

Customs Act, 1962

Section 14 - Valuation of Goods for Purposes of Assessment

10[14. Valuation of goods .--

For the purposes of the Customs Tariff Act, 1975, or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf:

Provided that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and licence fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf:

Provided further that the rules made in this behalf may provide for,-

- (i) the circumstances in which the buyer and the seller shall be deemed to be related;
- (ii) the manner of determination of value in respect of goods when there is no sale, or the buyer and the seller are related, or price is not the sole consideration for the sale or in any other case:
- (iii) the manner of acceptance or rejection of value declared by the importer or exporter, as the case may be, where the proper officer has reason to doubt the truth or accuracy of such value, and determination of value for the purposes of this section:

Provided also that such price shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46; or a shipping bill of export, as the case may be, is presented under section 50.

(2) Notwithstanding anything contained in sub-section (1), if the Board is satisfied that it is necessary or expedient so to do, it may, by notification in the Official Gazette, fix tariff values for any class of imported goods or export goods, having regard to the trend of value of such or like goods, and where any such tariff values are fixed, the duty shall be chargeable with reference to such tariff value.

Explanation.--For the purposes of this section--

(a) "rate of exchange" means the rate of exchange--

- (i) determined by the Board, or
- (ii) ascertained in such manner as the Board may direct,

for the conversion of Indian currency into foreign currency or foreign currency into Indian currency;

(b) "foreign currency" and "Indian currency" have the meanings respectively assigned to them in clause (m) and clause (q) of section 2 of the Foreign Exchange Management Act, 1999(42 of 1999).]

1. Substituted by Act 51 of 1975, section 13, for "Indian Tariff Act, 1934 (32 of 1934)" (w.e.f. 2-8-1976).

2. Brackets and letter "(a)" omitted by Act 27 of 1988, section 2 (w.e.f. 16-8-1988).

3. Substituted by Act 20 of 2002, section 118, for certain words (w.e.f. 11-5-2002).
4. Proviso inserted by Act 20 of 1966, section 2, (w.e.f. 31-8-1966) and substituted by Act 25 of 1978, section 3 (w.e.f. 1-7-1978).
5. Clause (b) omitted by Act 27 of 1988, section 2 (w.e.f. 16-8-1988).
6. Inserted by Act 27 of 1988, section 2 (w.e.f. 16-8-1988).
7. Substituted by Act 20 of 2002, section 118, for "Central Government" (w.e.f. 11-5-2002).
8. Inserted by Act 25 of 1978, section 3 (w.e.f. 1-7-1978).
9. Substituted by Act 20 of 2002, section 118, for clause (b) (w.e.f. 11-5-2002).
10. Substituted by the Finance Act, 2007, w.e.f. 10.10.2007. Prior to substitution, it read as under:-

"(1) For the purposes of the 1[Customs Tariff Act, 1975 (51 of 1975)], or any other law for the time being in force whereunder a duty of customs is chargeable on any goods by reference to their value, the value of such goods shall be deemed to be--

2[***] the price at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, as the case may be, in the course of 3[international trade, where--

(a) the seller and the buyer have no interest in the business of each other; or

(b) one of them has no interest in the business of the other,

and the price is the sole consideration for the sale or offer for sale] :

4[Provided that such price shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46, or a shipping bill or bill of export, as the case may be, is presented under section 50;]

5[***]

6[(1A) Subject to the provisions of sub-section (1), the price referred to in that sub-section in respect of imported goods shall be determined in accordance with the rules made in this behalf.]

(2) Notwithstanding anything contained in sub-section (1), or 6[sub-section (1A)] if the 7[Board] is satisfied that it is necessary or expedient so to do it may, by notification in the Official Gazette, fix tariff values for any class of imported goods or export goods, having regard to the trend of value of such or like goods, and where any such tariff values are fixed, the duty shall be chargeable with reference to such tariff value.

8[(3) For the purposes of this section --

(a) "rate of exchange" means the rate of exchange --

(i) determined by the 7[Board], or

(ii) ascertained in such manner as the 7[Board] may direct,

for the conversion of Indian currency into foreign currency or foreign currency into Indian currency ;

9[(b) "foreign currency" and "Indian currency" have the meanings respectively assigned to them in clause (m) and clause (q) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).]"

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