**~~Notification No. 47/2001-Central Excise (N.T.) = F-W or W-W =WOPOD~~**

~~Dt 26.01.2001~~

~~In exercise of the powers conferred by sub-rule (1) of rule 20 of the Central Excise (No.2) Rules, 2001, the Central Government hereby extends the facility of removal of all excisable goods specified in column (2) of the Table below from the factory of production to a warehouse, or from one warehouse to another warehouse without payment of duty.~~

***Notification No. 17/2004-Central Excise (N.T). F-W or W-W =WOPOD***

In exercise of the powers conferred by sub-rule (1) of rule 20 of the Central Excise Rules, 2002 and **in supersession** of the Ministry of Finance, Department of Revenue, **notification No. 47/2001-CE (N.T.),** dated the 26th June, 2001, published vide G.S.R. 476(E), dated the 26th June, 2001, the Central Government hereby, extends the facility of removal of all excisable goods specified in column (2) of the Table below from the factory of production to a warehouse, or from one warehouse to another warehouse without payment of duty.

| **Sl. No.** | **Excisable goods** |
|---|---|
| Column (1) | Column (2) |
| 1. | Goods of the following description, namely :-<br>(a) Benzene;<br>(b) toluene;<br>(c) xylene;<br>(d) propylene; and<br>(e) tertiary amyl methylene ether, falling under Chapter 29 of the First Schedule to the Central Excise Tariff Act, 1985. |

| | |
|---|---|
| 2. | All the following goods where such goods are cleared from the factory of production to a warehouse appointed under **section 57(Appointment of public warehouses)** or licensed under **section 58(Licensing of private warehouses)** of the Customs Act, 1962 and are intended for direct supply -<br><br>1. as stores to a foreign-going vessel or aircraft; or<br>2. to a meal uplift station outside India:<br><br>(i) Cigarettes,<br>(ii) Aerated waters, (known as carbonated water)<br>(iii) Prepared and Preserved Foods,<br>(iv) Aluminium foil covers,<br>(v) Stainless steel cutlery,<br>(vi) Butter,<br>(vii) cheese .<br><br>*Explanation:* - "Foreign-going vessel or aircraft" and "stores" shall have the meanings respectively assigned to them in Section 2 of the Customs Act, 1962 (52 of 1962). |

This notification will come into force on 6th September, 2004.

**Read with circular no 579/16/2001+976/10/2013**

**Place of registration of warehouse:** The Commissioner of Central Excise will specify the places under his jurisdiction where warehouse can be registered, by issuing Trade Notice. Any person desiring to have warehouse will get himself registered under the provisions of Rule 9 of the said Rules.

**Procedure for warehousing of excisable goods removed from a factory or a warehouse**

1. The consignor (i.e. the manufacturer or the registered person of the warehouse) shall prepare an application for removal of goods from a factory or a warehouse to another warehouse in quadruplicate in the **ARE-3**

2. The consignor shall also prepare an invoice in the manner specified in Rule 11 of the said Rules in respect of the goods proposed to be removed from his factory or warehouse.

3. The consignor shall send the original, duplicate and triplicate application and duplicate invoice along with the goods to the warehouse of destination.

4. The consignor shall send quadruplicate copy of the application to the Superintendent–incharge of his factory or warehouse within 24 hours of removal of the consignment.

5. On arrival of the goods at the warehouse of destination, the consignee (i.e. the registered person of the warehouse who receives the excisable goods from the factory or a warehouse) shall, within 24 hours of the arrival of goods, verify the same with all the three (3) copies of the application. The consignee shall send the **original application to the Superintendent-in-charge of his warehouse**, **duplicate to the consignor** and **retain the triplicate for his record**.

6. The Superintendent-in-charge of the consignee shall countersign the application received by him and send it to the Superintendent-in-charge of the consignor.

