LESSON- 21
CUSTOMS LAW- PROCEDURE

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STRUCTURE

21.0 INTRODUCTION

In the previous lesson meaning, scope, objects, nature of customs duty and classification and valuation of goods have been explained. In this lesson an attempt is being made to discuss the customs procedure. Besides, it is also proposed to discuss the provisions relating to baggage and duty draw back etc.

21.1 OBJECTIVE

After going through this lesson you should be able to understand:

- Custom procedure
- Clearance of goods from ports
- Baggage provisions
- Goods imported and exported by post
- Store
- Goods in transits
- Duty drawback provisions

21.2 CUSTOMS PROCEDURE

Goods are imported in India or exported from India through sea, air or land. Goods can come through post parcel or as baggage with passengers. Procedures naturally vary depending on mode of import or export

21.2.1 IMPORT PROCEDURE

Procedures have to be followed by 'person-in-charge of conveyance' as well as the importer.

Procedure to be followed by the Carrier

The 'person in charge of conveyance' (carrier of goods) has to follow prescribed procedure.

- Arrival at customs port/airport only - Section 29 provides that person-in-charge of a vessel or an aircraft entering India shall call or land at customs port or customs airport only. It can land at other place only if compelled by accident, stress of weather or other unavoidable cause. In such case, he should report to nearest police station or Customs Officer. While arriving by land route, the vehicle should come by approved route to 'land customs station' only.
- Import Manifest / Report- Person-in-charge of vessel, aircraft or vehicle has to submit Import Manifest / Report. [also termed as IGM - Import General Manifest]. (In case of a vessel or aircraft, it is called import manifest, while in case of vehicle, it is called import report.) The import manifest in case of vessel or aircraft is required to be submitted prior to arrival of a vessel or aircraft. Import report (in case of vehicle) has to be submitted within 12 hours of arrival at the customs station. If the report / manifest could not be submitted within prescribed time, person-in-charge or any person specified as responsible by a notification is liable to penalty upto Rs 50,000
- IGM can be submitted electronically through floppy where EDI facility is available.
- Import manifest should be filled before arrival of ship aircraft. Normally, agent submits the import manifest before arrival, so that maximum possible formalities are completed before vessel or aircraft arrives. This also enable importer to file 'Bill of Entry' in advance.
- Grant of Entry Inwards by Customs Officer - Unloading of cargo can start only after Customs Officer grants 'Entry Inwards'. Such entry inwards can be granted only when berthing accommodation is granted to a vessel.
- Carrier responsible for shortages during unloading - If the goods are short landed, the carrier is liable to pay penalty upto twice the amount of duty payable on such short landed goods.

Procedure by Importer

The importer importing the goods has to follow prescribed procedures for import by ship/air/road. (There is separate procedure for goods imported as a baggage or by post.)

- Bill of Entry - This is a very vital and important document which every importer has to submit under section 46 Bills of Entry should be submitted in quadruplicate – original and duplicate for customs, triplicate for the importer and fourth copy is meant for bank for making remittances.
- Under EDI system, Bill of Entry is actually printed on computer in triplicate only after 'out of charge' order is given. Duplicate copy is given to importer.
- Types of Bill of Entry - Bills of Entry should be of one of three types. Out of these, two types are for clearance from customs while third is for clearance from warehouse.
- BILL OF ENTRY FOR HOME CONSUMPTION - This form, called 'Bill of Entry for Home Consumption', is used when the imported goods are to be cleared on payment of full duty. Home consumption means use within India. It is white coloured and hence often called 'white bill of entry'.
- BILL OF ENTRY FOR WAREHOUSING - If the imported goods are not required immediately, importer may like to store the goods in a warehouse without payment of duty under a bond and then clear from warehouse when required on payment of duty. This will enable him to defer payment of customs duty till goods are actually required by him. This Bill of Entry is printed on yellow paper and often called 'Yellow Bill of Entry'. It is also called 'Into Bond Bill of Entry' as bond is executed for transfer of goods in warehouse without payment of duty.
- BILL OF ENTRY FOR EX-BOND CLEARANCE - The third type is for Ex-Bond clearance. This is used for clearance from the warehouse on payment of duty and is printed on green paper.
- RATE OF DUTY FOR CLEARANCE FROM WAREHOUSE - It may be noted that rate of duty applicable is as prevalent on date of removal from warehouse. Thus, if rate has changed after goods are cleared from customs port, customs duty as assessed on yellow bill of entry and as paid on green bill of entry will not be same.
- Mention of BIN on Bill of Entry – A BIN (Business Identification Number) is allotted to each importer and exporter w.e.f. 1.4.2001. It is a 15 digit code based on PAN of Income Tax (PAN is a 10 digit code)
- Filing of Bill of Entry - Normally, Bill of Entry is filed by CHA on behalf of the importer. Customs
- Documents to be submitted by Importer - Documents required by customs authorities are required to be submitted to enable them to (a) check the goods (b) decide value and classification of goods and (c) to ensure that the import is legally permitted. The documents that are essentially required are: (i) Invoice (ii) Packing List (iii) Bill of Lading / Delivery Order (iv) GATT declaration form duly filled in (v)

Importers / CHAs declaration duly signed (vi) Import Licence or attested photocopy when clearance is under licence (vii) Letter of Credit / Bank Draft wherever necessary (vii) Insurance memo or insurance policy (viii) Industrial License if required (ix) Certificate of country of origin, if preferential rate is claimed. (x) Technical literature. (xi) Test report in case of chemicals (xii) Advance License / DEPB in original, where applicable (xiii) Split up of value of spares, components and machinery (xiv) No commission declaration. – A declaration in prescribed form about correctness of information should be submitted.

- The Noting is now done electronically in large ports, while it is done manually in small ports. Thoka Number (Serial Number) is given while noting the Bill of Entry.

21.2.2 ASSESSMENT OF IMPORT DUTY AND CLEARANCE

The documents submitted by importer are checked and assessed by Customs authorities and then goods are cleared.

- Noting of Bill of Entry - Bill of Entry submitted by importer or Customs House Agent is cross-checked with 'Import Manifest' submitted by person in charge of vessel / carrier. It is noted if the description tallies. '.
- Date of presentation of bill of entry is highly relevant and the rate of duty as applicable on this date will be considered for calculating the duty payable. Bill of Entry is accepted only after proper scrutiny vis-à-vis import manifest and various declarations given in bill of entry and attached documents like invoicing, bill of lading etc. If such documents are not attached, the authorities can refuse to accept the Bill of Entry
- Prior Entry of Bill of Entry - After the goods are unloaded, these have to be cleared within stipulated time - usually three working days. If these are not so removed, demurrage is charged by port trust/airport authorities, which is very high. Hence, importer wants to complete as many formalities as possible before ship arrives.

