

Significance of TWI: To determine taxable event (Import/Export)

Significance of Indian Customs water (ICW) → upto 200 NM
Power to Stop, Search, Arrest & Confiscation of goods & Conveyance

Note: Cg extended applicability of CA & CTA to designated areas of CS & EEZ for purpose of exploration of mineral oil, petroleum or natural gas. Hence these areas form part of India for levy of CD.

Remission, Abatement & Exemption from duty

Sec 13: No duty liability if goods pilfered after unloading but before clearance order for home consumption/warehousing.

Pilferage: Should happen at port in the custody of Custodian

Sec 23(1): Remission of duty on goods lost/destroyed

- Sec 23 applies only when there is no pilferage u/s 13
- Burden of proof on importer, i.e. remission only if Ac/Dc is satisfied that goods lost/destroyed
- Loss/destruction should be before clearance from Customs, hence applicable to warehoused goods also

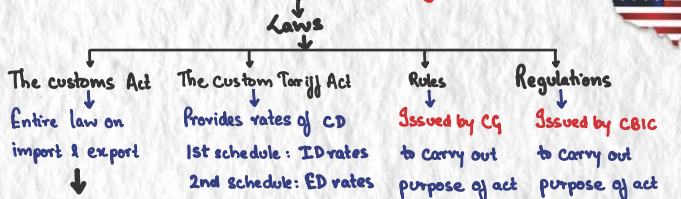
Sec 23(2): Remission of duty on Abandoned goods

- Owner of goods before clearance/deposit into w/h: Relinquish title & no duty payable (Save duty)
- No relinquishment with regards to offensive goods
- Importer may relinquish if: goods not as per specification/damaged deteriorated during voyage rendering them useless/there might be breach of contract & importer unwilling to take delivery

Sec 24: Power to make rules for Denaturing/mutilation of goods

If imported goods may be used for more than 1 purpose, they can be mutilated/denatured by Customs, post denaturing/mutilation: duty at rate applicable to such gds in denatured/mutilated form.

**Levied under Entry 83 of Union List
L & E from Custom duty**



S 12: Custom duty is levied on goods imported into / Exported from India vessels, aircraft & vehicle (only on permanent import & not if used as conveyance)

Stores: Goods for use in vessel/aircraft incl. fuel, spares, other equipments.

Baggage: includes unaccompanied baggage but excl. motor vehicles

Currency & negotiable instruments

Other kind of moveable property: TV, mobile, ipad, intangibles put on a media

Associated Cement Companies Ltd: SC held that drawings, designs, manuals, technical materials are goods liable to custom duty

Sec 20: Reimportation of goods produced/manufactured in India:

Treat as fresh importation → liable to duty.

Concession on re-importation:

1. Goods exported under claim of DBK/under refund of 195T/under Bond w/o paymt: Amt payable on reimport: DBK/refund availed/195T not paid on exportation.
 2. Goods imported, then exported for repairs abroad, then reimported: CD on fair cost of repairs + Cost of material used in repair + insurance & freight (2 way)
- For (1 & 2) Condition:** Reimport within 3 yrs (extn 2 yrs), same gds reimported, no change in ownership of gds between time of export & re-import.

Exemption to goods manufactured in India & Exported & then Reimported for

1. Repair & Recondition: within 3 yrs from export (10 yrs in case of Nepal/bhutan)
 2. Reprocessing, refining, Remake: within 1 yr from date of export
- Condition:** No duty on re-import if: 1. Re-export within 6m (Extension 6m)
2. Same goods to be re-exported: Ac/Dc to be satisfied,
 3. Execution of bond at the time of re-importation.

Sec 21: Goods derelict, jetsam, wrecks brought/coming into India:
Shall be dealt with as if imported into India (liable to duty)

Tirupati udyog Ltd: Supply from DTA to SEZ will not attract Sec 12, No ED



Import: Bringing into India from place of India

Garden silk mills: In case of goods cleared for home consumption, Import commences when goods cross TWI but continues & is completed when gds become part of mass of goods within the country, the taxable event is reached when goods reach the custom barriers & BoE for home consumption is filed.

Kiran spinning mills: In case of goods cleared for warehousing custom barrier is crossed when they are sought to be taken out of customs i.e. taxable event is when BoE for Hc is filed.

Mangalore refinery & Petrochemicals Ltd: Duty levied on actual quantity of crude oil received & not on quantity shown in Bill of Lading.

