



सीमाशुल्कके प्रधान आयुक्तकाकार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
हवाई अड्डा एवं एअर कार्गो कॉम्प्लेक्स **AIR PORT & AIR CARGO COMPLEX,**
मेन्ज़ीज़एविेशनबोब्बाकार्गोटेर्मिनलकेपेगौडा अंतर्राष्ट्रीयहवाईअड्डा,
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PUBLIC NOTICE NO.38/2021, AP & ACC, DATED 14.12.2021
DIN No. 20211272MP000081809E

Subject: Standard Operating Procedure for disposal of un-claimed/un-cleared cargo under Section 48 of the Customs Act, 1962, lying with the custodians

This SOP supersedes the previous SOP dated 16.07.2021 which stands rescinded.

1. The concerned custodian of the Customs Station shall **prepare a list of cargo lying unclaimed/ un-cleared in the bonded area of the Customs Station for more than 30 days from the date of arrival** of such cargo in the Customs Station. This monthly list shall be sent to the jurisdictional Commissioner/Principal Commissioner of Customs every month. The Commissioner/Principal Commissioner will in turn intimate as to whether the listed goods/cargo can be taken up for disposal through public auction. The monthly list Shall **contain the following details:** -

Sl. No	IGM Ref. & Date	MAWB & HAWB nos	Bill of Entry no, if any & date	Name of Importer	Name of Exporter	Name of Freight Forwarder	Name of Custom House Agent (If BE is filed)	Description of goods	Quantity (kgs/ UQC)	Date of issue of First notice	Date of issue of Second notice	Date of intimati on to depart ment for disposa l	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The above details will be furnished as per the information available from the IGM message of ICEGATE. The hazardous and dangerous goods like arms, ammunitions shall be explicitly mentioned in the remarks column. The softcopy of above list should also be sent by mail to DC (Disposal/in charge of Sec-48 Cargo at sec48-apaccblr@gov.in)

2. Efforts by Custodian to clear the consignment-

- a. The **custodian shall simultaneously update the list with importer's name and address.** In those cases, where the address of the importer is not mentioned in the IGM message from ICEGATE, a notice shall be sent to the respective Custom House Agents and freight forwarders requesting them to give address of the importer/consignee within one week of receipt of the notice.
- b. The Custom House Agents and freight forwarders **will be obliged to respond with the relevant details** within 7 days of receipt of letter from the custodian. The custodian shall also intimate the Custom House Agents and freight forwarders to contact the importer to clear the cargo from the concerned Customs Station/ Custodian's premises.

3. Issuance of Notices-

- a. **The custodian shall issue a notice** to importer under Section 48 of the Customs Act 1962 advising him to clear the goods within 10 days from the date of issue of the notice failing which the goods will be placed in public auction. B.
- b. Notice shall be sent to the importer on the address as given in IGM message available with the custodians, or the address ascertained from the Custom House Agents and freight forwarders. A copy of the notice issued to the importer under section 48 of the Customs Act, 1962 shall also be affixed on the notice board of the Customs Station.

4. Initial inventory of Section 48 goods for disposal-

- a. Based on the intimations received from Customs*, and notices issued to importers/CHA/freight forwarders, the concerned custodian, shall prepare **a detailed inventory of the shipments which are not required to be retained by Customs for any purpose.**
- b. In doing so, they will associate the Customs in 10% of the consignments for which Customs has already intimated that inventory has to be drawn in their presence for sample check.

*Concerned sections shall ensure that details of all goods/shipments which are put on hold for investigation or otherwise by DRI/SIIB or any other agency and those pending litigation shall be furnished to the Disposal branch of the customs station and the concerned custodian immediately. This will ensure that the Disposal branch and custodian are at all times aware of the goods/shipments/containers for which 'No Objection Certificate' from the concerned agency would be required before initiating disposal process.

The Custodian shall segregate the shipments which are disputed/stayed shipments required to be retained for investigation/adjudication/court procedure etc. based on the intimations received from Customs.