Assessment of Customs duty

Section 17 provides that assessment of goods will be made after Bill of Entry is filed. Date stamp of receipt is put on the 'Bill of Entry' and then it is sent to appraising department either manually or electronically

There are various Appraising groups for different Chapter headings. Each group is under an Assistant/Deputy Commissioner. Group consists of 'Examiners' and 'Appraisers'.

- APPRAISING THE GOODS - Appraiser has to (a) correctly classify the goods (b) decide the Value for purpose of Customs duty (c) find out rate of duty applicable as per any exemption notification and (d) verify that goods are not imported in violation of any law. He can call for any further documents that may be required for assessment. If he is of the opinion that goods have to be examined for appraisal, he will issue an examination order, usually on the reverse of Bill of Entry.

- VALUATION OF GOODS - As per rule 10 of Customs Valuation Rules, the importer has to file declaration about full 'value' of goods. If the assessing officer has doubts about the truth and accuracy of 'value' as declared, he can ask importer to submit further information, details and documents. If the doubt persists, the assessing officer can reject the value declared by importer.
- APPROVAL OF ASSESSMENT - The assessment has to be approved by Assistant Commissioner, if the value is more than Rs one lakh. (in cases covered under 'fast track clearance for imports', appraiser is also authorised to approve valuation). followed by his name, preferably by rubber stamp.
- PAYMENT OF CUSTOMS DUTY - After assessment of duty, necessary duty is paid. Regular importers and Custom House Agents keep current account with Customs department. The duty can be debited to such current account, or it can be paid in cash/DD through TR-6 challan in designated banks.
- After payment of duty, if goods were already examined, delivery of goods can be taken from custodians (port trust) after paying their dues. If goods were not examined before assessment, these have to be submitted for examination in import shed to the examining staff. After shed appraiser gives 'out of charge' order, delivery of goods can be taken from custodian.
- First and second system of assessment - There are two systems of assessment. Section 17(2) provides for assessment after examination of goods and section 17(4) provides for assessment on basis of documents, followed by inspection and testing of goods.
- "First appraisement system" or 'first check procedure' is followed if the appraiser is not able to make assessment on the basis of documents submitted and deems that inspection is necessary. Goods are examined first and then these are assessed.

First appraisement is generally carried out in following cases –

- If complete documents are not submitted
- Goods are to be tested for correct classification
- Goods are re-imported
- Goods are damaged or deteriorated and abatement is claimed
- Goods are abandoned and remission of duty is applied for
- When goods are provisionally assessed
- When importer himself requests for examination of goods before payment of duty.

In "Second Appraisement System" or 'second check procedure', which is normally followed, assessment is done on basis of documents and then goods are examined. Such examination is not mandatory. It is done on selective basis on the basis of 'risk assessment' or specific intelligence report. Section 17(4) of Customs Act specifically provides that if initially assessment is done on basis of documents, re-assessment can be done after examination or testing of goods or otherwise, if it is found subsequent to examination or testing or otherwise, that any statement made on Bill of Entry or any information supplied is not true in respect of matter relevant to assessment of duty.

EXAMINATION OF GOODS

Examiners carry out physical examination and quantitative checking like weighing, measuring etc. Selected packages are opened and examined on sample basis in 'Customs Examination Yard'. Examination report is prepared by the examiner.

Provisional Assessment

Section 18 of Customs Act, 1962 provide that provisional assessment can be done in following cases

(a) when Customs Officer is satisfied that importer or exporter is unable to produce document or furnish information required for assessment

(b) it is deemed necessary to carry out chemical or other tests of goods

(c) when importer/exporter has produced all documents, but Customs Officer still deems it necessary to make further enquiry. In such cases, assessment is done on provisional basis. The importer/exporter has to furnish guarantee/security as required by Customs Officer for payment of difference if any. Goods can be cleared after payment of duty provisionally assessed and after providing the security. After final assessment, difference is paid by importer or refunded to him as the case may be. If the imported goods were warehoused after provisional assessment, the Customs Officer may require importer to execute a bond for twice the difference in duty, if duty finally assessed is higher [section 18(2) (a)]. The bond is called as 'P D Bond' (Provisional Duty Bond). The bond is with security or surety. Bank guarantee can also be given as a security.

Checking of duty drawback / license documents

Documents in respect of Duty Entitlement Pass Book (DEPB), advance license, duty drawback etc. will be checked.

Out of Customs Charge Order

After goods are examined, it is verified that import is not prohibited and after customs duty is paid, Customs Officer will issue 'Out of Customs Charge' order under section 47. Goods can be cleared from customs area only on receipt of such order. This is an 'adjudicating order' within the meaning of

Customs Act, even if it is passed by Appraiser and not by Assistant Commissioner.

Demurrage if goods not cleared

Heavy demurrage is payable if goods are not cleared from port within three days.

Relevant Date for Rate and Valuation of Customs Duty

Section 15 of Customs Act prescribes that rate of duty and tariff valuation applicable to imported goods shall be the rate and valuation in force at one of the following dates. (a) if the goods are entered for home consumption, the date on which bill of entry is presented (b) in case of warehoused goods, when Bill of Entry for home consumption is presented u/s 68 for clearance from warehouse and (c) in other cases, date of payment of duty.

21.2.3 EXPORT PROCEDURE

Procedures have to be followed by (a) 'person-in-charge of conveyance' and (b) the exporter. The procedures are similar to procedures for import, of course, in reverse direction.

Procedures by person in charge of conveyance

Any new airline, shipping line, steamer agent should be registered in Customs Systems for electronic processing of shipping bills etc.

The 'person in charge of conveyance' has to follow prescribed procedures.

- Entry Outward - The vessel should be granted 'Entry Outward'. Loading can start only after entry outward is granted. (Section 39 of Customs Act). Steamer Agents can file 'application for entry outwards' 14 days in advance so that intending exporters can start submitting 'Shipping Bills'. This ensures that formalities are completed as quickly as possible and loading in ship starts quickly.
- LOADING WITH PERMISSION - Export goods can be loaded only after Shipping Bill or Bill of Export, duly passed by Customs Officer is handed over by Exporter to the person-in-charge of conveyance. In case of baggage and mail bags, shipping bill is not necessary, but permission of Customs Officer is required (section 40).
- Export Manifest - As per section 41, an Export Manifest/Export Report in prescribed form should be submitted before departure. [The report is popularly called as 'Export General Manifest' - EGM]. The details required are similar to import manifest. Such manifest/report can be amended or supplemented with permission, if there was no fraudulent intention. Such report should be declared as true by the person-in-charge signing the export manifest. This report is not required if the conveyance is carrying only luggage of occupants.

