

Speed Dist

CENTRAL WAREHOUSING CORPORATION  
(A GOVT. OF INDIA UNDERTAKING)

"WAREHOUSING BHAVAN"  
4/1, SIRI INSTITUTIONAL AREA,  
HAUZ KHAS, NEW DELHI-110 018.

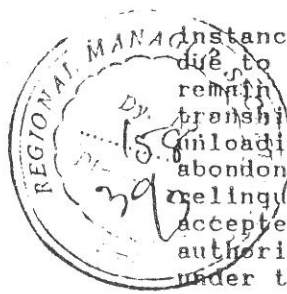
No. CWC-CD/XII-CFS/AUCTION/97-98

Dated: 23.3.1988

CIRCULAR

SUB: PROCEDURE FOR DISPOSAL OF UNCLEARED/UNCLAIMED/TIME BARRED BONDED GOODS FROM THE ICDs/CFSS/BONDED WAREHOUSES.

1.0 APPLICABILITY OF THESE INSTRUCTIONS:



In the ICDs/CFSS and bonded warehouses operated by CWC, instances of cargo remaining uncleared/un-delivered may arise due to various reasons. Goods imported into the country may remain uncleared for home consumption or without warehousing or transshipment or re-exportation beyond 30 days from the date of unloading which are liable for disposal. Similarly goods abandoned by the importer or the title of the goods having been relinquished by the importer and such relinquishment having duly accepted by the Manager CFS/ICD in consultation with custom authorities for disposal will also qualify for consideration under these guidelines.

Guidelines on disposal of time barred bonded goods in bonded warehouses are also incorporated.

Similarly goods damaged while in storage at customs station/bonded area and where the responsibility for disposal of such cargo is entrusted to the custodian by the customs authorities may also be disposed off under these guidelines.

2.0 DIFFERENT TYPES OF DISPOSAL PROCEDURES APPLICABLE:

i) Disposal under section 48 of the Customs Act, 1962:

Disposal of uncleared cargo from a customs station under Section 68 of the Customs Act, 1962 will be applicable in respect of all ICD/CFSS operated by CWC at Inland Stations and in port towns where the customs authorities have not subsequently agreed to the custodian adopting procedures for disposal of uncleared cargo under provisions of the Major Port Trust Act. As such these instructions are presently applicable to all ICDs/CFSS except the CFSS operating in JNP Complex.

ii) Disposal of goods under the Major Port Trust Act:

Disposal of uncleared cargo under provisions of Section 63 of the Major Port Trust Act, 1963 has been accepted by the Customs Authorities in respect of the CFSS in JNP complex.

iii) Disposal of time barred bonded goods from bonded warehouses:

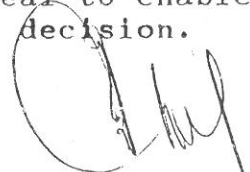
Disposal of time barred bonded goods from bonded warehouses is undertaken under Section 72 of the Customs Act, 1962. The procedure will be applicable in respect of all time barred bonded goods as well as abandoned/relinquished cargo lying at bonded warehouses and awaiting disposal.

3.0 Detailed procedures for auction under the various

sections of the Customs Act or the Major Port Trusts Act as applicable in respect of different customs stations operated by CWC are enclosed.

4.0 All concerned are requested to take action for timely disposal of the uncleared/unclaimed/time barred cargo left in the various customs licenced premises operated by us through out the country as per the guidelines. Close coordination is needed with the customs officers concerned for ensuring that the goods are cleared/disposed off without undue delay and that the process of disposal is a continuous one.

Any problem encountered in the implementation of the instructions which cannot be sorted out locally may be referred to the Commercial Division at HO indicating the issue, procedure laid down in that regard in the guidelines, difference of opinion between the procedure adopted by CWC and the one advised by Customs authorities, the precedents and such relevant information. In other words, the proposal be sent for approval in a comprehensive form and not in piecemeal to enable us to take a constructive view and facilitate quick decision.



(C.T. THOMAS)

JOINT MANAGER (BUSINESS)  
FOR COMMERCIAL MANAGER

DISTRIBUTION :

- ✓ 1. ALL REGIONAL MANAGERS (Jaipur)
- 2. ALL MANAGERS ICD/CFSS
- 3. ALL WAREHOUSE MANAGERS, BONDED WAREHOUSES
- 4. ALL HODs FOR INFORMATION.
- 5. MASTER FILE

PROCEDURES FOR DISPOSAL OF UNCLEARED/UNCLAIMED/TIME BARRED BONDED GOODS FROM THE ICDs/CFSS/BONDED WAREHOUSES.

1. APPLICABILITY OF THE INSTRUCTIONS:

The instructions given in the following paras shall apply in respect of the undermentioned types of cargo held in the custody of CWC.

a) UNCLEARED GOODS

Goods brought into India from any place outside India and not cleared for home consumption or warehoused or trans-shipped or re-exported within 30 days from the date of the unloading thereof at a Customs Station or within such further time, as the Customs Authorities, so decide from time to time.

b) ABANDONED GOODS :

Any imported goods brought into the customs station/bonded warehouse for clearance/warehousing but not cleared within the specified time limits and the importer having not turned up for claiming the goods despite repeated notices or having given an abandonment notice.

c) DAMAGED GOODS:

This will cover all imported cargo held by the custodian of a customs station/bonded warehouse which has been damaged while in transit to the warehouse or during storage at the customs station/bonded warehouse and the responsibility for disposal of which has been entrusted to the custodian by the Customs .

d) RELINQUISHED GOODS:

Imported goods title to which has been relinquished by the importer and the same has been accepted by the customs under provision of Section 23 of the Customs Act 1962 and the custody thereof has been entrusted to CWC for disposal.

