

CHAPTER 8 CUSTOM TARRIF ACT 1975

Illustration 1

Explain rule 3 of the *General Rules for the Interpretation of the Import Tariff* (CA Final RTP May 19) (ICAI Material)

Solution

Illustration 2

What are the conditions required to be fulfilled by the importer to make the imported goods eligible for preferential rate of duty prescribed by the Central Government by notification under section 25 of the Customs Act, 1962? (ICAI Material)

Solution

Illustration 3

Differentiate between protective duty and safeguard duty measures (ICAI Material)

Solution

Illustration 4

PCB Limited has imported printed circuit boards for sale in India from Country X, which are liable for anti - dumping duty. You are providing with the following details:

(i) Country X does not sell these goods in its domestic market.

However, it exports the same printed circuit boards at USD 200 per piece to another third country.

(ii) The printed circuit board is sold in domestic industry @ USD 175 per piece.

(iii) PCB Limited has imported the printed circuit boards at USD 100 per piece.

(iv) Landed value of the printed circuit boards is USD 125 per piece.

Compute the anti - dumping duty payable by PCB Limited for 1,000 pieces of printed circuit boards it has imported during the year assuming conversion rate @ Rs.75 per USD. (CA Final Nov. 2020 Exam New)

Solution

Illustration 5

Chaintop Industries has challenged the imposition of anti - dumping duty retrospectively from the date prior to the date of imposition of anti - dumping duty on the grounds that it is unconstitutional. Explain whether it would succeed in its contention. (CA Final May 18 Old) (ICAI Material)

Solution

Illustration 6

Miss Priya imported certain goods weighing 1,000 kgs. With CIF value US \$ 40,000. Exchange rate was 1 US \$ = Rs.45 on the date of presentation of bill of entry. Basic customs duty is chargeable @ 10% and SWS as applicable. There is no GST payable on these goods, if manufactured in India. As per Notification issued by the Government of India, anti - dumping duty has been imposed on these goods. The anti - dumping duty will be equal to difference between amount calculated @ US \$ 60 per kg and landed value of goods. You are required to compute custom duty and anti - dumping duty payable by Miss Priya.

Note: Goods imported are exempted from payment of additional duty of Customs Tariff Act, (Exam Question, May 2010)

Solution

Illustration 7

Determine the total duties (duty, tax and cess) payable under Customs Act if Mr. Rao imported rubber from Malaysia at landed price of Rs.25 lakhs. It has been notified by the Central Government that share of imports of rubber from the developing country against total imports to India exceeds 5%. Safeguard duty notified on this product is 30%, rate of integrated tax under section 3(7) is 12% and rate of basic customs duty is 10%. (CA Final May 19 New) (ICAI Material)

Solution