Procedures to be followed by Exporter

Export procedures have been summarised in Chapter 3 Part II of CBE & C's Customs Manual, 2001.

Every exporter should take following initial steps -–

1. Obtain BIN (Business Identification Number) from DGFT. It is a PAN based number
2. Open current account with designated bank for credit of duty drawback claims
3. Register licenses / advance license / DEPB etc. at the customs station, if exports are under Export Promotion Schemes
    - Exporter has to submit 'shipping bill' for export by sea or air and 'bill of export' for export by road. Goods have to be assessed for duty, even if no duty is payable for most of exports, as 'Nil Duty' assessment is also an assessment.

    - Shipping Bill to be submitted by Exporter - Shipping Bill and Bill of Export Regulations prescribe form of shipping bills. It should be submitted in quadruplicate. If drawback claim is to be made, one additional copy should be submitted. There are five forms: (a) Shipping Bill for export of goods under claim for duty drawback - these should be in Green colour (b) Shipping Bill for export of dutiable goods - this should be yellow colour (c) shipping bill for export of duty free goods - it should be white colour (d) shipping bill for export of duty free goods ex-bond - i.e. from bonded store room - it should be pink colour (e) Shipping Bill for export under DEPB scheme - Blue colour.
    - The shipping bill form requires details like name of exporter, consignee, Invoice Number, details of packing, description of goods, quantity, FOB Value etc. Appropriate form of shipping bill should be used.
    - Relevant documents i.e. copies of packing list, invoices, export contract, letter of credit etc. are also to be submitted. In case of excisable goods, from ARE-1 prepared at the time of clearance from factory should also be submitted.
    - Customs authorities give serial number (called 'Thoka Number') to shipping bill, when it is presented.

    - Duty drawback formalities - If the exporter intends to claim duty drawback on his exports, he has to follow prescribed procedures and submit necessary papers.

    - Other documents required for export - Exporter also has to prepare other documents like (a) Four copies of Commercial Invoice (b) Four copies of Packing List (c) Certificate of Origin or pre-shipment inspection where required (d) Insurance policy. (e) Letter of Credit (f) Declaration of Value (g) Excise ARE-

1/ARE-2 form as applicable (h) GR / SDF form prescribed by RBI in duplicate (i) Letter showing BIN Number.

- RCMC certificate from Export Promotion Council - Various Export Promotion Councils have been set up to promote and develop exports. (e.g. Engineering Export Promotion Council, Apparel Export Promotion Council, etc.) Exporter has to become member of the concerned Export Promotion Council and obtain RCMC - Registration cum membership Certificate.

Check in customs

Document submitted is processed by customs authorities, and following are checked

- Value and classification of goods under drawback schedule in case of drawback shipping bills

- Export duty / cess if applicable

- Advance License shipping bills are checked to ensure that description in invoice and final product specified in Advance License matches. If necessary, samples may be drawn and assessment may be done after visual inspection or testing

- Exportability of goods under EXIM policy and other laws - Some exports are totally prohibited under various Acts e.g. items restricted or prohibited under Foreign Trade (Regulation) Act; antiques; art treasures; Arms; narcotics etc. Some items like tea, coffee and coir products can be exported only against authorisation/licence under respective Acts.

Examination of goods before export

After shipping bill is passed by export department, the goods are presented to shed appraiser (exports) in dock for examination. Goods will be examined by examiner. This inspection is necessary (a) to ensure that prohibited goods are not exported (b) goods tally with description and invoice (c) duty drawback, where applicable, is correctly claimed.

Let Export Order by Customs Authorities

Customs Officer will verify the contents and after he is satisfied that goods are not prohibited for exports and that export duty, if applicable is paid, will permit clearance. (section 51) by giving ‘let ship’ or ‘let export’ order.
GR-1, ARE-1, octroi papers, quota certification for export etc. are also signed. Exporter’s copy of shipping Bill, GR-1, and ARE-1 etc. duly certified are handed over to exporter or CHA. Drawback claims papers are also processed.

Conveyance to leave on written order

The vessel or aircraft which has brought imported goods or which carry export goods cannot leave that customs station unless a written order is given by Customs Officer. Such order is given only after (a) export manifest is submitted (b) shipping bills or bills of export, bills of transhipment etc. are submitted (c) duties on stores consumed are paid or payment of the same is secured (d) no penalty is leviable (e) export duty, if applicable, is paid. - - Such permission is not required if the conveyance is carrying only luggage of occupants.

CHECK YOUR PROGRESS

Activity A

Give the name of any five documents that the importer is required to submit to the customs authorities?

a)

b)

c)

d)

e)

21.3 CLEARANCE OF GOODS

Following are the procedures of Baggage and Clearance.

21.3.1 BAGGAGE

Elaborate provisions have been made for baggage as many Indians have tremendous craze for foreign goods - particularly electronic goods, cosmetics, liquor, perfumes etc.

(a) Baggage means all dutiable articles, imported by passenger or a member of a crew in his baggage (b) Un-accompanied baggage, if despatched previously or subsequently within prescribed period is also covered (c) baggage does not include motor vehicles, alcoholic drinks and goods imported through courier (d) Baggage does not include articles imported under an import licence for his own use or on behalf of others.

BONA FIDE BAGGAGE EXEMPT FROM DUTY

Bona fide baggage accompanying passenger is exempt from duty. It includes wearing apparel, toilet requisites and other personal effects.

GENERAL PROHIBITIONS

Following are general prohibitions / restrictions –

(a) Foreign and Indian currency can be taken out / brought in only as per restrictions of RBI under FEMA

(b) Possession of narcotic drugs is strictly prohibited.

(c) Domestic pets like dogs, cats, birds etc. can be brought as per strict health certificate regulations.

(d) Taking out exotic birds, wind orchids and wild life, is strictly prohibited.

(e) Endangered species or articles made from flora and fauna such as ivory, musk, reptile skins, furs, shahtoosh or antiques are prohibited.

Declaration by owner of baggage

Section 77 of Customs Act provides that owner of any baggage has to make declaration of its contents to customs officer. Rate of duty and tariff valuation shall be the rate and valuation in force on the date of declaration.

