



## Chapter 30

# GOODS IMPORTED OR EXPORTED BY POST OR COURIER, STORES & BAGGAGE

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## GOODS IMPORTED/EXPORTED BY POST OR COURIER

**01:** Sec 83: Rate of duty & tariff valuation for goods Imported or exported by post or courier

**Q.1** What is the relevant date for determining the rate of duty and tariff valuation in respect of goods imported/exported by post? [Study Mat]

**Answer :** Section 83 of the Customs Act, 1962 provides the **relevant date** for rate of duty and tariff valuation in respect of goods imported/exported by post or courier as under:

S. No.	Type of goods	If goods are imported by	If list of goods containing the particulars was presented	Relevant date for duty rate and tariff value is
1	Goods imported by post/courier	Vessel	on or after the date of arrival of vessel	Date on which postal authorities/ authorised courier present such list for assessing the duty to PO.
			before the date of arrival of vessel	Date of arrival of such vessel.
		Aircraft/Vehicle	Before or after arrival of Aircraft or vehicle	Date on which postal authorities/ authorised courier present such list for assessing the duty to PO.
2	Goods exported by post/ courier	Any Conveyance	-	Date on which exporter delivers such goods to postal authorities/authorised courier for exportation.

**02:** Sec 84: Procedure for goods imported or to be exported by post or courier

**Q.2** State the procedure for clearance of goods imported by post. [Study Mat]

**Answer :** As per Sec 84 empowers the board to make regulations providing

- the form and manner in **which an entry may be made** in respect of goods imported or to be exported by post or courier.
- the **examination, assessment to duty**, and clearance of goods imported or to be exported by post or courier.
- the **transshipment or transit of goods** imported by post or courier from one Customs station to another or to a place outside India.

## STORES

**03:** Definitions

**Q.3** Define the following terms:

- a) Stores    b) Foreign going vessel or aircraft [RTP May 2008, Nov 2009]

**Answer:-**

a)	<p>⇒ <b>Stores :</b>As per Sec 2(38) of the Customs Act 1962, <b>Stores means</b> goods for use in a vessel or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting.</p> <p>⇒ <b>Examples:</b> Food &amp; drink to be consumed by passenger &amp; crew, first aid box, oxygen, lifesaving things, musical instruments, video/radio systems, diesel oil, furnace oil, petrol, aviation turbine fuel, spare parts for maintenance &amp; repairs, etc.</p>
b)	<p><b>Foreign going vessel or aircraft:</b> As per Sec 2(21) of the Customs Act 1962, <b>foreign going vessel or aircraft means</b> any vessel or aircraft for the time being <b>engaged in the carriage of goods or passengers</b> between any port or airport in India and any port or airport outside India, whether touching any intermediate port or airport in India or not <b>&amp; includes-</b></p> <ol style="list-style-type: none"> <li>any naval vessel of any foreign Government taking part in any naval exercises</li> <li>any vessel engaged in fishing or any other operations outside the territorial waters of India</li> <li>any vessel or aircraft proceeding to a place outside India for any purpose whatsoever.</li> </ol>

## BAGGAGE

### 04: Sec 77: Declaration by owner of baggage

#### Q.4 Write a brief note on the declaration made by the owner of baggage [Study Mat]

Answer :

- The **owner** of the baggage has to make a **declaration** of its contents to the proper officer of customs, for the purpose of clearing it.
- This is known as Baggage Declaration Form.

**Q.5 Mr. Cliff Paul, a resident and citizen of USA, visits India on a business tour. He made declaration to the proper officer about his baggage under section 77 of the Customs Act, 1962 for the purpose of clearance. During the scrutiny of the declaration, proper officer found that some of the articles declared in baggage brought with him were prohibited to be entered in India and were detained by the officer.**

**Although Mr. Paul did not insist to clear those articles, value of those articles was very high, and it was a difficult situation for him. You are required to advise any procedure prescribed under customs law to overcome the situation. Give your advice on the basis of relevant statutory provisions. [CA Final May 22 Exam] [CA Final MTP Oct 24]**

Answer :

**Legal Provision:** Where the baggage of a passenger contains any prohibited article which has been declared by him, the proper officer may, at the request of the passenger, **detain** such article for the purpose of being returned to him on his leaving India. [Sec 77]

**Discussion & Conclusion:**

- In the given case, proper officer has detained the prohibited article declared and brought by Mr. Cliff Paul. Such articles **shall be returned** to him on his leaving India.
- Further, if for any reason, he is not able to collect it at the time of his leaving India, the said article may be returned to him through any other passenger authorized by him and leaving India or as cargo consigned in his name.

