Circular No. 50/97
dated 17/10/97

F.No. 446/44/92 -Cus. IV

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs, New Delhi

Subject : Disposal of unclaimed/ uncleared cargo-regarding

Government of India have taken a number of important decision, as a part of the Scheme Uperation Instant Cargo, for the expeditious clearance of cargo lying unclaimed/ uncleared in the seaports, Airports and Aircargo within a specified complexes time limit. The instructions in respect of Air Cargo complexes have already been issued vide D.U. letter F.No. 446/ 44/ 92- Cus. IV dated 20.9.97 from Member (Customs)

2. The following instructions are being issued in respect of unclaimed / uncleared goods lying with the Custodians who are Central Government under takings like Port Trusts/C.W.C./ CUNCOR for immediate compliance.

2.1 All goods landed upto 01.01.1994 and lying uncleared/ unclaimed may be taken up for disposal by the Custodians and the process of disposal should be completed by the target data fixed by the respective Custodians.

2.2 The Custodians would not require any NOC from the Customs, as long as they ensure that consignments in respect of which any dispute has been raised by the customs/ importers or where any stay on disposal from any court or Tribunal is operational, are not disposed of.

2.3 Customs shall scrutinise their own files and intimate the Custodian a list of disputed or stayed consignments or consignments requiring them to be retained for any proceedings. If no such intimation is received from the Customs within 15 days, the Custodian can go ahead with the disposal of the goods.

2.4 The valuation the goods for disposal shall be done by the Custodians through approved valuers appointed by them, irrespective of any value arrived at by the Appraisers earlier. In cases of doubt, the same may be referred to a panel of three valuers whose decision shall be final.

2.5 The disposal shall be made by Public Auction as earlier. These values assessed by the valuers appointed by the Custodian shall form the reserve price .

2.6 In the event of the goods not being disposed of at the reserved price at the first auction, following procedure shall be adopted for reduction in reserve price :-

Perishable goods

(a) 25% reduction after first auction.
(b) 50% reduction after second auction.
(c) by public auction and sealed tender simultaneously to the highest bidder.

Non-Perishable goods

(a) 10% reduction after first auction.
(b) 20% reduction after second auction.
(c) by public auction and sealed tender simultaneously to the highest bidder.

The above method of reduction in reserve price be intimated to the custodian.

2.7 The sale proceeds shall be shared between the Custodians and the Customs on 50:50 basis.

3.1 All the goods landed between 01.01.1994 and 31.12.1996 and lying unclaimed/ uncleared may be taken up for disposal, and the action should be completed by the target data fixed by the the respective custodians. The following procedure shall be adopted for disposal of such goods.

3.2 The responsibility for the disposal shall exclusively be with the Custodian, who shall fix a reserve price, arrived at by a panel of approved valuers, which should include and expert on the product line. In case any request is made by the custodians, the Customs shall make available to the Custodian the services of an Appraiser for the purpose to serve on the panel.

3.3 The customs will not insist on complete and detailed inventory of the contents of the consignmeants to be drawn in their presence. They shall, instead choose 10% consignments for which detailed inventory shall be made in their presence for sample check.

3.4 Procedure for auction and / or reduction of reserve price shall be the same as in the case of packages prior to 01.01. 1994 as contained in para 2.1.

3.5 The custodian shall prepare a monthly list of Cargo due for disposal and sent it of the customs. In case, Customs desires detention of any of the consignments for their being involved in disputes, court cases etc., they shall intimate Port Trusts within 30 days of the receipt thereof. If no intimation is received from the Customs within 30 days, the Custodian shall presume that Customs have no objection and shall go ahead with the disposal.

3.6 The proceeds from the sale shall be shared on 50:50 basis between the Custodians and the Customs.

4.1 The Custodians shall forward to the Customs a list of the consignments imported and pending clearance from 1.1.1997 on a monthly basis. The Customs shall immediately on receipt, examine the list and forward to the Custodian the list of consignments in which they want to be withdrawn from such list on any account and permit the Custodian to dispose off the remaining cargo. If not list is received within 30 days, the Custodian will be free to dispose of these goods.

5. The above instructions are being issued as one time interim administrative arrangement to ensure that the unclaimed/ unclared cargo pending for long are disposed of at the earliest. As the requirement under section 150(2) of the Customs Act, 1962 is mandatory, the sharing of proceeds on the ratio of 50:50 is being adopted on a rough and ready basis, but in the final accounting of all auctioned goods, care should be taken to ensure that the mandatory requirements under the law are adhered to. You may require the concerned Custodians to submit consignment wise accounts after the goods are disposed of so as to ensure that full duty as applicable under section 150(2) is recovered from the disposal value.

Sd /-
(S.C. Choudhury)
Director (Customs)

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