



भारत सरकार
Government of India
वित्त मंत्रालय, राजस्व विभाग
Ministry of Finance, Department of Revenue
सीमा शुल्क आयुक्त (निवारक) का कार्यालय
Office of the Commissioner of Customs (Preventive)

पूर्वोत्तर क्षेत्र

North Eastern Region

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STANDING ORDER No. 01 /2018

Shillong the 22nd May 2018

Subject: Disposal of unclaimed/seized goods in terms of Section 48 of the Customs Act, 1962 – procedure thereof

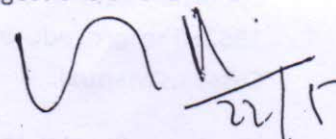
As per Section 48 of the Customs Act, 1962 goods are to be cleared within 30 days of unloading at a customs station. However, extension can be given by the proper officer (Deputy/Assistant Commissioner). As per proviso to the said section, animals, perishable goods and hazardous goods are to be sold off at any time and arms & ammunition sold only with proper permission of the Central Government. In case the goods remain unclaimed/uncleared, the same are required to be disposed off. The provisions relating to manner of disposal of unclaimed/uncleared goods and apportionment of sale proceeds thereof are contained in Sections 48 and 150 of the Customs Act, 1962. The procedure for sale of unclaimed/uncleared goods has been given in Chapter 20 of the Customs Manual.

Now, the Central Vigilance Commission while examining the procedures being followed by a Custodian (CONCOR in the issue under examination by CVC) and Customs (to the extent of its involvement in the process) had found various deviations from laid down norms in the process of conducting auctions of uncleared/unclaimed cargo. To expedite the process of auction by the Custodian, in the interest of Government exchequer and to facilitate the bidders, the CVC has inter-alia suggested the following:

- 1) All communications & correspondences between the Custodian and Customs related to the Auction process are to be made online and must be reciprocated within 72 hours by either parties so as to enable conducting of auction within 3-5 months – max.
- 2) Strict time line should be prepared for "Conducting and Concluding" the auctions.
- 3) Reserve price is to be kept open by the Custodian with adequate margin for the bidders and must conduct only e-auction, so as to secure adequate financial interest of both parties and unwarranted lingering of auction up to 4th auction where the lot is sold at considerably low/throwaway price.

- 4) All efforts are to be channelised to complete the auction process in first auction itself through e-auction.
- 5) Auctions must be done only after completing all mandatory formalities. Customs must issue all OK NOCs after securing third party reports from requisite agencies. Cases with conditional NOCs are not to be considered for auctions.
- 6) As sample drawal authority is Customs, it must be ensured by Customs that all mandatory testing of third parties/labs/departments are ensured before formal All OK NOC is issued.
- 7) Bill of Entry must be filed by the Custodian in the beginning itself while taking the initial NOC and Customs must decide the Customs duty rate at the time of grant of initial NOC itself so as to avoid multiple communications post conduct of auction.
- 8) Record of auctions is to be maintained container-wise/lot-wise and not auction wise-with multiple containers/lots in one auction. Software to this effect may be devised by the Custodian so that unclaimed/uncleared containers/lots are speedily disposed and perishing of goods avoided and better bid prices secured while ensuring timely disposal of goods.
- 9) The Auction Process from the date of issue of NOC to the final date of dispatch of material to H-1 bidder should not take more than 90-100 days.
- 10) Customs must ensure timely cancellation of bids so as to facilitate incorporation of respective container/lot on subsequent auctions.

In view of the above observations of the CVC, even though the same had been made in regard to practices being followed by COMCOR at locations outside the jurisdiction of this Commissionerate, it must be ensured by the Custodians at Customs Stations in the jurisdiction of the Commissionerate of Customs (P), NER and the concerned Customs officials ensure expeditious auctions of unclaimed/unclaimed cargo as per laid down procedure also comply with the suggestions of the CVC in the process be followed.



[Bandhana Deori]
Commissioner

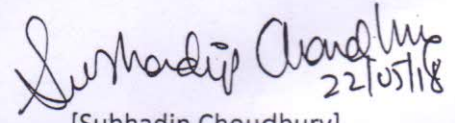
SPEED POST/FAX

C.No. VIII(48)12/CUS/TECH/ICD/2013/ 9576 - 93 (A)

Dated: 23 MAY 2018

Copy for information and necessary action to:

1. The Chief Commissioner, GST & Customs, Shillong
2. The Deputy Commissioner, ICD, Amingaon/LCS, Moreh/LCS, Agartala
3. The Deputy/Assistant Commissioner, Customs Division, Agartala/Aizawl/Dhubri/Dimapur/Guwahati/Imphal/Karimganj/Shillong
4. The Chairman, Land Ports Authority of India, Lok Nayak Bhawan, 1st Floor, Khan Market, New Delhi - 110 511
5. The Deputy Manager, CONCOR, ICD, Amingaon.
6. The Superintendent, Computer Cell, Customs Hqrs., Shillong to upload the contents of this Standing Order on the Commissionerate website.
7. The Director, Airport Authority of India, Lokpriya Gopinath Bordoloi International Airport, Guwahati.
8. The Hindi Translator, Customs Hqrs., Shillong to get issued Hindi version of this Order.
9. Guard File.


[Subhadip Choudhury]
Superintendent (Tech)
22/05/18