



Chapter 6

1. GOOD IMPORTED BY POST 2. BAGGAGE 3. STORES

Goods Imported & Exported by Post

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Sec 84	Regulations regarding goods Imported or to be Export by Post

Stores

Sections	Description
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Sec 86	Transit and Transshipment of Stores
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Sec 88	Application of Section 69 (Export after Warehousing) & Drawback to Stores
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S.No.	Description	Chap	Que. No.	No. Illus.
1	ICAI Material	06.	-	-
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Baggage

Sections	Description
Sec 77	Declaration by owner of baggage
Sec 78	Determination of rate of duty and tariff valuation in respect of Baggage
Sec 79	Bona fide baggage exempted from duty
Sec 80	Temporary detention of Baggage.

Baggage Rules, 2016

Sections	Description
Rule 3	Passengers returning from countries other than Nepal, Bhutan, Myanmar or China
Rule 4	Passengers arriving 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

01. General Questions

Section 83: Rate of duty and tariff valuation in respect of goods imported or exported by Post or Courier

Important Definitions

MCQ 06.01.01.00

Mr. Alex imported a wrist watch from Dubai by Post on 10.04.XX. The aircraft arrived at the Indian airport on 12.04.20XX and the postal authorities presented to the proper officer, the list containing the particulars of such wrist watch on 15.04.20XX. The rate of duty on various dates is as follows:

Date	Duty Rate
10.04.XX	10%
12.04.XX	8%
15.04.XX	12%

Identify the rate of duty applicable on wrist watch imported by Mr. Alex

- 10%
- 8%
- 12%
- Either b or c above

MCQ 06.01.02.00

Mr. Uday exported some goods to Nepal by courier. The export goods handed over to courier agency on 5.5.XX for exportation. The proper officer issued the Let export order on 8.5.XX. Entry outward granted to the vessel on 9.5.XX and the goods

crosses the territorial water on 10.5.XX. Determine the relevant date for duty rate in case of Mr. Uday.

- 5.5.XX
- 8.5.XX
- 9.5.XX
- 10.5.XX

MCQ 06.01.03.00

Mr. Gopal imported some goods by post worth ₹ 5 lakh on 15.10.XX. The postal authority presented to the proper officer the advance, post list containing the details of goods imported by Mr. Gopal on 20.10.XX. The vessel containing the imported goods arrived on 22.10.XX and entry inward is granted on 23.10.XX. Calculate the import duty payable by Mr. Gopal by considering the appropriate rate of duty from the following table.

Date	Rate of duty
15.10.XX	8%
20.10.XX	10%
22.10.XX	12%
23.10.XX	18%

- ₹ 40000
- ₹ 50000
- ₹ 60000
- ₹ 90000

Baggage

Basics

MCQ 06.01.04.00

For the purpose of Custom clearance of arriving passengers, a two channel system has been adopted in which, green channel is for passengers having dutiable goods.

State true or false

- True
- False

Sec.78- Determination of rate of duty and tariff valuation in respect of baggage

MCQ 06.01.05.00

Which of the following items are leviable to customs duty at the rate of 110% (including 10% SWS)?

- Cartridges of fire arms exceeding 50
- Cigars exceeding 25
- None of the above
- All of the above

Rule 2- Definitions

MCQ 06.01.06.00

In Baggage rule 2016, definition of infant :-

- A child more than age of 2 years
- A child not more than age of 2 years
- A child more than age of 3 years
- A child not more than age of 3 years

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

MCQ 06.01.07.00

Mr. Kabir of 25 years imported a laptop computer from USA for ₹ 25000 as baggage. Calculate the amount of custom duty payable by Mr. Kabir.

- ₹ 8750
- ₹ 27500
- ₹ 25000
- No duty is payable as exemption is available on one laptop

MCQ 06.01.08.00

If a passenger of Indian Origin arriving from Bangladesh and carrying articles other than mentioned in Annexure-I as baggage then the free allowance limit is upto ₹:

- a. No limit is specified
- b. ₹15000
- c. ₹50000
- d. ₹35000

RULE 4: Passengers arriving from Nepal, Bhutan or Myanmar

MCQ 06.01.09.00

Mr. John, tourist of foreign origin imported articles other than those mentioned in Annexure-I by land route from Bhutan valuing ₹ 5 lakhs. State the free allowance limit available to Mr. John

- a. No benefit
- b. ₹ 15000
- c. ₹ 50000
- d. ₹ 35000

Annexure-I**MCQ 06.01.10.00**

20 Cigars of ₹ 50000 were imported by Mr. Adnan from UK. Calculate the amount of custom duty payable by Mr. Adnan

- a. ₹ 50000
- b. ₹ 55000
- c. ₹ 19250
- d. No import duty payable

MCQ 06.01.11.00

Mr. Avinash brings 165 Cigarettes from Paris. Sticks eligible for general free allowance are:

- a. 50
- b. 165
- c. 100
- d. 125

Rule 5- Jewellery**MCQ 06.01.12.00**

The benefit of Jewelry is available in addition to general free allowance and it is available to Indian passenger as well as passenger of foreign origin

State true or false

- a. True
- b. False

MCQ 06.01.13.00

Mrs. Ambani resident of India, returned back to India after residing in Dubai for a period of six months. State the limit upto which she can bring jewellery with herself without duty while returning to India.