- GREEN CHANNEL - It is impractical to ask every traveller to declare contents of his baggage. Hence, customs have provided two channels at airports. If a person does not have any dutiable goods, he can go through green channel.
- An incoming passenger has to submit disembarkation card, containing written declaration about his baggage. This should be collected when passenger goes through green channel. –
- Any passenger found walking through green channel with dutiable or prohibited goods (or found mis-declaring quantity, value or description while going through red channel) is liable to strict penal action of seizure and confiscation. He can even be arrest / prosecuted
- Ministry has advised that instead of high percentage of screening the bags, field formations should intensify intelligence and surveillance system of passenger profiling to ensure that only suspect passengers and frequent short visit passengers are diverted from green channel for scanning of baggage.
- RED CHANNEL - Person carrying dutiable goods should pass through red channel and should submit declaration. The declaration of goods and value as given by passenger in disembarkation card is generally accepted, but baggage can be inspected by customs officer.

Rate of duty on baggage

Rate of duty on baggage is as follows:

- GENERAL RATE ON BAGGAGE - Baggage is classified in Customs Tariff in Chapter 98.03, irrespective of actual classification as per Customs Tariff. The entry reads as "All dutiable articles, imported by passenger or member of crew in his baggage". Tariff rate is 150%. However, effective rate (i.e. specified by a notification) is 35% w.e.f. 1-3-2005, plus education cess of 2% on the duty.
- This rate is not available to - fire arms, cartridge of firearms exceeding 50, cigarettes, cigars or tobacco in excess of the quantity prescribed for importation free of duty under Baggage Rules and goods imported through courier service
- CONCESSIONAL RATE IN CERTAIN CASES - A person returning after one year or a person transferring his residence to India after two years' stay abroad, is eligible for concessional rates on some goods.
- DUTY ON GOLD IN SOME CASES - Gold brought as baggage by a passenger of Indian origin or a person holding Indian passport. The duty is only Rs 100 per Kg for import of gold bars bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units and gold coins. In case of other gold, including tola bars and ornaments (but excluding ornaments studded with stones or pearls), the duty is Rs 250 per Kg. Upto 10 Kg gold can be brought by each eligible passenger. No special additional duty or CVD is payable. The person should have been staying abroad for over six months. Duty must be paid only in convertible foreign currency. Out of the period of 6 months, short visits upto 30 days are permitted, if the concession was not availed in those short visits.
- DUTY ON SILVER IN SOME CASES - Silver brought as baggage by a passenger of Indian origin holding Indian passport upto 100 Kg is chargeable to duty of Rs. 500 per Kg, if the person was staying abroad for over six months. Duty has to be paid only in convertible foreign currency. No special additional duty, or CVD is payable. Out of the period of 6 months, short visits upto 30 days are permitted, if the concession was not availed in such short visit.
- The gold and sliver so obtained can be sold in India, provided that payment for the same is obtained by cheque in Indian rupees gold.
- IMPORT FOR PERSONAL USE - Dutiable articles imported by air or post, but not as baggage, intended for personal use, which are not prohibited under Foreign Trade (Development and Regulation) Act are classifiable under 98.04 and general rate is 30%, plus 4% special additional duty (SAD). The goods are exempt from additional duty (CVD).
- BAGGAGE EXEMPT OR AT CONCESSIONAL RATE OF DUTY - Following baggage is exempt from customs duty - (a) Personal property re-imported (b) Free replacement under warranty of articles which are private personal property of passenger (c) foodstuff upto Rs 50,000 (d) Free gifts and donations to red cross, CARE or Government of India for relief and rehabilitation (e) Samples, price lists, prototypes,

commercial samples etc. (f) Goods brought for display, exhibition, fair etc., subject to various conditions (g) Agricultural products or goods manufactured or produced in Nepal. (h) Other goods as

- EXEMPTION TO MINOR AMOUNTS OF CUSTOMS DUTY – Customs duty is not payable if amount of duty is Equal to or less than Rs 100

Exemptions/Restrictions on Baggage

Tourists can be broadly classified as (a) Indian persons going abroad for a short trip and coming back (b) Indian persons gone abroad for work and coming back after few years (c) tourists visiting India for sight seeing or business purpose. Accordingly, 'Baggage Rules, 1998' contain different provisions for (a) Residents from India (b) Tourists visiting India and (c) Persons transferring their residence.

Exemption only to bonafide baggage - The exemption to baggage is available only to bonafide baggage. Though the term 'bonafide' baggage is not defined, baggage declaration form prescribed that 'bonafide baggage' includes

- wearing apparel * personal and household effects meant for personal use of passenger or family members travelling with him and not for sale or gift
- Jewellery including articles made wholly or mainly of gold, in reasonable quantity according to status of passenger
- Tools of draftsman
- Instruments of physician or surgeon.

Baggage of Indian Resident or foreigner residing in India

Resident means a person holding Indian Passport and normally residing in India (i.e. Indian persons going abroad for short visit). The concession of free import of used personal effects and general free allowance is also available for foreign citizens residing in India.

- Used personal effects - Used articles of personal wear and articles in personal use of passengers for daily necessaries is fully exempt. Used personal effects are also exempt. (This allowance is also available to foreign citizens residing in India returning from abroad).
- EXPORT CERTIFICATE WHILE GOING OUT - Note that items like camera, computer, jewellery etc. will be permitted duty free as personal effects only if these were taken from India while going abroad. An 'export certificate' should be obtained from authorities while taking these goods abroad, so that these can be brought back without payment of duty.
- GENERAL FREE ALLOWANCE - In addition to personal effects (excluding jewellery), a passenger of 12 or more years of age is allowed general free allowance of Rs. 25,000, if the Indian Resident is returning from country other than Nepal, Bhutan, Myanmar or China.

This allowance is also available to foreign citizens residing in India and tourists of Indian origin. The allowance is also available if he is transferring his residence or returning after 3/12 / 24 months. A Non Resident Indian who does not hold Indian passport is also entitled to GFA if he is of Indian origin this allowance cannot be pooled with General Free Allowance of other passengers - e.g. husband and wife bringing one item of Rs. 50,000 will not be permitted duty free. . The GFA is not available to foreign tourists. This General Free Allowance is not applicable to un-accompanied baggage.