7. The consignor shall retain the duplicate application duly endorsed by the consignee for his record.

**Failure to receive a warehousing certificate:** The consignor should receive the duplicate copy of the warehousing certificate, duly endorsed by the consignee, within 90 days after the removal of the goods. If the warehousing certificate is not received within 90 days of the removal or such extended period as the Commissioner may allow, the consignor shall pay appropriate duty leviable on such goods.

If the Superintendent-in-charge of the consignor of the excisable goods does not receive the original warehousing certificate, duly endorsed by the consignee and countersigned by the Superintendent-in-charge of the consignee, within 90 days of the removal of the goods, weekly reminders must be issued by him to the Superintendent-in-charge of the consignee. If despite such reminders the original warehousing certificate is not received within a further period of 60 days after the expiry of the 90 days period, the Superintendent-in-charge of the consignor shall inform his Assistant Commissioner/ Deputy Commissioner who shall either secure a satisfactory proof of the goods having been duly received by the consignee or ensure that the duty of excise due on the goods not received at destination is recovered from the consignor.

**Accountal of goods in a warehouse:** The registered person of the warehouse shall maintain a register showing all entries in to and removals of the goods from his warehouse and shall indicate the value, quantity of the goods removed, their marks and numbers as well as the rate of duty and amount of duty involved. The processes carried out on the warehoused goods, if any, shall also be recorded.

The first and last pages of the register should be pre-authenticated by the owner of the warehouse or his authorised agent.

**Responsibility of the registered person:** The registered person of the warehouse shall be responsible for due reception of the goods in to the warehouse and delivery therefrom including their safety during the period they are lodged in the warehouse. The registered person shall be responsible for the payment of penalty or interest leviable in respect of the goods which are warehoused as per the provisions of the Central Excise Act,1944 and the rules made thereunder.

**Period of warehousing:** Warehousing of goods shall initially be allowed for a **period up to 6 months**, which may be further extended by the Assistant/Deputy Commissioner, each extension being for a period not exceeding 6 months, subject to the verification that the goods have not deteriorated in quality. The maximum period, for which goods may be left in the warehouse in which they are deposited, or in any warehouse to which such goods have been removed, shall **be 3 years** from the date on which such goods were **first warehoused**. Excisable goods shall be deemed to be cleared for home consumption on expiry of the warehousing period including the extensions granted, if any. Duty and interest @ 24% per annum shall be charged on such deemed removal. **(976/10/2013) DT 12.12.2013**

**Revoked or suspended registration of a warehouse:** If the registration of a warehouse is revoked or suspended, the excisable goods lodged therein shall either be cleared for home consumption on payment of duty and ***interest @ 24% per annum*** or shall be removed to another warehouse without payment of duty.

**Warehouse to store goods belonging to the registered person:** A warehouse shall be used solely for storing excisable goods belonging to the registered person of the warehouse alone. He shall not admit or retain in the warehouse any excisable goods on which duty has been paid.

The Commissioner of Central Excise having jurisdiction over the warehouse may permit storage of excisable goods along with the excisable goods belonging to another manufacturer.

The Commissioner of Central Excise having jurisdiction over the warehouse may permit the registered person of the warehouse to store duty paid excisable goods or duty paid imported goods along with non-duty paid excisable goods in the warehouse.

**Registered person's right to deal with the warehoused goods:** The owner of the warehouse may sort, separate, pack or re-pack the goods and make such alterations therein as may be necessary for the preservation, sale or disposal thereof.

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## *Notification No.46/2001-Central Excise (N.T.) – export from factory or warehouse (registered)*

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In pursuance of sub-rule (1) of rule 20 of the Central Excise (No.2) Rules, 2001, the Central Government hereby extends the facility of removal of any excisable goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) from the factory of production or such other premises as may be approved by the Commissioner intended for storage in a warehouse registered at such place as may be specified by the Board and for export therefrom under the provisions of rule 19 of the said Rules, by such exporter or class of exporters as may be specified by the said Board.

This notification will come into force on 1st July, 2001.

