Chapter 6

Stores, Baggage Post Article

Stores,

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Sec 2(7)	Stores may be allowed to be warehoused without assessment to duty.
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Sec 86	Imported stores may be consumed on board a foreign-going Vessel or aircraft
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Sec 89	Concessions in respect of Imported
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Baggage

Sections	Descriptions
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Sec 78	Determination of rate of duty and tariff valuation in respect of Baggage
sec 79	Bona fide baggage exempted from duty
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Baggage Rules, 2016	
Rule 3:	Passengers returning from countries other than Nepal, Bhutan, Myanmar or China
Rule 4	Passengers returning from Nepal, Bhutan, Myanmar or China
Rule 5:	Jewellery
Rule 6:	Transfer of residence
Rule 7:	Currency
Rule 8:	Provisions regarding unaccompanied Baggage.
Rule 9 :	Application of these rules to members of the crew.

Post Article

Sections	Descriptions
Sec 82	~~Label or Declaration accompanying goods to be treated as entry~~ OMITTED
Sec 83:	Rate of duty and tariff valuation in respect of goods imported or exported by post
Sec 84:	Regulations regarding goods Imported or to be Export by Post

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2) Stores 2(38)

&

- **Means goods for used in vessel or aircraft**
- **Includes fuel, spare parts & other articles of equipment whether or not for immediate fittings.**

Sec. 2(21) Foreign-Going VESSEL or AIRCRAFT (FGV or FGA)

&

Means

Any vessel or aircraft for the time being engaged
- in the carriages of goods or passenger
- between any port or airport in India & any port or airport outside India.
- whether touching any intermediate port or airport in India or not.

includes

(i)	(ii)	(iii)
any naval vessel of foreign govt. taking port in any naval exercise	any vessel engaged in fishing or any other, operations, outside the territorial water of India.	any vessel or aircraft proceeding to a place outside India for any purpose what so ever.

Provisions of Stores

Sec 85 – Stores may be allowed to be warehoused without assessment to duty:-

1) Stores allowed to deposited in **warehouse without warehousing** provision of warehousing (called as warehousing without warehousing)if
2) Goods entered for warehousing & importer gives declaration that the goods to be supplied as stores to vessels/ aircrafts without payment of import duty.

Sec 86 – Transit & Transhipment of Stores:-

Transit and Transhipment of Stores allowed without duty

Sec 87 – Imported stores may be consumed on board a foreign-going vessel or aircraft:-

Imported stores may be **consumed** on board a FGV or FGA.

Sec 88 – Application of sec 69 (export after warehousing) & drawback to stores:-

1) Warehouse good can be supplied to FGV/ FGA **without duty**
2) Duty paid imported stores eligible for **drawback** (refund) as follows

Aircraft	Fuel and lubricant oil	100% Drawback
	Other stores(e.g. food, drink etc,)	98% Drawback
Vessel	Fuel, lubricant oil and other stores	98 % Drawback

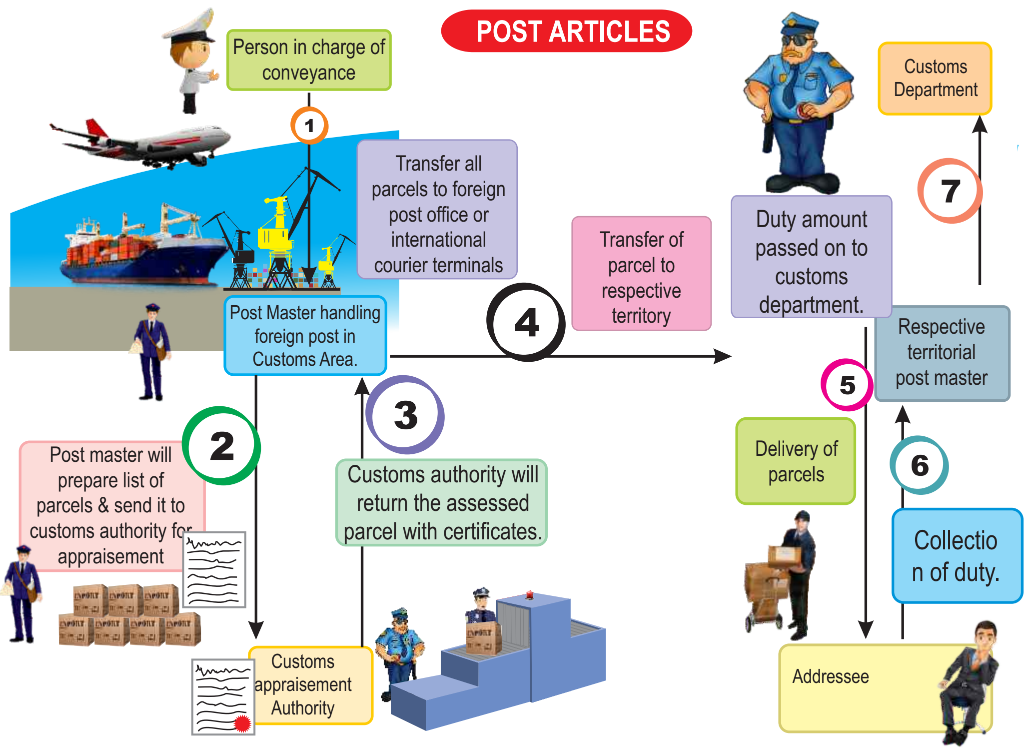
Sec 89 – Stores to be free of export duty

Goods manufactured in India and required as a stores on FGV/FGA may be **exported goods without export duty** for which quantity may be determined by PO..

