

Questionnaire

Baggage [Sections 77 to 81 & Baggage Rules, 2026]: -

01. Sec 77: Declaration by owner of baggage

Q.1: Write a brief note on the declaration made by the owner of baggage. [Study Mat] [Questionnaire Q. 4]

► **Answer: -**

- The **owner** of any baggage shall, for the purpose of clearing it, make a **declaration of its contents** to the proper officer of customs. [Sec 77]
- This is known as the Baggage Declaration Form. Under the Customs Baggage Declaration Regulations, 2013, only passengers carrying **dutiable or prohibited goods** (i.e. having something to declare) are required to file the declaration – this is the basis of the **Red Channel** (something to declare) vs **Green Channel** (nothing to declare) system.
- The rate of duty and tariff valuation applicable to baggage is that in force on the **date on which the baggage declaration is made u/s 77** [Sec 78].

Q.2: Mr. Cliff Paul, a resident and citizen of the USA, visits India on a business tour. He made a declaration to the proper officer about his baggage under section 77 of the Customs Act, 1962 for the purpose of clearance. During the scrutiny of the declaration, the proper officer found that some of the declared articles brought with him were prohibited from being brought into India and were detained by the officer.

Although Mr. Paul did not insist on clearing those articles, their value was very high and it was a difficult situation for him. You are required to advise on any procedure prescribed under customs law to overcome the situation, on the basis of the relevant statutory provisions. [CA Final May 22 Exam] [CA Final MTP Oct 24] [Questionnaire Q. 5]

► **Answer: -**

Legal Provision: Where the baggage of a passenger contains any article which is dutiable or the import of which is prohibited, and in respect of which a **true declaration** has been made under section 77, the proper officer may, at the request of the passenger, **detain** such article for the purpose of it being returned to him on his leaving India. [Sec 80]

Discussion & Conclusion:

- In the given case, the proper officer has detained the prohibited articles truly declared and brought by Mr. Cliff Paul. Such articles **shall be returned** to him on his leaving India.
- Further, if for any reason he is unable to collect them at the time of leaving India, the articles may be returned to him through any other passenger authorised by him and leaving India, or as cargo consigned in his name.

(Golden rule: NO declaration → NO benefit of section 80 – undeclared prohibited goods are liable to confiscation.)

02. Sec 79 & Sec 80: Bona fide baggage exempted from duty & Temporary detention of baggage

Q.3: Write short notes on the following:

- a) Duty exemption to baggage
- b) Temporary detention of baggage [Study Mat] [Questionnaire Q. 6]



► **Answer: -**

a)	Duty exemption to baggage: As per sec 79(1) of the Customs Act, 1962, the proper officer may, subject to the rules, pass free of duty – (i) any article in the baggage of a passenger or a member of the crew which has been in his use for the minimum period prescribed in the rules; and (ii) any article in the baggage of a passenger for the use of the passenger or his family, or which is a bona fide gift or souvenir (i.e. not for commercial purposes), up to the value limits prescribed in the Baggage Rules.
b)	Temporary detention of baggage: As per sec 80 of the Customs Act, 1962, where the baggage of a passenger contains any article which is dutiable or the import of which is prohibited, and a true declaration has been made u/s 77, the proper officer may, at the request of the passenger, detain such article for the purpose of returning it to the passenger when he leaves India. If the passenger is not able to collect the article at the time of leaving India, the article may be returned to him through any other passenger authorised by him and leaving India, or as cargo consigned in his name.

03. Rule 5: Jewellery

Q.4: Mr. Anil and his wife (non-tourist Indian passengers) are returning from Dubai to India after staying there for a period of two years. They wish to bring gold jewellery purchased in Dubai. Enumerate the provisions of customs law relating to the jewellery allowance in their case. [Study Mat – updated for the Baggage Rules, 2026] [Questionnaire Q. 7]

► **Answer: -**

Legal Provision: As per **Rule 6 of the Baggage Rules, 2026**, a passenger who is a resident or a tourist of Indian origin, who has been residing abroad for **more than one year** and returns to India, is allowed duty-free clearance of jewellery in his bona fide baggage as under:

- jewellery up to a weight of **20 grams** for a passenger **other than a female passenger**; and
- jewellery up to a weight of **40 grams** for a **female passenger**.