**Read with circular 581/18/2001+976/10/2013**

**2. Application of the notification no.46/2001-Central Excise (N.T.) dated 26th June, 2001:** The facilities under this notification shall be applicable to the following exporters and places, namely: -

| | |
|---|---|
| **(1)** | **Exporters:** The exporters who ~~have been accorded~~ ~~**status of Super Star Trading House or Star Trading House**~~ **are Status Holder under FTP - 2009-14**, the foreign departmental stores of repute and the automobiles manufacturers who have signed Memorandum of Understanding **(MOU)** with Directorate General of Foreign Trade (**DGFT)** in the Ministry of Commerce and Industry. |
| **(2)** | **Places:** The warehouses may be established and registered in Ahmedabad, Bangalore, Calcutta, Chennai, Delhi, Hyderabad, Jaipur, Kanpur, Ludhiana, District of Pune and Mumbai. |

# 3. Conditions:

3.1 Where any goods are diverted to home consumption from the warehouse, interest shall be charged at the rate of twenty four per cent per annum on the duty payable, calculated from the date of clearance from the factory of production or any other premises approved by the Commissioner, till the date of payment of duty and clearances; and

3.2 The exporter shall furnish a general **Bond (B-3)** under rule 19 of the Central Excise (No.2) Rules, 2001 read with notifications issued thereunder, backed by 25% security of the bond amount **in the manner as prescribed in paragraph 4.2**

# 4. Procedure:

# 4.1 Registration

4.1.1 The exporter shall make a written request along with application for registration under rule 9 to the Commissioner for allowing to establish a export warehouse under this provision. The Commissioner may cause an enquiry to be made in respect of the security of the premise for warehouse indicated by the exporter in the application. If found in order, the Commissioner will accord his approval subject to such directions, terms and manners as he may specify and forward the application to the jurisdictional Superintendent of Central Excise through the jurisdictional Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise (having jurisdiction over the premise) ***within seven working days*** of the receipt of the application.

4.1.2 The registration certificate containing registration number will be issued by the jurisdictional Superintendent of Central Excise immediately on receipt. Procedure relating to registration will be same as notified in **Notification No.35/2001-Central Excise (N.T.) dated 26.6.2001 as amended 7/2015- central excise (N.T) dated 01-03-2015**

## 4.2 Execution of bond

4.2.1 Every exporter registered in the aforesaid manner, shall execute before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the warehouse a general bond under Rule 19 of the Central Excise (No.2) Rules, 2001 for export of goods from the warehouse in the B-3 Bond (General Security) Form annexed to this Circular at Annexure-I. The exporter availing this scheme shall be required to furnish security equal to 25% of the bond amount. In case any bank guarantees are furnished, it shall be the sole responsibility of the exporter to renew its validity.

Provided that where the exporter is a manufacturer and a Status Holder with a clean track record, the requirement to furnish security equal to 25% of the bond amount shall be replaced by the requirement of furnishing an **LUT(Letter of UnderTaking)** initially for a period upto 6 months which may be extended by a further period not exceeding 6 months.

Further extensions in the warehousing period in terms of paragraph 6(a) of the Circular No. 579/16/2001-CX dated 26.06.2001 shall be allowed to such exporter only on furnishing security of 25% of the bond amount

4.2.2 A "Running Bond Account" will be opened in the format specified at Annexure-II. This register shall be maintained by the exporter in the warehouse and shall be made available to the officer-in -charge or officers of Internal Audit for scrutiny and checking's.

# 5. Warehousing Procedure

5.1 For removal of excisable goods from a factory or any other premise approved by the Commissioner to a warehouse, procedure laid down in Circular No. 579/16/2001-CX dated 26.6.2001 issued under rule 20 of the said rules will be applicable. It is clarified that the Notification No. 46/2001-CE (NT) dated 26.6.2001 do not cover removal from one warehouse to another.

