Circular No. 7/2004
28th January, 2004

F.No.450/97/2003-Cus.IV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Subject: Procedure for disposal of unclaimed/ uncleared cargo under section 48 of the Customs Act, 1962, lying with the custodians - regarding

I am directed to invite your attention to above mentioned subject and to say that the Department, in the past, has taken a number of measures to ensure expeditious disposal unclaimed/ uncleared cargo lying in Air cargo Complexes/Ports/ ICDs/CFSs/LCSs .

2 The custodians have brought to the notice of the Board that considerable time is being taken by Customs in fixing the fair price which eventually delays the process of fixing the "Reserve Price" by the custodian. At time the reserve price is so high that the goods are not sold even in three auctions and over a period of time the quality of goods deteriorates.

3 The matter has been examined by the Board. In order to ensure expeditious disposal of unclaimed/ uncleared cargo, under section 48 of the Customs Act, 1962, and landed upto 31.3.2003, and lying with custodians, whether in the private or public sector, the following procedure should be followed:-

(i)	All goods landed upto 31.3.2003 and lying uncleared /unclaimed may be taken up for disposal b Custodians and the process of disposal should be completed by 30.4.2004 by the respective custodian
(ii)	The custodian will furnish the list of items to be considered for disposal to customs. The list will c complete particulars such as Bill of Lading/Airway Bill number, description of goods, weight, name consignee/consignor, etc. A notice shall simultaneously be issued by the custodian to the consignee known address and also displayed on the custodian's notice board that if the goods are not cleared 15 days it will be sold by the custodian under Section 48 of the Customs Act, 1962.
(iii)	Customs shall scrutinize the list with their own files/records and intimate the custodian a list of dispu stayed consignments or consignments requiring them to be retained for investigation/adjudication/court proceedings, motor vehicles or negative list items as restrictions im under allied acts. If no such intimation is received from the Customs within 15 days, the custodian sh ahead with the disposal of the goods.
(iv)	The responsibility for the disposal shall exclusively be with the Custodian, who shall fix a reserve arrived at by a panel of their approved valuers [irrespective of any value arrived at by the Cu Appraisers earlier], which should include an expert on the product line. In case any request is made custodians, the Customs shall make available to the custodian the services of an Appraiser to serve panel. In cases of doubt, the same may be referred to a panel of three valuers whose decision sh final.
(v)	The customs will not insist on complete and detailed inventory of the contents of the consignments drawn in their presence. They shall, instead choose 10% consignments for which detailed inventory be made in their presence for sample check.
(vi)	The disposal of the goods shall be made by public auction. The date of the public auction shou adequately publicized in advance through national newspapers (both in English and Hindi) as well a

	least one newspaper in the local language. The values assessed by the approved valuers appointed custodians shall form the "reserve price". In the event of the goods not being disposed of at th auction, the bids will be invited in sealed tender by the custodian on all India basis through advertis in national news papers as also through E-auction, within 30 days of the first auction and goods sh sold to the highest bidder. Reserve price fixed will be applicable with respect to first auction only.
(vii)	Guidelines issued by the Central Vigilance Commission as contained in their letter No.98/ORD/1 18th December, 2003, relating to auction through tender system, should also be kept in view [available of CVC website http://www.cvc.nic.in]
(viii)	The bidding shall be on cum-duty price and duty shall be back-calculated from the sale price [Local like Sales Tax etc, will however have to be charged/recovered extra from the buyer].
(ix)	The custodian should fix a date for holding the auction and communicate such date to the officer in c of the customs station and the concerned Assistant Commissioner/Deputy Commissioner. The As Commissioner/Deputy Commissioner would nominate, if necessary, an officer not below the ra Superintendent /Appraiser to witness the auction. Customs shall not withdraw any consignments at t moment from the auction except with the written approval of the Commissioner of Customs.
(x)	For each consignment which is sold the custodian will file a consolidated Bill of Entry, buyer-wis assessment of the effective rate of duty by the Customs. Auctioned goods will be allowed out of c only after the duty assessed is paid by the custodian [Refer Unclaimed Goods {Bill of Entry} Regula 1972].
(xi)	The sale proceeds shall be shared as per the provisions of section 150 of the Customs Act, 1962.

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4 The above instructions are being issued as a one time interim administrative arrangement to ensure that the unclaimed/ uncleared cargo pending for long are disposed of at the earliest.

5 In case of inconsistency between this Circular and any Circular issued in the past on this issue, this Circular will prevail.

6 Public Notices may be issued for the benefit of the trade, particularly the custodians.

7 Please acknowledge receipt of this Circular.

8 Hindi version will follow.

V.Kezo
Under Secretary to the Government of India