- RESTRICTED/EXCLUDED ITEMS FROM GENERAL FREE ALLOWANCE - The exemption is not allowed to items included in Annex I to Baggage Rules, 1998. Items included in Annex I are: (1) fire arms; (2) cartridges of fire arms exceeding 50; (3) cigarettes exceeding 200 or cigars exceeding 50 or tobacco exceeding 250 Gms.; (4) Alcoholic liquor and wines in excess of one Liter each (5) Gold or Silver in any form, other than ornaments.
- Allowance to professionals returning to India - An Indian passenger who was engaged in his profession abroad for over three months is allowed to import following duty free goods as additional allowance - (a) Household Articles upto Rs 6,000 (e.g. linen, utensils, tableware, kitchen appliances, an iron etc.) (b) Professional equipment like portable equipments, apparatus and appliances required in such profession, upto Rs. 10,000/-. The limit will be increased to Rs. 20,000/- if he was abroad for over 6 months.
- This exemption of professional equipment is only for carpenters, plumbers, welders, masons and the like and not for items of common use like cameras, typewriter, cassette-recorder, computers, word processor etc. - Rule 5 of Baggage Rules, 1998 read with Appendix C.
- Limited exemption to jewellery - If the passenger was residing abroad for over one year, jewellery can be imported duty free upto Rs. 10,000 in case of gentleman passenger and Rs. 20,000 in case of lady passenger.
- Imported goods taken abroad and brought back - A tourist can take imported equipment like camera, cellular phone, notebook computers 02etc. abroad. In such case, he should take 'Export Certificate' with him while going abroad. This will enable him to bring back the said goods without payment of duty on return. It is now provided that frequent travellers can get such certificate in advance. The certificate will be serially numbered with official seal of issuing authority-giving details of the product. Such certificate will be valid for one year and can be obtained from any major customs house, international airport or seaport.
- **Duty payable on balance un-exempted baggage -** The baggage (including un-accompanied baggage) is exempt subject to limits mentioned above. The balance quantity is dutiable at rates explained above. Duty payable on Silver and Gold imported, as baggage has been separately prescribed.

Concession to persons transferring his residence (TR)

A person who is transferring his residence to India is eligible to bring used personal and household articles to India without duty. The provisions are applicable to all - i.e. foreigners coming for residing in India as well as Indian resident coming after 2 years and who is transferring his residence to India.

- The conditions are: (a) He should have been residing abroad for at least two years. During this period short visits not exceeding 6 months are permissible. (b) The provision regarding 2 years' stay can be condoned upto 2 months by Assistant Commissioner, if the early return was due to terminal leave or vacation or other special circumstances. (c) The provision regarding maximum 6 months stay during 2 years can be relaxed by Commissioner in deserving cases (d) The passenger should not have availed this concession in preceding three years (e) Goods in Annex I & II are not allowed under this concession. (Rules 8 of Baggage Rules, 1998, read with Appendix F). (However, duty on 18 items in Annex II is 30% upto value of goods of Rs. 5.0 lakhs).
- GENERAL FREE ALLOWANCE - A passenger can also avail of 'General Free Allowance' as available to other residents, in addition to above. (Rule 8).
- PERSONAL AND HOUSEHOLD GOODS - The exemption is available only for 'personal and household goods' i.e. those required for use of the passenger or running the household. CONCESSION FOR TRANSFER OF RESIDENCE - A person transferring his residence to India after stay abroad for two years and who has not availed this concession in preceding three years is eligible for concession upto value of Rs. 5.00 lakhs exclusive of value of his personal effects and other household articles. This concession is available on 18 articles contained in Annex II of Baggage Rules, 1998. Duty is 30%. Passenger has to declare that no other person of his family has availed this benefit.
- ARTICLES NOT ALLOWED UNDER TR - Transfer of Residence concession is not available to motor vehicles, vessels, aircrafts, cinematograph films, alcoholic liquor and wines (in excess of one litre each), cigarettes (exceeding 200), cigars (exceeding 50), tobacco (exceeding 250 gms.), Gold (other than ornaments), Silver (other than ornaments), fire arms and cartridges of fire arms exceeding 50 – Annex I and II of Baggage Rules.

Allowance for persons returning after one year i.e. Mini TR

A person who was working abroad and is returning to India on termination of work and who was staying abroad for at least 365 days out of previous two years is eligible to certain concessions. This is termed as 'mini TR' i.e. 'Mini Transfer of Residence'. He is entitled to bring personal effects and household articles upto Rs. 75,000/- duty free [The limit was Rs 30,000 upto 28-2-2002]. This allowance is in addition to General Free Allowance. The conditions are (a) These should be in possession of himself or his family and used for at least six months (b) He shall be allowed to avail himself of this exemption only once in three years. (c) Items in Annex I & Annex II to Baggage Rules are not allowed under this rule. (d) Goods should be contained in his bonafide baggage.

Items under Annex I am already explained above. Items under Annex II are as follows:

ITEMS IN ANNEX II –

Colour/monochrome TV
(i) VCR/VCP/VTR
(ii) Digital Video Disc (DVD) player
(iii) Video Home Theatre system
(iv) Washing machine
(v) Electrical/LPG cooking range (other than stoves with upto two burners)
(vi) Music system
(vii) Personal/Desk top Computer
(viii) Note book computer/ laptop computer
(ix) Air conditioner
(x) Refrigerator
(xi) Deep freezer
(xii) Microwave oven
(xiii) Video camera or video camera with TV, sound/video recording apparatus
(xiv) Word processing machine.
(xv) Fax machine.
(xvi) Portable photocopying machine
(xvii) Vessels
(xviii) Aircrafts
(xix) Cinematograph films of 35 mm and above.
(xx) Gold or Silver in any form, other than ornaments.

In other words, the exemption of Rs. 75,000 is illusory as the items a person would like to bring after stay abroad are mostly not exempt. However, duty payable is 30% on the first 18 items included in Annex II upto value of Rs 1, 50,000 in case of Mini TR.
Since 'baggage' does not include motor vehicles, liquor and firearms, the exemption is obviously not applicable for those goods.

- CONCESSIONAL RATE OF 30% IF PERSON RETURNING AFTER STAY OF 365 DAYS - The general rate of customs duty on baggage is reduced to 30% if a person holding Indian passport, returns to India after staying abroad for at least 365 days in last two years. He should be 'working abroad', i.e. mere stay with relatives or others is not enough to avail this concession. The person is eligible for following concession: duty payable is 30% on CTV, VCR, VCP, cooking range, washing machines, A/C, PC, dish washers, musical systems, refrigerator, deep freeze, micro-wave oven, video camera, word processing machine and Fax machine. (These are first 18 items included in Annex II to Baggage Rules, 1998) Concession is available for one unit of these goods per family upto total value of Rs. 75,000, inclusive of value of other goods imported duty free under rule 5 of Baggage Rules. [Under these rules, household articles excluding those in Annex I and Annex II are permitted to be imported duty free].