### 05: Sec 79 & Sec 80: Bona fide baggage exempted from duty & Temporary detention of baggage

#### Q.6 Write short notes on the following:

a) Duty exemption to baggage [RTP May 2011]

b) Temporary detention of baggage [Study Mat]

Answer :

a)	<p><b>Duty exemption to baggage:</b> As per <b>sec 79(1)</b> of the Customs Act 1962, The PO may pass <b>free of duty</b> subject to the rules</p> <ul style="list-style-type: none"><li>➤ The goods which are already in use by the passenger or member of the crew for not less than prescribed time.</li><li>➤ The goods which are used for passenger or his family or bonafide gift or souvenir (ie not for commercial purpose), upto a limit which may be prescribed in Baggage rules.</li></ul>
b)	<p><b>Temporary detention of baggage:</b> As per <b>sec 80</b> of the Customs Act 1962, If the baggage of a passenger contains any article:</p> <ul style="list-style-type: none"><li>➤ which is dutiable or the import of which is prohibited, and true declaration has been made u/s 77.</li><li>➤ The PO may, at the request of the passenger shall <b>detain</b> such article for returning the same to passenger when he leaves India.</li><li>➤ If passenger is <b>not able to collect</b> the article at the time of his leaving India, the article may be returned to him<ul style="list-style-type: none"><li>➤ through any other passenger authorised by him and leaving India or</li><li>➤ as cargo consigned in his name.</li></ul></li></ul>

## 05: Rule 5: Jewellery

**Q.7** Mr. Anil and his wife (non-tourist Indian passengers) are returning from Dubai to India after staying there for a period of two years. They wish to bring gold jewellery purchased from Dubai. Please enumerate provisions of customs laws for jewellery allowance in their case. [Study Mat]

### Answer: Legal Provision:

As per rule 5 of the Baggage Rules 2016, a passenger who has stayed abroad for **more than 1** year and returns to India shall be **allowed** duty free clearance of jewellery in bona fide baggage as under:

- Jewellery upto a weight of 20 grams with a value cap of ₹ 50,000 for a gentlemen passenger.
- Jewellery upto a weight of 40 grams with a value cap of ₹ 1,00,000 for a lady passenger.

### Conclusion:

- Thus, in the given case, Mr. Anil would be **allowed** duty free jewellery upto a weight of 20 grams with a value cap of ₹ 50,000 and his wife would be allowed duty free jewellery upto a weight of 40 grams with a value cap of ₹ 1,00,000.
- Further, in addition to the jewellery allowance, Mr. Anil and his wife would also be **allowed** duty free clearance of jewellery worth ₹ 1,00,000 (₹ 50,000 per person) as part of **free baggage** allowance.

## 06: Rule 6: Transfer of residence

**Q.7.1** Varun Goyal, an IT professional and a person of Indian origin, is residing in USA for the last 14 months. He wishes to bring a used microwave oven (costing approximately ₹ 1,85,500/- and weighing 15 kg) with him during his permanent return to India. He purchased the oven in USA 6 months before and he has been using that oven for his personal use in his kitchen. He is not aware of Indian customs rules.

Analyze and summarize the related legal provision of the Baggage Rules, 2016 and provide him with some advice in this regard. Relevant legal provisions should form part of your answer. [CA Final May 24 Exam]

### Answer:

- As per **Rule 6** of Baggage Rules 2016, A person, who is engaged in a profession abroad shall, on return after a minimum stay of 1 year during the preceding 2 years, be allowed clearance free of duty, personal and household articles, including **specified articles** upto an **aggregate value of ₹ 2,00,000**.
- One of such specified articles is **Microwave oven**. However, the Indian passenger **should not have availed** this concession in the preceding 3 years.
- Thus, Varun Goyal can bring Microwave oven **duty free** provided he had not availed this concession in the preceding 3 years.

## 07: Combined Questions of Baggage Rules :

**Q.8** Mr. Sujoy, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.20XX. 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 15.04.20YY:

- 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? [CA Final MTP Mar 19, April 22] [CA Final MTP Mar 24 (Similar)]

### Answer: Legal Provision:

- Passengers arriving from any country **other than** Nepal, Bhutan or Myanmar shall be allowed free of duty articles in his baggage of:
  - Used personal effects & travel souvenirs



- Articles of ₹ 50,000 other than those mentioned in **Annexure I [Rule 3]** of baggage rules 2016]
- ☉ A passenger who has stayed abroad for **more than 1 year** and returns to India shall be **allowed** duty free clearance of jewellery in bona fide baggage as under:
  - Jewellery upto a weight of 20 grams with a value cap of ₹ 50,000 for a gentlemen.
  - Jewellery upto a weight of 40 grams with a value cap of ₹ 1,00,000 for a lady passenger. [**Rule 5** of the Baggage Rules 2016]

**Discussion & Conclusion:**

- ☉ 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.
- ☉ There is **no duty liability** on the jewellery brought by Mr. Sujoy as he had stayed abroad for period more 1 year and weight of the jewellery is 20 grams with a 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 u/r 3.

