

Corrigendum

Exemptions from Customs Duty, Stores and Baggage

Baggage

Question 1 [Question 15 of the QB]

After visiting USA for a month, Mrs. and Mr. Iyer (Indian residents aged 35 and 40 years respectively) brought to India a laptop computer valued at ₹ 70,000, used personal effects valued ₹ 1,40,000 and a personal computer for ₹ 58,000. Calculate the custom duty payable by Mrs. & Mr. Iyer, if any.

Answer

- (1) As per the Baggage Rules, 2016, an Indian resident arriving from a country other than Nepal, Bhutan, or Myanmar, is allowed duty free clearance of-
- (i) **Used personal effects and travel souvenirs** without any value limit.
 - (ii) **Articles** [other than certain specified articles] **up to a value of ₹ 50,000** carried as accompanied baggage [General duty free baggage allowance].
 - (iii) Further, such general duty free baggage allowance of a passenger **cannot be pooled with the general duty free baggage allowance of any other passenger.**
- (2) **One laptop computer** when imported into India **by a passenger** of the **age of 18 years or above** (other than member of crew) is exempt from whole of the customs duty.
- (3) (i) Accordingly, there will be **no customs duty on used personal effects** (worth ₹ 1,40,000) of Mrs. and Mr. Iyer and laptop computer brought by them will be exempt from duty.
- (ii) **Duty payable on personal computer** after exhausting the duty free baggage allowance will be **₹ 58,000 - ₹ 50,000 = ₹ 8,000**
- (iii) Effective rate of duty for baggage = **35%**
- (iv) Therefore, total customs duty = **₹ 2,800**

Question 2 [Question 16 of the QB]

Mr. Sujoy, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.2025. His wife also joined him in London after three months. The following details are submitted by them with the Customs authorities on their return to India on 15.04.2026:

- (a) used personal effects worth ₹ 80,000,
- (b) 2 music systems each worth ₹ 50,000,
- (c) the jewellery brought by Mr. Sujoy worth ₹ 48,000 [20 grams] and the jewellery brought by his wife worth ₹ 96,000 [40 grams].

With reference to Baggage Rules, 2016, determine whether Mr. and Mrs. Sujoy will be required to pay any customs duty?

Answer

As per rule 3 of the Baggage Rules, 2016, an Indian resident arriving from any country other than Nepal, Bhutan or Myanmar, shall be **allowed clearance free of duty articles** in his bona fide baggage, that is to

say, used personal effects and travel souvenirs; and articles [other than certain specified articles], **upto the value of ₹ 50,000** if these are carried on the person or in the accompanied baggage of the passenger.

Thus, there is **no customs duty on used personal effects and travel souvenirs** and general duty free baggage allowance is ₹ 50,000 per passenger. Thus, **duty liability of Mr. Sujoy and his wife is nil** for the used personal effects worth ₹ 80,000 and 2 music systems each worth ₹ 50,000.

As per rule 5 of the Baggage Rules, 2016, the jewellery allowance is as follows:

Jewellery brought by	Duty free allowance
Gentleman Passenger	Jewellery upto a weight of 20 grams with a value cap of ₹ 50,000
Lady Passenger	Jewellery upto a weight of 40 grams with a value cap of ₹ 1,00,000

However, jewellery **allowance is applicable** only to a passenger **residing abroad for more than 1 year**. Consequently, there is **no duty liability on jewellery brought by Mr. Sujoy** as he had stayed abroad for period exceeding 1 year and weight of jewellery brought by him is 20 grams with value less than ₹ 50,000.

However, **his wife is not eligible for this additional jewellery allowance** as she had stayed abroad for a period of less than a year. Thus, **she has to pay customs duty on the entire amount of jewellery brought by her as she has already exhausted the general duty free baggage allowance of ₹ 50,000** allowed under rule 3.

Question 3 [Question 17 of the QB]

Mrs. X, an Indian resident aged 30 years who was on a visit to China, returned after months. She was carrying with her the following items:

(i)	Personal effects	₹ 75,000
(ii)	Laptop computer	₹ 60,000
(iii)	Jewellery - 25 grams (purchased in China)	₹ 75,000
(iv)	Music system	₹ 50,000

Compute the customs duty payable by Mrs. X with reference to the Baggage Rules, 2016

Answer

Computation of customs duty payable by Mrs. X

Particulars	₹
Personal effects [Duty free clearance is allowed]	Nil
Laptop computer [One laptop computer is exempt when imported into India by a passenger ≥ 18 years of age]	Nil
Jewellery [Duty free jewellery allowance is not available to Mrs. X since she did not reside abroad for more than 1 year]	75,000
Music system	<u>50,000</u>
Total value	1,25,000
Less: General duty free baggage allowance of ₹ 50,000	<u>50,000</u>

