

VOLUME V

LOCATE SYMBOL

| | |
|------------------------|----|
| 1. P.R.O. | \$ |
| 2. TARIFF UNIT. | # |
| 3. APPRAISING GENERAL. | *+ |
| 4. COMPUTER SECTION. | ~ |
| 5. D.Y.C.C . | ? |
| 6. A.D.C. |] |
| 7. D.P.C.C. | } |
| 8. DISPOSAL. | ! |

Public Relations Officer (Appraising Department)

1. The Public Relations Officer has the same status as that of a Assistant Collector and he is regarded as liaison officer between the public and the custom house.

2. All inquiries regarding assessment /rate of duty and procedural formalities are to be attended to by the public relations officer. He shall obtain the view of the group concerned, when necessary.

2a. Letters received form members of the public, by the custom house, enquiring about rate of duty, procedure and other allied matters, should be promptly replied to and in all cases reply should be issued within a period of two days from the date of receipt of the letter.

3. He will deal with all complaints of whatever nature affecting any department in the customhouse and report to the collector.

4. He will carry out a daily sample survey of bills of entry completed by the groups with a view to see if there were any avoidable delays.

5. He will submit fortnightly reports to deputy collector / collector on enquiries disposed of by his office.

6. He will function as secretary of the customs advisory committee and clearing agent's association meeting and also attend the joint ITC. And classification committee meetings.

7. He will arrange for periodical, visits of appraisers to factories and submit monthly reports to deputy collector

8. He will prepare briefs on points raised by the chambers, whenever member customs visit the customhouse for his annual inspection.

9. He will deal with all inquiries or references received from the chambers and other trade bodies.

10. He will, once a week, scrutinize all 1st appeasement bills of entries and conduct a sample survey to see if any particular appraiser is showing any undesirable tendency of resorting to 1st appraisal, when 2nd appraisal system might have been equally or more appropriate. He will exercise a random check to see samples are not unnecessarily drawn and sent for test. He should indicate the results of his survey in the fortnightly report together with all particulars

11. The Assistant collector' check generally that the appraisers deal with all bills of entry received each day up to 4.30 PM this shall be supplemented by a check exercised by public relations officer once a month for each group.

12. He will submit fortnightly and quarterly reports to collector for inclusion in the general reports sent to the board.

13. He wills CO-ordinate work connected with preparation of briefs for items discussed at the central customs and central excise advisory council meetings and ITC. Headquarters classification committee meetings and also deal with references on points relating to appraising matters discussed in the collector's conference.

14. He will attend to all work assigned to him by collector, additional collector , deputy collector.

Note: Even though, in law every person must act on his own responsibility in interpretation of statute, the public is likely to act on the advice of enquiry officer/public relation's officer and greatest care should therefore be taken to see that incorrect information is not supplied to the public.

(c.b. no. 66-cus.1/53 dated 3-12-54)

Complaints

from Public the with there should control Dy.chief orders

Complains from the trade or public received by public relations officer should be placed in distinct file covers marked `immediate` , before sending to a group/units in custom house for comments. Such files should be dealt utmost urgency by the concerned groups /units ,so that is no hold up at any stage. under no circumstances such files be retained in any department under the of an Asstt. collector / Chief accounts officer / chemist for more than 48 hours without the specific concerned Asstt. collector /CAO/ DY. chief chemist.

Complaints

from the Public - arrangement for dealing with that practicable received concerned, department

The original letters should be filed in the office of the public relations officer who would refer the cases to the department concerned by forwarding the original letter,for early submission of a report on the complaints.

The public relations officer will be responsible to see all complaints are finally disposed of,as for as within a fortnight . Wherever the replies are not within a reasonable period from the department the matter should be brought to the notice of the in-charge.important cases should even be brought to the notice of collector.

Standing orders :

 Member (Customs) during his visit to Custom House on 26.1.1990 reviewed the public relations set up in the custom house and emphasized the need to improve the public relations. In order to achieve this it has been decided that all the Asstt.Commissioner will set apart the time between 3 p.m. to 4 p.m. in the afternoon everyday for meeting the public. In addition as far as possible they should accommodate all requests for meeting from the public and clearing agents even during the rest of the working hours. They should also instruct the officers and staff under them to meet the trading public and clearing agents and to set up the time between 2 p.m. to 3 p.m. for this purpose. As a measure to improve public relations,the Asstt.Commissioner should attempt to trace out all the old and pending cases and should pay immediate attention to finalise these cases. For this purpose all cases of more than six months should be identified immediately and special effort should be taken to finalise them within the next two months. A fortnightly action plan should be drawn up by each Asstt.Commissioner in respect of his section and targets should be fixed and progress on liquidation should be reported to the concerned Addl.Commissioner.