**Q.9** After visiting USA for a month, Mrs. and Mr. Rajesh Jain (Indian residents aged 35 and 40 years respectively) brought to India a laptop computer valued at ₹ 80,000, used personal effects valued ₹ 2,20,000 and a personal computer for ₹ 65,000.

Calculate the custom duty payable by Mrs. & Mr. Rajesh Jain, if any. Ignore Agriculture infrastructure and development cess. [Study Mat] [CA Final MTP April 22, Oct 22]

**Answer :- Legal provision:**

- ☉ As per **Rule 3** of baggage rules 2016, Passengers arriving from any country **other than** Nepal, Bhutan or Myanmar shall be allowed free of duty articles in his baggage of:
  - Used personal effects & travel souvenirs
  - Articles of ₹ 50,000 other than those mentioned in **Annexure I**
  - Further, such general duty-free baggage allowance of a passenger **cannot be pooled** with the general duty-free baggage allowance of any other passenger
- ☉ As per N/n 11/2004, CG has **exempted** one laptop or notebook computer, when imported into India by a passenger the age of 18 years or above (other than member of crew) **from whole** of the Custom duty

**Discussion & Conclusion:**

- ☉ There will be **no customs duty** on used personal effects (worth ₹ 2,20,000) of Mrs. and Mr. Rajesh Jain and laptop computer brought by them.
- ☉ Duty payable on personal computer after exhausting the duty-free baggage allowance will be
  - = ₹ 65,000 – ₹ 50,000
  - = ₹ 15,000
- ☉ Thus, Total customs duty = **₹ 5,250** (ie ₹ 15,000\*35%)

**Q.10** 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 ₹
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. [CA Final RTP May 20, Nov 22] [CA Final Sep 25 Exam(Similar)]**

**Answer :**

**Legal Provision:**

- **As per rule 3** of Baggage Rules, 2016, tourist of foreign origin excluding infant is allowed duty free clearance of
- Used personal effects & Travel souvenirs &
  - Articles of ₹ 15,000 (excluding fire-arms, cartridges of fire arms exceeding 50 and alcoholic liquor or wines 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.

**Discussion & Conclusion:**

**Computation of Customs Duty payable:**

Particulars	Duty Free Allowance (₹)
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	-
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]	80,000
<b>Total Value</b>	<b>1,13,125</b>
<b>Less: GFA</b>	<b>15,000</b>
<b>Baggage on which duty is payable</b>	<b>98,125</b>
Duty Rate	35%
<b>Duty payable (Rounded off)</b>	<b>34,344</b>

**Note:**

- Firearms & cartridges of firearms exceeding 50 are chargeable @ 70% applicable to baggage (Heading 9803).  
Thus, duty payable on these = [₹80,000 + (30 cartridges \* ₹500 per cartridge)] \* 70% = ₹66,500.
- Tobacco exceeding 125 gm and Cigars exceeding 25 are chargeable at the respective tariff rates.



**Q.11** 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 souvenirs	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 the value of cartridges @ ₹ 500 per cartridge).	1,00,000

Determine customs duty payable, if the effective rate of customs duty is 35% with short explanations where required. (Study Mat) (CA Final MTP Oct 23) [CA Final May 25 Exam Similar]

**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	Duty Free Allowances ₹
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) (50 * ₹500)	25,000
Baggage than can be accommodated in GFA	1,85,000
<b>Less : GFA</b>	<b>15,000</b>
<b>Baggage on which duty is payable</b>	<b>1,70,000</b>
Duty Rate	35%
<b>Duty payable</b>	<b>59,500</b>

**Note:**

- 1) Firearms & cartridges of firearms exceeding 50 are chargeable @ 70% applicable to baggage (Heading 9803).  
Thus, duty payable on these = [(₹1,00,000 total - (100 cartridges \* ₹500 per cartridge)) + (50 cartridges \* ₹500 per cartridge)] \* 70% = (₹50,000 + ₹25,000) \* 70% = ₹52,500.
- 2) Cigarettes exceeding 100 sticks are chargeable at the respective tariff rates.