Aban Lloyd chilies offshore Ltd: Goods imported for consumption on oil rigs situated in CS/EEZ (deemed part of India): Attracts Import duty

Export: Taking out of India to a place outside India (~~Foreign~~)

Rajindra dyeing & Printing mills Ltd: If vessel sank within TWI: Not Export

Sun Industries 1988: Ship went outside TWI, & then returned due to damages: Export

Sec 22: Abatement of duty on goods DAMAGED or DETERIORATED

Before/during unloading	Abatement available	Abatement available
After unloading	Abatement available	Abatement unavailable
Warehoused gds (before clearance for Hc)	Abatement available	Abatement unavailable

Value of damaged/deteriorated gds: value ascertained by the PO (or)
(At Option of owner) Gross sale proceeds (Goods sold by Auction/tender)

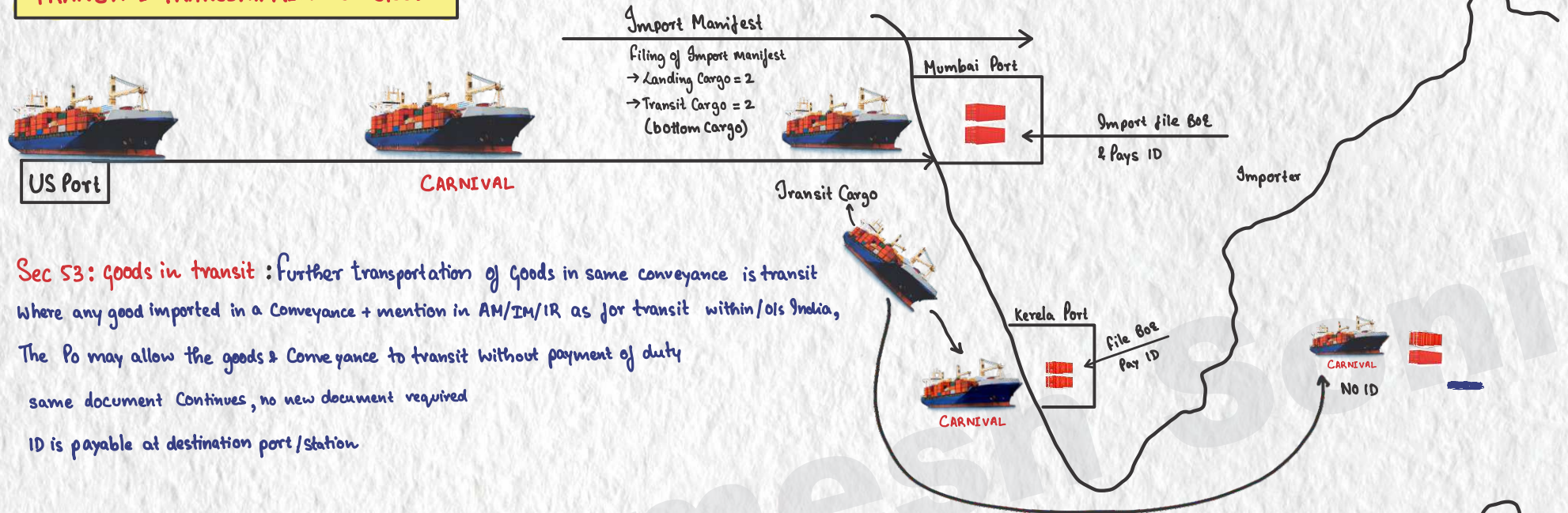
Custom duty on D/D goods: CD on gds before D/D × $\frac{\text{Value of D/D gds}}{\text{Value of gds before D/D}}$