Concessions to Tourists

Tourists visit India for various purposes and rules have been framed to allow them to bring goods to India.

Tourist means (a) a person who is not normally resident of India (b) who enters India for stay of not more than six months in the course of twelve month period (c) he should come for legitimate non-immigrant purpose such as touring, recreation, sport, health, family reasons, study, religious pilgrimages or business. [rule 2(iii) of Baggage Rules, 1998].
Thus, Non-Resident Indians who do not hold Indian passports are also covered in this definition.

Exemption to Baggage of tourists

Following are the exemptions -
(a) Used personal effects of tourist and travel souvenirs are allowed duty free. Personal effects should be for personal use of the tourist and these goods, other than consumed, should be re-exported when tourist leaves India for foreign destination.
(b) Tourists of Indian Origin (even if holding foreign passport) other than those coming from Pakistan by land route, are entitled to General Free Allowance in addition to 'personal effects'.
(c) Foreign Tourists are permitted to bring articles upto Rs 4,000 for making gifts. This can include upto 200 cigarettes or 50 cigars or 250 gms of tobacco and upto 1 litre each of Alcoholic liquor and wine. Duty will have to be paid for gifts over the value of Rs 4,000 (Rs 3,000 if they are coming from Pakistan).
(d) Tourists of Pakistani origin or foreign tourists coming from Pakistan or tourists of Indian origin coming from Pakistan, by land route, are entitled to bring used personal effects and travel souvenirs are allowed duty free. Personal effects should be for personal use of the tourist and these goods, other than consumed, should be re-exported when tourist leaves India for foreign destination. In addition, articles upto values of Rs 3,000 for making gifts are permitted duty free.
(e) Tourists of Nepalese origin coming from Nepal or of Bhutanese origin coming from Bhutan are not entitled to any exemption. The rules do not even make mention in respect of exemption of personal goods for their personal use. Obviously, this is not the intention. In fact, as per section 79(1) (b) of Customs Act, articles of baggage for use of the passenger or his family are exempt from customs duty and hence they will be exempt even if no specific mention is made in rules.

IMPORT BY FOREIGN EXPERTS

Foreign experts assigned to India under various UN schemes etc. are permitted to bring various articles, including VCR, video camera and Air conditioners. These are exempt from customs duty on obtaining certificate of undertaking from the expert. Duty will be paid by concerned ministry / department.

21.3.2 GOODS IMPORTED AND EXPORTED BY POST

Normal procedures for import by air/ship/road are not possible for imports as 'baggage' or import through post. Hence, separate provisions have been made for import/export by post.

- ENTRY FOR PURPOSE OF POSTAL ARTICLES - 'Entry' means an Entry made in 'Bill of Entry' in case of imports and 'Shipping Bill' in case of exports. In case of post parcels, Label/declaration accompanying goods which contain description, quantity and value of the goods will be deemed to be an '**Entry**' for purposes of Customs Act, vide section 82 of Customs Act. Thus, filing of separate Bill of Entry or Shipping Bill is not necessary for import/export through post.

- RATE OF DUTY AND TARIFF VALUATION - As per section 83 of Customs Act, the rate of duty and valuation as on date on which postal authorities submit the list to Customs Officer will be considered. However, if such list is presented before arrival of vessel, the date will be deemed to be date of arrival of the vessel. Similarly, in case of exports, rate and tariff valuation as applicable on date on which goods are handed over to postal authorities will be considered.

Regulation for import/ export by post

Section 84 authorises Board to make regulations for procedures for examination and assessment of duty and transit/transhipment of goods imported by post. Accordingly, CBE and C have made rules.

- POST PARCELS TO POST OFFICE - Post parcels will be allowed to pass from port/airport to Foreign Parcel Department of Government Post Offices without payment of customs duty. Postmaster will hand over to Principal Appraiser, Customs following (a) memo showing total number of parcels from each country of origin (b) Parcel Bills or Senders' declaration (c) Customs declaration and despatch notes, if any (d) other information that may be required.

- INSPECTION OF MAIL - The mail bag will be opened and scrutinised by Postmaster under supervision of Principal Postal Appraiser of Customs. Packets suspected of containing dutiable goods will be separated and presented to Customs Appraiser with letter mail bill and assessment memos.

- PARCEL BILL/LETTER MAIL BILL - The parcel bill/letter mail bill will show details like (a) Serial number assigned by office of posting (b) Name of office of posting (c) Destination (d) weight (e) local number (f) Contents as ascertained by Customs (g) Declared value in foreign currency (h) Rupee Value (i) Rate of duty (j) Amount of duty and (k) Remarks.

- EXAMINATION AND ASSESSMENT - Customs Appraiser will mark the parcels which are required to be detained as (a) necessary particulars are not available or (b) mis-declaration or under-valuation is suspected or (c) goods are prohibited for import. Other parcels will be assessed without opening, on the basis of details given in parcel bill or despatch notes. The duty will be assessed and will be entered on parcel bill. These will be audited and returned to Postmaster. Postmaster will hand over parcel to addressee only after collecting the customs duty.

- OPENING OF PARCELS - Parcels selected by Appraiser for examination will be opened and examined. If required, details will be called from addressee. After inspection, the parcels will be sealed with a distinctive seal. If mis-declaration or under-valuation is noted or goods are prohibited goods for imports, these will be detained and reported to Customs Commissioner. After assessment, these will be handed over to Post Master, who will hand over to addressee on receipt of payment of Customs duty.

GIFTS BY POST

Gifts from abroad upto Rs. 10,000 of goods, which are not prohibited goods for import, are duty free if sent by post or through courier. The postal charges or air freight will not be taken into account for determining value limit of Rs 10,000. [Notification No. 171/93-Cus dated 16-9-1993 as amended on 6-7-1999]. However, if the value exceeds Rs 10,000, customs duty is payable on whole value even if gift was received unsolicited.

EXEMPTIONS TO POST PARCELS

Post Parcel where customs duty payable is less than Rs. 100 are fully exempt from duty (this is obviously with a view to ignore small parcels). Post Parcels posted from India but returned un-delivered are also exempt from customs duty, if no export benefit was claimed on these parcels.

EXPORT BY POST

Articles exported by post are required to be covered by a declaration in prescribed form. Where the value exceeds Rs 50 and payment is to be received, the export must be declared in exchange control form PP. Export of Indian and foreign currency, bank drafts, cheques, National Saving

Certificates are not allowed unless accompanied by permit issued by RBI, unless where such negotiable instruments are sent by authorised dealers in India. Goods upto Rs 25,000 can be exported as gifts. Export of purchases made by foreign tourists is permitted on submission of proof that payment was received in foreign exchange.