5.2 The Central Excise Officer in-charge of the warehouse will issue certificate in duplicate of removal in the Form CT-2 specified at Annexure-III indicating details of the general bond executed by the exporter. The CT-2 shall bear per-printed serial numbers running for the whole financial year beginning on the 1st April of each year. The said officer will issue 25nos CT-2 certificates at a time, signing each of the leaf with the official stamp. More certificates can be issued if it is so requested by the exporter on the grounds of large number of procurements. The exporter will fill up the relevant information in CT-2. After making provisional debit in the Running Bond Account, he will indicate the same in the CT-2. One copy of CT-2 will be forwarded to Officer-in charge of the warehouse. One copy will be sent to the consignor and one copy will remain with the exporter.

5.3 The consignor will prepare an application for removal in the Form specified in Annexure-IV (hereinafter referred to as ARE-3) and an invoice (under rule 8 taking into account CT-2 certificate) and follow the procedure specified in Circular No. 579/16/2001-CX dated 26.6.2001 issued under rule 20. The serial number of the corresponding CT-2 shall be mentioned on the top of the each copy of ARE-3. Any nominal variations between the provisional debit indicated in the CT-2 and the actual duty involved in the goods removed as indicated in ARE-3, can be ignored. Immediately on receipt of goods, the provisional debit shall be converted into actual debit on the basis of the details mentioned in **ARE-3.**

5.4 The officer-in-charge of the warehouse will countersign application and despatch to the Range Office having jurisdiction over the factory / other approved premise of removal within one working day of receipt of the application. He will make suitable entry in his own record accordingly.

5.5 The assessees shall maintain private record (Warehousing Register) containing information relating to details of ARE-3 and invoice, date of warehousing certificate, description of goods received including marks and numbers, quantity, value, amount of duty, details of operation in the warehouse and new packages and their marks and number, clearance from the warehouse for export (ARE-1 No., Invoice No., quantity, value, duty) and clearance for home consumption. They shall produce this Register to the Central Excise Officers in-charge of the warehouse whenever required.

## 5.6 Goods supplied by an SSI Unit exempted from Registration:

An SSI Unit exempted from registration under rule 9 of the said rules will also prepare ARE-3 against CT-2 in the same manner as mentioned in Para 5.3 A against CT-2 in the same manner as mentioned in Para 5.3 above except that he will use his own invoice. Registration under rule 9 shall not be insisted merely because such units prepare ARE-3. The Warehousing Certificate forwarded to the Range Office having jurisdiction over such SSI Unit shall be retained in the office and will be tallied with the details submitted by the SSI Unit in the quarterly statement as specified in Board"s Circular No. 212/46/96-CX dated 20th May, 1996 (F.No. 209/18/96-CX.6), which will continue to be applicable under Central Excise (No.2) Rules, 2001. The clearances on those ARE-3 in respect of which Warehousing Certificate is not received within 90 days of removal or such extended period as the Commissioner may allow, will be treated as clearances for home-consumption. If the Warehousing Certificate is subsequently produced, the clearances, which were treated as "clearance for home consumption" as aforesaid, shall be expunged.

# 6. Receipt of goods in warehouse

6.1 Receipt of goods will be governed by the procedure specified Circular No. 579/16/2001-CX dated 26.6.2001 issued under rule 20.

6.2 10 percent of the consignments, subject to minimum of two, received in a month will be randomly selected, spread over the entire month, for verification by officer-in-charge after the receipt of the written intimation.

## 7. Packing, re-packing, labelling or re-labelling within the warehouse:

7.1 These operations in relation to excisable goods received and stored in the warehouse will be also be governed by the procedure specified under rule 20. Suitable entries must be made meticulously in the Export-Warehouse register. In case of non-reconciliation of quantity, after adjusting any wastage or refuse, the differential quantity shall be treated as unaccounted and action for recovery of duty will be initiated.

7.2 The exporter may procure packing or labelling material and bring into the warehouse under the warehousing procedure itself. No duty paid goods will be permitted to be brought into the warehouse.