5. Valuation of shipments.

The value of the shipment/lot included in the initial inventory shall be fixed in next 7 days by a panel of Govt. approved valuers appointed by the concerned custodian which shall include an expert on the product line without involvement of the local Customs authorities. The values assessed by the approved valuers appointed by the custodians shall form the "reserve price".

6. NOC from Customs

- a. Within 7 days of drawing up of inventory, the concerned custodian shall approach the jurisdictional Customs authorities along with the said inventory seeking No Objection Certificate (NOC) in respect of all the shipments which are to be taken up for auction through the e-auction/tender.
- b. The inventory shall be as per table-1 above (para1) and should have a detailed description of the items, to enable Customs to easily identify the regulatory requirements in respect of the consignments mentioned in the inventory and it shall clearly indicate variation in description of goods with respect to description of goods mentioned in the list already forwarded as per para 1 above.
- c. In case regulatory clearances from agencies other than Customs are required such as NOC from FSSAI, Drug Controller, BIS etc., or samples of the consignment are required to be chemically analysed to identify the contents and fitness for consumption/ usage, Customs shall identify such requirement and intimate to the concerned custodian within 15 days of the receipt of complete list. The concerned custodian will then approach the jurisdictional Customs officer for assistance in obtaining the said regulatory clearance. If in this process, chemical analysis is required, Customs shall draw the samples and forward the same to the respective agency for testing. The required testing fees or such other charges required to be paid to the concerned agency, shall be paid directly by the concerned custodian to the said agency. The concerned testing agency will be required to submit the test reports within 15 days of receipt of the samples.
- d. NOC for such consignments shall be issued by Customs only after receipt of the required clearance/result of chemical analysis from the concerned agency, and various sections of Customs formation without which the concerned custodian shall not put the said consignment for auction.

7. **Auction process:** -The concerned custodian shall fix a date immediately after assessment of value of such shipment/lot and approval from the Disposal branch, for holding the auction/tender and communicate such date to the jurisdictional Commissioner/Principal Commissioner of Customs and the Assistant/Deputy Commissioner, Disposal branch of the Customs Station

a. **Online auctions via MSTC-**

- i. The consignments for which such unconditional NOCs are issued by Customs, shall be taken up for auction by e-auction through MSTC.
- ii. Advertisements shall be given in newspapers informing the dates of display of auction goods and the date and time of online auctions at least 7 days before the date of auctions to ensure maximum outreach and participation.

b. **Successful Bids -**

- i. All bids of value equal to or more than the reserve price, or those up to 5% less than the reserve price, shall be treated as successful bids for sale of the goods.
- ii. Remaining shipments/ lots of the list shall again be taken up for second auction against the same reserve price. In the case of shipments or lots, where bids are not received up to the reserve price, they shall again be taken up for a third auction against the same reserve price. Shipments/ lots of third auction, in respect of which three auctions have already taken place; but for which there was no successful bids, shall be considered for a fourth auction against the reserve price fixed before the first auction of such shipments/lots. However, in the fourth auction such shipments/lots are to be necessarily sold for the highest bid regardless of the reserve price fixed.
- iii. In the event of the shipments/ lots not being disposed of in the first auction, subsequent auction/ tender should be conducted in a time bound manner and such shipments/lots should be taken up in the next auction. Custodian shall furnish shipment/ lot wise bids received in respect of each auction to the jurisdictional Commissioner/ Principal Commissioner of Customs for approval.
- iv. In order to ensure quick and regular turnover, the concerned custodian shall attempt to hold at least one auction each month.

c. **Filing of BE and assessment -**

- i. After the successful bidder has been informed about the result of the auction, a consolidated bill of entry, buyer-wise will be filed with the Customs in the prescribed format by the concerned custodian for clearance of the goods as per Section 46 of the Customs Act 1962 read with Un-Cleared Goods (Bill of Entry) Regulations, 1972 (Regulation 2 & 3).
- ii. The proper officer of Customs shall assess the goods to duty in accordance with the extant law within 15 days of filing of the Bill of Entry and after assessment inform the amount of duty payable to the concerned custodian.

d. **Handing over of lots to successful bidders-**

- i. The auctioned goods shall be handed over to the successful bidder after assessment and out-of-charge orders given by the proper officer, on payment of dues. Sale proceeds of the auction shall be applied in terms of Section 150 of the Customs Act, 1962.
- ii. In case the entire process of auction is not concluded within 180 days of the commencement of auction, the custodian shall inform the bidder about further extended time which may be required to conclude the auction process. Where ever, the bidder indicates his unwillingness to wait further, his successful bid will be cancelled and the earnest money, if any deposited with the custodian by the bidder will be returned to the bidder under intimation to Customs. Otherwise, the auction process shall be concluded within the extended time conveyed to the bidder. In case any earnest money is collected from unsuccessful bidders, the same shall be returned within one week of the auction results.