2. ISSUE OF NOTICES:

Imported cargo received in a customs station could be retained in a specified import warehouse upto 30 days after first importation according to Section 48 of the Customs Act. In case the cargo is not cleared, a time bound notice is to be issued to the importer and the CHA with copy to the AC customs(Imports) advising him to lift the cargo within 10 days from the date of notice failing which the cargo will be referred for auction under provisions of the Customs Act, without any further notice to them.

3. REFERENCE TO CUSTOMS FOR VALUATION OF CARGO:

i) Wherever the time bound notices has been issued and the notice period has expired, a reference will be made to the AC Imports intimating about the details of such cargo alongwith a copy of time bound notice issued in this regard requesting that in view of the expiry of the notice period, customs may initiate action for disposal of the material for which purpose the valuation of the cargo may be decided.

ii) The customs will depute an authorised officer for examination of the cargo and for fixation of the value of the cargo as well as customs duty thereon. The value and duty so prescribed by the customs authorities may be intimated to the custodian for further action within one month of the receipt of such notice from the CWC.

**4. PROCEDURES FOR DISPOSAL OF UNCLEARED/UNCLAIMED/TIME BARRED BONDED GOODS FROM THE ICDs/CFSS/BONDED WAREHOUSES:**

The procedure for sale is given as Annexure-I.

**5. TERMS & CONDITIONS FOR AUCTION:**

The detailed terms and conditions for auction are given in Annexure-II. A sample tender format is given in Annexure-III.

**6. FIXATION OF RESERVE PRICE & MARKET PRICE:**

The procedure for fixation of reserve price is given as Annexure-IV. The reserve price for each consignment shall be fixed by a Committee of Officers consisting of one DM(G) and one senior most officer of the Accounts Wing of Regional Office and one officer nominated by the Commissioner of Customs who shall not be below the rank of AC Customs.

**7. ACCEPTANCE OF BIDS/OFFERS:**

The Competent authority for acceptance of sale proceed if received above the reserve price would be the Committee in case of auction and RM, if the acceptance of highest bid by the Committee is subject to confirmation of sale is through tender and if it happens to be less than the reserve price the decision upto a reserve price of Rs. 15 lakh worth of goods would lie with RM and with the financial concurrence of senior most officer of Accounts Wing and of Rs. 20 lakh worth of goods for each lot would lie with CM with the concurrence of Dy. Financial Adviser and beyond that MD with the concurrence of Financial Adviser. In such cases the Manager, CFS/ICD would ensure sending such proposals to the above authorities only after consulting the concerned authorities in Customs Deptt. and having their no objection for disposal at the highest rate received.

**8. RECOVERY OF SALE DEFICIT:**

The action required for recovery of sale deficit is given in Annexure-V.

**9. ACTION TO BE TAKEN FOR GOODS WHICH COULD NOT BE DISPOSED OF BY AUCTION/SALE:**

Where no offer is received either in the tender or in the open auction or by floating limited tender enquiry or by sending a team of officers to collect spot quotations or negotiating with a party or parties even without call of tenders, the consignment will be destroyed under the orders of the MD, CWC. The said procedure would be followed strictly in its order of priority as mentioned above by the Manager CFS/ICD and case submitted to HO alongwith his specific recommendations for a decision. Advertisement in the Newspapers would be given only in those cases where the reserve price so fixed happens to be more than Rs. 1 lakh for items put to auction at a time or



revised from time to time in the purchase manual of CWC.

5

ANNEXURE-I

PROCEDURE FOR SALE OF UNCLEARED/UNCLAIMED/TIME BARRED BONDED GOODS.

- i) Sales will be held by auction, as far as possible, on fourth Thursday of every month and undisposed cargo in auction by open tender on date and time so decided by the Manager CFS/ICD in consultation with the Customs Authorities.
- ii) Any item coming up for public auction, will be sold to the highest bidder.
- iii) During the course of the sale of all uncleared cargo coming up for disposal, if a particular cargo cannot be disposed of in first auction, the cargo will be put to sale by invitation of sealed tender. All tenders will be opened at the same venue by the sales committee of officers in the presence of the tenderers and offers received entered in a comparative statement of tender which will be prepared lotwise. The Competent Authority for taking decision would be the one as defined under para 7 "ACCEPTANCE OF BID/OFFERS". If a lot is withdrawn from sale, the tenders will be discharged unopened.
- iv) For sale of goods by open auction, 20% of the bid price shall be paid in DD or cash for difference in amount between the EMD and the amount of demand draft immediately and the balance within five working days from the date of acceptance of bid. Arrangements will be made to ensure that upon payment of the balance, the purchaser receives the delivery order immediately alongwith the receipt for the payment. However, for sale of goods by open tender enquiry or limited tender enquiry, the tender should be accompanied by a demand draft for 20% of the total price offered by the tenderer towards EMD and the balance within 5 working days from the date of acceptance of tender, upon finalisation of the bid.
- v) The successful purchaser, whether in tender or in open auction will be given five working days to pay the balance of his purchase price and octroi, sales tax etc. during which period no warehouse rental charges will be collected. Failure to remit the balance, or complete clearance within the stipulated period as notified in tariff will entail payment of rent /warehousing charges at the prevailing rate or face cancellation of the sale and forfeiture of amount deposited in respect of the cargo lying uncleared as the case may be.
- vi) Where no offer is received, whether in the tender or in the open auction or by negotiation, the lot will be destroyed in consultation with the Customs Authorities and with the prior approval of RM.
- vii) The sale proceeds will be apportioned as per Section 63 of MPT Act.