Sec 90 – Concessions for imported stores for navy:-

Duty Free to Imported stores may be consumed on board a **naval ship**, supplied to ship of Indian navy, taken on board any ship of Indian navy are allowed to 100% duty drawback.

POST ARTICLES



Sec 83: Rate of duty and tariff valuation in respect of goods imported or exported by post or courier.

IMPORTED GOODS

- If goods imported by vessels
  - If list of the goods containing the particulars was presented after the date of the arrival of the vessel, → date of **presentation of list** by Postal authorities to the PO for the assessment of duty.
  - If list of the goods containing the particulars was presented **before the date of the arrival of the vessel,** → **date of arrival of vessel**
- If goods imported by Aircraft /vehicle
  - date of **presentation of list** by Postal authorities to the PO for the assessment of duty.

EXPORT GOODS

- Any Conveyance
  - date on which the **exporter delivers such goods** to postal authorities for exportation

SEC 84 - REGULATIONS REGARDING GOODS IMPORTED OR TO BE EXPORTED BY POST

Board may make regulations for the:-

a) form & manner to make entry for goods imported/to be exported by post/courier.
b) examination, assessment to duty, & clearance of goods imported/to be exported by post/courier.
c) transit or transhipment of goods imported by post/courier from one customs station to another or to a place outside India.

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Baggage

SEC. 2(3) BAGGAGE

Include - Unaccompnied baggage | but does not include motor vehicle

In normal words baggage means luggage or personal belongings of a passenger. or crew members

	Provisions of Baggage
Sec 77	**Declaration by owner of baggage:-** For **clearing the baggage**, the Owner shall make a declaration of its contents to PO.
Sec. 78	**Determination of rate of duty and tariff valuation in respect of Baggage:-** **Relevant date for Custom Duty :** Date on which baggage declaration is presented for removal u/s 77 is made in respect of such baggage * Rate of duty on baggage is 35% + 10% of 35% (SWS) i.e 38.5%(in some cases rate of duty is 100% + 10% = 110%).
Sec. 79	**Bona fide baggage exempted from duty:-** **Bonafide Baggage** is exempted from duty to the extent specified in the Rules. **1) Personal Effect :-** Goods already in use by passenger/ member of the crew. (without limit) **2) Household Effect :-** Goods used for passenger/ his family or bonafide gift or souvenir (ie not for commercial purpose), upto a limit as per rules.
Sec. 80	**Temporary detention of Baggage.** ➢ Import of prohibited article & have given true declaration has u/s 77. ➢ PO may detain such article for returning the passenger when he leaves India. ➢ If passenger is not able to collect his article at the time of leaving India, then that may be return to him - a)through other passenger or b)as cargo consigned in his name.

Laptop (Notebook Computer): One laptop is exempt from customs duty if imported by a passenger (18+ years, non-crew)

Pets (Cats/Dogs - Max 2): Allowed as baggage only if relocating to India after 2 years abroad, with a valid health certificate .

Baggage Rule 2016

Free allowances (Household effect)

Important Definitions	
"infant"	means a child not more than two years of age;
"resident"	means a person holding a valid passport issued under the Passports Act, 1967 and normally residing in India;
"tourist"	means a person not normally resident in India, who enters India for a stay of not more than six months in the course of any twelve months period for legitimate non-immigrant purposes;
"personal effects"	means things required for satisfying daily necessities but does not include jewellery.

RULE 3: Passengers arriving from countries other than Nepal, Bhutan or Myanmar

	Situations	Free Allowances
1	➲ Indian resident or ➲ a foreigner residing in India or ➲ a tourist of Indian origin	
	i) used personal effects and travel souvenirs	Free
	ii) articles other than those mentioned in Annexure-I	₹ 50,000
2	➲ tourist of foreign origin	
	i) used personal effects and travel souvenirs	Free
	ii) articles other than those mentioned in Annexure-I	₹ 15,000
3	➲ Infant	
	i) used personal effects and travel souvenirs	Free
	ii) articles other than those mentioned in Annexure-I	No benefit

RULE 4: Passengers arriving from Nepal, Bhutan or Myanmar

	Situations	Free Allowances
1	➲ Indian resident or ➲ a foreigner residing in India or ➲ a tourist of Indian origin	
	I) used personal effects and travel souvenirs	Free
	ii) articles other than those mentioned in Annexure-I a) passenger is arriving by Land Route b) Passenger is arriving by other Route	No benefit ₹ 15,000
2	➲ tourist of foreign origin	
	I) used personal effects and travel souvenirs	Free
	i) articles other than those mentioned in Annexure-I a) passenger is arriving by Land Route b) Passenger is arriving by other Route	No benefit ₹ 15,000
3	➲ Infant	
	i) used personal effects and travel souvenirs	Free
	ii) articles other than those mentioned in Annexure-I	No benefit

Explanation to Rule 4: The free allowance of a passenger under rule 4 should'nt pool with any other passenger.

