



**F. No. 473/03/2006-LC
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Circular No. 12/2007-Cus.

Dated 14th February, 2007

Sub : Warehousing – Charging of interest on warehoused goods – Clarification thereto – regarding –

I am directed to refer to the instructions contained in Board's letter F. No. 473/12/2001-LC, dated 11.10.2001 and Circular No. 62/99-Cus., dated 17.09.1999 (F. No. 473/24/97-LC) on the subject cited above.

2. The aforesaid circulars were issued on the basis of advice from the Law Ministry. The said advice under para 6 stated as under :-

“... once there is an amendment to the Act modifying the terms and conditions subject to which the goods shall 'remain warehoused' the same shall apply to all goods which continue to be warehoused after coming into force of the amendment...”.

3. Hon'ble Gujarat High Court's Order dated 07.10.2005 in the matter of M/s Amtrex Hitachi Appliances Vs Commissioner of Customs and Karnataka High Court's judgement in case of Bangalore Wire Rod Mills Vs U.O.I. have interpreted the law differently wherein it has been held that the notification bringing about reduction of the warehousing period is not applicable in respect of goods warehoused prior to the amendment. The aforesaid decisions have been accepted by the Department on this count.

4. In view thereof, instructions contained in Board's aforesaid letter dated 11.10.2001 and Circular No. 62/99-Cus., dated 17.09.1999 have been reviewed in consultation with the Ministry of Law. Ministry of Law has opined that an advice is an opinion and cannot be equated with a binding order of a Court/Tribunal. As such, there is no need to reconsider the advice to bring it in tune with the subsequent judgements since the same has exhausted its effect.

5. It is accordingly clarified that an amendment to the Customs Act modifying the terms and conditions subject to which the goods shall 'remain warehoused', shall not apply to the goods warehoused prior to the amendment. The instructions contained in Board's letter dated 11.10.2001 and Circular No. 62/99-Cus., dated 17.09.1999 stand modified to this extent.

6. The contents of the circular may be brought to the notice of the field formations and the trade under your jurisdiction.

Sd/-
(T. K. BANDYOPADHYAY)
Under Secretary to the Government of India