7.3 Where the process of packing, repacking, labelling or relabelling amounts to manufacture in terms of the provisions of the Central Excise Tariff Act, 1985, its repercussions on the goods permitted for clearance for home consumption shall be determined, and assessment shall be done accordingly.

## 8. Storage :

Goods brought under the cover of each ARE-3 shall be stored separately or proper accountal shall be maintained, till these are exported or diverted for home-consumption.

## 9. Clearance of goods for export outside India :

9.1 For the export of goods from the warehouse, the procedure relating to preparation of application for export (ARE.1) , examination and sealing, acceptance of proof of export etc. shall be governed by notification No. 42/2001-Central Excise (N.T.) dated 26.6.2001 and instructions applicable for this notification.

9.2 The requisite copies of application will be filed with the Assistant Commissioner having jurisdiction over the warehouse and with whom the Bond was executed, for acceptance of proof of export and issue of a certificate to this effect.

9.3 The credit in Running Bond Account shall be made by the exporter on the basis of the application (ARE.1) duly endorsed by Customs at the place of export evidencing that the goods have actually been exported. The exporter will submit list of ARE.1 along with the date of export for the goods exported in each month, within 6 months of the removal from the warehouse and the original copies of ARE.1.The exporter shall be liable to pay duty with interest where such proof of export is not available with him within 6 months from the date of removal from the warehouse.

9.4 The Superintendent in-charge of the warehouse is empowered to issue certified attested copies of ARE.1 [more than one copies may be required by exporter as one application (ARE.1) may consist of goods of several ARE-3s] and hand over to the exporter for forwarding to the factory whose goods were exported so that such factories can avail other export benefits, such as refund of CENVAT credit accumulated on account of export in terms of the CENVAT Credit Rules, 2001. This refund will be given only after goods covered on an ARE-3 is entirely exported. In case of any diversion to home-consumption, refund will be reduced on pro-rata basis.

9.5 On request from exporter, copies of proof of export may be sent directly, by post to the Range Office having jurisdiction over the factory or sanded over to the exporter in sealed cover for delivery to such Range Office.

9.6 It is clarified that the photocopies of the Shipping Bill/ Export Application and Bill of Lading duly attested by the Superintendent in-charge of the Warehouse along with certificate of proof of export should be accepted as valid documents for the purposes of refund of accumulated credit under the CENVAT Credit Rules, 2001 on account of exports without payment of duty. The proof of export received directly/ official sealed cover from the Superintendent in-charge of the warehouse may be used to verify the authenticity.

9.7 Where neither the duplicate copy of ARE.1 nor the original copy of ARE-1 duly attested at the port of export, are made available within the time stipulated period of six months, it shall be taken that export of goods cleared from warehouse has not taken place. The demand shall be raised by the Assistant/Deputy Commissioner having jurisdiction over the warehouse (jurisdictional Assistant/Deputy Commissioner) for non-fulfilment of the conditions of bond executed by the exporter.

## 10. Diversion of goods for home-consumption :

10.1 Goods can be diverted for home-consumption from the warehouse with the permission of the jurisdictional Assistant/Deputy Commissioner. The clearance shall be effected on invoice prepared under rule 8 on payment of duty, interest and any other charges on TR-6 Challans and after making necessary entries in the export warehouse register maintained by the exporter in the warehouse. Credit will be permitted in the Running Bond Account equivalent to the duty involved in the goods so diverted, which shall not exceed amount of duty debited on the basis of ARE-3 on which such goods were received in the warehouse. If entire quantity is not diverted, calculation shall be done on pro-rata basis.

10.2 Goods can be diverted for home-consumption even after the clearance from the warehouse on ARE.1. For cancellation of documents, provisions of notification no. 46/2001-CE(NT) dated 26.6.2001 shall be followed. The intimation shall be given to Assistant/Deputy Commissioner having jurisdiction over the warehouse. Credit in Running Bond Account will be permitted in the same manner as mentioned on Para 10.1 above.