Sec 25: Power to Grant exemption from duty

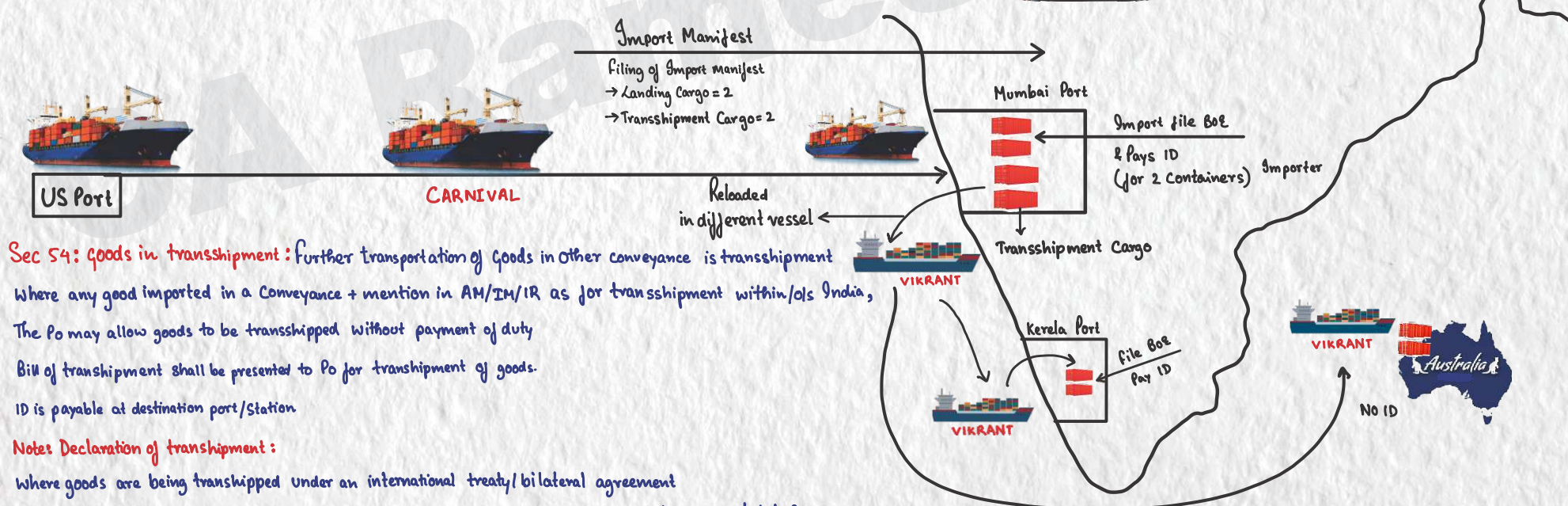
- (1): Cg in public interest may by notification in O.G exempt goods from CD
- (2): Cg in public interest may by spl order in each case exempt goods from CD
- (2A): An explanation inserted within 1 year to have retrospective effect
- (4): Notification u/s (1)/(2A) shall take effect on date of issue by Cg for publication in O.G. This rule is not applicable in case of spl orders

TRANSIT & TRANSHIPMENT OF GOODS

Sec 52: The provisions of this chapter shall not apply to: (a) Baggage (b) Goods imported by Post (c) stores



Sec 53: goods in transit: Further transportation of goods in same conveyance is transit where any good imported in a Conveyance + mention in AM/IM/IR as for transit within/ols India, The Po may allow the goods & Conveyance to transit without payment of duty same document continues, no new document required ID is payable at destination port/station