The intention of the above exercise is to extend maximum facilities to the public and it should be ensured that the interaction between the officers at all levels and the public should be most cordial and courteous.
 S.O.No. 6944 dated 15.2.1990

In order to provide effective service and guidance to the trade and public in general,it has been decided to set up a special assistance cell in the public relations office to exclusively deal with public complaints/suggestions and look into difficulties of the trade particularly in the matter of delay in clearance of import/export cargo and disposal of drawback claims, etc.

The following staff is being posted in the special assistance cell in the public relations office :

1. One Asstt.Commissioner who will be designated as chief public relations officer.
2. One Appraiser who will be designated as public relations officer.
3. One examiner who will be designated as Asstt.Public relations officer.
4. one LDC

The Asstt. Commissioner will also look after work relating to public grievance cell and the customs advisory committee meetings,

The special assistance cell will attend to both written and oral complaints. On receipt of written complaints, the LDC will enter the complaints in the special register to be maintained in the cell as per the proforma indicated below :

| 1 | 2 | 3 | 4 | 5 | |
|----------------------------|--------------------------------------|---------------|---|----------------|--------|
| | | 6 | 7 | | |
| Sr.no. of date complainant | Name & Action address of complainant | Date of taken | Reference no. details of B/E disposal S/bills, Drawback claims/refund claims etc. | Group/ Section | Nature |

The oral complainants should also be recorded on a sheet by pro/Asstt. pro with the complainant's name, designation full address and his signature. thereafter, the same will be registered in the above register.

All complainants shall be promptly attended to by PRO/Asstt. PRO under the over all supervision of chief PRO. Whenever any complaint is received, pro/Asstt. PRO shall personally contact the dealing officer and the concerned Asstt. collector in order to ascertain the full facts and to provide a solution to the problem. in case the problem cannot be resolved after the intervention of pro with the dealing officer/concerned Asstt. Commissioner, A report will be submitted to the chief pro who in turn will personally take up the matter with the concerned Adll. Commissioner / Addl. Commissioner I/e Apprg.(m), and if necessary matter will be brought to the notice of collector for final order.

Further, complaints / suggestions boxes shall be placed at the following places.

1. Public relations office (ground floor, near main entrance)
2. First floor-Appraising Hall, Custom house (main bldg.)
3. Drawback Department (3rd floor of Annex bldg.)

4. Export Department (2nd floor of Annex bldg.)

5. DEEC Unit (4th floor of Annex bldg.)

The trade has been advised to make full use of this facility vide P.N.No. 29 dated 20.2.91. These boxes will be opened by Chief PRO once in a week. All complaints recovered from these boxes will also be registered and necessary action taken in the above matter.

In case of any suggestion received from the trade, PRO will open a file and put up detailed report to the Chief PRO, and if necessary comments by the concerned department will be obtained. Report in respect of suggestions deserving consideration will be submitted to the collector through Addl. Commissioner for order.

Complaints involving vigilance angle will not be handled by this call but will continue to be dealt with by CIU. as hitherto.

S.O.No. 6968 dated 20.2.91

Replying to trade enquiries

S.O.No. 7054 dated 1.3.94
(for full text refer So.)

Other instructions

No. 2 Dated 16.6.90
Subject : Report to Member (Customs) on news items Appearing
in daily newspapers-regarding

The ministry has directed that whenever anything appears in local newspapers which is of interest to the customs department, copies of such reports together with comments of the custom house, where called for should be transmitted immediately to member (customs) by fax. The following procedure is prescribed in this regard.

All newspapers will be scrutinised everyday by public relations officer. He will personally report such material to the Assistant Collector I/c Public relations cell by 10 a.m. who in turn will personally bring the matter immediately to the notice of the Addl. collector, whenever the departmental comments are not called for, the press report will be put up, to the collector for information and if necessary for onward transmission to Member (Cus) by Fax.

In case of news items where department's comments are called for, the press report will be put up to collector with the comments of the Addl. Commissioner in charge of the concerned department, for onward transmission to Member (Customs) by Fax. In all such cases, AC in charge of the PR cell will ensure that a report is sent to Member (Cus) on the same day.

It has been brought to my notice that sometimes letters brought by the members of public are not received or acknowledged by the section/department on the ground that the dealing officer is not present. This is highly irregular. Whenever any person wants to deliver a letter to the section, the receiving clerk or in his absence any other official present in the section/department i.e. DOS, OS etc. should receive such letter and issue a proper acknowledgment to the concerned person even though the dealing officer may not be present in the section / department. After receipt of the letter, it should be discussed and then put up to the concerned officer for further action.

