FTA would be = 105 \* (10 – (10\*56%))  = 100 \* (10-5.6) = 105\*4.4% = Rs.4.62   1. FTA Duty Saving = AV \* (BCD Rate \* % of Concession under FTA)   From the above example : FTA Duty Saving = 105 \* (10\*56%)  = 105 \* 5.6%  = Rs. 5.88 |
| **Remarks:** |
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| **BCD (Basic Custom Duty) Calculation**:- |
| BCD = ((Assessable Value\* BCDTax) / 100) –SAPTADutyAmount;  Basic Duty Amount Qty = (Qty \* BasicDutyAmount) –SAPTADutyAmountQty;  Total BasicDuty Amount = BCD + Basic Duty Amount Qty; |
| **Remarks: As Explained above** |
| Basic Duty Amount Qty = (Qty \* BasicDutyAmount) –SAPTADutyAmountQty;  **= What is this?? Clarify. Normally the SAPTA duty benefit is on Advaleroum (%) basis only.** |

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| **MRP Amendment Calculation**:- |
| MRP Amount = ((Qty \* MRP) - ((qty \* MRP) \* MRPAmendment / 100)); |
| **Remarks:** |
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| **CVD (CounterVailing Duty) Calculation**- |
| if (MRPDuty == "0")  {  CVD = (Assessable value+ Total BasicDuty Amount) \* CVDTax / 100;  }  else  {  CVD = (MRPAmount) \* CVDTax / 100;  }  CVDDuty Amount Qty = (Qty \* Additional Amount);  TotalCVDAmount = CVD + CVDDutyAmountQty; |
| **Remarks:** |
| 1. **There are few items which are covered under MRP based Assessment. When such items are covered under MRP based, then Assessable Value of Central Excise = Qty \* (MRP of the Product – (MRP of the Product \* Abatement in %)** 2. **If the Items are not covered under MRP based assessment then Ass. Value of CE = AV of Customs + BCD Amount.** 3. **CVD rate of duty is to be applied on AV of CE.**   **If the CVD rate is 12%**  **It is to applied based on nature of assessment (RSP or Without RSP)**   1. **The list of items requiring RSP based assessment needs to checked with HS Code – 2,4,6,8 digit level. This can be given as a alert message to user. Many of these items appearing in this list are already exempted and few products only left. (Notn No 45/2008 (CE – N.T)** |

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| **Additional Duty (Scheme II)**- |
| Additional Duty (Scheme II) Amount = (Assessable value+ Total Basic Duty Amount) \* Additional Duty (Scheme II) Rate / 100; |
| **Remarks:** |
| * **This duty is called as “Goods of Special Importance (GSI)” and it is levied separately for sharing between State and Central Government and other administrative reasons by Government.** * **The list of items requiring GSI needs to checked with HS Code – 2,4,6,8 digit level. This can be given as a alert message to user. Many of these items appearing in this list are already exempted and few products only left.** |

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| **CVD Education Cess**- |
| CVDEducationCessAmount = ((CVD+Addl Duty (Shheme II)) \* ExEducationCessRate / 100; |
| **Remarks:** |
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| **CVD SEC Cess**- |
| CVDSHECessAmount = ((CVD+Addl Duty (Shheme II)) \* ExSHECessRate / 100; |
| **Remarks:** |
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| **Custom Education Cess**- |
| Education CessAmount = (Total Basic Duty Amount + Total CVD Amount + Additional Duty (Scheme II) Amount) \* Education CessRate / 100; |
| **Remarks:** |
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| **Custom SEC Cess**- |
| SHECessAmount = (Total Basic Duty Amount + Total CVD Amount + Additional Duty (Scheme II) Amount) \* SHECessRate / 100; |
| **Remarks:** |
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| **SAD (Additional Duty)**- |
| SAD Amount = (Assessable value+ Total Basic Duty Amount + Total CVD Amount +Additional Duty (Scheme II) Amount+ ExEducationCessAmount + ExSHECessAmount + Education CessAmount + SHECessAmount) \* SADRate / 100; |
| **Remarks:** |
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| **CESS Duty** |
| CESSDutyAmt = (?\*ExCess Rate/100) + (Qty \* CessAmount); |
| **Remarks:** |
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| Additional Duty(TTA) |
| ?... |
| **Remarks:** |
| * **This duty is called a Textile** * **The list of items requiring GSI needs to checked with HS Code – 2,4,6,8 digit level. This can be given as a alert message to user. Many of these items appearing in this list are already exempted and few products only left.** |

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| Health Cess |
| ?... |
| **Remarks:** |
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| --- |
| NCD |
| ?... |
| **Remarks:** |
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| Additional Duty(GSI) Surcharge |
| ?... |
| **Remarks:** |
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| Additional Duty(GSI) Surcharge |
| ?... |
| **Remarks:** |
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| TariffValue = Assessable VALUE |
| ?... |
| **Remarks: If any item (there are few items covered under Tariff Value (Gold, Palmaleon etc..) covered under Tariff Value - The Tariff value will come Assessable value for Customs for all Duty calculation purpose.** |
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| **Total Duty Amount** |
| TotalDuty Amount = Total Basic Duty Amount + Total CVD Amount + ExEducationCessAmount + ExSHECessAmount + Education Cess Amount + SHE Cess Amount + SAD Amount + CESSDuty Amount; |
| **Remarks:** |
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Other than the above few concepts also needed to be incorporated in BE file