10.3 Where the goods are diverted for home-consumption in full or in part the exporter shall be liable to pay interest @24% per annum on the amount of duty payable on such goods from the date of clearance from the factory of production or any other premises approved, till the date of payment of duty and clearance.

## 11. Waiver of physical warehousing in case of exigency:

The officer- in-charge of the warehouse may permit waiver from physical warehousing (i.e. permitting export without physically storing the goods in the warehouse) where exporter so requests in writing provided all the formalities relating to record-keeping shall be completed in usual manner with suitable record in the Warehousing Register: "warehousing waived". This permission will be given in exceptional cases where delay occurred due to delayed supply from the factory or longer transit-period or requirement of immediate export or any other genuine reasons, provided the entire consignment is entered for export in the original packing. Such cases of permission granted will be reported to Superintendent-in-charge of the warehouse at the earliest.

## 12. Providing of accommodation for the Officer:

The exporter shall provide adequate office accommodation and furniture for the Officer deployed for examination and supervision, in the warehouse. Where the exporter is willing to bear the cost of the posting of Officers on "cost recovery basis", the deployment may be considered by the Commissioner, depending upon the administrative feasibility.

**General Notes**

**ARE-3 = A**pplication for **r**emoval of **e**xcisable goods from a factory or a warehouse to another warehouse (Also called A.R.E 3 for Export Warehousing).

**ARE-1**= Application for removal of excisable goods for export by (Air/Sea/Post/Land).

**C.T-2** = Certificate for procurement of excisable goods under Procedure For Export Warehousing.

**BOND (B-3)** = Bond for the due despatch of excisable goods removed for warehousing and export therefrom to a foreign country without payment of duty.

**FORM UT-1 =** Letter of Undertaking For removal for export of excisable goods without payment of duty.

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***Notification No. 07/2013 Central Excise (N.T.) = godown or DFS***

*dated 23rd May, 2013*

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In exercise of powers conferred by sub-rule (1) of rule 20 of the Central Excise Rules, 2002, the Central Government hereby extends the facility of removal of all excisable goods falling under the First Schedule to the Central Excise Tariff Act, 1985 from the factory of production, intended for storage in a godown or retail outlet of a Duty Free Shop**(DFS)** in the Departure Hall or the Arrival Hall, as the case may be, of International Airport, appointed or licensed as "warehouse" under Section 57 or 58 of the Customs Act, 1962, as the case may be, and for sale therefrom, against **foreign exchange** to passengers going out of India or to the passengers or members of crew arriving from abroad, subject to limitations, conditions and safeguards as may be specified by the Central Board of Excise and Customs in terms of sub-rule (2) of rule 20 of Central Excise Rules, 2002. such godown or retail outlet shall be deemed to be registered as warehouse under rule 9 of the Central Excise Rules, 2002.

### Read with circular no 970/04/2013 dt 23.05.2013

In exercise of the powers conferred under sub-rule (2) of rule 20 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby specifies the following conditions, limitations, safeguards and procedures for removal of such excisable goods as allowed herein, to godowns or retail outlets of Duty Free Shops , to which the warehousing provisions have been extended by the Central Government vide Notification No. 07/2013-C.E. (N.T.), dated 23rd May, 2013.

**(1) Registration of warehouse:**

**(i)** The godowns and the retail outlets of Duty Free Shops in the departure/ arrival side of the International Airport appointed/licensed under Section 57 or 58 of the Customs Act, 1962 shall be deemed to be registered under rule 9 of the Central Excise Rules, 2002 for the purpose of warehousing of excisable goods meant for sale to international passengers in terms of the aforesaid notification.

**(ii)** For the purpose of control over the receipt, storage and sale of such excisable goods, the officers of Customs having jurisdiction over these godowns and retail outlets have been appointed as officers of Central Excise vide notification No. 08/2013-C.E.(N.T.), the dated 23rdMay, 2013.

