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if it is found dutiable, the assessee
import duty from the addressee.

STORES

As per section 2(38), "Stores" means 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. Basically, the term 'stores' include the following articles :—

- (i) Food, drinks or other needs of passengers, crew and other human being on the board of vessel or aircraft.
- (ii) Stock of fuel
- (iii) Essential spare parts for repairs and maintenance.
- (iv) Life boats and life belts.
- (v) Essential medical items.
- (vi) Music instruments, videos, radios, games and entertainment of passengers, etc.

Provisions relating to stores are given hereunder :—

(I) Stores may be warehoused without assessment of duty [Sec. 85]—When the importer of any imported goods gives a declaration that the goods are to be supplied as stores to vessels or aircrafts without payment of import duty, the proper officer may allow the goods to be warehoused without assessment of duty.

(II) Transit and transshipment of stores [Sec. 86]—

- (1) Any stores imported in a vessel or aircraft without payment of duty may remain as such on board of such vessel or aircraft while it is in India.
- (2) Any such stores may be transferred to any vessel or aircraft as stores for consumption therein. Such transfer shall be made with the prior permission of the proper officer.

(III) Imported stores may be consumed on board a foreign going vessel or aircraft [Sec. 87]—Any imported stores on board a vessel or aircraft may, without payment of duty, be consumed thereon as stores during the period such vessel or aircraft is a foreign going vessel or aircraft.

(IV) Duty drawback to stores [Sec. 88]—

- (a) Duty drawback is allowed in relation to stores taken on board any foreign-going vessel or aircraft as stores.
- (b) Duty drawback on fuel and lubricating oil taken on board any foreign going aircraft as stores shall be to the extent of 100%. It means that 100% of the duty paid shall be refunded.

(V) Stores to be free of export duty [Sec. 89]—Goods produced or manufactured in India and required as stores on any foreign-going vessel or aircraft may be exported free of duty in such quantities as the proper officer may determine. The proper officer determines such quantities on considering the size of the vessel or aircraft, the number of passengers and crew and the length of the voyage or journey on which the vessel or aircraft is about to depart.

(VI) Concessions in respect of imported stores for the Navy [Sec. 90]—

- (1) Imported stores discussed herebefore may, without payment of duty, be consumed on board a ship of the Indian Navy.
- (2) Duty drawback is allowed in relation to stores taken on board a ship of the Indian Navy. Such duty drawback shall be to the extent of 100%.
- (3) The stores to be consumed on board a ship of the Indian Navy are the followings :—
 - (a) stores for the use of ship of the Indian Navy;
 - (b) stores supplied free by the Government for the use of the crew of a ship of the Indian Navy in accordance with their conditions of service.

COASTAL GOODS

According to section 2(7), "Coastal goods" means goods, other than imported goods, transported in a vessel from one port in India to another port in India. This transportation of coastal goods does not involve import or export.

Provisions relating to carrying on and delivery of coastal goods, as given under sections 91 to 99, are summarised as below :—

- (1) The consignor of any coastal goods shall present a 'Bill of coastal goods' to the proper officer to make an entry thereof. Such bill shall be in prescribed form, alongwith a declaration of the consignor stating as to the truth of the contents of such Bill. [Sec. 92]
- (2) The master of a vessel shall not permit the loading of any coastal goods until the bill relating to such goods has been passed by the proper officer and the bill has been delivered to the master by the consignor. [Sec. 93]

(3) Such passed bill shall be carried alongwith coastal goods to the place of destination and shall deliver it to the proper officer of the post where such goods are to be unloaded. The proper officer shall permit clearance of such coastal goods if he is satisfied that they are in accordance with the 'Bill of coastal goods' delivered to him. [Sec. 94]

(4) The master of every vessel carrying coastal goods shall carry with him an 'Advice book' supplied to him by custom authorities. The proper officer, at every destination post, shall make an entry as he deems fit relating to the goods loaded on the vessel at that port. The master of vessel shall also deliver the advice book, at each port, to the proper officer for his inspections. [Sec. 95]

(5) Coastal goods shall be loaded or unloaded only at the customs port or coastal port appointed u/s 7 for the loading and unloading of such goods. [Sec. 96]

(6) *The master of a vessel which has brought or loaded any coastal goods at a custom or coastal port shall not leave the port until a written order to that effect has been given by the proper officer. Such written order shall be given on satisfaction of the proper officer on the following points :—*

(i) The master of the vessel has answered the questions put to him;

(ii) All charges and penalties due in respect of that vessel or from the master thereof have been paid or the payment has been secured by such guarantee or deposit of such amount as the proper officer may direct;

(iii) The master of vessel has satisfied the proper officer that no penalty is leviable u/s 116 for short loading of goods and if any penalty, that may be levied, has been secured by proper guarantee or deposit;

(iv) All the provisions of the Act, Rules and Regulations relating to coastal goods and vessels carrying coastal goods have been complied with.

[Sec. 97]

(7) Provisions of sections 33, 34 and 36 of the Customs Act, 1962 shall apply to coastal goods as they apply to imported or exported goods.

Similarly, provisions of sections 37, 38 and 45 shall apply to vessels carrying goods as they apply to vessels carrying imported/exported goods.