8. **Destruction of Section 48 goods -**

In case of the zero-valued shipments as valued by the panel of Govt. approved valuers, result of chemical analysis, or report from FSSAI, Drug Controller, Plant Quarantine etc. indicate that the sample is not fit for consumption/usage, **the concerned custodian shall arrange to destroy the same at their expense, after obtaining the requisite environmental and other clearances as per law.** Date of the proposed destruction shall be intimated to Customs at least 15 days in advance, to enable the representative of the Customs to witness the same, should the need for the same be felt.

9. **Responsibilities of Custodians regarding storage and accounting of Section 48 goods.**

a. **The concerned custodian shall be responsible for:**

- i. Maintaining the Stock Registers in proper manner;
- ii. Proper custody of the Registers for handing-over and taking-over charge, and inventories and for submitting the Monthly Return of 'goods ripe for disposal.
- iii. (As detailed in para 1) The concerned custodian shall ensure that the Section 48 goods are properly sealed.
- iv. Area demarcated for Section 48 goods is properly secured.
- v. Access shall be restricted to authorised persons alone and appropriate measures shall be taken to prevent any possibility of pilferage.
- vi. They shall ensure that no goods are disposed without obtaining NOC from Customs.
- vii. The procedure prescribed in the Disposal Manual, 2019 for storage and preservation of goods must be followed scrupulously.

b. For shipments in para 1 above, there may be cases where the goods are cleared by various modes during the process of issuance of notices. **The Monthly lists submitted in para 1 shall be compiled on half-yearly basis by the concerned custodians** in the month of January (for the period July-December of previous year) and July (for the period January-June of present year) and all the disposals shall be documented clearly mentioning the mode of disposals such as auction, destructions, re-export, clearance by importer, seizure/confiscation or otherwise and shall be shared with the Disposal branch of Customs. The format of half yearly report shall be as follows: -

Sl. No	IGM Ref. & Date	MAWB & HAWB nos	Bill of Entry no, if any & date	Name of Importer	Name of Exporter	Name of Freight Forwarder	Name of Custom House Agent (If BE is filed)	Description of goods	Quantity (kgs/UQC)	Date of intimation to department for disposal	Mode of disposal*	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	12

* Mode of disposals shall be one of the below and relevant details shall be furnished in remarks column: -

- Auction
- Destruction
- Re-export
- Bill of Entry
- Seized/Confiscated
- Others

10. The above referred points are guidelines to draw a detailed inventory and the summary of procedures for disposal of unclaimed/uncleared goods. The concerned custodian shall proceed with storage and disposal of the goods following the procedures and the instructions detailed in Circular No. 49 /2018- Customs dated the 3rd December, 2018 read with the Disposal Manual, 2019 in a timely manner.

Rajal
14/12/2021

**Principal Commissioner of Customs
Airport & Air Cargo Complex,
Bengaluru Customs Zone**

References-

Circular No. 49 /2018-Customs dated the 3rd December, 2018.
Disposal Manual 2019 is available in <https://www.cbic.gov.in> - Customs - Manuals.

To -

1. M/s. Menzies Aviation Bobba (Bangalore) Pvt. Ltd
2. M/s. Air India SATS Airport Services Private Limited
3. M/s. DHL Express (India) Pvt. Ltd
4. M/s. Express Industry Council of India,
5. M/s FedEx Express TSCS India Pvt Ltd

Copy to -

1. AC/DCs/JCs/ADCs of Aircargo Commissionerate
2. Custom House Agents and freight forwarders
3. Notice Board