Value of baggage liable to customs duty	75,000
Rate of Duty	35%
Customs duty @ 35%	26,250

Question 4 [Question 18 of the QB]

Gregory Peg of foreign origin has come on travel visa, to tour in India. He carries with him, as part of baggage, the following:

Particulars	Value in ₹
Travel Souvenir	85,000
Other articles carried on in person	1,50,000
120 sticks of cigarettes of ₹ 100 each	12,000
Fire arm with 100 cartridges (value includes value of cartridges at @ ₹ 500 per cartridge).	1,00,000

Determine customs duty payable, if the effective rate of customs duty is 35%, with short explanations where required.

Answer

As per rule 3 of Baggage Rules, 2016, tourist of foreign origin, excluding infant, is allowed duty free clearance of

- (i) travel souvenirs; and
- (ii) Articles up to the value of ₹ 15,000 (excluding inter alia fire arms, cartridges of fire arms exceeding 50 and cigarettes exceeding 100 sticks), if carried on in person.

Computation of customs duty payable	₹
Travel souvenir	Nil
Articles carried on in person	1,50,000
Cigarettes [100 sticks can be accommodated in General Free Allowance (GFA)]	10,000
Fire arms cartridge (50 cartridges can be accommodated in GFA)	25,000
Baggage than can be accommodated in GFA	1,85,000
Less: GFA	15,000
Baggage on which duty is payable	1,70,000
Duty payable @ 35%	59,500

Note: Fire arms, cartridges of firearms exceeding 50 and cigarettes exceeding 100 sticks are not chargeable to rate applicable to baggage. Fire arms and cartridges of firearms exceeding 50 are chargeable to duty @ 70% while cigarettes exceeding 100 sticks are chargeable to duty at the rates applicable on cigarettes.

Question 5 [Question 19 of the QB]

Mr. Samuel, a US resident aged 35 years, has come to India on a tourist visa for a month-long vacation. He carries with him, as part of baggage, the following:

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Particulars	Value in ₹
Travel souvenirs	85,000
Other articles carried on in person	1,50,000
80 sticks of cigarettes of ₹ 100 each	8,000
30 cartridges of fire arms valuing ₹ 500 each	15,000
One litre wine	15,000

With reference to the Baggage Rules, 2016, determine whether Mr. Samuel will be required to pay any customs duty?

Answer

As per rule 3 of Baggage Rules, 2016, tourist of foreign origin, excluding infant, is allowed duty free clearance of

- (i) travel souvenirs; and
- (ii) Articles up to value of ₹ 15,000 (excluding, inter alia, cigarettes exceeding 100 sticks, cartridges of fire arms exceeding 50 and alcoholic liquor or wines in excess of two litres), if carried on in person.

Further, any article the value of which exceeds the duty free allowance admissible to such passenger or member under the Baggage Rules, 2016, is chargeable to customs duty @ 35%.

Accordingly, the customs duty payable by Mr. Samuel will be calculated as under:

Computation of customs duty payable	₹
Travel souvenir	Nil
Articles carried on in person	1,50,000
Cigarettes [Since the number of cigarettes does not exceed 100, the same will be covered within the scope of rule 3 of Baggage Rules, 2016 and thus, be eligible for general free allowance (GFA) or concessional rate of duty applicable to baggage, as the case may be.]	8,000
Fire arms cartridge [Since the number of fire arms cartridge does not exceed 50, the same will be covered within the scope of rule 3 of Baggage Rules, 2016 and thus, be eligible for GFA or concessional rate of duty applicable to baggage, as the case may be.]	15,000
One litre of wine [Since the quantity of wine does not exceed 2 litres, the same will be covered within the scope of rule 3 of Baggage Rules, 2016 and thus, be eligible for GFA or concessional rate of duty applicable to baggage, as the case may be.]	<u>15,000</u>
Baggage within the scope of rule 3 of Baggage Rules, 2016	1,88,000
Less: GFA	<u>15,000</u>
Baggage on which duty is payable	1,73,000
Customs duty payable @ 35%	60,550

Question 6 [Question 21 of the QB]

John Biden, aged 32, is a tourist of US origin. He has come to India on a travel visa and carries with him the following articles as part of baggage:

Particulars	Value in ₹
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Used personal effects	50,000
Travel souvenirs	50,000
Laptop	1,20,000
200 gms tobacco [Valued @ ₹ 5 per gram]	1,000
50 cigars [Valued @ ₹ 100 each]	5,000
Fire-arms	80,000
80 cartridges of fire-arms [Valued @ ₹ 500 per cartridge]	40,000
1.5 litres wine	5,000
Mobile phone	80,000

With reference to the Baggage Rules, 2016, determine customs duty payable. Ignore agriculture infrastructure and development cess.