[Change vs the 2016 Rules: the earlier value caps of ₹ 50,000 / ₹ 1,00,000 are GONE – the 2026 Rules prescribe pure WEIGHT limits, with no value cap.]

Conclusion:

- Thus, in the given case, Mr. Anil would be **allowed** duty-free jewellery up to a weight of 20 grams and his wife up to a weight of 40 grams, **irrespective of the value** of such jewellery.
- Further, this jewellery allowance is **in addition to the General Free Allowance**; since jewellery is not an Annexure-I item, any jewellery in excess of the weight limits can first be absorbed against the unused GFA of **₹ 75,000** per passenger [Rule 5], and only the balance is chargeable to duty @ 35%.

04. Rule 6: Transfer of residence

Q.5: Varun Goyal, an IT professional and a person of Indian origin, has been residing in the USA for the last 14 months. He wishes to bring a used microwave oven (costing approximately ₹ 1,85,500 and weighing 15 kg) with him on his permanent return to India. He purchased the oven in the USA 6 months ago and has been using it for his personal use in his kitchen. He is not aware of the Indian customs rules.



Analyse and summarise the related legal provisions of the Baggage Rules, 2026 and advise him in this regard. Relevant legal provisions should form part of your answer. [CA Final May 24 Exam – updated for the Baggage Rules, 2026] [Questionnaire Q. 7.1]

► **Answer: -**

- As per **Rule 7 (Transfer of Residence)** read with **Appendix-I** of the Baggage Rules, 2026, a person engaged in a profession abroad, or transferring his residence to India, being a resident or a tourist of Indian origin, shall, on return after a stay abroad of a **minimum of one year during the preceding two years**, be allowed clearance free of duty of personal and household articles (Annexure-II items, **one unit each**) up to an **aggregate value of ₹ 3,00,000** [2016 Rules: ₹ 2,00,000], provided he has **not availed this concession in the preceding three years**.
- A **microwave oven** is one of the household articles listed in **Annexure-II**.
- These transfer-of-residence allowances are **in addition to** the duty-free clearance of used personal items under Rule 3 and the General Free Allowance under Rule 5.
- **Thus, Varun Goyal can bring the microwave oven duty-free** (its value of ₹ 1,85,500 being within the ₹ 3,00,000 cap), provided he has not availed the transfer-of-residence concession in the preceding three years. *[If the prescribed stay abroad falls short, he must inform the Principal Commissioner/Commissioner without delay and pay the duty with interest.]*

05. Combined Questions of Baggage Rules :

Q.6: Mr. Sujoy, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.20XX. His wife joined him in London three months later. The following details are submitted by them to the customs authorities on their return to India (by air) on 15.04.20YY:

a) used personal effects worth ₹ 80,000; b) 2 music systems, each worth ₹ 50,000 (one carried by each of them); c) jewellery brought by Mr. Sujoy worth ₹ 48,000 [18 grams] and jewellery brought by his wife worth ₹ 96,000 [40 grams].

With reference to the Baggage Rules, 2026, determine whether Mr. and Mrs. Sujoy will be required to pay any customs duty. [CA Final MTP Mar 19, April 22, Mar 24 (Similar) – updated for the Baggage Rules, 2026] [Questionnaire Q. 8]

► **Answer: - Legal Provision:**

- As per **Rule 3** of the Baggage Rules, 2026, every passenger is allowed duty-free clearance of **used personal items required for daily use and travel souvenirs** (no value limit on genuine personal effects).
- As per **Rule 5**, an Indian resident arriving **other than by land** is allowed a General Free Allowance of articles (other than Annexure-I items) up to **₹ 75,000** carried on person or in accompanied baggage. The GFA of one passenger **cannot be pooled** with that of another passenger.
- As per **Rule 6**, a passenger residing abroad for **more than one year** is allowed duty-free jewellery of up to **20 grams (other than a female passenger) / 40 grams (female passenger)** – on a pure weight basis, with no value cap.

