



SUPPLEMENTARY

PAPER - 11

INDIRECT TAXATION

(Syllabus 2016)

(Applicable for June 2022 Examination)

The Institute of Cost Accountants of India
(Statutory Body under an Act of Parliament)

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Section B

Customs Law





Basic Concepts

Time limit for submission of Bill of Entry (B.E.):

As per Finance Act, 2021, Section 46(3), The importer shall have to present the bill of entry u/s 46(1) of the Customs Act, 1962 **before the end of the day (including holidays) preceding the day** on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or for warehousing.

It may be noted that, the existing provision that a BE may be presented upto 30 days prior to the expected arrival of the aircraft or vessel or vehicle carrying the imported goods continues. Thus, with certain exceptions, as notified, the BE can now be filed anytime from 30 days prior to the expected arrival of the aircraft or vessel or vehicle upto the end of day preceding the day of such arrival

Provided further that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for the late presentation of the bill of entry as may be prescribed.



TYPES OF DUTIES

Agriculture Infrastructure and Development Cess (AIDC):

A new cess called **Agriculture Infrastructure and Development Cess (AIDC)** was introduced vide Finance Act, 2021 for the purpose of financing the agriculture infrastructure and other development expenditure. Such cess is applicable on certain specified goods such as apple, kabuki Chanda, chickpeas, lentils, various types coals, urea, silver (including imports by eligible passengers), Silver Dore, Gold (including imports by eligible passengers), Gold Dore etc.

Where the duty is leviable on the goods at any percentage of its value, then for the purpose of calculating the Agriculture Infrastructure and Development Cess, the value of such goods is calculated in the same manner as the value of goods is calculated for the purpose of customs duty under section 14 of the Customs Act, 1962.

For Example:

Particulars	Amount ₹	Remarks
Cost of imported goods	1,00,000	Transaction value
Add: Basic customs duty	10,000	1,00,000 × 10%
Add: Agriculture Infrastructure Development Cess	7,500	1,00,000 × 7.5%
Add: Social Welfare Surcharge	1,750	17,500 × 10%
Sub-total	1,19,250	
Add: IGST	21,465	1,19,250 × 18%
Add: GST Compensation Cess	17,888	1,19,250 × 15%
Total cost of imported goods	1,58,603	

Note: Please note that IGST and GST compensation cess would be available as input tax credit under GST Laws subject to fulfilment of prescribed conditions.



Abatement & Exemptions

Abatement of duty Section 22:

Imported goods had been damaged or had deteriorated at any time before or during the unloading of goods in India

Imported goods had been damaged or had deteriorated at any time after the unloading of goods in India but before their examination for assessment by customs authorities provided such damage is not due to any wilful act.

Any warehoused goods had been damaged on account of any accident at any time before clearance for home consumption provided such damage is not due to any wilful act.

Exemption from customs duty SECTION 25

General exemption

By notification in the Official Gazette, exempt generally either absolutely or subject to such conditions as may be specified in the notification, goods of any specified description from the whole or any part of duty of customs leviable thereon.

Special exemption

By special order in each case, exempt from payment of duty, any goods on which duty is leviable only under circumstances of an exceptional nature to be stated in such order.

Finance Act, 2021, Section 25(4A) inserted:

Where any exemption is granted subject to any condition, such exemption shall, unless otherwise specified or varied or rescinded, be valid up to 31st day of March falling immediately after two years from the date of such grant or variation.

Provided that in respect of any such exemption in force as on the date on which the Finance Bill, 2021 receives the assent of the President, the said period of two years shall be reckoned from 1st of February, 2021.