viii) It has been the experience that in some cases where cargo to be cleared is in large quantity and cost is also high, the bidders come up with a request for extra time over the free period allowed i.e 5 days. There is a provision for collecting the warehouse/storage charges as referred to in the preceding paras. In certain genuine cases it may not be possible to clear the cargo in limited time in view of the practical difficulties beyond the control of the purchaser such as clearing of cargo like carbon black, waste paper, scrap etc. which being in huge quantity may create genuine problem. In such cases RM, CWC for goods upto the reserve price of Rs. 15 lakhs, CM upto reserve price of 20 Lakhs and beyond this MD CWC are empowered to extend the period of clearance and condone the delay on merits of each case by recorded reasons.

ANNEXURE-II

TERMS & CONDITIONS FOR AUCTION

Conditions to be stipulated by the auctioneer while preparing the sale list:

Terms in brief :

1. Entrance fee (Non refundable) Rs. 50/- per head.
2. 20% of the highest bid in cash, demand draft/pay order favouring the Manager, CFS/ICD on the spot as EMD at the fall of hammer.
3. Buyers will have to make balance payment with taxes (Sales tax and Octroi at the rate in force) and take delivery within five working days.
4. Sales tax at the rate in force shall be charged extra.
5. In respect of offers acceptable by the C.A. stationed at the place of auction/sale would be kept open for a period of 15 days and for outside 30 days, thereafter as mutually decided.
6. The results of bids accepted under "subject to confirmation" shall be informed by the Manager CFS/ICD about the acceptance or otherwise by a letter under certificate of posting or by Registered Post with acknowledgement due/or by fax message or personally with due acknowledgement. The date of despatch of the letter by post/fax message, confirmation in person with due acknowledgement, will be treated as date of confirmation of acceptance of goods.  
Five free working days for payment of balance purchase price to complete delivery will be allowed from the date of despatch of confirmation letter.
7. 20% of the sale value as EMD, to be paid even for lot sold on subject to confirmation.
8. Delivery of the goods will be effected between the office hrs. only i.e. from 1000 to 1700 hrs. only on all CFS/ICD working days.
9. For delivery of lots, particularly those sold on weightment basis, purchasers are requested not to wait for the last date of free period to effect delivery as no extension of time will be allowed for any reasons whatsoever for extra payment of price for additional quantities ascertained at the time of weightment.
10. Balance amount to be paid either by pay order or by demand draft before start of delivery.
11. Purchasers are requested to complete all the formalities connected with ADC/PHO/Custom/Any Statutory Authority before goods are delivered to them.
12. For all the goods sold subject to mutilation and fumigation and allied custom/Asstt. Drug Controller/Port Health Officer/Pollution Control Board formalities, free period of 30

calendar days only will be allowed for completing all formalities from the date of confirmation of offer. If these formalities are not completed within that period, the purchaser will have the option to come forward and withdraw the offer within 15 days i.e. before the expiry of 45 calendar days from the date of confirmation of acceptance of the offer. If the purchaser does not apply for cancellation of sale, the warehouse rental charges as notified in the tariff from time to time will be recovered from the 31st day following the date of confirmation of offer. The Earnest Money Deposit/Purchase price will be forfeited and the sale cancelled if the purchaser does not withdraw the offer between 31st day and the 45th day following the date of confirmation of the sale, goods to be mutilated only under customs supervision to avoid misuse of trade marks, names etc.

13. To ensure that consignments of bulk drugs are sold to only actual users i.e. manufacturers holding valid manufacturing licence under Form 25 and 28 with valid permission for the usages of the said bulk drugs in its formulations, the bidder should attach the following documents to their offer forms:-

- i) Bid sheets should be signed only by the highest bidder i.e. signatory of the firm giving the offer alongwith the Committee Members so appointed for sale of goods.
- ii) Counter foil of the application form alongwith a xerox copy, submitted by the actual user holding licence to the Bank for obtaining Demand Draft/Pay Order should be attached to the offer form alongwith the Demand Draft/Pay Order.
- iii) Likewise the purchaser while bidding in auction should produce the documents mentioned above(i) in original or copy duly certified by Asstt. Drugs Controller, Initial verification of the requisite documents will be done by the officer of sale branch attending tender.

14. In case of drug consignments such as citric acid, potassium permanganate, phenol etc. which may be found fit for medicinal or non medicinal use as advised by the Asstt. Drug Controller from time to time, offers will be entertained from the actual users only and while giving the offers at the time of tender/auction, they should fulfil the conditions stipulated in sale conditions no. 09, otherwise their EMD stands forfeited irrespective of whether it was actually inspected or not. No selection or sorting whatsoever of the goods will be allowed. Quantities, Quality, sizes, measurements, numbers and weights stated are approximate. No sale shall be invalidated by reasons of any defects or faults in any of the lots on account of lots being incorrectly described and no compensation shall be paid in respect of any such faults or entries in the description. No inspection of lot which are sold and subsequently confirmed shall be permitted under any circumstances unless full purchase price is paid. No compensation shall be entertained after the lot is knocked down.