Discussion & Conclusion:

- There is no customs duty on the used personal effects worth ₹ 80,000 [Rule 3].
- Each music system (₹ 50,000) is within the respective passenger's GFA of ₹ 75,000 – hence **no duty** on the two music systems.
- There is **no duty** on the jewellery (18 grams) brought by Mr. Sujoy, as he stayed abroad for more than one year and the weight is within the 20-gram limit (the value of ₹ 48,000 is irrelevant under the 2026 Rules).



- However, his wife is **not eligible** for the jewellery allowance under Rule 6, as she stayed abroad for less than one year. Her jewellery of ₹ 96,000 can, however, be adjusted against her **unused GFA** of ₹ 25,000 (₹ 75,000 – ₹ 50,000 used for the music system), since jewellery is not an Annexure-I item.
- Duty payable by Mrs. Sujoy = $(₹ 96,000 - ₹ 25,000) \times 35\% = ₹ 71,000 \times 35\% = ₹ 24,850$ *(baggage is exempt from IGST, Compensation Cess and SWS – effective rate 35%)*.

Q.7: After visiting the USA for a month, Mrs. and Mr. Rajesh Jain (Indian residents aged 35 and 40 years respectively) brought to India (by air) one new laptop computer valued at ₹ 80,000, used personal effects valued at ₹ 2,20,000 and a personal (desktop) computer for ₹ 1,10,000 carried by Mr. Jain. Calculate the customs duty payable by Mrs. and Mr. Rajesh Jain, if any. [Study Mat] [CA Final MTP April 22, Oct 22 – updated for the Baggage Rules, 2026] [Questionnaire Q. 9]

► **Answer: - Legal Provision:**

- As per **Rule 3** of the Baggage Rules, 2026, used personal items required for daily use and travel souvenirs are allowed duty-free (no value limit on genuine personal effects).
- As per **Rule 5**, an Indian resident arriving other than by land is allowed a General Free Allowance of **₹ 75,000** (excluding Annexure-I items). The GFA of one passenger **cannot be pooled** with that of another.
- As per the **proviso to Rule 5**, a passenger of **18 years of age or above** (not being a member of the crew) may bring **one NEW laptop computer (including notepad)** duty-free in his bona fide baggage.

Discussion & Conclusion:

- There is **no customs duty** on the used personal effects (₹ 2,20,000) [Rule 3] or on the one new laptop computer brought by them [Rule 5 proviso].
- The laptop does not include desktop. Hence, desktop personal computer is chargeable after exhausting Mr. Jain's GFA: ₹ 1,10,000 – ₹ 75,000 = **₹ 35,000** (Mrs. Jain's GFA cannot be pooled).
- **Total customs duty = ₹ 35,000 × 35% = ₹ 12,250** *(baggage is exempt from IGST, Compensation Cess and Social Welfare Surcharge – effective rate 35%)*.

Q.8: John Biden, aged 32, is a tourist of US (foreign) origin. He has come to India (by air) on a travel visa and carries with him the following articles as part of his baggage:

Particulars	Value in ₹
Used personal effects	50,000
Travel souvenirs	50,000
Laptop	1,20,000
200 gms tobacco [Valued @ ₹ 5 per gram]	1,000
50 cigars [Valued @ ₹ 100 each]	5,000
Fire-arms	80,000
80 cartridges of fire-arms [Valued @ ₹ 500 per cartridge]	40,000
1.5 litres wine	5,000
Mobile phone	80,000



With reference to the Baggage Rules, 2026, determine the customs duty payable. Ignore Agriculture Infrastructure & Development Cess. [CA Final RTP May 20, Nov 22] [CA Final Sep 25 Exam (Similar) – updated for the Baggage Rules, 2026] [Questionnaire Q. 10]

► **Answer: - Legal Provision:**

- As per **Rules 3 & 5** of the Baggage Rules, 2026, a **tourist of foreign origin** (excluding an infant), arriving other than by land, is allowed duty-free clearance of – a) used personal items required for daily use and travel souvenirs; and b) articles up to a value of **₹ 25,000** (excluding Annexure-I items – firearms; cartridges of firearms exceeding 50; cigarettes exceeding 100 sticks / cigars exceeding 25 / tobacco exceeding 125 gms; alcoholic liquor/wines exceeding 2 litres; gold/silver otherwise than as ornaments; and televisions), carried on person or in accompanied baggage.
- One **new laptop** is duty-free for a passenger aged 18 or above (non-crew) [proviso to Rule 5].
- Baggage in excess of the free allowance is chargeable to BCD @ **35%** under Heading 9803 (exempt from IGST, Compensation Cess and SWS). **Firearms and cartridges of firearms exceeding 50 are chargeable @ 70%** under Heading 9803, and **tobacco/cigars beyond the free quantity** are chargeable at their **respective tariff rates** [N/N 26/2016 as amended].