**(2) Procedure in respect of excisable goods removed from a factory to a warehouse of Duty Free Shop:**

**(i) Application for obtaining the goods free of duty**. - The owner of Duty Free Shop (hereinafter referred to as consignee) shall make an application in writing to the jurisdictional Assistant/Deputy Commissioner of Customs, stating therein his intention to procure duty free excisable goods directly from the factory of manufacturer, for sale against foreign currency in Duty Free Shops located in the departure halls, or for sale in Duty Free Shops located in the arrival halls ***in terms of a notification issued in terms of Section 5A of Central Excise Act, 1944 in this regard,*** as the case may be, at the International Airports. The Assistant/Deputy Commissioner of Customs shall grant the permission after causing such enquiries as he may deem fit. The consignee shall then execute a running bond in the form given in Annexure A with such surety or security, as the Assistant/Deputy Commissioner of Customs may approve.

Provided that in the event of death, insolvency or insufficiency of the surety, or where the amount of the bond is inadequate, the Assistant/Deputy Commissioner of Customs may, in his discretion, demand a fresh bond, or, if the security furnished for a bond is not adequate, demand additional security.

**(ii) Issuance of Certificate** - For procuring the excisable goods without payment of duty directly from the factory, the owner of the Duty Free Shop shall make an application to the jurisdictional Superintendent of Customs, giving the details and quantity of the goods required, the name, address and registration No. of the manufacturer, value of the goods and the Central Excise duty involved thereon. The said officer of customs shall issue a certificate, in triplicate, in the form given in Annexure-B and debit the bond amount accordingly. The original certificate shall be sent by the said Customs officer to the factory from which the goods are to be obtained. The duplicate copy of the certificate shall be sent to the Central Excise Superintendent in-charge of the Range of the aforesaid factory. These copies may be sent to the addressee by handing over the same to the consignee in a tamper proof sealed cover. The certificate shall be serially numbered financial year wise.

**(iii) Removal of goods to duty free shop**. - On receipt of the certificate mentioned in para 2(ii) above, the owner of the factory from where the goods have to be removed (hereinafter referred to as consignor) shall prepare an application in the form given in Annexure-C, in quadruplicate, for removal of the goods mentioning clearly the details of the bond as given in the certificate issued by the Superintendent of Customs. The removal application should be serially numbered. Separate Serial Nos. should be given for each financial year. The Serial Number should be noted on all the copies.

**(iv) Preparation of Invoice and disposal of Annexure- C** The manufacturer or consignor shall also prepare an invoice in terms of Rule 11 of the Central Excise Rules, 2002 in respect of the goods proposed to be removed from his factory and will thereafter remove the goods from the factory. The package shall indicate the address of the consignee and bear the marking "For sale in Duty Free Shop at Airport". The original, duplicate and quadruplicate copy of Annexure-C and original copy of the invoice shall accompany the consignment. The triplicate copy of Annexure-C along with a copy of the invoice shall be sent by the consignor to the Superintendent of Central Excise officer-in-charge of Range of his factory within 24 hours of the removal of the consignment in question. The said Superintendent of Central Excise shall keep a record of the same with him in a register in the format as per Annexure D.

**(vi) Responsibility for further accounting**- After receipt of the goods from the consignor, proper accounting and disposal of the goods shall be the responsibility of the consignee in terms of the Bond.

**(vii) Examination of the consignment on receipt**- The consignee must give intimation of the arrival of the consignment at his premises to the Superintendent of Customs without any delay and should store the same separately and intact, pending examination and check by the said officer. The said officer, after taking account of the goods, will identify them with the marks and numbers, and check the consignment in full. Thereafter, he shall complete the certificate on the original, duplicate and quadruplicate copy of Annexure-C as received along with the consignment. The duplicate copy of Annexure C shall be returned to the Central Excise Superintendent in-charge of the Range directly, through registered post or in a tamper proof seal cover through consignee/consignor. The quadruplicate copy would be sent to the factory from where the goods had been received. The original shall be retained by the said Customs officer for his record. The deficiency, if any, shall immediately be reported to the Central Excise Superintendent incharge of the Range for realising the duty on the deficiency. Suitable entries shall be made in the records of the warehouse as may be prescribed by the Commissioner of Customs. The warehousing shall be completed accordingly.