- a. 40 grams
- b. ₹ 100000
- c. Lower of a or b above
- d. None of the above

MCQ 06.01.14.00

Mr. Aamir, resident of India, returned back to India from UK after 2 years of stay and brought jewellery of ₹ 55000 (18 grams). Duty payable by Mr. Aamir:

- a. Nil
- b. ₹ 1925
- c. ₹ 1750
- d. ₹ 1803

[Hint :- $55,000 - 50,000 = 5,000 \times 38.5 = 1925$]

Rule 6- Transfer of Residence**MCQ 06.01.15.00**

Suhasini Oberoi, an Indian resident who was on a visit to USA, returned after 6 months for contesting in assembly elections of her State. She was carrying with her the following items:

(i)	Personal effects	₹59,000
(ii)	Laptop computer	₹37,000
(iii)	Jewellery-25 grams (purchased in USA)	₹67,000
(iv)	Music system	₹58,000

Compute the customs duty payable by Suhasini Oberoi with reference to the Baggage Rules, 2016.

[CA Final RTP May 21]

- (a) ₹ 28,875
- (b) ₹ 62,370
- (c) ₹ 85,085
- (d) ₹ 48,125

[Hint :- 1) As per Rule 3 personal effect is fully duty free.
2) For age above 18 yr. one laptop computer is exempt from custom duty.

3) As per rule 5, benefit of jewellery is not available as stay in abroad is less than 1 year, But we can take benefit of Rule 3.

4) Benefit of rule 6 is not available for Music system as in given que is not mentioned that it is transferring her residence

4) As per rule 3, importation upto ₹50,000 is allowed.
Therefore, $67,000 + 58,000 - 50,000 = 75,000 \times 38.5\%$
 $= 28,875$]

MCQ 06.01.16.00

Mr. Sumit an Indian Passenger, permanently transferring his residence from Australia after 7 months of stay. Mr. Sumit will be allowed to bring duty free articles such as personal and household articles, other than those mentioned in Annexure-I or Annexure-II but including articles mentioned in Annexure-III, upto an aggregate value of:

- a. ₹ 50,000
- b. ₹ 55,000
- c. ₹ 60,000
- d. ₹ 1,00,000

Rule 8- Provisions regarding unaccompanied baggage.

MCQ 06.01.17.00

What is the time limit within which unaccompanied baggage is dispatched after arrival of passenger

- Within 1 month
- Within 2 months
- Within 3 months
- Within 4 months

Rule 9- Application of these rules to members of the crew

MCQ 06.01.18.00

What is the maximum limit of bonfide baggage that crew member can take without payment of duty

- | | |
|----------------|----------------|
| a. Upto ₹1500 | b. Upto ₹2,000 |
| c. Upto ₹2,500 | d. Upto ₹3,000 |

Numeric Problems

MCQ 06.01.19.00

Mr. Alex an Indian resident, aged 65 years, returned to India after visiting Paris for 15 days. On his way back to India he brought following goods with him:-

- Personal effects valuing ₹ 60000
- 1.5 litres of wine worth ₹ 3500
- A video cassette player worth ₹ 21,000
- A microwave oven worth ₹ 25,000

5. Calculate the custom duty payable by Mr. Alex

- | | |
|------------|------------|
| a. ₹19058 | b. ₹ 42158 |
| c. ₹ 21560 | d. Nil |

Sec.2(38)- Stores

MCQ 06.01.20.00

The definition of Stores means & includes:

- Goods for use in vessel or aircraft and fuel, spare parts and other articles for immediate fitting
- Goods for use in vessel or aircraft and fuel, spare parts and other articles, whether or not for immediate fitting
- Goods for use in vessel or aircraft and fuel, spare parts and other articles, not for immediate fitting
- None of the above

Sec.2 (21)- Foreign going vessels / Aircraft

MCQ 06.01.21.00

Foreign going vessel includes:

- Any vessel carrying passenger in India
- Naval vessel of foreign government participating in naval exercises
- Any vessel engaged in fishing operations outside India
- All of the above

MCQ 06.01.22.00

State whether the aircraft of Foreign Airline Company, providing passenger transport service in 10 countries including India carrying, passengers from

Mumbai to Calcutta without touching any intermediate airport is a foreign going aircraft or not

- Yes, it is a foreign going aircraft
- No, it is not a foreign going aircraft

MCQ 06.01.23.00

Any vessel or aircraft going outside India for the purpose other than carriage of goods and passenger is not treated as foreign going vessel or aircraft.