15. Should the original purchaser, whose offer has been accepted wish to take delivery of the goods through a representative, he must authorise by a letter of authority which shall be presented to the Manager, CFS/ICD/Bonded Warehouse.

Delivery by proxy will be at the purchaser's own responsibility and risk and no claim shall be against CWC on any account whatsoever if the delivery is taken by the wrong person.

16. In the event of any dispute as to the cost of highest bid the same shall be decided by the Committee of Officers present at the sale and the lot or lots in question may be re-auctioned at their discretion. The decision of the Committee in this regard would be final and binding on the purchaser/bidder.

17. Goods may be sold in one or more lots as found suitable and convenient and/or advantageous in the opinion of the Committee Officers present at the auction sale.

18. Any lot or part thereof, may be withdrawn from sale at any time before it is actually sold without disclosing the reserve price and assigning any reason for such withdrawal.

19. The Committee present at the sale may refuse to accept the bid of any person or persons without giving any reasons whatsoever.

20. No person shall at any bidding advance a sum less than that fixed by the auctioneer or retract a bid.

21. If the purchaser fail to take delivery of the goods within the maximum allowed dock working days from the date of confirmation of sale, the earnest money or any of the amount deposited by them will be forfeited and cargo will be relisted for sale.

22. No sale shall be invalidated by reason of any defect or faults in any of the lots or on account of any of the lots being incorrectly described and no compensation shall be paid in respect of any such faults or errors of description.

23. The goods are sold "As and where they lie basis". The lot or lots shall be removed in full from the site with all faults and flaws in description and no selection or sorting of the material will be allowed. Quantities, qualities, sizes, measurements, numbers and weights stated are approximate. Wherever the sale is made on weight basis the amount will be collected on the basis of actual gross weight.

Goods are sold on assumption that the bidders have inspected the lots prior to the bidding and they know what they are bidding for. No complaint will be entertained after the lot is once knocked down.

24. The goods shall lie at the sole risk and responsibility of the purchaser in all respect from the time of sale and must be taken away by the purchaser at his own expenses within the stipulated time.

25. In case CWC can not deliver the goods within the specified time due to unanticipated administrative reasons, then suitable extension of period shall be granted to the purchaser and the purchaser will not be liable to pay ground rent or any other charges, till the expiry of such extended period.

26. When stores are sold by weight or number and not on the basis of lots and the purchaser fails to obtain delivery of the whole or a portion of the goods sold, he shall not be entitled

to make any claim for the proportionate refund of the value of the undelivered quantity. He shall also not be entitled to claim any damage, loss of profit, interest on this account.

27. Sale in the name of a person other than the one who participated in the bid or the name in which the tender is submitted will not be recognised and delivery orders will be made out in the name of the actual purchaser(s) only.

28. When stores are sold by weight, the purchaser will be required to make his own arrangements to provide weighing scale, labour, weighment of the lots at the site of delivery and shall remove goods after the actual gross weight is ascertained.

29. All bidders and purchasers shall be deemed to have read and acquainted themselves with these conditions of sale and agree to the same. The delivery of the material in part or in full can be with-held at any stage by the Manager, ICE before

actual delivery of stock without any commitment/liability on either side.

31. The CWC shall not be responsible for any loss or liabilities of the bidders if the purchased lots could not be delivered due to circumstances beyond control.

32. If the goods other than mentioned in the list of sale are found at the time of delivery the same may not be delivered.

33. Any other special condition stipulated at the time of auction or sale through tenders would be binding on the bidder/purchaser.



CENTRAL WAREHOUSING CORPORATION

Open Tender for sale of uncleared goods.

Tender Sale No. \_\_\_\_\_ Time of opening 1130 A.M. on  
Venue: CFS/ICD \_\_\_\_\_ or any other venue as decided from  
time to time by Manager(CFS)/ICD.

