

Government of India  
Ministry of Finance  
Department of Revenue

**LOK SABHA**  
**UN-STARRED QUESTION NO. 1123**  
TO BE ANSWERED ON MONDAY, DECEMBER 02, 2024  
Agrahayana 11, 1946 (Saka)

**UNSOLD SEIZED ASSETS FROM VARIOUS CENTRAL AGENCIES**

1123. Shri Parshottambhai Rupala:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken any steps regarding unsold seized assets with various central agencies like the ED, DRI and Income Tax Department, which have led to a decrease in the value of these assets and created challenges for these agencies in maintaining their security over an extended period; and
- (b) whether the Government has any plans to amend the rules to permit prompt sale of such assets to generate revenue and if the litigation doesn't go well whether the realized amount along with interest could be returned to the affected party?

**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, including the attachment and sale of seized assets, which are undertaken by Tax Recovery Officers as per provisions laid in the Second 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, such proposal is under consideration.

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