

Circular No. 39/2013-Customs

F. No. 473/1/2012-LC

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi, the 01 October, 2013

To

All Chief Commissioners of Customs/Customs (Preventive)
All Chief Commissioners of Customs and Central Excise
All Commissioners of Customs / Customs (Preventive)
All Commissioners of Central Excise and Customs
All Directors General under CBEC.

Subject: Clarification on the commencement of the interest free period of 90 days under Section 61 of the Customs Act, 1962 – Reg.

Madam/Sir,

A reference is invited to Sub-section 2 (ii) of Section 61 of the Customs Act, 1962, which provides that where any warehoused goods specified in sub-clause (b) of sub-section (1) of Section 61 *remain in a warehouse beyond a period of ninety days, interest shall be payable at such rate, as may be fixed by the Board, on the amount of duty payable at the time of clearance of the goods in accordance with the provisions of section 15 on the warehoused goods, for the period from the expiry of the said ninety days till the date of payment of duty on the warehoused goods.* A doubt has been raised as to when the period of ninety days would commence.

2. In this regard, the term 'warehoused goods' is defined under Section 2 (44) of the Customs Act, 1962 as 'goods deposited in a warehouse'. Section 61 further indicates that the warehoused goods have to remain in the warehouse beyond a period of ninety days, for the interest to be chargeable.

3. Thus, a harmonious reading of the wording of Sub-section 2 (ii) of Section 61 and the definition of the term 'warehoused goods' indicates that when the goods deposited in a warehouse remain warehoused beyond a period of ninety days, then the interest starts accruing. In other words, the relevant date when the period of 90 days would commence would be the date of depositing the goods in the warehouse.

4. It is thus clarified that the period of 90 days, under Section 61 (2) (ii) of the Customs Act, 1962, would commence from the date of deposit of goods in the warehouse.
5. Any difficulty faced in the implementation of this circular may be brought to the notice of the Board.
6. Please acknowledge receipt.
7. Hindi version follows.

Yours faithfully,

(M. Satish Kumar Reddy)
Director (ICD)