

THE CUSTOMS (AMENDMENT) ACT, 1991

No. 55 OF 1991

[21st December, 1991.]

An Act further to amend the Customs Act, 1962.

BE it enacted by Parliament in the Forty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Customs (Amendment) Act, 1991.

Short
title and
commence-
ment.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

52 of 1962.

2. In section 27 of the Customs Act, 1962 (hereinafter referred to as the principal Act),—

Amend-
ment of
section 27.

(i) in sub-section (1), for the word "duty", wherever it occurs, the words "duty and interest, if any, paid on such duty" shall be substituted;

(ii) in sub-section (2), except in clauses (d) and (e) of the first proviso, for the word "duty", wherever it occurs, the words "duty and interest, if any, paid on such duty" shall be substituted.

3. Section 47 of the principal Act shall be re-numbered as sub-section (1) of that section and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

Amend-
ment of
section
47.

"(2) Where the importer fails to pay the import duty under sub-section (1) within seven days from the date on which the bill of entry is returned to him for payment of duty, he shall pay interest at such rate, not below twenty per cent. and not exceeding thirty per cent. per annum, as is for the time being fixed by the Board, on such duty till the date of payment of the said duty:

Provided that where the bill of entry is returned for payment of duty before the commencement of the Customs (Amendment) Act, 1991 and the importer has not paid such duty before such commencement, the date of return of such bill of entry to him shall be deemed to be the date of such commencement for the purpose of this section."

4. In section 48 of the principal Act,—

(i) in the marginal heading, for the words "two months", the words "thirty days" shall be substituted;

Amend-
ment of
section 48.

23.12.1991: Vide Notification No. S. O. 913(E), dated 23.12.1991.

(ii) in the said section, for the words "forty-five days", the words "thirty days" shall be substituted.

Amend-
ment of
sections
57, 58, 60
and 67.

5. In sections 57, 58, 60 and 67 of the principal Act, the words "without payment of duty", wherever they occur, shall be omitted.

Amend-
ment of
section 59.

6. In section 59 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) The importer of any goods specified in clause (a) of sub-section (1) of section 61, which have been entered for warehousing and assessed to duty under section 17 or section 18 shall execute a bond binding himself in a sum equal to twice the amount of the duty assessed on such goods—

(a) to observe all the provisions of this Act and the rules and regulations in respect of such goods;

(b) to pay on or before a date specified in a notice of demand,—

(i) all duties, and interest, if any, payable under sub-section (2) of section 61;

(ii) rent and charges claimable on account of such goods under this Act, together with interest on the same from the date so specified at the rate of six per cent. per annum or such other rate as is for the time being fixed by the Board; and

(c) to discharge all penalties incurred for violation of the provisions of this Act and the rules and regulations in respect of such goods."

Insertion
of new
section 59A.

7. After section 59 of the principal Act, the following section shall be inserted, namely:—

Condi-
tions for
warehous-
ing of
certain
goods.

"59A. (1) Notwithstanding anything contained in sub-section (2) of section 23 and in any other provisions of this Act, the importer of any dutiable goods specified in clause (b) of sub-section (1) of section 61, which have been entered for warehousing and assessed to duty under section 17 or section 18, shall deposit fifty per cent. of the assessed duty and execute a bond binding himself in a sum equal to twice the amount of the balance of such assessed duty and interest leviable on such balance,—

(a) to observe all the provisions of this Act and the rules and regulations in respect of such goods;

(b) to pay on or before a date specified in a notice of demand,—

(i) all duties, and interest, if any, payable under sub-section (3) of section 61;

(ii) rent and charges claimable on account of such goods under this Act, together with interest on the same from the date so specified at the rate of six per cent. per annum or such other rate as is for the time being fixed by the Board; and

(c) to discharge all penalties incurred for violation of the provisions of this Act and the rules and regulations in respect of such goods:

(2) The duty paid under sub-section (1) shall be adjusted towards the duty finally payable.

(3) A bond executed under this section by an importer in respect of any goods shall continue in force notwithstanding the transfer of the goods to any other person or the removal of goods to another warehouse:

Provided that where the whole of the goods or any part thereof are transferred to another person, the proper officer may accept a fresh bond from the transferee in a sum equal to twice the amount of duty and interest, if any, payable on the goods transferred and thereupon the bond executed by the transferor shall be enforced for a sum mentioned therein, less the amount for which a fresh bond is accepted from the transferee."

8. In section 61 of the principal Act,—

Amend-
ment of
section 61.

(i) in sub-section (1),—

(a) in clause (b), for the words "three months", the words "thirty days" shall be substituted;

(b) in the first proviso,—

(A) in clause (i), for the words "three months", the words "thirty days" shall be substituted;

(B) in clause (ii), the words "or three months, as the case may be," shall be omitted;

(ii) for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) Where any warehoused goods, specified in clause (a) of sub-section (1), remain in a warehouse beyond a period of one year, by reason of extension of the aforesaid period or otherwise, interest at such rate as specified in section 47 shall be payable on the amount of duty on the warehoused goods for the period from the expiry of the period of one year till the date of the clearance of the goods from the warehouse.

(3) Notwithstanding anything contained in section 47, on any warehoused goods specified in clause (b) of sub-section (1), the importer shall pay interest on the amount of duty at such rate as specified in section 47, for the period from the expiry of seven days from the date on which the bill of entry is returned to the importer for warehousing the goods

under section 59A, till the date of clearance of the goods from the warehouse;

Provided that the Board may, if it considers it necessary so to do in the public interest, waive, by such order and under circumstances of an exceptional nature, to be specified in such order, the whole or part of any interest payable under this section in respect of any warehoused goods.”.

Amendment of sections 60, 72 and 73.

9. In sections 60, 72 and 73 of the principal Act, for the word and figures “section 59”, wherever they occur, the words, figures and letter “section 59 or section 59A” shall be substituted.

Amendment of section 129E.

10. In section 129E of the principal Act, for the word “duty”, wherever it occurs, the words “duty and interest” shall be substituted.