Answer

As per rule 3 of the Baggage Rules, 2016, tourist of foreign origin, excluding infant, is allowed duty free clearance of:

- (i) used personal effects and travel souvenirs; and
- (ii) Articles up to the value of ₹ 15,000 (excluding, inter alia, fire-arms, cartridges of fire arms exceeding 50, wine in excess of 2 litres, tobacco exceeding 125 gms and cigars exceeding 25), if carried on in person or in the accompanied baggage of the passenger.

In view of the said provisions, customs duty shall be computed as follows

Particulars	₹
Used personal effects	Nil
Travel souvenirs	Nil
Laptop [One laptop computer is exempt when imported into India by a passenger ≥ 18 years of age]	Nil
Tobacco [₹ 5 x 125 gm] [125 gms tobacco can be accommodated in General Free Allowance (GFA)]	625
Cigars [₹ 100 x 25] [25 cigars can be accommodated in GFA]	2,500
Fire-arms' cartridges [₹ 500 x 50] [50 fire-arms' cartridges can be accommodated in GFA]	25,000
1.5 litres wine [Wine upto 2 litres can be accommodated in GFA]	5,000
Mobile phone [Can be accommodated in GFA]	<u>80,000</u>
Total value	1,13,125
Less: GFA	<u>15,000</u>
Baggage on which duty is payable	<u>98,125</u>
Duty payable on baggage @ 35% [rounded off]	<u>34,344</u>

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Note: Firearms, cartridges of firearms exceeding 50, cigars exceeding 25 and tobacco exceeding 125 gms are not chargeable to rate applicable to baggage. Fire arms and cartridges of firearms exceeding 50 are chargeable to duty @ 70% while cigars exceeding 25 and tobacco exceeding 125 gms chargeable to duty at the rates applicable on these items.

Question 7 [Question 22 of the QB]

Mr. Noddy, aged 40 years and a citizen of Australia, is on a solo trip to India for 1 month to meet his Indian friend residing in Mumbai. He carries with him following articles as part of baggage:

Particulars	Value in ₹
Used personal effects	80,000
Other articles carried on in person	1,00,000
65 cartridges of fire arms @ ₹ 1,000 per cartridge	65,000
150 gms of tobacco @ ₹ 10 per gram	1,500
Mobile phone	50,000
50 cigars of ₹ 100 each	5,000
Used personal effects of his infant child for donation	10,000

With reference to the Baggage rules 2016, indicate the taxability and taxable value in respect of each item in the table under baggage rules or otherwise. Also calculate customs duty payable on baggage rounded off to nearest rupee in accordance with law. Ignore agriculture infrastructure and development cess.

Answer

	Value in ₹
Used personal effects [Allowed duty free]	NIL
Other articles carried on in person	1,00,000
50 cartridges of fire arms (50 x ₹ 1,000)	50,000
125 gms of tobacco (125 gm x ₹ 10)	1,250
Mobile phone	50,000
25 cigars of ₹ 100 each (25 cigars x ₹ 100)	2,500
Used personal effects of his infant child	<u>10,000</u>
Total	2,13,750
Less: General Free Allowance	<u>15,000</u>
Baggage on which duty is payable	1,98,750
Duty payable on baggage @ 35% (rounded off)	69,563

Question 8 [Question 23 of the QB]

Kiara of Indian origin, came to India on tour from Australia with her baby of 1 year. She brought following goods:

1.	Personal effects	50,000
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2.	Used personal effects of infant	10,000
3.	New camera	45,000
4.	Mobile phone	12,500
5.	Cigarette sticks 70	1,000
6.	Wine - 2 litres	18,000
7.	Travel souvenirs	5,000
8.	Laptop	90,000

Indicate the taxability or taxable value in respect of each item in the table and calculate customs duty payable rounded off to the nearest rupee in accordance with law. There is no need for any notes to support the conclusions regarding taxability or taxable amount.

Answer

Particulars	₹
Personal effects	Nil
Used personal effects of infant	Nil
New camera	45,000
Mobile phone	12,500
Cigarette sticks 70	1,000
Wine - 2 litres	18,000
Travel souvenirs	Nil
Laptop	Nil
Total	76,500
Less: General Free Allowance	<u>50,000</u>
Baggage on which duty is payable	26,500
Duty payable on baggage @ 35% [rounded off]	9,275