1. The goods listed in the attached tender at the Annexure are offered for sale AS IS WHERE IS BASIS.
2. For the goods sold in tender, the delivery orders will be issued by the Manager CFS or his authorised representative of Auction/Sale/Disposal.
3. Tender forms and sale list can be obtained from the office of the Manager, CFS/ RM, CWC \_\_\_\_\_ on payment of Rs. \_\_\_\_\_ on any working day between \_\_\_\_\_ hrs. to \_\_\_\_\_ hrs. and \_\_\_\_\_ hrs. to \_\_\_\_\_ hrs.
4. The Sr.No. and lot No. of the goods which will be withdrawn or cleared will be displayed on the notice board of the office of the Manager CFS. Tenderers may refer the same before submission of tender quotation and payment of END. Completed tenders shall be handed over to the office of the Manager CFS or shall be inserted into the tender box kept in the office of the Manager CFS on or before opening of the tender.
5. Offer for each lot shall be submitted separately on individual form available along with the tender Sr.No. in the tender and lot No. shall be shown correctly on the offer form. If the Sr. No. and lot No. do not match, the offer will be construed as having been made for the goods with respect to lot No. and the committee will decide on the result of the offer on that basis only.
6. OFFERS SHALL BE QUOTED ON THE BASIS AS SPECIFIED IN THE TENDER LIST. TENDERER WILL NOTE THAT IN CERTAIN CASES OFFER IS CALLED FOR ON WEIGHT BASIS I.E. ON GROSS WEIGHT AND IN OTHER CASES ON LOT BASIS. THEREFORE, OFFER QUOTED ON THE BASIS OTHER THAN THE ONE SPECIFIED FOR THE LOT WILL BE SUMMARILY REJECTED.
7. CONDITIONAL OFFERS ARE LIABLE TO BE REJECTED.
8. Every offer shall be accompanied with an END of 20% of the offer value to be paid by Demand Draft or Pay order favouring the Regional Manager concerned.
9. If the highest bid is acceptable, straightaway the sale committee will announce about it before accepting and confirming the sale on the spot. However, if the highest offer is considered, on subject to confirmation basis the party will be informed within three days .
10. Result of bids accepted under subject to confirmation basis shall be informed about the acceptance or otherwise by a letter under certificate of posting or by Registered post with acknowledgement due/or by fax message or personally with due acknowledgement. The date of despatch of the letter by post/fax message confirmation in person with ack will be reckoned as the date of despatch of acceptance of offer. Five free working days for payment of balance purchase price and to complete delivery will be allowed from the date following the date of despatch.

It is expected from every tenderer to enquire about results of lots sold on "subject to confirmation basis". Failure to receive confirmation letter from the CWC will not be considered as a sufficient reason to make delay in payment of the balance purchase price and clearance of the goods.

11. The successful purchaser will have to pay the balance purchase price and clear the goods within the stipulated five free working days of the CFS, after confirmation.

12. On expiry of the free period, the goods may be allowed to be cleared on payment of demurrage charges which shall be recovered as notified in the Tariff from time to time. No extension of time, shall however, be allowed after the expiry days as notified following the date of confirmation of offer.

13. For delivery of lots, particularly those sold on weightment basis purchasers are requested not to wait for the last date of free period to effect delivery as no extension of time will be allowed for any reason whatsoever for extra payment of price for additional quantities ascertained at the time of weightment.

14. Purchasers are requested to comply with formalities connected with the ADC/PHO/Customs/Any Statutory Authority before goods are delivered to them.

15. For all the goods sold subject to mutilation and fumigation and allied Customs/Asstt. Drug Controller/Port Health Officer/Pollution Control Board formalities, free period of 30 calendar days ONLY will be allowed for completing all formalities from the date of confirmation of offer. If these formalities are not completed within that period, the purchaser will have the option to come forward and withdraw the offer within 15 days i.e. before the expiry of 45 calendar days from the date of confirmation of the offer. If the purchaser does not apply for cancellation of sale, the warehouse rental charges at the notified rate in the port tariff will be recovered from the 31st day following the date of confirmation of offer. The Earnest Money Deposit/purchase price will be forfeited and the sale will be cancelled if the purchaser does not withdraw the offer between 31st day and the 45th day following the date of confirmation of the sale. Goods shall be mutilated only under CWC supervision to avoid misuse of Trade marks, names etc.

16. To ensure that consignments of bulk drugs are sold to only actual users i.e. Manufacturers holding valid manufacturing licence under Form 25 and 28 with valid permission for the usages of said bulk drugs in its formulations, the Tenderers should attach the following documents to their offer forms :-

- i) Tender forms should be signed only by the authorised signatory of the firm submitting the offer.
- ii) Counterfoil of the application form alongwith a zerox copy, submitted by the actual user holding licence to the Bank for obtaining Demand Draft/Pay order should be attached to the offer form alongwith the Demand Draft/Pay order.

Likewise, the purchaser while bidding in tender should produce the documents mentioned at 16 (ii) in original or copy duly certified by Asstt. Drugs Controller, Numbai. Initial verification of the requisite documents will be done by the officer of Sales Branch attending tender.

Only the authorised representative of the manufacturing firm is permitted to bid in auction. He should produce authority letter from his firm for inspection before acceptance of the offer. 20% EMD amount of the sale price of the lot purchased by Demand Draft/Pay order alongwith counterfoil of the forms submitted by the actual manufacturers holding licence for obtaining Demand Draft/Pay order. The balance EMD amount may be paid in DD/Pay order/Cash on Nationalised Scheduled Bank payable at \_\_\_\_\_.

The balance sale price should also be paid by the purchaser by Demand Draft/Pay Order only and the purchaser should furnish counterfoil of the application given for issue of Demand Draft to Bank at the time of payment of balance 80% amount.

17. In case of drug consignments such as Citric Acid, Potassium Permanganate, Phenol etc. which may be found fit for medicinal or non-medicinal use as advised by the Asstt. Drug Controller from time to time, offers will be entertained from the actual users only and while giving the offers at the time of Tender, they should fulfil the conditions stipulated in Sale conditions No.16, otherwise their EMD stands forfeited.

However, in case where Asstt. Drug Controller has already certified the drug for non-medicinal use only then the actual user condition as mentioned above is not applicable. The delivery of such lots, which are certified for non-medicinal use, will be given after making as "Non Medicinal Use" on the packings in presence of Asstt. Drug Controller. In such cases, it is the responsibility of the tenderer to bring the ADC for completing the formalities.