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| License |
| **Permission** |
| **DEBP** |
| **MISC \_CH** |
| **HSS** |
| **RE IMPORT** |
| **SBE DUTY** |
| **CTX** |
| **AMEND** |

We need a your support for validating the above points as well to understand the last table to incorporate the same

**Types of Excise Duties**

* **Basic Excise Duty (BED)**: This is the duty charged under section 3 of the Central Excises and Salt Act, 1944 on all excisable goods other than salt which are produced or manufactured in India.  Basic Excise Duty [also known as Central Value Added Tax (CENVAT)] is levied at the rates specified in Central Excise Tariff Act.
* **Special Excise Duty (SED)**: As per the Section 37 of the Finance Act, 1978 Special excise Duty was attracted on all excisable goods on which there is a levy of Basic excise Duty under the Central Excises and Salt Act,1944. Special Excise Duty is levied at the rates specified in the Second Schedule to Central Excise Tariff Act, 1985.
* **Education Cess on Excise Duty**: Section 93 of Finance (No. 2) Act, 2004 states that education Cess is 'duty of excise', to be calculated on aggregate of all duties of excise including special excise duty or any other duty of excise, but excluding education Cess on excisable goods.
* **Excise duty in case of clearances by EOU**: The EOU units are expected to export all their production. However, if they clear their final product in DTA (domestic tariff area), the rate of excise duty will be equal to customs duty on like article if imported in India.
* **National Calamity contingent Duty (NCCD)**: A 'National Calamity Contingent Duty' (NCCD) has been imposed vide section 136 of Finance Act, 2001 [clause 129 of Finance Bill, 2001, w.e.f. 1.3.2001]. This duty is imposed on pan masala, chewing tobacco and cigarettes.
* **Duties under other Acts**: Some duties and Cess are levied on manufactured products under other Acts. The administrative machinery of central excise is used to collect those taxes. Provisions of Central Excise Act and Rules have been made applicable for levy and collection of these duties / Cess.
* **Additional Duty on Goods of Special Importance (AED [GSI])**: Some goods of special importance are levied Additional Excise under Additional Duties of Excise (Goods of Special Importance) Act, 1957. The 'Additional Duty' is in addition to excise duty. This scheme was introduced based on the suggestion made by the manufacturers to Government, that multiple level taxes and duties should be avoided. Levy and collection of all taxes at one stage by single authority will be convenient for payment and administration. Hence, by agreement between Central and State Governments, it was decided to make a beginning in 1957, by selecting some items where additional duty will be collected instead of sales tax and such additional duty will be distributed among various States. Revenue from this duty is distributed among State Governments on the basis of percentages given in the second schedule to the Act.
* Some items covered are textile articles like cotton fabrics, silk and wool fabrics, man-made fibers, terry fabrics, metallised yarn, embroidery; sugar, branded tobacco, pan masala containing tobacco and cigarettes.
* **Duty on Medical and Toilet Preparations**: Excise duty is imposed on medical preparations under Medical and Toilet Preparations (Excise Duties) Act, 1955.
* **Additional Duty on Mineral Products**: Additional duty on mineral products (like motor spirit, kerosene, diesel and furnace oil) is payable under Mineral Products (Additional Duties of Excise and Customs) Act, 1958.
* **Additional Customs Duty commonly known as countervailing Duty (CVD)**: Countervailing duty (CVD) is imposed on the Imports.
* **Special Additional Duty of Customs (Special CVD)**: Special CVD is being imposed on items bound under the Information Technology Agreement (except information technology software), and also on specified inputs/raw materials for manufacture of electronics/IT goods.
* Additional Duties of Excise (Textiles and Textile Articles) [AED (TTA)]
* Additional Duty of Excise (Tea and Tea Waste) [AED (TTW)]
* Secondary and Higher Education Cess

Other Duties :

**Anti Dumping Duty on dumped articles**

Often, large manufacturer from abroad may export goods at very low prices compared to prices in his domestic market. Such dumping may be with intention to cripple domestic industry or to dispose of their excess stock. This is called 'dumping'. In order to avoid such dumping, Central Government can impose, under section 9A of Customs Tariff Act, anti-dumping duty up to margin of dumping on such articles, if the goods are being sold at less than its normal value. Levy of such [**anti-dumping duty**](http://www.eximguru.com/exim/indian-customs/anti-dumping-duty.aspx) is permissible as per WTO agreement. Anti dumping action can be taken only when there is an Indian industry producing 'like articles'.

**Safeguard Duty**

Central Government is empowered to impose 'safeguard duty' on specified imported goods if Central Government is satisfied that the goods are being imported in large quantities and under such conditions that they are causing or threatening to cause serious injury to domestic industry. Such duty is permissible under WTO agreement. [**Safeguard duty**](http://www.eximguru.com/exim/indian-customs/safeguard-duty/about-safeguard-duty.aspx) is a step in providing a need-based protection to domestic industry for a limited period, with ultimate objective of restoring free and fair competition