**(3) Goods allowed to be cleared under these provisions** - The procedure prescribed herein should not be allowed for clearance , from the factory , of goods which are restricted or prohibited under Second Schedule of ITC (HS) [Export Policy ] or in respect of which quantitative restrictions have been imposed for exports under FTP or under any other notification issued by the DGFT .

**(4) Demand of duty on goods not reaching destination.** - If the certificate of receipt of the goods despatched to the consignee as per paragraph 2 (vii) is not received back by the consignor within 45 days of the removal of the goods or within such extended period as may be allowed by the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, it shall be the responsibility of the consignor to pay the duty of excise leviable on the consignment.

**(5) Procedure for transfer of goods from warehouse to retail outlet and sale therefrom**

(i) The procedure prescribed by the Commissioner of Customs for transfer of imported goods from the godown of Duty Free shop to its retail outlets in the departure hall or the arrival hall of the International Airport shall be applicable, mutatis mutandis, to indigenous goods so procured. Commissioner of Customs may also prescribe suitable records i.e. stock register etc to be maintained at the retail outlets for the proper accounting of the excisable goods.

(ii) Every sale of the excisable goods shall be covered by a sale voucher or invoice . The Commissioner of Customs may also prescribe suitable procedure for the reconciliation between the receipt of excisable goods in the warehouse and sale thereof from the Duty Free Shops.

**(6) Period of Warehousing,-** The excisable goods shall be allowed to remain warehoused for one year or for 6 months in the case of perishable goods , or such extended period , not exceeding a total of three years , as may be allowed by the Assistant/Deputy Commissioner of Customs. If the registration of a warehouse is revoked or suspended, the excisable goods kept therein shall be deemed to have been cleared for home consumption on the date of such revocation or suspension of the warehousing permission.

**(7) Duty on removal for home consumption or on expiry of the warehousing period -** Warehoused goods can be removed for home consumption from the warehouse under the cover of an invoice with the permission of the jurisdictional Assistant/Deputy Commissioner. Warehoused goods shall be deemed to have been removed for home consumption on expiry of the warehousing period. Duty and interest shall be charged as applicable on removal of warehoused goods for home consumption. Interest at the rate of 24% shall be charged from the date of clearance from the factory of production to the date of removal of the goods from the warehouse or to the date of expiry of warehousing period as the case may be.

**(8) Duty leviable on the goods not duly accounted for as having been sold in foreign currency to passengers going abroad, or sold to passengers arriving from abroad, etc**. - If any goods obtained under this procedure are not duly accounted for to the satisfaction of the Assistant/Deputy Commissioner of Customs as having been sold against foreign currency to the passengers going abroad, or to the passengers arriving from abroad ***in terms of a notification issued in terms of Section 5A of Central Excise Act, 1944 in this regard*** they shall be deemed to have been cleared for home consumption. Duty and interest ***at the rate of 24%*** shall be charged on these goods from the date of clearance from the factory of production till the date of payment of duty. The facility granted to the consignee, may, at any time, be withdrawn by the Commissioner of Customs if a serious or repeated breach of the procedure is committed by the consignee, his agent or any person employed by him. In the event of such a breach, the Commissioner of Customs may also order the forfeiture of the security deposited under paragraph 2(i) above and may also confiscate the goods.

**(9) Periodic Reconciliation** - Reconciliation at such periodic intervals as may be prescribed by the jurisdictional Commissioner but at intervals not lesser than once a year shall be carried out independently at the warehouse by the warehouse owner , at the factory by the factory owner supplying goods to the Duty Free Shops and result thereof submitted to the jurisdictional superintendent. Such reconciliation shall include reconciliation between Annexure B, Annexure C and invoice issued from the factory.