

SUPREME COURT OF INDIA

Commissioner of Customs, Chennai

Vs.

Jayathi Krishna & Co.

(S. R. Babu and R.C. Lahoti JJ.)

28.03.2000

ORDER

1. The question raised in this appeal is one relating to payment of interest on certain goods which had been warehoused.

2. The contention put forth is that warehousing period having expired on 4-1-1997 that is the relevant date for computing duty, and therefore, interest will have to be paid by the respondent on that amount. The respondent obtained the benefit of the DEEC scheme under which it was liable to pay duty at all, but did so after 4-1-1997. The Commissioner did not agree with the contention put forth on behalf of the respondent that it was not liable to pay any interest and on the matter being carried to the Tribunal it was held that the DEEC scheme having been made applicable to the goods in question, the question of payment of interest could not arise at all and the Tribunal relied upon a decision of this Court in *Pratibha Processors v. Union of India*. In that decision it is held that interest on warehousing goods is merely an accessory to the principal and if the principal is not payable, so is the interest on it. Thus interest under Section 61(2) of the Customs Act, 1962 has no independent on separate existence. When the Tribunal had followed this decision applying the aforesaid principle, we do not think any exception could be taken to it. We find absolutely no merit in this appeal. It is accordingly dismissed.