Module 23 · Remission of duties and re-import P19 · topic 23

SM pp. 1215–1226. **J25 Q7(b)** re-import of a machine repaired abroad (= SM Example 2 template); **MQP Q6(a)** remission u/s 23 (unused); MCQs D23 abatement u/s 22, J24 general v special exemption u/s 25, MQP when s.23 remission is claimed. Expected ~2.5 marks.

s.23 · LOST, DESTROYED OR ABANDONED GOODS (MQP Q6(a))

- **23(1)**: duty remitted on imported goods **lost or destroyed** (accident, fire — **not pilferage**) at any time **before clearance for home consumption**; the importer must prove it. [SM 1216]
- **23(2)**: importer may **relinquish title** before the order for home consumption or warehousing — then no duty; not allowed where an offence is apparent. Cases: goods not to specification, damaged in transit and useless, breach of contract. [SM 1216–1217]
- Goods that merely became unusable in a warehouse after the period expired → no remission (CCE v Decorative Laminates, Kar HC). [SM 1221]

Pilferage s.13	Loss / destruction s.23
no duty payable; custodian compensates (s.45(3))	duty paid is remitted; no compensation
after unloading, before clearance order; not in a warehouse	any time before home consumption; warehouse counts
no need to prove	must be proved and claimed

[SM 1218]

s.25 · EXEMPTIONS

- General exemption by notification (absolute or conditional; whole or part); conditional exemptions lapse on the **31st day of March** after two years unless amended — except trade agreements, international commitments, FTP schemes, long schemes, temporary imports, baggage, gifts (from 1st April 2023). Duty of **₹100** or less is not collected (25(6)). [SM 1220]
- **25A** inward processing: re-export within **twelve-month** of clearance; **25B** outward processing: re-import within **one year** of export. [SM 1221]

RE-IMPORT (NOTIFICATION 158/95 AS AMENDED)

- **Indian goods re-imported**: treated like any import, but duty capped at the export incentive received (drawback etc.). For repair / reconditioning: within **7 years** (Nepal 10 years), re-exported within six months; for reprocessing / refining / re-making: within **1 year**. [SM 1222–1223]
- **Imported goods sent abroad for repair (J25 Q7(b))**: on return, duty only on the **fair cost of repairs incl. materials + insurance and freight both ways** — even if repaired free under warranty; within **3 years** (extendable to 5); same form and same owner; not for EOU / EPZ export production. [SM 1224–1225]
- **Exported goods back for repair and re-export**: exempt with a bond; within 3 years of export (longer for warranty goods from 24-7-2024); re-export within the extended period. [SM 1225]

PROBLEMS BOX · RE-IMPORT AFTER REPAIR (RECOMPUTED BY SCRIPT)

WORKED PATTERN · SM EXAMPLE 2 (MACHINE FROM JAPAN)

Fair cost of repairs incl. materials 9 lakhs + insurance and freight both ways 3 lakhs	12,00,000
BCD @ 10% · SWS 10% of BCD	1,20,000 · 12,000
IGST @ 12% on 13,32,000	1,59,840
Total customs duty	**2,91,840**

[SM 1224–1225]

J25 Q7(b) POORVISHA (OUR WORKING, ₹ LAKH)

Repairs 6.25 + materials 12.75 + freight and insurance 8 = 27 · BCD 15% 4.05 · SWS 0.405 · IGST 12% on 31.455 = 3.7746 → total **8.2296 lakh** (warranty does not change the value).

PRACTISE THESE

J25 Q7(b) · MQP Q6(a), Q1(xiv) · D23, J24 MCQs · SM solved cases 1–3 (SM 1221–1222) · MCQ bank Q169–Q172.