All Asstt. Commissioner are hereby directed to make proper arrangement for receipt of letters/dak in their section including during lunch hours. It should be ensured that letters brought by the members of public are properly received by the section / department and there is no cause for complaint for non-acceptance of letters from the members of trade and industry.

c.no. 24 dated 28.6.93

Tariff unit:- Working

The Tariff unit is located only in the Bombay custom house. It is a CO-ordinating unit for All custom houses in the country in tariff related matters. This unit plays an important role since it prepares agenda for the tariff conferences and it also drafts the minutes of the conferences which are attended by all the collectors of customs of the various customs formations.

The Central Board of Excise and Customs decides the date and venue for the tariff conference.

The Appraiser posted in the tariff unit sends a telex on behalf of the Collector of Customs addressed to all the Collectors of Customs informing them about the date & venue for the tariff conference. All the other formations are requested to send their briefs pertaining to points to be raised in the tariff conference. These briefs have to reach the tariff unit within the

specified date.

After the briefs are received the appraiser, tariff unit prepares an agenda in consultation with STO. Tariff Unit Central Board of Excise and Customs New Delhi. This agenda is then circulated to all the collectors of customs. The tariff unit after receipt of the briefs from the various Collectorates and the board circulates the same to the concerned groups/sections of the Bombay Customs to find out the practice followed in that Custom House. The reports received are then consolidated by A.O. Tariff Unit and placed before the collector/principal collector for information.

Apart from the work relating to the tariff conference the Appraiser tariff unit has to do correspondence with the Customs CO-operative council Brussels and it also takes up consolidation of various difficulties in implementation of tariff provisions and notifications with suggestions for consideration by the board, while preparing the annual budget.

Immediately after the budget the collector calls for a meeting of all the concerned assistant collectors of the groups and other concerned sections to evaluate the effect of the budget. It is expected of Appraiser tariff unit to be present for this meeting and note the various points and then brief the collector about the budgetary changes. This brief is made on the basis of the various statements given by the various groups/sections during the meeting.

In case any discrepancies or anomalies are pointed out in respect of any notification etc. The Appraiser has to inform the Commissioner Tariff Research Unit, CBEC about the same for necessary action. The Appraiser tariff unit along with Assistant Collector tariff unit has to attend the collectors tariff conference. They note down the points of the proceedings and then prepare the minutes which is then sent to Member (Customs) New Delhi for approval. After the minutes are approved the Appraiser tariff unit circulates the Xerox copies of the minutes to all collectors.

These minutes are then printed into booklet form and circulated to the board and all customs formations.

Group A.O:- In case there is any discrepancies or disputes
----- about the Assessment of a particular item and it is reported or known that there could be divergent practices at different customs formations, the group A.O. should put up a self contained note to the Assistant Collector for submission to collector for his approval for sponsoring the issue in the next tariff conference. If the collector approves, the Group Appraiser should prepare the brief in the prescribed proforma and should send the same to

the Tariff unit, after the same is approved by Collector. The Group Appraiser should keep himself abreast with the decisions taken in the collectors tariff conferences for the issue before him. These decisions are binding on the Appraiser and no responsibilities rest on the A.O. for assessment if he is following the decisions given in the collectors Tariff Conference.

Appraising General Section

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Deputy chief chemist office

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Office of the Assistant Drug Controller

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6. Spurious drugs.
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 8. Spurious cosmetics.
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*+ Appraising General Department:- This department deals with the overall control of man-power management of the Appraising -- officers. In addition to this, this department deals with policy matters and in consequence of this standing orders, and public notices pertaining to appraising matters are issued.

An Appraiser and an Examiner is posted in this section. The Examiner generally Assist the Appraiser in his day-to-day working. apart from this there is a -- compliment of clerical staff who assist the Appraiser as well as the Examiner.

1. The principal function of the appraiser posted in this section is to deploy the officers to various sections/ departments, where necessary.
2. He maintain a disposition list showing the details of the postings of the officers. He also responsible for putting up of the names of the officers for judious rotation and transfer based on the statistics available with him.
3. He has to make the training programs for the new officers who joined the department and also from time to time send batches of officers for training.
4. He maintains a register showing the bio-data of the officers along with their residential address and specimen signatures.
5. He also maintains the statistics of the officers posted at the various departments vis-à-vis the sanctioned strength.
6. He collects the statistical data pertaining the appraising matters from other departments, consolidate the same and sends them to the various departments and to the Central Board of Excise and Customs, New Delhi.
7. He puts up drafts, circulars, standing orders, and public notices pertaining to appraising matters as and when required by assistant collector/Dy.Commissioner/ Addl.Commissioner/collector.
8. All correspondence received of general nature pertaining

to the appraising matter, from other departments, are studied and commented upon by appraiser in-charge of this department. he puts up the views and comments to -- assistant collector for further action.