21.3.3 STORE

Section 2(38) define 'Stores' as goods for use in a vessel or aircraft and includes diesel and spare parts and other articles of equipment, whether or not they are required for immediate fitting. The ships/aircrafts coming from abroad require spares and consumables for their ships and hence special provisions have been made.

- TRANSIT AND TRANSSHIPMENT

- Stores can remain on Board of vessel or aircraft while in India. Imported Stores can be transferred to another vessel or aircraft with permission of Customs officer, without payment of duty, if the vessel is a foreign going vessel. - section 86. Imported stores on board a vessel or aircraft can be consumed as stores without payment of customs duty, as long as the vessel or aircraft is a foreign going vessel or aircraft. (Section 87.)

- WAREHOUSING OF STORES

- Imported stores can be kept in warehouse without assessment of duty and without payment of duty for supply to ships / aircrafts. (Section 85.)

- REMOVAL OF STORES FROM WAREHOUSE - The stores can be removed from warehouse without payment of duty to be taken back on foreign going vessel. A 'shipping bill' has to be submitted if the 'stores' are to be removed without payment of duty. Warehouse rent and other penalties etc. if applicable, are payable before removal of stores. (Section 88.)If stores are to be removed after payment of duty for home consumption, Bill of Entry has to be submitted and goods can be removed after payment of duty, penalties, rent and interest as may be applicable.

- STORES FREE OF EXPORT DUTY - Stores manufactured or produced in India may be exported without payment of export duty, as stores on any foreign going vessel with permission of Customs Officer, who will determine the requirement based on size of vessel or aircraft, length of journey etc. - section 89. - - Since the supply is treated as 'export' it will be eligible for duty drawback.

- SUPPLY OF IMPORTED DUTY PAID STORES - Imported duty paid stores can be supplied as 'stores' to foreign going vessel. If such supplies of stores are made, 98% of customs duty paid will be allowed as 'duty drawback'. If fuel or lubricating oil is supplied as stores to foreign going vessel, 100% customs duty paid on the fuel or lubricating oil is refunded as ‘duty draw back’. - Section 88

21.3.4 GOODS IN TRANSIT

Section 53 provide that any goods imported in any conveyance will be allowed to remain on the conveyance and to be transited without payment of customs duty, to any place out of India or any customs station. However, all these goods must be mentioned in import manifest or import report submitted by person in charge of conveyance. Such goods should not be ‘prohibited goods’ under section 11 of Customs Act. [The conveyance may be vehicle, ship or aircraft]. After transit, the goods may go to another customs station.
On arrival at customs station, the goods will be liable to customs duty as if it is first importation in India

CHECK YOUR PROGRESS

Activity B

Give the name of the two channels provided by customs at airport ?
a)

b)

Activity C

Discuss whether the following items are included in Annex 1 to Baggage Rules, 1988:

a) Video camera
b) Aircraft
c) Fire arms
d) Computer
e) Music system
f) Gold other than ornaments

21.4 DUTY DRAWBACK PROVISIONS

Drawback means the rebate of duty chargeable on any imported materials or excisable materials used in manufacture or processing of goods which are manufactured in India and exported. Export means taking out of India. Supply of stores for use in vessel or aircraft proceeding to foreign port is also covered, since it is treated as ‘export’ as per section 89 of Customs Act.

Duty Drawback is equal to (a) customs duty paid on imported inputs including SAD plus (b) excise duty paid on indigenous inputs. Duty paid on packing material is also eligible. However, if inputs are obtained without payment of customs/excise duty, no drawback will be paid. If customs/excise duty is paid on part of inputs or rebate/refund is obtained, only that part on which duty is paid and on which rebate/refund is not obtained will be eligible for drawback. No drawback is available on other taxes like sales tax and octroi.

Processing also eligible for Drawback - Drawback is allowable if any manufacture; process or any operation is carried out in India [section 75(1) of Customs Act]. Thus, drawback is available not only on manufacture, but also on processing and job work, where goods may not change its identity and no ‘manufacture’ has taken place.

Type of Drawback Rates –

- All Industry Drawback rates are fixed by Directorate of Drawback, Dept. of Revenue, Ministry of Finance, Govt. of India, Jeevan Deep, Parliament Street, New Delhi - 110 001. The rates are periodically revised - normally on 1st June every year. Data from industry is collected for this purpose. The types of rates are as follows:
- ALL INDUSTRY RATE - This rate is fixed under rule 3 of Drawback Rules by considering average quantity and value of each class of inputs imported or manufactured in India. Average amount of duties paid is considered. These rates are fixed for broad categories of products. The rates include drawback on packing materials. Normally, the rates are revised every year from 1st June, i.e. after considering the impact of budget, which is presented in February every year. All Industry drawback rate is not fixed if the rate is less than 1% of FOB Value, unless the drawback claim per shipment exceeds Rs 500.
- The AIR (All Industry Rate) is usually fixed as % of FOB price of export products. However, in respect of many export products, duty drawback cap (ceiling) has been prescribed, so that even if an exporter gets high price, his duty drawback eligibility does not go above the ceiling prescribed.
- The table gives allocation of the drawback allowed under two heads namely - Customs and Central Excise. The Customs portion covers basic customs duty, surcharge and SAD. Excise portion covers basic and special excise duty and CVD. Duty drawback of customs portion can be paid even if exporter has availed Cenvat credit, as Cenvat credit is only of excise duty and CVD.
- The All Industry Rate (AIR) is fixed on the basis of weighted averages of consumption of imported / indigenous inputs of a representative cross section of exporters and average incidence of duties. Hence, individual exporter is not required to produce any evidence in respect of actual duties paid by him on inputs

- BRAND RATE - It is possible to fix All Industry Rate only for some standard products. It cannot be fixed for special type of products. In such cases, brand rate is fixed under rule 6. The manufacturer has to submit application with all details to Commissioner, Central Excise. Such application must be made within 60 days of export. This period can be extended by Central Government by further 30 days. Further extension can be granted even upto one year in if delay was due to abnormal situations
- SPECIAL BRAND RATE - All Industry rate is fixed on average basis. Thus, a particular manufacturer may find that the actual duty paid on inputs is higher than All Industry Rate fixed for his product. In such case, he can apply under rule 7 of Drawback Rules for fixation of Special Brand Rate, within 30 days from export. The conditions of eligibility are (a) the all Industry rate fixed should be less than 80% of the duties paid by him (b) rate should not be less than 1% of FOB value of product except when amount of drawback per shipment is more than Rs. 500 (c) export value is not less than the value of imported material used in them - i.e. there should not be 'negative value addition'.

