

Government of India
Ministry of Finance
Department of Revenue

RAJYA SABHA
UN-STARRED QUESTION NO. 1356
ANSWERED ON- 11/03/2025

UNSOLD SEIZED ASSETS FROM AGENCIES

1356. Dr. Ajeet Madhavrao Gopchade:

Will the Minister of FINANCE be pleased to state:

- (a) the actions Central Government has implemented concerning unsold seized assets from agencies such as the ED, DRI, and Income Tax Department and whether these actions have resulted in a decline in asset value and posed difficulties for these agencies in securing these assets over time the details thereof; and
- (b) the reason for which Government is not considering legal changes to allow for quicker sales of these assets, which could generate revenue, and in case the legal proceedings do not favour Government, whether the funds could be refunded to the affected party with interest?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The Government has taken many steps regulating disposal of assets seized by various agencies like ED, DRI and Income Tax Department. The provisions of the Prevention of Money-laundering Act and the Prevention of Money-Laundering (Taking Possession of Attached or Frozen Properties Confirmed by the Adjudicating Authority) Rules, 2013 prescribe provisions of disposal of certain type of confirmed attached/ frozen movable properties which are subject to speedy and natural decay or the expense of maintenance of such properties is likely to exceed its value, including property being mode of conveyance and necessary steps as per these provisions are taken by ED in appropriate cases.

The Section 110 (1A) of the Customs Act, 1962 authorizes Central Government to specify the goods or class of goods which the perishable or hazardous nature of any goods, depreciation in the value of the goods with the passage of time, constraints of storage space for the goods or any other relevant considerations to be disposed of after the seizure is affected. The Central Government had notified a total 21 class of goods which can be disposed off immediately after it's seizure in exercise of the powers granted by the legislature in section 110 (1A) which includes gold and gold jewellery, currency (Indian & Foreign), electronic goods, cellular phones, conveyance, liquors etc. [Notification no. 31/86-Cus]. Accordingly, the notified goods, including conveyance, are disposed of immediately after its seizure following the procedure prescribed in the Disposal Manual, 2019 as well as Section 110(1B) of CBIC. Similar provision also exist in the NDPS Act section 52(A) where the Central Government can notify certain narcotic drugs, psychotropic substances, controlled substances or conveyances on account of their hazardous nature, vulnerability to theft, substitution, constraint of proper storage space for there early disposal.

As per section 110A of the Customs Act, 1962, there are provisions in relation to provisional release of goods, documents and things seized pending adjudication subject to taking a bond and security as per the conditions mandated by the adjudicating authority. The Section 28BA provides for provisional attachment of property belonging to the person on whom notice is served under sub-section (1) or sub-section (4) of section 28 or sub-section (3) of section 28AAA or sub-section (2) of section 28B, for protecting the interests of revenue with the previous approval of the Principal Commissioner of Customs or Commissioner. As regards to the confirmed demands, Section 142 of the Customs Act, 1962 provides for detaining and sale of the movable and immovable properties.

Further, The Income Tax Department has systems in place for the recovery of tax dues through various methods such as attachment and sale of assets, including seized assets, which are undertaken by Tax Recovery Officers as per provisions laid in the Second and Third Schedule of the Income-tax Act, 1961. Moreover, as per the provisions of the Act, stock-in-trade, found as a result of search, is not seized. Further, any perishable goods are, generally, not seized. CBDT issues OMs and other administrative guidelines from time to time to the field formation for the realization of tax dues through the timely sale of attached/seized assets.

(b): In view of adequacy of existing provisions, no such proposal is under consideration.
