

F. No. 484/03/2015-LC

Govt. of India
Ministry of Finance
Dept. of Revenue
Central Board of Indirect Taxes & Customs

North Block, New Delhi
Dated 3rd September, 2019

To,
All Principal Chief Commissioners/Chief Commissioners of Customs,
All Principal Commissioners/Commissioners of Customs.

Madam/Sir,

Subject: Putting of mono-cartons on Bottled in Origin alcoholic beverages in both Public and Private bonded warehouses-reg.

Representations have been received from the trade and industry seeking clarification on the issue of putting of mono-cartons on Bottled in Origin (BIO) alcoholic beverages in both Public and Private bonded warehouses.

2. It has been informed that BIO alcoholic beverages are imported without a mono carton, in a shipper's carton, usually in sets of 12. To carry out statutory labelling, the goods have to be unpacked from the shipper's carton. Each bottle of BIO alcoholic beverages is labelled and then placed in a mono carton (the statutory labelling is done on the mono cartons as well), which is then put in another shipper's carton. Both the mono carton and the shipper's carton protect products from breakage during transit in Indian road conditions.

2.2 It has also been informed that in the past, there was a practice of allowing the activity of putting of the mono carton under Section 65 of the Customs Act by some field formations. Section 65 of the Customs Act allows for manufacture and other operations in a bonded warehouse. In the case under consideration, there is no resultant product, distinct from the BIO alcoholic beverages that arises due to putting of the mono-carton. Thus, the activity of putting a mono carton cannot be considered as processing and hence cannot be allowed under section 65 of the Customs Act. It is also not the policy intent to allow the extended warehousing benefits available under section 61 for units operating under section 65, for activities such as placement of mono-cartons over BIO alcoholic beverages.

3. Clause (b) of section 64 allows the owner of the warehoused goods to deal with the containers in such manner as may be necessary to prevent loss or deterioration or damage to the goods. Since the original shipper's carton in which the goods are imported has to be removed to comply with the statutory labelling requirements and thereafter, the goods have to be packed in the mono carton and an outer carton which enable safe transport, these activities

are permissible in both public and private bonded warehouses under clause (b) of section 64 of the Customs Act.

4. Clarification required, if any, may be sought from the Board.
5. Hindi version follows.

Yours faithfully,



(Tamsunaro Jamir)

Joint Commissioner (ICD)

03/9/19