18. In case of non-approval of the lots by the Asstt. Drug Controller/Port Health Officer, the sale of lots will be cancelled and EMD refunded to the successful purchaser. The approval or otherwise of the Authority concerned shall have to be obtained within a maximum period of 30 days from the date of sale failing which EMD will be forfeited.

19. All the goods sold by Tender sale lie at the risk of purchaser until the goods are removed.

20. All the lots will be sold on weight and no. basis except those mentioned as specifically on lot basis or as announced before sale. After conclusion of the auction, some changes may be made on the basis on which offers in tender are sought. Such changes from 'LOT BASIS' to 'GROSS WEIGHT BASIS' or vice versa will be shown on the Notice Board at the office of the Manager CFS/ICD.

21. The Manager CFS/ICD \_\_\_\_\_, at any time reserves the right to withdraw without any reason all or any lot or part thereof from tender including those sold out "subject to confirmation" even though only confirmation of ADC/PHO or Fumigation are pending.

22. Sale of uncleared and unclaimed goods shall be subject to such other conditions as may be specified from time to time in accordance with the prevalent rules, regulations etc.

23. Lots should be inspected by the intending purchaser before making an offer. Lots will be sold as 'AS AND WHERE THEY LIE BASIS'. Once an offer is accepted, purchaser will have to take delivery of the goods notwithstanding all the faults and flaws, if any, in the condition or description etc. of the goods irrespective of whether it was actually inspected or not. Selection or sorting whatsoever of the goods will not be allowed. Quantities, Qualities, sizes, Measurements, Numbers and weights stated are approximate. No sale shall be invalidated by reasons of any defects or faults in any of the lots or on account of lots being incorrectly described and no compensation shall be paid in respect of any such faults or errors in the description. No inspection of lot, which are sold and subsequently confirmed, shall be permitted under any circumstances unless full purchase price is paid.

24. Should the original purchaser, whose offer has been accepted wish to take delivery of the goods through a representative, he must authorise by a letter of authority which shall be presented to the Manager CFS for his acceptance. Delivery by proxy will be at the purchaser's own risk and responsibility and no claim shall lie against the CWC on any account whatsoever if the delivery is taken by the wrong person.

25. No claim for damage or for losses of any kind will be entertained on any account, whatsoever.

26. Offers, in respect of lots sold under the heading "subject to confirmation basis" will remain open for a period of 45 days. If offer is withdrawn within 45 days, EMD will be forfeited.

27. Purchasers offering for Cotton yarn will be required to submit

certificates from the Textile Commissioner or any other competent authority to the effect that they are actual users. Failure to produce the certificate will result in cancellation of sale and forfeiture of Earnest Money Deposit. Since other yarn consignments are under OGL, actual user condition will not be insisted upon from the purchaser. (14)

28. The rate of octroi and sales tax are indicated in Tender sale list. Purchaser interested in buying the lots should carefully go through rates indicated against each lot and no changes in the rate of tax will be entertained once the sale is concluded.

Municipal Octroi and Sales Tax wherever due are payable separately by the successful purchaser in addition to the purchase price. These amounts shall be paid at the time of payment of balance price.

29. Wherever the goods are sold on No. basis the delivery will be given as per prescribed units.

15

ANNEXURE-IV

TENDER FORM NO. \_\_\_\_\_ VALID FOR PUBLIC SALE ONLY  
DUE ON \_\_\_\_\_

PUBLIC TENDER SALE NO. \_\_\_\_\_ OF \_\_\_\_\_  
DUE ON \_\_\_\_\_

NAME OF THE TENDERER : \_\_\_\_\_

FULL ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TEL.NO. \_\_\_\_\_ TELEX NO. \_\_\_\_\_

FAX NO. \_\_\_\_\_

OFFER

I/We indicate my/our offer for the item mentioned in the tender list :

Sr.No.of the lot in the tender	Page No.	Lot No.	Unit (No./ Wt.)	Rate(in words & in figures)
(1)	(2)	(3)	(4)	(5)

I/We have read and understood the conditions of Public tender sale instructions to the tenderers and agree to abide by that unconditionally. EMD amount  
Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only) by pay order/DD  
No. \_\_\_\_\_ on (Name of the bank & branch) enclosed herewith  
which is 20% of the value of Rs. \_\_\_\_\_

Signature of the tenderer

Date :

Place :

ANNEXURE - V

GUIDELINES FOR ACCEPTANCE OF OFFERS BY THE SALE COMMITTEE

I RESERVE PRICE:

The methodology of assessing the fair value/Reserve price will be as under :

The Customs authorities will be asked to specify the value and the duty leviable on the cargo to be auctioned and to notify by Port in the prescribed valuation sheets. To this will be added the following components :

a) Expenses of sale

This will be arrived at as under:

15% of the total amount of Customs duty plus Port Trust charges limited to two months.

b) General average and shipowners lien on freight, if any.

c) Custodian's dues limited to 2 months period.

This will be reckoned as the Reserve Price of the cargo to be sold.

II The Reserve Price must be compared by the Sale Committee with the market price.

III (i) Out of the Reserve Price and Market value assessed for every consignment/lot the highest of the two shall be adopted as the Reserve Price for the auction.

(ii) In case the bids received are not upto the Reserve Price the consignment shall be put up once again for auction in the next batch if the competent authority decides not to accept the offer received.