[Sec. 98]

(8) If the Central Government is satisfied, it may, by notification exempt coastal goods or vessels carrying coastal goods from all or any of the provisions of this Act. [Sec. 98A]

(9) The Central Government has power to make rules :—

(a) preventing the movement of any coastal goods out of India which is dutiable or prohibited under this Act or any other law for the time being in force;

(b) preventing a vessel carrying coastal goods as well as imported or export goods, from substituting the imported or exported goods by coastal goods.

IMPORT AND EXPORT THROUGH COURIER

Import and export through courier is not treated as baggage. If any goods are imported or exported through courier, it is subject to same rate of duty as is payable in case of import and export by air or ship. All duty concessions, if available, shall also be available to imports/exports through courier. The procedure of import or exports through courier has been laid down in courier Imports and Export (clearance) Regulations, 1998 which is as follows :—

Procedure for imports through courier—Following procedure is adopted :—

(1) Import through courier is allowed by air from Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Ahmedabad, Trivendrum, Cochin, Coimbatore, Jaipur and Kolkata and from any land custom station except two stations in West Bengal.

(2) Weight of individual package should not exceed 70 kgs.

(3) Goods requiring any specific conditions to be fulfilled under any other Act, rule or regulations are not permitted.

(4) Some items like animals or its parts, plants, perishables, publications, containing maps depicting incorrect boundaries of India, precious stones, gold, silver and chemicals and chemical products are not permitted to be brought through couriers. However, they can bring life saving drugs.

(5) Authorised courier must be registered with principal commissioner of commissioner of customs. He should be financially viable for which he has to produce a certificate from bank. He has to execute bond and furnish security to commissioner of customs. His registration can be cancelled for misconduct or failure to comply with regulations.

(6) Authorised courier should advise his clients about provisions of Customs Act and exercise due diligence. He should disclose all informations to Assessing officer in connection with imported goods. He should maintain proper records.

(7) Registration of courier can be cancelled in case of misconduct or if he fails to comply with provisions of the 'Courier Regulations'.

(8) The goods can be carried by the on-board courier or the person incharge of aircraft or authorised agent of courier service. It is not necessary that goods must be carried by on-board courier himself.

(9) The courier bags should be kept separately and shall be dealt with only as per the directions of the commissioner of customs.

(10) Goods like documents, free samples and free gifts upto prescribed value limited dutiable or commercial goods can be sent through courier. These should be packed separately with appropriate labels. These goods must be accompanied by a declaration from sender in respect of contents of the package and its value.

(11) Free gifts and samples upto ₹ 10,000 (exclusive of freight and insurance) can be imported per consignment.

(12) Import of gem and jewellery of EOU/SEZ and export of cut and polished diamond, gems and jewellery is permitted if value of each consignment does not exceed ₹ 25 lakhs.

(13) Authorised courier has to submit declaration in prescribed form. He will present all the imported goods brought by on-board courier or person incharge of air craft to the customs officer. If goods are not cleared within 30 days, these will be disposed off.

(14) Authorised courier has also to file 'Courier Bill of Entry' in prescribed form.

Procedure of exports through courier—Following procedure is adopted :—

(1) Export through courier is allowed by air from Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Ahmedabad, Trivendram, Cochin, Coimbatore, Jaipur and Kolkata or from any land custom station, except two land stations in West Bengal.

(2) In case of export goods, the courier shall file a statement before departure of flight, alongwith courier shipping Bill or Bill of Export in prescribed form.

(3) The simplified procedure for export through courier is not applicable in following cases :—

- (a) Items on which export duty is payable,
 - (b) Goods proposed to be exported under claim for duty drawback,
 - (c) Goods to be exported under DEPB, DES, EPCG or any other similar export promotion scheme,
 - (d) Goods in respect of which customs officer directs the filing of Shipping Bill,
 - (e) Goods where value of consignment is above ₹ 25,000 and transaction in foreign exchange is involved. This limit is not applicable where GR waiver or specific permission has been obtained from RBI.
 - (f) Goods which require licence. However, these can be exported through courier after filing regular shipping bill by exporter and getting clearance from Customs Officer.
- (4) Free gifts upto ₹ 25,000 per consignment are permitted. Samples upto ₹ 50,000 can be exported through courier.
- (5) Export by EOU/EHTP/STP units through authorised courier are permitted.
- (6) Import of gem and jewellery of EOU/SEZ and export of cut and polished diamonds, gems and jewellery is permitted if value of each consignment does not exceed ₹ 25 lakhs.
- (7) Goods brought in customs area must be exported within 7 days. If not exported within 7 days, these will be disposed off. The period can be extended by Asstt. Commissioner in deserving cases.

QUESTIONS

1. Explain the term baggage. What do you mean by Green channel and Red channel ?
2. Explain the provisions relating to baggage as given under the Customs Act, 1962.
3. Discuss the provisions of section 78 regarding determination of rate of duty and tariff valuation of baggage.
4. Discuss about bonafide baggage. What is included in it and what is not ?
5. What is the procedure for clearance of goods by post under Customs Act, 1962.
6. Define 'stores' under the Customs Act, 1962. Discuss the provisions relating to stores under the Act.
7. What are 'coastal goods' and 'vessels carrying coastal goods' ? Discuss provisions in respect of them as given in the Customs Act, 1962.
8. Explain the procedure relating to imports and exports through courier, as prescribed under courier imports and exports Regulations made under the customs Act, 1962.
9. Write short notes on the followings : -
 - (a) Bonafide baggage,
 - (b) Temporary detention of baggage,
 - (c) Clearance of goods imported/exported of post,
 - (d) Stores : meaning and what it includes.

