

Ware housing

Appointment of public warehouse

Sec 57-	Public warehouse, are appointed by AC at warehousing station where in dutiable goods may be deposited.
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Licensing of private warehouse

Sec 58(1)-	Private_warehouses are licensed by AC, where dutiable goods may be deposited.
Sec 58(2)-	Cancellation of license on one month notice or for contravention of Act or Rules of regulations. PH to be given
Sec58(3)-	Pending enquiry license can also be suspended.

Warehousing of Bond

Sec 59-	Should execute a bond in a sum equal to twice its amount of duty binding himself to pay duties payable if any, with interest at specified rates to observe all provision of Act, Rules & Regulation and to pay rent & charges.(current rate)
Sec 59(2)-	May enter into general Board
Sec 59(3)-	Bond shall continue notwithstanding the transfer of goods to any other person or removal of the goods to another warehouse. Where the whole of the goods or any part thereof are transferred to another person fresh bond to be executed by transferee. Transferors liability stands adjusted accordingly. After Bond execution is completed, permission for deposit is ordered U/S Sec 60

Warehousing period

Sec-61

Capital Goods (100%EOU) – 5 years from dt of deposit.

Other goods (100%EOU) - till the expiry of 3 years from the dt of deposit

Any other goods - tiil the expiry of one year from the dt of permission for deposit not

Extension for goods not likely to deteriorate granted by commissioner.

For EOU - as we may deem fit

For other cases - not exceeding 6 months further period by CC

In case of goods which are likely to deteriorate, the period one year may be reduced by commissioner as may be deem fit.

When the Licence for any private warehouse is cancelled, the owner of the goods shall transfer the goods to another warehouse within 7 days or as extended.

Beyond this warehousing period interest is payable

- in case of EOU beyond 3years/5years
- other than EOU beyond 90days
- Rate of interest 15% (as notified under Sec47)

Notification No.28/2002-Cus (NT) dt(13.5.2002)

-Interest on duty should be payable from the expiry of warehousing period till the date of payment of duty (Duty calculated as per sec.15)

- Board may, in public interest, may waive whole or part of interest.

Rent and warehouse charges:

Rent and warehouse charges are payable by importer. If not paid, the warehouse keeper can sell the goods after giving notice to importer and with permission of Customs Officer (section63).

Owner's rights to deal in goods in warehouse:

With the permission of Customs Officer and on payment of prescribed fees, owner can deal with warehoused goods as follows:

- a) inspect the goods
- b) separate damaged or deteriorated goods
- c) sort the goods or change containers for preservation, sale, export or disposal of goods
- d) show the goods for sale
- e) take samples of goods – the samples can be removed without payment of duty with permission of Customs Officer, but if these are not brought back, customs duty is payable (section 64)

Allowance for volatile goods :

Under section 70 of Customs Act, Central Government can prescribe goods for which allowance for deficiency in quantity due to natural loss can be permitted by Assistant Commissioner.

Duty on such deficiency can be remitted by Assistant Commissioner. Goods specified under customs notification no 122-Cus dated 11/05/1963 for this purpose are :

- a. Petroleum products like aviation fuel, motor spirit, kerosene, diesel oil
- b. Ethylene dichloride kept in tanks
- c. Liquid helium gas in containers
- d. Whine spirit & beer kept in casks. Duty can be remitted only if there is natural loss. Loss due to pilferage or theft can not be permitted.

Goods improperly removed from warehouse

As per section 72 (1), following goods are 'goods improperly removed from warehouse, etc'.

- a) Warehoused goods removed in contravention of provisions of section 71 are goods improperly removed [section 72 (1)(a)]. [Section 71 allows clearance for home consumption on payment of duty, re-exportation or removal to another warehouse].
- b) Warehoused goods not removed at the expiration of warehousing period as specified in Section 61 (unless extension is obtained)
- c) Taking samples from warehouse without payment of duty and not returning them.
- d) Goods entered into warehousing under bond u/s 59 are not duly accounted for [Section 72(1)(d)]

In such case full duty, along with interest, penalty, rent and other charges can be demanded if these are not paid, the warehoused goods can be sold by Customs Officer, besides other action that can be taken under Customs law. [Section 72(2)]

Storage without warehousing:

Normally, imported goods are kept in customs bonded warehouse after goods are assessed to duty. However, occasionally, it may happen that assessment of duty may take time for want of some clarification/reports etc. In such case, goods lying in docks may incur heavy demurrage. There is a provision that Customs Department can issue 'detention certificate' and on the basis of such certificate, port trust authorities may remit demurrage. However, chances of pilferage or loss are high if goods lie at docks. Hence, if assessment is likely to be delayed, section 49 allows that goods can be stored in public

warehouse. However, such goods are not be treated as 'warehoused goods' for purposes of Customs Act as the goods are not assessed. Hence, it is called 'storage without

Warehousing 'or 'Warehousing without warehousing'. The goods are cleared from the warehouse after duty is assessed and paid.