(iii) In case the goods are not disposed off the custom authorities will be requested to revalue the custom duty so that reserve price can be refixed by the committee and the consignment put to auction again.



ANNEXURE -VI

PROCEDURE FOR AUCTION OF UNCLEARED/UNCLAIMED IMPORTED GOODS UNDER SECTION 48 OF THE CUSTOMS ACT 1962 AT CFSs/ICDs.

1.0 These instructions shall apply in respect of all imported goods/consignments remained uncleared/unclaimed at CFS/ICD for more than 30 days from the date of unloading at a Customs Station or within such further period as the Officer i.e. Asstt. Commissioner of Customs, may allow or if the title to any imported goods is relinquished. Such goods may, after due notice in the prescribed format as per Annexure-A to the importer concerned and with permission of the proper officer of the Customs be sold by the person having the custody thereof i.e. Manager CFS/ICD.

2.0 The concerned Manager-CFS/ICD should prepare a sale list in format prescribed at Annexure-B of all imported goods/consignments lying uncleared/unclaimed at a particular CFS/ICD for more than 30 days and submit this list to the AC Customs, Incharge of the said Customs Station, in duplicate at the close of every month seeking thereby permission of the Jurisdictional Asstt. Commissioner of Customs for disposal of the goods by public auction. The list so prepared should be with reference to the related manifest. Simultaneously, the Manager-CFS/ICD may issue notices to the concerned importers as prescribed in Annexure-A stating therein that if the goods are not cleared within 10 days of the receipt of the notice, the same would be sold by public auction/tender inquiry.

3.0 On receipt of the said sale list by the Officer, Incharge of the Customs station and the jurisdictional AC will scrutinise the list and the goods lying uncleared to be classified into two groups viz. (i) goods confiscated under the Customs Act 1962 & (ii) goods not confiscated but lying uncleared/unclaimed. With regard to goods of first group, it will be the responsibility of the Customs Deptt. to get them disposed off through their Disposal Unit normally headed by an Officer of the level of AC of the respective Customs Commissionerate. Such goods may be handed over to the Customs Deptt. for arranging disposal thereof based on a written request from them. However, a close coordination be maintained with the AC, Incharge of the Disposal Unit, and details of sale proceeds be obtained. The balance accrued amount, if any, to be proposed for write off sanction by the competent authority through the concerned RM.

3.1 The disposal of the goods belonging to the second group will be undertaken by the Manager-CFS/ICD. However, goods of following categories may be withdrawn from the proposed sale by the Jurisdictional Asstt. Commissioner :

- i) Sensitive items which may encourage smuggling.
- ii) Chemicals, drugs & pharmaceuticals.
- iii) Transshipment cargo.
- iv) Consignments which are under investigation/ adjudication/Court proceedings.
- v) Confiscated goods.

After withdrawing the goods as detailed in para 2 above, the jurisdictional AC will finally approve the list for auction duly indicating in each case the valuation, classification and

assessment of the goods duty involved, adjudication levies, if any,

to the Manager-CFS/ICD. For this purpose, goods will be examined by Customs, if required.

4.0 Fair price/reserve price for disposal of the goods of group-II should be fixed by a Valuation Committee to be constituted by the RM concerned. Such valuation committee should normally consist of jurisdictional AC and an Appraiser from Customs side and the concerned Manager-CFS/ICD, seniormost Accounts Officer available at the CFS/ICD or RO and DMT/SANT as representative of the RO. The valuation of the goods should be done on sound principle and keeping in mind the condition of the goods, the current market value of its demand. The reserve price fixed should ordinarily cover the duty element and other penalty as may be indicated by the Customs and accrued warehousing charges equivalent to 2 months period. The reserve price so fixed be sealed by the committee to keep the same confidential and opened by RM concerned or his authorised representative at the time of auction or in case of tenders at the time or preparing C.S.T. i.e. after opening of the tenders.

5.0 The Manager, CFS/ICD shall ensure that the interested associations, Chamber of Commerce and manufacturers/ organisations and leading manufacturers/users are duly informed of the proposed auction/sale so that interested persons can participate in the auction, so conducted.

6.0 All canalised items/consumer goods should first be referred to the agency such as NCCF, Super Bazar Govt. Deptt., Consumer Stores (the nearest branch), such canalised/consumer goods should be sold to other parties only when these agencies are not interested. A written communication to this effect should be kept on record and in case of non receipt of communication the acknowledgement of the letter either in the form of delivery through messenger or by Regd. post be kept on record.

7.0 Manager-CFS/ICD should fix a proper date for conducting the auction in consultation and with the approval of the RM concerned. A copy of the auction notice should invariably be sent to the jurisdictional AC well in advance.

8.0 Auction should invariably be conducted in the presence of an auction committee consisting of jurisdictional AC, Manager-CFS/ICD, Seniormost Accounts Officer at the station and representative from RO. All the bids shall be accepted subject to the approval of the competent authority.

9.0 After completion of auction proceedings, two copies of the auction bids be forwarded to the jurisdictional AC. On acceptance of the same, the AC concerned shall work out the duty amount and redemption, other charges etc. and inform the custodian about the same. The bids which are received at par or above the reserved price shall be accepted as confirmed bid by the auction committee. However, physical delivery of goods shall be allowed by the Manager CFS/ICD after obtaining the out of charge orders issued by the jurisdictional AC. Whereas in respect of bids accepted by the auction committee on confirmation basis, the same shall be forwarded by the jurisdictional AC to the Commissioner of Customs concerned for arranging necessary formal approval. On receipt of a formal approval from the Commissioner concerned, the jurisdictional AC shall work out duty amount and redemption fine etc. and inform the Manager CFS/ICD to seek approval of the RM concerned.

