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B.Com Honours | Semester III | Calicut University

TRAVEL FORMALITIES AND DOCUMENTATION

Course Code: COM3VN201 • Module 4 Notes

Module IV: Air Customs and Related Regulations

Governs Customs clearance procedures, baggage duty-free allowances, currency import limits, and emigration check requirements at international airports under the Customs Act, 1962.

Unit 14: Customs Declaration, ATITHI App, & Clearance Channels

1. ATITHI Mobile App: CBIC digital portal enabling arriving passengers to file advance customs baggage declarations.
2. Dual Channel System: *Green Channel* for passengers carrying no dutiable/prohibited goods vs *Red Channel* for passengers carrying dutiable goods exceeding allowance.

Unit 15: Duty-Free Allowances (GFA) & Entitlements

General Free Allowance (GFA) for returning Indian residents & foreign tourists: Duty-free baggage allowance up to **Rs. 50,000** (excluding alcohol/tobacco).

Unit 16: Dutiable Goods & Baggage Limits – Alcohol, Tobacco, & Gold

Alcohol Limit: Up to 2 Liters of liquor/wine duty-free.
Tobacco Limit: Up to 100 Cigarette sticks or 25 Cigars duty-free.
Gold Allowance (Residing > 1 year abroad): Male Passenger: Up to 20 grams (Max Rs. 50,000); Female Passenger: Up to 40 grams (Max Rs. 1,00,000). Excess attracts 38.5% customs duty.

Unit 17: Import of Foreign Exchange / Currency Declaration

Passengers can bring unlimited foreign currency into India. However, mandatory declaration on *Currency Declaration Form (CDF)* is required if cash currency notes exceed **USD 5,000** or total currency (notes + travelers cheques) exceeds **USD 10,000**.

Unit 18: Prohibited & Restricted Goods

Prohibited: Wild animals/trophies, satellite phones (Thuraya/Iridium without WPC license), narcotics, fake currency. Restricted: Firearms, ammunition, live plants.

Unit 19: Customs Penal Provisions under Customs Act 1962

Attempting to pass through the Green Channel with un-declared dutiable goods attracts confiscation, penalty up to 300% of duty value, and prosecution/arrest for valuations > Rs. 50 Lakhs.

Unit 20: Immigration & Emigration Procedures – ECR vs. ECNR

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ECR (Emigration Check Required): Passports issued to non-matriculate citizens traveling for employment to 18 notified countries require clearance via e-Migrate portal.
ECNR (Emigration Clearance Not Required): Granted to matriculates (SSLC passed) and income-tax payers.

Practical Problem 2 (Air Customs Baggage Duty Calculation): An Indian male resident returns from Dubai carrying: (1) Personal used effects = Rs. 80,000; (2) New Laptop = Rs. 75,000; (3) Purchased Electronics & Gift Items = Rs. 90,000; (4) 3 Liters of Foreign Liquor (Cost = Rs. 10,000 per liter). Standard Customs Duty Rate on excess baggage = 38.5%. Calculate (a) Total Duty-Free Allowance applicable, (b) Dutiable value of electronics, (c) Customs duty payable on excess liquor (above 2L free limit), and (d) Total Net Customs Duty Payable at airport Red Channel.

Step-by-Step Solved Customs Duty Computation:

- **1. Personal Effects & Laptop Exemption:** Used personal effects and 1 New Laptop are fully exempt from customs duty (ex-GFA).
- **2. Gift Items & Electronics Duty-Free Allowance (GFA):**
  Gross Gift Items = Rs. 90,000. Less General Free Allowance (GFA) = Rs. 50,000.

  > **Dutiable Excess Electronics Amount = 90,000 - 50,000 = Rs. 40,000**

  Customs Duty on Excess Electronics (38.5%) = (40,000 imes 38.5% = mathbf{ ext{Rs. 15,400}}).
- **3. Excess Liquor Customs Duty:**
  Free Limit = 2 Liters. Excess Liquor = (3L - 2L = 1 ext{ Liter}) (Cost = Rs. 10,000).
  Customs Duty on Excess Liquor (150% Basic Customs Duty + 5% Cess = 157.5%):

  > **Duty on Excess Liquor = 10,000 × 157.5% = Rs. 15,750**
- **4. Total Net Customs Duty Payable:**

  > **Total Customs Duty = Electronics Duty (15,400) + Liquor Duty (15,750) = Rs. 31,150**

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