Computation of customs duty payable:

Particulars	Within GFA pool (₹)	Outside GFA – Annexure-I (₹)
Used personal effects [Rule 3]	Nil	–
Travel souvenirs [Rule 3]	Nil	–
One new laptop [proviso to Rule 5 – passenger ≥ 18 years]	Nil	–
Tobacco (125 gms × ₹ 5) [125 gms can be accommodated in the GFA; excess 75 gms (₹ 375) is an Annexure-I item]	625	375
Cigars (25 × ₹ 100) [25 cigars can be accommodated in the GFA; excess 25 cigars (₹ 2,500) is an Annexure-I item]	2,500	2,500
Firearms [Annexure-I – chargeable @ 70%]	–	80,000
Firearm cartridges (50 × ₹ 500) [50 cartridges can be accommodated in the GFA; excess 30 (₹ 15,000) chargeable @ 70%]	25,000	15,000
1.5 litres wine [wine up to 2 litres can be accommodated in the GFA]	5,000	–
Mobile phone [can be accommodated in the GFA]	80,000	–
Total value	1,13,125	97,875
Less: GFA (tourist of foreign origin)	25,000	–
Baggage on which duty is payable	88,125	–
Duty @ 35% (rounded off)	30,844	–
Firearms + excess cartridges	–	Refer note 2
Excess tobacco + excess cigars	–	

Note:

- 1) Baggage is exempt from IGST, GST Compensation Cess and Social Welfare Surcharge; hence the effective rate on the general baggage is 35% (not 38.5%).



- 2) Firearms and cartridges of firearms exceeding 50 are charged @ 70% under Heading 9803, and tobacco products beyond the free quantity are charged at their own tariff rates [N/N 26/2016 as amended].
- 3) used personal effect always assumed as used for daily necessity of life

Q.9: Gregory Peg, of foreign origin, has come to India (by air) on a travel visa to tour India. He carries with him, as part of his baggage, the following:

Particulars	Value in ₹
Travel souvenirs	85,000
Other articles carried on in person	1,50,000
120 sticks of cigarettes of ₹ 100 each	12,000
Fire arm with 100 cartridges (value includes the value of cartridges @ ₹ 500 per cartridge).	1,00,000

Determine the customs duty payable, with short explanations where required. [Study Mat] [CA Final MTP Oct 23] [CA Final May 25 Exam (Similar) – updated for the Baggage Rules, 2026] [Questionnaire Q. 11]

► **Answer: -** As per **Rules 3 & 5** of the Baggage Rules, 2026, a tourist of foreign origin (excluding an infant), arriving other than by land, is allowed duty-free clearance of – (i) used personal items for daily use and travel souvenirs; and (ii) articles up to a value of **₹ 25,000** (excluding, inter alia, firearms, cartridges of firearms exceeding 50 and cigarettes exceeding 100 sticks), if carried on person or in accompanied baggage.

Computation of customs duty payable:

Particulars	Within GFA pool (₹)	Outside GFA – Annexure-I (₹)
Travel souvenirs [Rule 3]	Nil	–
Articles carried on person	1,50,000	–
Cigarettes [100 sticks (₹ 10,000) can be accommodated in the GFA; the excess 20 sticks (₹ 2,000) are an Annexure-I item chargeable at the tariff rate for cigarettes]	10,000	2,000
Firearm [₹ 1,00,000 – (₹ 500 × 100)] – Annexure-I, chargeable @ 70%	–	50,000
Firearm cartridges [50 cartridges (₹ 25,000) can be accommodated in the GFA; excess 50 (₹ 25,000) chargeable @ 70%]	25,000	25,000
Total	1,85,000	77,000
Less: GFA (tourist of foreign origin)	25,000	–
Baggage on which duty is payable	1,60,000	–
Duty @ 35%	56,000	–
Firearm + excess cartridges	–	Refer note 1
Excess cigarettes ₹ 2,000 @ their tariff rate	–	

Note: 1) Firearms and cartridges of firearms exceeding 50 are charged @ 70% under Heading 9803, and cigarettes exceeding 100 sticks are charged at their own tariff rates – not at the 35% baggage rate [N/N 26/2016 as amended].