NOTE: For Rule 4 & 5, if value exceeds the specifies limit then, duty is payable @ 38.5% on such exceeded value also no IGST payablein case of baggage.

Annexure I

1. Fire arms.
2. Cartridges of fire arms exceeding 50.
3. Cigarettes exceeding 100 or cigars exceeding 25 or or tobacco exceeding 125 gms.
4. Liquor or wines in excess of two litres.
5. Gold or silver, in any form, other than ornaments.
6. Flat Panel (LCD/LED /Plasma) Television

Analysis:-

Value will be considered in free allowance & if exceeds then taxable @ 38.5%		Free allowances not applicable & Entire value is taxable	
1	Cartridges of fire arms upto 50	**Duty is payable @ 110 %**	
2	Cigarettes upto 100 or cigars upto 25 or tobacco upto 125 gms	1	Fire arms.
3	Alcoholic liquor or wines in upto 2 litres.	2	Cigarettes exceeding 100 or cigars exceeding 25 or tobacco exceeding 125 gms
		3	Cartridges of fire arms exceeding 50
		Duty is payable @ 38.5 %	
		a	Alcoholic liquor or wines in excess of 2 litres.
		b	Gold or silver, in any form, other than ornaments
		c	Flat Panel (LCD/LED/Plasma) Television

RULE 5 : JEWELLERY

A passenger residing abroad for more than one year, on return to India

Passenger	Additional Jewellery allowances (2)
Gentleman	Jewellery upto a weight, of 20 grams with a value cap of ₹ 50,000
Lady	Jewellery upto a weight, of 40 grams with a value cap of ₹ 1,00,000

	Weight of Jewellery (in gms)	Value of Jewellery (₹)	Duty free allowance	Assessable Value	Duty liability @38.5%	Remarks
Mr. A	17	52,000	50,000	2,000	770	20 grams with caping ₹ 50,000
Mr. B	22	44,000	40,000	4,000	1,540	Max 20 grams with caping ₹ 50,000
Ms. C	38	1,10,500	1,00,000	10,500	4,042.50	40 grams with caping ₹ 1,00,000
Ms. D	45	90,000	80,000	10,000	3,850	40 grams with caping ₹ 1,00,000

RULE 6 : TRANSFER OF RESIDENCE

PC = Principal Commissioner, C = Commissioner

A person, who is engaged in a profession abroad, or is transferring his residence to India, will be allowed **duty free clearance** of articles on his return in the manner given in the Appendix below. This allowance would be in **addition** to the general duty-free baggage allowance **u/r 3 or 4.**

Duration of Stay abroad	Personal & Household articles other than mentioned in Annexure I& II but included in III	Conditions	Relaxations
From 3 months upto 6 months	upto an aggregate value of ₹60,000	Indian Passenger	–
From 6 months upto 1 year	upto an aggregate value of ₹1,00,000	Indian Passenger	–
Minimum Stay of 1 year during the preceding 2 yrs	upto an aggregate value of ₹2,00,000	The Indian passenger should not have availed this concession in the preceding 3 years.	–
Minimum Stay of 2 years or more	upto an aggregate value of ₹5,00,000	(I) Minimum stay of 2 years abroad, immediately preceding the date of his arrival on transfer of residence	The shortfall of upto 2 months in stay abroad can be condoned by DC/AC if the early return is on account of: (a) terminal leave or vacation being availed by the passenger or (b) Any other Special reasons in given writing.
		(ii) Total stay in India on short visit during the 2 preceding years should not exceed 6 months and	PC/C may condone short visits >6months for special reasons in writing.
		(iii) Passenger has not availed this concession in the preceding 3 yrs.	**No relaxation**

Rule 7 :Currency

The **import and export of currency** under these rules shall be governed as per Foreign Exchange Management (Export and Import of Currency) Regulations 2015, along with notifications issued thereunder.

Rule 8 :Provisions regarding unaccompanied baggage:

1) Import of unaccompanied baggage after arrival of passenger:

Must have been in the passenger's possession abroad.
Dispatched **within 1 month of arrival (extendable by AC/DC).**

2) Import of unaccompanied baggage before arrival of passenger:

1) Can arrive in India **up to 2 months** before the passenger.
2) If delayed due to valid reasons (illness, natural calamities, transport disruptions, etc.), AC/DC may extend the period **up to 1 year.**

Rule 9: Application of these rules to crew members: [Foreign Going Conveyance =FGC]

1) Final Pay Off & Termination: Rules apply to crew members of a **FGC** when importing baggage upon final pay off after their engagement ends.

2) Allowance for Other Crew Members [Except 9(1)]:

- Can bring chocolates, cheese, cosmetics, and small gift items for personal or family use.
- Total **value must not exceed ₹1,500.**