**Q.12** Mr. X, an Indian resident, returns to India on 10.04.2021 after visiting France for 3 months. On his return to India, he brings with him following articles:

- |   |            |
|---|------------|
| 1) Used personal effects like clothes etc. valued at                    | ₹ 1,75,000 |
| 2) Music system valued at   | ₹ 1,20,000 |
| 3) Jewellery valued at ₹ 1,30,000 measuring 20 grams brought by Mr. 'X' |            |
| 4) Laptop worth   | ₹ 1,20,000 |
| 5) Wine 1 litre worth   | ₹ 6,000    |
| 6) Mobile phone worth   | ₹ 50,000   |

You are required to determine the taxable value of baggage with reference to the Baggage Rules, 2016.

[CA Final Dec 21 Exam] [CA Final Nov 19 Exam (Similar)]



**Answer : Computation of taxable value of baggage:**

Particulars	Amount(₹)	Reason
Used personal effects	Nil	Duty free clearance is allowed
Music system	1,20,000	
Jewellery	1,30,000	Duty free jewellery allowance is not available to Mr. X since he did not reside abroad for more than 1 year
Laptop	Nil	One laptop computer is exempt when imported into India by a passenger $\geq$ 18 years of age
1 litre wine	6,000	Can be accommodated in general free allowance
Mobile phone	50,000	
<b>Total value</b>	<b>3,06,000</b>	
<b>Less: GFA</b>	<b>50,000</b>	
<b>Taxable value of baggage</b>	<b>2,56,000</b>	

**Q.13** Ms. Kulvir, aged 27 years, a person of Indian origin came to India with her baby of one year age after visiting Germany for three months. Some of the articles amounting to ₹ 1,00,000, she brought were prohibited for import into India and made request to the proper officer for detention of the same for the purpose of being returned to her on his leaving India. In addition, the following articles were brought:

S.No.	Particulars	Amount (₹)
1)	Jewellery -20 gms	1,50,000
2)	Used personal effects of infant	10,000
3)	Laptop	1,50,100
4)	Personal effect	15,000

**Determine taxable value of baggage along with necessary explanation with reference to Baggage Rules, 2016 read with Custom Act, 1962. [CA Final Jan 26 Exam]**

**Answer: Computation of taxable value of baggage:**

Particulars	Amount (₹)
Jewellery 20 gms [Jewellery allowance is allowed only for passenger residing abroad for more than one year.]	1,50,000
Used personal effects of infant [Allowed duty free.]	-
Laptop [Exempt from customs duty. If One laptop computer when imported into India by a passenger of the age of 18 years or above]	-
Personal effects [Allowed duty free.]	-
<b>Total</b>	<b>1,50,000</b>
<b>Less: General Free Allowance</b>	<b>(50,000)</b>
<b>Taxable value of baggage</b>	<b>1,00,000</b>

**Q.14** 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 the customs duty payable on baggage rounded off to the nearest rupee in accordance with law. Ignore agriculture infrastructure and development cess [CA Final May 23 Exam] [CA Final MTP April 23]

**Answer:**

**Legal Provision:**

- As per **Rule 3** of Baggage Rules, 2016, tourist of foreign origin excluding infant is allowed duty free clearance of
  - Travel souvenirs &
  - Articles of ₹ 15,000 (excluding cigarettes exceeding 100 sticks or tobacco exceeding 125 gms, cartridges of fire arms exceeding), if carried on in person
- Further if value exceeds the duty-free allowance admissible to such passenger or member under the Baggage Rules, 2016, is chargeable to customs duty @ 35%.

**Discussion & Conclusion:**

**Computation of Customs Duty Payable:**

Particulars	Amounts (₹)
Used personal effects (Allowed Duty free)	Nil
Other articles carried on in person	1,00,000
50 cartridges of fire arms @ ₹ 1,000 per cartridge (50* ₹ 1,000)	50,000
125 gms of tobacco @ ₹ 10 per gram (125 gm * ₹ 10)	1,250
Mobile phone	50,000
25 cigars of ₹ 100 each (25 cigars * ₹ 100)	2,500
Used personal effects of his infant child for donation ( <b>Note</b> )	10,000
<b>Total</b>	<b>2,13,750</b>
<b>Less: General Free Allowance</b>	<b>15,000</b>
<b>Baggage on which duty is Payable</b>	<b>1,98,750</b>
<b>Duty payable @ 35% [ Rounded off]</b>	<b>69,563</b>

**Note:**

- 1) Used personal effects of his infant child is taxable because Mr. Noddy is on Solo trip to India
- 2) Cartridges of firearms exceeding 50 are chargeable @ 70% applicable to baggage (Heading 9803). Thus, duty payable on it = (15 cartridges \* ₹1,000 per cartridge) \* 70% = ₹10,500.
- 3) Tobacco exceeding 125 gm and Cigars exceeding 25 are chargeable at the respective tariff rates.

