Circular No. 11/2006-Cus

F.No.442/12/2004-Cus.IV (Pt.II)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

February 16th, 2006

Subject:- Measures for expeditious disposal of goods -Procedure for disposal- Regarding

I am directed to invite your attention to the report of the Task Force by the Central Board of Excise and Customs as a sequel to the observations of the C & AG, vide order F.No. 442/12/2004-Cus.IV (Pt) dated 27.6.2005 to examine the various issues arising out of the audit review, and to suggest effective measures to be put in place as a permanent mechanism for expeditious disposal of the backlog of accumulated unclaimed, uncleared and confiscated cargo, and also to ensure that no delays in disposal take place in future. The Chief Commissioner of Customs, Delhi Zone was the Chairman of the Task Force.

2. The Board considered the recommendations of the Task Force. The Board has already issued Circular 50/2005-Cus dated 01.12.2005 and Circular 52/2005-Cus dated 10.12.2005 prescribing simplified procedure for disposal of goods. It has been decided that

(i) One time interim administrative measure, for disposal of all lots of **unclaimed/uncleared goods** pending for disposal for more than one year which have undergone auctions/tenders at least 3 times by the custodians and which are still lying unsold, are to be offered for final tender once more and the highest bid received to be accepted by the department. This process should be completed by 31st March, 2006.

(ii) Disposal of goods shall be done through e-auction/tender conducted regularly every month as prescribed under Board's instructions F.No. 442/12/2004Cus.IV Pt.II dated 06.10.2005.

(iii) All consignments of hazardous waste are to be disposed of in terms of Minsitry's Circular No. 31/04 dated 26.4.2004 laying down the guidelines given by Supreme Court.

3. Each Custom House will constitute Special Task Forces to conduct a comprehensive review of all the consignments indicated as being "detained" by the respective custodians, and reconcile the figures with their records. All pending action such as investigation, adjudication, court proceedings should be referred to the concerned sections in the Custom House for being completed without delay. Details of consignments not found to be detained by Customs/DRI, should be intimated to the custodians for further action by them. Further, there might be considerable volume of old consignments which cannot be connected with any records. Details of such detained goods should also be intimated to the custodians who should put all such consignments for auction/tender in terms of the new procedure.

This action of identifying and reconciling the figures and intimating the custodians should be completed within 120 days of the date of issue of this Circular.

4. The Board has further decided that there would be a formal mechanism for interaction between the custodians and Customs to review the pendency of uncleared cargo and to reconcile the figures. It has been decided that there should be a quarterly meeting between the Customs and Custodians at each Custom station to review the pendency of uncleared/unclaimed cargo and to update the status of the pending consignments. Further in such review meetings, the pendency with the custodian should be matched with the figures of uncleared consignments as per Customs records.

5. The above instructions may be brought to the notice of all concerned immediately through an appropriate Public Notice.