

CHAPTER 5 PILFERED GOODS & BENEFITS UNDER CUSTOMS**Illustration 1**

Goods manufactured or produced in India, which were earlier exported and thereafter imported into India will be treated at par with other goods imported into India. Is the proposition correct or any concession is provided on such import? Discuss briefly.

Solution

The given proposition is correct i.e., goods produced in India, which were earlier exported and thereafter imported into India will be treated at par with other goods imported into India (section 20 of the Customs act, 1962)

However, the following concessions are being provided in this regard:

1. Maximum import duty will be restricted to duty drawback or refund availed or integrated tax not paid at the time of export.
2. Where the goods were originally exported for repairs, the duty on reimportation is restricted to the fair cost of repairs including cost of materials used in repairs whether such costs are actually incurred or not, insurance and freight charges, both ways done abroad.

The above two concessions are given subject to the condition that:

- a. The re - importation is done within 3 years or 5 years if time is extended.
- b. The exported goods and re - imported goods must be the same.

In case of point (2) above, the ownership of the goods should also not have changed.

However, these concessions would not be applicable if:

- Re - imported goods had been exported by EOU or a unit in FTP re - imported goods had been exported from a public / private warehouse.
- Re - imported goods which fall under Fourth schedule to the Central Excise Act, 1944.
(notification no. 45 / 2017 Cus dated 30.6.2017)

3. When exported goods come back for repairs and re - export, the reimported goods other than the specified goods can avail exemption from paying of import duty subject to the following conditions:

- a. The re - importation is for repairs only
- b. The time limit is 3 years. In case of Nepal, such time limit is 10 years
- c. The goods must be re - exported after repairs
- d. The time limit for export is 6 months (extendable to one year)

(notification no. 158 / 95 Cus. Dated 14.11.1995 as amended vide Notification No. 60/2018 Cus dated 11.9.2018)