Subject: Procedure to be followed for closure of IGMs - regarding.

It has come to notice that IGMs are not being closed unless time limit defined. Accordingly, the following procedure has been devised to liquidate pendencies for closure of IGMs which shall henceforth be followed scrupulously.

1. The custodian will provide details of IGMs within 7 days of filing to MCD section in prescribed format. (The letter written to custodian in this regard has been enclosed as annexure "A" to this Standing Order).

2. Following scenarios may arise with respect to imported goods:-

   (i) Where Bills of Entry (including 'Kachcha' BE) have been filed against Line Nos. of IGMs, and goods were cleared in full manifested quantity.

   (ii) Where Bills of Entry (including ‘Kachcha’ BE) have been filed against Line Nos. of IGMs, and goods were cleared in part of manifested quantity.

   (iii) Where Bills of Entry (including ‘Kachcha’ BE) have been filed, but goods remained uncleared for home consumption.

   (iv) Where no Bills of Entry has been filed and goods remained uncleared.

   (v) Where Warehouse Bill of Entry has been filed.

   (vi) Where Transshipment of goods have been allowed.

3. (a) In case mentioned at S. no. 2(i) above i.e. where Bill of Entry w.r.t. Line No. of IGM has been filed and goods were cleared in full for home consumption, the respective Line No. may be treated as closed.
(b) In cases mentioned at S.No. 2(ii) above, i.e. when Bill of Entry w.r.t. Line no. of IGM has been filed but only certain part of manifested quantity could be cleared, the appropriate reasons and break up for the same to be ascertained by the MCD section. This situation may arise due to following reasons.

(i) Where the goods were short shipped from consigner. In such cases, if the goods have been cleared with regard to quantity landed (quantity manifested (-) short Shipped quantity), the respective Line No may be closed after necessary amendments in IGMs as allowed by Assistant / Deputy Commissioner (MCD).

(ii) When the goods are short landed. This situation is illustrated with following example:-

If the manifested quantity is 10 packages against a certain Line No. i.e. 10 packages were loaded at the place of consigner, but only 9 packages landed. Thus, 1 package in this case shall be treated as short landed. Under such circumstances, necessary action under section 116 of the Customs Act, 1962 should be taken by concerned Assistant Commissioner / Deputy Commissioner (MCD), as the case may be and the Line Nos. in such cases can be closed only after due adjudication proceedings under Section 116 of the Customs Act, 1962.

(iii) There may be a scenario of pilferage of goods after arrival but before clearance for home consumption. For example out of 10 packages of manifested quantity, all 10 packages landed, but only 9 packages were found available for Out of Charge, then in these cases custodian shall be responsible for such shortage in quantity. Accordingly under Section 45(3) of the Customs Act, 1962; the custodian shall be held liable to pay duty on such pilferage/lost goods. After due issue on SCN the Line No. in such cases to be closed only after adjudication proceedings are completed.

(c) In situation mentioned at S.No. 2(iii) and 2(iv) necessary action under Section 48 of the Customs Act, 1962 to be taken by custodian for disposal of goods after obtaining NOC from Customs & PGA and after giving notice to Importer. The outcome of such disposal proceeds shall be intimated by disposal section to MCD Section within 7 days of completion of disposal proceedings. Thereafter, the Line No. w.r.t. which disposal proceedings have been duly completed and packages accounted for, shall be treated as closed by proper officer.

(d) As regard to cases mentioned at S.No. 2(v), where Warehouse Bills of Entry has been filed after getting the information from custodian in the format prescribed therein, the
officers of MCD shall verify the details of ex-bond Bills of Entry w.r.t. such Warehouse Bills of Entry from Bond Section of the Custom House. If the whole manifested quantity as mentioned in Warehouse Bill of Entry is accounted for against the respective Ex-Bond Bills of Entry, the relevant Line No. shall be treated as closed.

(e) The Line No., which are referred as transshipped by the custodian shall be treated as closed.

4. Once all the Line Nos. of IGMs are accounted for in the manner discussed above, the Inspector (MCD) shall make necessary endorsement of closure of IGM and put up the same of the Superintendent / Appraiser (MCD), who after scrutinizing the same, shall put up to AC/DC (MCD) for approval of closure of IGM.

5. In cases where the AC/DC (MCD) notices cases which appear suspicious he shall bring it to be notice of ADC/JC in charge of MCD/JC (SIIB) immediately.

6. A reconciliation report for all IGMs filed for a particular month will be submitted by the 10th of the succeeding month for perusal and information of the Commissioner by the MCD branch.

Copy to:-

1. PA to Chief Commissioner of Customs, CCCU(DZ), NCH, New Delhi.
2. The Additional / Joint Commissioner of Customs, ACC Import, NCH, New Delhi.
3. All Deputy/Assistant Commissioners of Customs, ACC Import Commissionerate, NCH, New Delhi.
5. Notice Board.

Yours faithfully,

Superintendent (Technical)