2) Baggage is exempt from IGST, Compensation Cess and SWS.



Q.10: Mr. X, an Indian resident, returns to India (by air) on 10.04.20YY after visiting France for 3 months. On his return to India, he brings with him the following articles:

- 1) Used personal effects like clothes etc., valued at ₹ 1,75,000;
- 2) A music system valued at ₹ 1,20,000;
- 3) Jewellery valued at ₹ 1,30,000, weighing 20 grams;
- 4) One new laptop worth ₹ 1,20,000;
- 5) Wine, 1 litre, worth ₹ 6,000;
- 6) Used mobile phone worth ₹ 50,000.

You are required to determine the taxable value of the baggage with reference to the Baggage Rules, 2026. [CA Final Dec 21 Exam] [CA Final Nov 19 Exam (Similar) – updated for the Baggage Rules, 2026]

► **Answer: - Computation of taxable value of the baggage:**

Particulars	Amount (₹)	Reason
Used personal effects	Nil	Duty-free clearance is allowed [Rule 3]
Music system	1,20,000	Chargeable (can be adjusted against the GFA)
Jewellery	1,30,000	The duty-free jewellery allowance [Rule 6] is not available to Mr. X since he did not reside abroad for more than 1 year; being a non-Annexure-I item, it can be adjusted against the GFA
One new laptop	Nil	One new laptop is duty-free for a passenger ≥ 18 years [proviso to Rule 5]
Wine, 1 litre	6,000	Within 2 litres – can be accommodated in the GFA
Mobile phone	Nil	Used mobile phone can be assumed as personal effect used for daily necessity of life & allowed duty free (Rule 3)
Total value	2,56,000	
Less: General Free Allowance [Rule 5]	75,000	₹ 75,000 under the Baggage Rules, 2026 (2016 Rules: ₹ 50,000)
Taxable value of the baggage	1,81,000	Chargeable to duty @ 35% (baggage is exempt from IGST, Compensation Cess and SWS)

Q.11: Kiara, a tourist of Indian origin, came to India (by air) on tour with her baby aged 1 year. She brought the following goods:

- 1) personal effects ₹ 50,000;
- 2) used personal effects of the infant ₹ 10,000;
- 3) new camera ₹ 45,000;
- 4) additional mobile phone ₹ 12,500;
- 5) 70 cigarette sticks ₹ 1,000;
- 6) wine – 2 litres ₹ 18,000;
- 7) travel souvenirs ₹ 5,000;
- 8) one new laptop ₹ 90,000.

Indicate the taxability or taxable value in respect of each item in the table and calculate the customs duty payable, rounded off to the nearest rupee, in accordance with law. There is no need for notes to support the conclusions. [CA Final Nov 22/ Jan 26 Similar Exam – updated for the Baggage Rules, 2026]

► **Answer: - Computation of customs duty payable by Kiara:**

Particulars	Amount (₹)
Personal effects [Rule 3]	Nil
Used personal effects of the infant [Rule 3 applies to every passenger, including an infant]	Nil
New camera	45,000
Mobile phone	12,500
70 cigarette sticks [within 100 sticks – can be accommodated in the GFA]	1,000
Wine – 2 litres [within 2 litres – can be accommodated in the GFA]	18,000
Travel souvenirs [Rule 3]	Nil
One new laptop [proviso to Rule 5 – passenger ≥ 18 years]	Nil
Total	76,500
Less: General Free Allowance [Rule 5 – tourist of Indian origin, arriving other than by land: ₹ 75,000; the infant gets NO GFA]	75,000
Baggage on which duty is payable	1,500
Duty payable @ 35% (baggage is exempt from IGST, Compensation Cess and SWS)	₹ 525

Note: Under the Baggage Rules, 2026, a passenger arriving **by land** is entitled only to duty-free used personal daily-use items (no GFA). Had Kiara arrived by land, the entire ₹ 76,500 would have been chargeable @ 35% = ₹ 26,775.