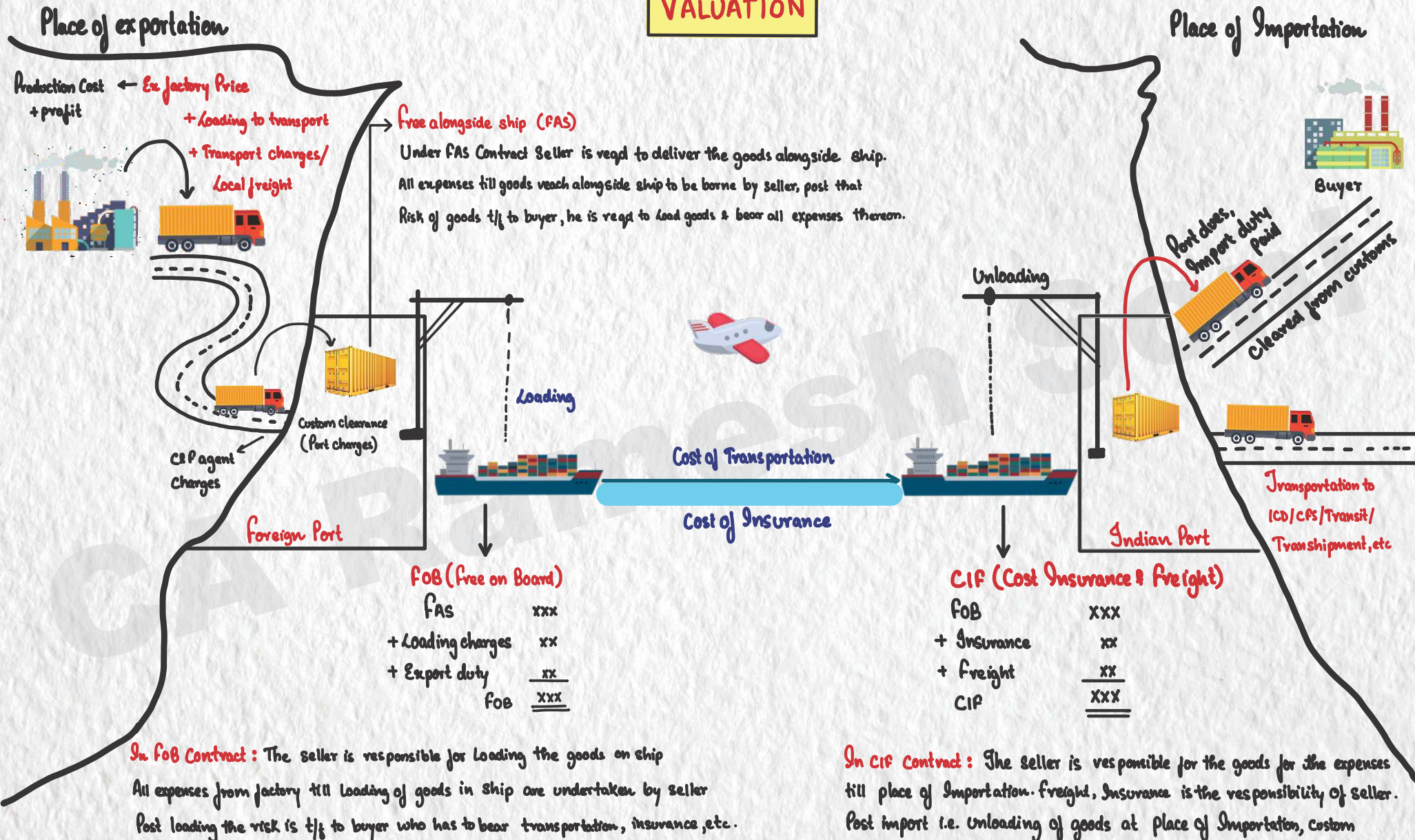


Sec 54: goods in transshipment: Further transportation of goods in other conveyance is transshipment where any good imported in a Conveyance + mention in AM/IM/IR as for transshipment within/ols India, The Po may allow goods to be transhipped without payment of duty Bill of transshipment shall be presented to Po for transshipment of goods. ID is payable at destination port/station

Notes Declaration of transshipment:

Where goods are being transhipped under an international treaty/bilateral agreement b/w GOI & Govt of foreign country, a declaration instead of bill of transshipment shall be presented to Po.

VALUATION



Free alongside ship (FAS)
 Under FAS Contract Seller is reqd to deliver the goods alongside ship. All expenses till goods reach alongside ship to be borne by seller, post that Risk of goods t/f to buyer, he is reqd to load goods & bear all expenses thereon.

FOB (Free on Board)

FAS	xxx
+ Loading charges	xx
+ Export duty	xx
FOB	<u>xxx</u>

CIF (Cost Insurance & Freight)

FOB	xxx
+ Insurance	xx
+ Freight	xx
CIF	<u>xxx</u>

In FOB Contract: The seller is responsible for loading the goods on ship. All expenses from factory till loading of goods in ship are undertaken by seller. Post loading the risk is t/f to buyer who has to bear transportation, insurance, etc.

In CIF Contract: The seller is responsible for the goods for the expenses till place of importation. Freight, Insurance is the responsibility of seller. Post import i.e. unloading of goods at place of importation, custom clearances, payment of duty etc. borne by buyer.

Note: CFR Contract: Seller will load the goods & also pay freight till delivery port but seller (cost & freight) will not bear expense of insurance

BAGGAGE

includes **unaccompanied baggage** but doesnot include **motor vehicle**



Sec 77: Owner of Baggage to make declaration of its content in **baggage declaration form**

Sec 78: ROD & tariff value applicable to baggage shall be as on the date of filing declaration u/s 77

- BCD on baggage exceeding GFA is 100%,
- however Owing to exemption current ROD 35%
- 100% duty applicable on Fire Arms, Cartridges >50,
- CCT > 100/25 sticks / 125 gms, Courier imports

Sec 79: Bonafide Baggage is exempted from duty

Po shall allow bonafide baggage to pass duty free :

- Article which has been used by **Passenger/crew member**
- Article for use of **passenger / family / gift / Souvenir within limit (as per rules)**



Sec 80: Temporary detention of baggage

- Where baggage of passenger contains dutiable / prohibited goods and
- True declaration has been made u/s 77
- Po may, at request of passenger, detain such article & return it to him on his leaving India
- If passenger unable to collect : Returned through other authorised passenger / as cargo.



3 kind of articles

- Used personal effects (inexam personal effect means used)
- Travel Souvenirs (bonafide purpose)
- 1 Laptop Computer for passenger > 18 yrs (no value limit)

Exempted from Import duty

Note: personal effect means things for satisfying daily necessities but excludes Jewellery.

Personal effect & travel Souvenirs no limit.

Computation of Custom duty

Other articles



Covered in General free allowance (GFA)

CCT upto 100/25 sticks/ 125gms	xxx
AL/wines upto 2 litres	xxx
Ornaments (within limit of Rule 5)	xxx
other articles (not personal effect)	xxx
Total :	xxx
Less: GFA (allowed as per rule 3/4)	(xxx)
Custom duty @ 35% + 10% : →	xxx

Not covered in GFA (Annexure I items)

- Fire arms
- Cartridges >50
- CCT > 100/25 sticks/125 gms
- AL/wines > 2 litres
- Gold / Silver in any form (other than Ornament)
- Flat panel TV (LCD/LED)

↓
100% BCD
10% SWS

↓
35% BCD
10% SWS