10.0 The sale proceeds so realised shall be allowed and distributed in the following order of priority :-

- i) Expenses of sale which includes auctioneer's commission, establishment and advertisement charges.
- ii) Freight & other charges due to the carrier.
- iii) Custom duty
- iv) Custodian's charges upto a period of 2 months only.

(11)

v) Any due from the importer of the goods to the Central Govt. under the provisions of Customs Act or any other law for the time being in force.

vi) Custodian's charges over & above the period of two months.

vii) Surplus to be paid to the importer as informed by the customs from time to time.

10.1 The penalty/redemption fine etc. over and above the Customs Duty should not have the overriding priority on the custodian's charges as mentioned above.

11.0 As soon as sale is completed and the allocation of the sale proceeds is worked out and finalised, Manager-CFS/ICD concerned would send a proposal to the RM concerned alongwith a copy of demand notice and respective bill of entries for arranging a cheque to the Customs Deptt. towards Customs Duty to be paid.

12.0 The Manager-CFS/ICD would work out the total charges accrued on the containers/cargo and after adjusting the amount so recovered from sale proceeds would initiate the case either to refund the amount realised over & above mentioned under (i) to (vi) above or submit a proposal to the RM/Competent authority for arranging write off sanction of the balance amount by HO.

12.0 In respect of sensitive items as mentioned in the preceeding paras above, the jurisdictional AC would be pursued to issue show cause notice for confiscation and then disposal of the confiscated goods by the Customs Deptt. Similarly, the Customs authorities are also to be pursued from time to time by the concerned Manager-CFS/ICD for arranging disposal of items as listed under items No.3.1(i) to (v) which are required to be disposed off by the disposal unit of the Customs Deptt.

ANNEXURE-VII

2. PROCEDURE FOR AUCTION OF TIME BARRED BONDED GOODS AND ABANDONED/RELINQUISHED CARGO FROM BONDED WAREHOUSES UNDER SECTION 72 OF THE CUSTOMS ACT, 1962.

1.0 The disposal/sale of time barred bonded goods as well as goods abandoned by the importers or goods for which the title have been relinquished by the importer under Section 23 of the Customs Act and the same had been duly accepted by the customs authorities and the responsibility of disposal of such cargo entrusted to CWC, are to be done in accordance with the provisions of Section 72 of the Customs Act, 1962.

2.0 The Warehouse Manager of the customs bonded warehouse shall prepare a list of all goods remaining un-delivered under the expiry of the extended bond period duly granted by the authorised official of the customs department and also abandoned goods or relinquished goods at the close of every month to the Assistant Commissioner of Customs (Bond) who is having jurisdictional authority of the bonded warehouse. He may, while forwarding the list, make a specific request to the AC Bonds for initiating the process of disposal of such cargo due to expiry of the bonded period/abandonment/relinquishment as the case may be. He shall also follow up with the customs department for issuing of notices under Section 72 of the customs act to the importers/their CHAs giving 30 days time for paying the customs duty and accrued warehousing charges and allowing clearance of the cargo. For the goods remaining undelivered after the notice period has expired, the customs department may be prevailed upon for issuing detention orders.

3.0 After issue of detention orders the AC Bonds will divide the consignments into two categories :-

[ a) Sensitive items consisting of electronic goods, liquor and such high value items which may encourage smuggling.

b) Other cargo.

The sale in respect of items under (a) above will be arranged by the customs department directly for which purpose such cargo will be removed to the customs warehouse. For this purpose the Warehouse Manager may release the stocks to the AC(Bonds) against a written requisition for delivery of such goods and may submit the bill for the accrued warehousing charges relating to such cargo upto the date of delivery to the AC (Bonds) for settlement.

4.0 For items covered under (b) above, disposal will be made in the same manner as prescribed for uncleared goods under Section 48 of the Customs Act.

5.0 For goods handed over the Customs Authorities for disposal, close liaison shall be kept by the Warehouse Manager with the Customs Authorities for ascertaining the sale details of each consignment and for realisation of the warehousing dues from the same proceeds as per provisions of Section 150 of the Customs Act. While allocating the same proceeds, it shall be ensured that the interest, penalty, fines etc. shall not have an overriding priority over the custodian's charges and only the customs duty mentioned in item 'c' of Section 150 shall be taken for working out the duty element.

6.0 If the bids received during the course of auction/auctions are

considered unacceptable by Commissioner of Customs, disposal of such goods may be arranged through invitation of open tenders as decided by Warehouse Manager /Regional Manager in consultation with the customs authorities.

For disposal of cargo which are uncleared even in the open tender or which are to be disposed off due to the reason that the consignment is not having any market value or the sale of such consignment may be harmful in the public interest, destruction of such cargo may be authorised by the Commissioner of Customs concerned after due examination of the imports. The final disposal/destruction of the cargo shall be arranged on the basis of customs orders and after obtaining permission of RM.

7.0 Regarding non realisation of all dues by CWC, the amount remaining unadjusted would be written back with the prior approval of the competent authority as per the latest DOP.