Drawback Rate Fixation

Forms and procedures have been prescribed for submitting details to jurisdictional Commissioner of Central Excise, who will fix the rate of duty drawback

Drawback claim procedure

- Exporter shall endorse on the 'shipping bill' the description, quantity and other details to decide whether goods are eligible for duty drawback. He should submit one extra copy of shipping bill for drawback purposes. Copy of Invoice should be submitted.
- DECLARATION BY EXPORTER - A declaration should be made rule 12(1)(a)(ii) of Duty Drawback Rules, on shipping bill or bill of export that claim of drawback is being made and that duties of customs and excise have been paid on materials, containers and packing materials and that no separate claim for rebate of duty will be made. If the exporter or his authorised agent was unable to make such declaration due to reasons beyond his control, Commissioner of Customs can grant exemption from this provision of making declaration on shipping bill or bill of export.
- Further declarations are also required when brand rate or special brand rate has been fixed. These declarations have to be signed by exporter.
- Triplicate copy of shipping Bill is the drawback copy and should be marked as 'Drawback Claim Copy'. It should be submitted with pre-receipt on reverse side with revenue stamp.
- DECLARATION FOR NON-AVAILMENT OF CENVAT – (a) If the manufacturer-exporter or supporting manufacturer of merchant exporter is registered with Central Excise, fact of non-availment of Cenvat credit can be verified from ARE-1 form furnished (b) If the

manufacturer-exporter or supporting manufacturer of merchant exporter is not registered with Central Excise, they have to submit self-declaration about non-availment of Cenvat in prescribed form. The drawback rate consists of two components - customs portion (consisting of basic customs duty, surcharge and SAD) and excise portion (consisting of basic excise duty, special excise duty and CVD). The Cenvat credit is only in respect of central excise. Hence, it has been clarified that even if Cenvat credit has been availed, duty drawback in respect of customs portion will be available.

Duty drawback on Re-export

- Section 74 of Customs Act, 1962 provide for drawback if the goods are re-exported as such or after use. This may happen in cases like import for exhibitions, goods rejected or wrong shipment etc. The re-exported goods should be identifiable as having been imported and should be re-exported within two years from date of payment of duty when they were imported. This period (of two years) can be extended by CBE&C on sufficient cause being shown. These should be declared and inspected by Customs Officer. Original shipping bill under which the goods were imported should be produced. The goods can be exported as cargo by air or sea, or as baggage or by post. -. -. - After inspection, export and submission of application with full details, 98% of the customs duty paid while importing the goods is repaid as drawback.
- DISTINCTION BETWEEN SECTION 74 AND 75 - Section 74 is applicable when imported goods are re-exported as it is and article is easily identifiable, while section 75 is applicable when imported materials are used in the manufacture of goods which are then exported
- VALUE AT THE TIME OF EXPORT IS RELEVANT - As per section 74(4), goods are deemed to have been entered for export on the date rate of duty is to be calculated under section 16. As per section 16, value of export goods will be taken on the date on which proper officer makes an order permitting clearance of goods for export under section 51 of Customs Act. Hence, 'Value' for the purposes of section 76(1)(b) will be value at the time of export and not the original value of import of the goods.
- GOODS CAN BE RE-EXPORTED TO ANY PARTY AND FROM ANY PORT – It has been clarified that goods can be re-exported to any party (and not only to the same supplier) and re-export can take place from any port
- DRAWBACK FOR USED GOODS - If the imported goods are used before re-export, the drawback will be allowed at a reduced percentage [section 76(2) of Customs Act, 2162]. If the goods were in possession of the importer, they might be treated as used by the importer. As per the rules framed by Central Government, the table is as follows: (a) use upto 6 months; 85% (b) 6 months to 12 months: 70% (c) 12 months to 18 months: 60% (d) 18 months to 24 months: 50% (e) 24 months to 30 months: 40% (f) 30 months to 36 months: 30% (g) over 36 months: Nil. Drawback is allowed if the use is over 24 months only with permission of Commissioner of Customs if sufficient cause is shown.

- GOODS FOR PERSONAL USE - If the goods (including motor car) were imported for personal use, the reduction in import duty refundable is 4% per quarter for first year, 3% per quarter for second year, 2.5% per quarter for third year and 2%

CHECK YOUR PROGRESS

Activity D

Give the name of the three types of drawback rates?
a)
b)
c)

Activity E

Who fixed the all industry drawbacks rates?

21. 5 SUMMARY

Customs duties levied by central government import of goods into, and export of goods from, India. These rules are applicable for imported good not applicable to exported goods. Good are imported or exported from India through sea, air or land. Goods can come through post parcel or as baggage with passengers. Procedure naturally varies depending on mode of import or export. There are separate provisions for baggage. There are provisions for draw back of custom and excise duty paid on inputs.

21.6 GLOSSARY

The various key words, which arise in this chapter, are

Aircraft means any machine, which can derive support in the atmosphere from reactions of the air and includes balloons whether fixed, or free, airships, kites, gliders and flying machines."

Assessments include provisional assessment, reassessment and any order of assessment in which the duty assessed is nil.

Bill of export refers to a prescribed form for the goods to be exported by land

Board means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963. [2(6)1]

Conveyance includes a vessel, an aircraft and a vehicle.

Duty means a duty of customs leviable under this Act.

Examination in relation to any goods, includes measurement and weighment thereof

Export Price means the price at which goods are exported. If the export price is unreliable due to association or compensatory arrangement between exporter and importer or a third party, export price can be constructed (revised) on the basis of price at which the imported articles are first sold to independent buyer or according to rules made for determining margin of dumping.

Vehicle means conveyance of any kind used on land and includes a railway vehicle

Warehouse means a public warehouse appointed under section 57 or private warehouse licensed under section 58

Warehoused Goods means goods deposited in a warehouse.

21.7 SELF ASSESSMENT EXCERSCISE

1) Explain briefly the meaning of First appraisement and Second appraisement system under customs act 1962?

2) Explain the provisions under customs act 1962 relating to Baggage duty and concession to the resident retuning from abroad after a short visit?

3) Write a short note on Drawback under section 74 of the Customs Act 1962?

4) Write short note on the following:
   a) Import manifest
   b) Customs station
   c) Person in charge
   d) Entry outward

21.8 FURTHER READINGS

Datey, V.S, 2005. *Indirect Taxes*, Taxmann Publisher, Delhi. Twentieth Edition.

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