06. Additional Questions

Q.13: Mrs. Meera, an Indian resident, returns to India by air after working in Dubai continuously for 3 years. She carries the following in her bona fide baggage:

- Gold mangalsutra weighing 30 grams (₹ 2,40,000) which she has been wearing daily during her stay abroad.
- A new gold necklace weighing 55 grams & platinum bracelet 12 grams purchased in Dubai for ₹ 5,40,000.
- Carries gold coins 20 grams of value 20,00,000 gifted by Dubai relatives, as investment.
- Carries an imitation (artificial) jewellery set worth ₹ 30,000
- Had taken her own jewellery 18 g (value 1.5 lakhs) abroad after obtaining an Export Certificate (Form CBD-III) at the time of departure; brings the same jewellery back.
- Other shopping (perfumes, handbags, chocolates) worth ₹ 40,000.

With reference to the Baggage Rules, 2026 read with Master Circular No. 4/2026 Cus, determine the customs duty payable by Mrs. Meera. [New – Baggage Rules, 2026]



► **Answer: -**

Computation of duty payable:

	Particulars	Amount (₹)	Reason
(i)	Gold mangalsutra worn daily (30 g)	Nil	Used personal jewellery required for daily necessities of life = used personal effects → duty free WITHOUT any weight/value limit [Rule 3]
(ii)	New necklace with platinum bracelet – 40 g out of 67 g (₹ 5,40,000 × 40/67)	Nil	Within jewellery allowance for a female passenger [Rule 6]; value irrelevant
	New necklace – excess 27 g (₹ 5,40,000 × 27/67)	2,17,612	Beyond weight limit – pooled to GFA
(iii)	Carries gold coins 20 grams	-	Coins = gold in a form OTHER than ornaments covered in Annexure-I . Hence, not eligible for benefit as personal-effects & under Rule 6. Also not pooled in GFA. It is chargeable at their own tariff rates and not at the 35% baggage rate.
(iv)	Carries an imitation (artificial) jewellery	30,000	NOT "jewellery" – not made of precious metal. It is an ordinary new article covered in GFA.
(v)	Had taken her own jewellery 18 at the time of departure	1,50,000	Duty-free re-import under Rule 4 on production of the Export Certificate which is valid till 1 st return or 6 months, whichever is earlier. But in given case, She has stayed beyond 6 months (i.e. 3 years) Hence, no benefit under Rule 4 & the above shall be pooled to GFA.
(vi)	Other shopping	40,000	Adjustable against GFA
	Total chargeable before GFA	2,87,612	
	Less: General Free Allowance [Rule 5]	(75,000)	₹ 75,000 – arrival other than by land
	Baggage on which duty is payable	3,62,612	
	Duty @ 35%	1,26,914	Effective rate 35% – exempt from IGST, Cess & SWS

Q.14: Mr. Arjun, an Indian resident, is travelling abroad with his high-end camera and drone (new articles, not daily-use items). He wants to ensure he is not charged duty on them when he returns to India. Advise him under the Baggage Rules, 2026.

► **Answer: - Legal Provision: Rule 4:**

- Any article of personal effects **other than used personal effects** required for daily necessities of life, **taken out earlier** from India by a **resident, tourist of Indian origin, or foreigner with a valid visa other than tourist visa, or a member of his family**, shall be allowed **free of duty** on re-import, on submission of a **declaration made at the time of departure** (electronically or otherwise), subject to the satisfaction of the **Deputy/Assistant Commissioner of Customs**.
- Similarly, a **tourist** may **temporarily import** such personal effects required for his stay in India free of duty on declaration, **subject to their re-export** at the time of leaving India for a foreign destination.
- Passengers availing this facility may be subject to **risk-based verification** [Rule 4(3)].
- **Advice:** Mr. Arjun should make a declaration of the camera and drone at the time of his departure from India (electronically or otherwise). On his return, they will be cleared **free of duty** on satisfaction of the DC/AC of Customs.