circular No. 71/2001-CUS.
28th November, 2001.

F.No.446/17/2001-CUS.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Payment of Customs duty by custodians in respect of auctioned goods-reg.

A reference was received from the Container Corporation of India(CONCOR) stating that there is a divergence of practice in Custom Houses with regard to apportionment of sale proceeds from disposal/sale of unclaimed/uncleared goods under section 150 of the Customs Act, 1962. It was reported that some Custom Houses determine the Customs duty payable on auctioned goods after deducting the sales expenses from the sale proceeds of the goods whereas other Custom Houses are determining duty on the basis of sale proceeds without allowing any deduction.

2. The matter has been examined. It is clarified that -

(a) the Customs duty shall be determined by backward calculation considering the sale proceeds of unclaimed/uncleared goods as the cum-duty price. For calculation of duty, total sale proceeds without allowing any deduction towards sales expenses or any other charge is to be taken as cum duty price.

(b) After determination of the Customs duty, sale proceeds of unclaimed/uncleared goods is to be appropriated in the manner as provided in section 150(2) of the Customs Act, 1962.

3. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/ Standing Order.

4. Difficulties, if any, in implementation of these instructions, may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.

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