State true or false

- True
- False

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

MCQ 06.01.24.00

Mr. Parag imported some goods and warehoused them in customs bonded warehouse. He can avail the facility of warehousing without warehousing only if:

- He makes and subscribes to a declaration that the goods are to be supplied as stores to vessel/ aircraft
- He makes and subscribes to a declaration that the goods are to be supplied as stores to vehicle
- Both a and b above
- No such facility is available to importer

Sec.86- Transit and Transshipment of Stores

MCQ 06.01.25.00

Any imported stores cannot be allowed to be transhipped to another vessel for consumption

thereon without payment of duty

- a. True
- b. False

Sec.87- Imported stores may be consumed on board a foreign-going Vessel or aircraft

MCQ 06.01.26.00

Any imported stores on board a vessel or aircraft may, without payment of duty, be consumed thereon as stores during the period for which such vessel or aircraft is a foreign going vessel or aircraft

State True or False

- a. True
- b. False

Sec.88-Application of Section 69 (Export after Warehousing) & Drawback to Stores

MCQ 06.01.27.00

M. J. Exports Pvt. Ltd. wants to export the goods imported by them and on which import duty has been paid. State the treatment of import duty paid at the time of importation by M. J. Exports Pvt. Ltd.

- a. Duty paid on their import shall be repaid as refund
- b. Duty paid on their import shall not be repaid as refund

- c. Duty paid on their import shall be repaid as drawback
- d. Either a or c above

MCQ 06.01.28.00

Drawback of duty paid on import of fuel, lubricant oil and other stores of vessel is repaid at 100%

- a. True
- b. False

MCQ 06.01.29.00

Sahara India Ltd. imported fuel and lubricant oil from Iran for use in foreign going aircraft by paying import duty thereon. State the percentage at which the drawback is repaid to Sahara India Ltd.

- a. 98% of import duty paid on such goods
- b. 100% of import duty paid on such goods
- c. 98% of import duty paid on such goods along with other stores
- d. 100% of import duty paid on such goods along with other stores

MCQ 06.01.30.00

Import duty paid on goods imported by Jet Airways other than fuel and lubricant for a foreign going vessel is eligible for:

- a. Drawback @ 100%
- b. Drawback @ 98%
- c. Refund @ 100%
- d. Refund @ 98%

Sec.89-Stores to be free of Export Duty

MCQ 06.01.31.00

Only imported goods are allowed to be supplied as duty free stores to foreign going vessel and not goods manufactured or produced in India.

Identify the correctness of this statement

- a. Correct
- b. Incorrect

Sec.90- Concessions in respect of Imported Stores for the Navy

MCQ 06.01.32.00

Concession in respect of imported stores can be given if they are consumed on board by:

- a. Navy
- b. Army
- c. Air force
- d. All of the above

MCQ 06.01.33.00

Which of the following concession are available to the navy in respect of imported stores?

- a. Imported stores may be consumed without payment of duty
- b. Imported stores supplied to Indian navy are not subject to Import Duty
- c. Imported stores taken on board of Indian navy are allowed to 100% duty drawback
- d. All of the above

MCQ 06.01.34.00

Mr. Raj imported beverages from Dubai and decided to supply such goods as stores to the Indian Navy. State the option available to Mr. Raj in respect of import duty on such beverages.

- a. Beverages can be supplied to the ship of Indian navy without payment of duty
- b. if duty is paid on beverages which are supplied to ship of Indian Navy then, drawback of import duty paid is available
- c. Beverages can be supplied to the ship of Indian navy after payment of basic custom duty
- d. Either a or b above

Answer:-

06.01.01	c	06.01.11	c	06.01.21	d	06.01.31	b
06.01.02	a	06.01.12	b	06.01.22	a	06.01.32	a
06.01.03	c	06.01.13	d	06.01.23	b	06.01.33	d
06.01.04	b	06.01.14	b	06.01.24	a	06.01.34	d
06.01.05	d	06.01.15	a	06.01.25	b		
06.01.06	b	06.01.16	d	06.01.26	a		
06.01.07	d	06.01.17	a	06.01.27	c		
06.01.08	c	06.01.18	a	06.01.28	b		
06.01.09	a	06.01.19	d	06.01.29	b		
06.01.10	d	06.01.20	b	06.01.30	b		