9. He cannot divulge any information to any outside agencies without the proper authorisation of the assistant collector, in-charge of the department.

10. Any other work assigned by the Assistant collector in-charge of this department.

Standing Orders:-

1. Number 6641 dated 08-02-78

Gist :- Escort of Air India flights by customs officers.
(refer s.o.for full text)

2. Number 6673 dated 29-07-78.

Gist:- Govt. of India's instructions regarding departmental security measures and safeguard of official information and UN-authorities disclosure regarding.....

(refer So. full text)

3. Number 6675 dated 5-8-78

Gist:- c.c.s.(conduct)rules 1964 prescription of time limit for granting of permission under certain rules thereunder.

(refer So. for full text)

4. Number 6676 dated 11-08-1978

Gist:- Placing of copies of orders regarding the disciplinary proceedings in the C.C.rolls of the officials.

(refer s.o.for full text)

Number 6706 dated 28-02-1979.

Gist:- Procedure for taking and depositing section/room keys in control room -- instructions regarding--

(refer So. for full text)

5. Number 6699 dated 4-6-79.

Gist :- Clearance of cargo against Ad-hoc exemption.

(refer So. for full text)

Number 6764 dated 22-03-1982.

Gist:- Regarding movement and accountability of container cell--
procedure regarding---

(refer So. for full text)

Number 6770 dated 17-9-1982.

Gist:- Procedure regarding correspondence with m.ps.

(refer So. for full text)

17. Number 6773 dated 31-1-1983.

Gist:- Arrears report furnished by appraising groups ----- review
regarding...

(refer s.o.for full text)

Number 6774 dated 09-02-1983.

Gist:- Movement of FCL cargo between Bombay port and Inland container
depot Banglore...

(refer So. no. 6755 dated 24-06-1981)

(refer s.o.for full text)

Number 6775 dated 14-02-1983.

Gist:- Instructions for maintaining relevant orders and up-dating them
periodically and following such orders by the concerned staff.

(refer so, for full text)

Number 6784 dated 12-05-1983.

Gist:- Creation of cost recovery posts - recovery of establishment and
other charges - procedure regarding..

(refer s.o.for full text)

Number 6793 dated 03-11-1983.

Gist:- Replacement of securities which have matured execution of fresh
bond -- instructions regarding...

(refer So. for full text)

6. Number 6884 dated 4.10.88

Gist :- Distribution of work relating the correspondence with
board.

(refer so. for full text)

7. Number 6886 dated 11.10.88
Gist :- Joint weekly meeting with Chief controller of imports and Exports.
(refer SO. for full text)

8. Number 6889 dated 17.11.88
Gist :- Visiting hours for public in group.
(refer So. for full text)

9. Number 6905 dated 7-1-89.
Gist:- Distribution of work relating to the correspondence with the Board

(refer So. for full text)

Number 6906 dated 11.04.1989
Gist:- Setting up of grievance redressal machinery for Government employees - reg.

(Refer s.o.for full text)

10. Number 6907 dated 19-4-89.
Gist:- Customs act 1962 "Proper officer" appointment of...

(Refer So. for full text)

1. Proper officer -Under (Sec. 5(2) of the customs act, 1962 excepts of SO. No. 6202, dated 3-10-1962, o. o. no. 4, and 5 of 1-2-1963 and amendment no. 3, dated 25-2-1967, issued by the collector of customs, "according to section 5(2) of the customs act, 1962 An officer of customs may exercise the powers and discharge the duties conferred or imposed under this act, on any other officer of customs who is subordinate to him. In view of this provision, the designation of the officer of the lowest rank authorised to perform the functions under the particular section of the act has been indicated in the enclosed list. as far as possible, the officers who are already performing the particular functions as "Proper officer" have been appointed."

"I, Jasjit singh, Collector of Customs, Bombay, hereby empower officers of customs mentioned in column 2. of the table below to exercise powers specified in the sections of the customs act, 1962, mentioned in the corresponding entry in column 1 of the said table :

| 1 | 2 |
|---|---|
| | |

Section 101 All officers, except clerks and class
 iv officers, preventive department
 and 107 All preventive officers, Gr. I and
 Section 104 other officers (of preventive dept.) of higher
 rank

 (ref. office order no. 5, dated 1-2-1963 file no. c 1086/63)
 "I, Jasjit singh, Collector of customs, Bombay, hereby assign the powers
 specified in sections of the customs act, 1962, mentioned in column 1 of the
 table below to officers of customs specified in the corresponding entry in col.
 2 of the said table :

Section 103 All officers, except clerks and class
 iv officers preventive department.

Customs Act, 1962 - "proper officer" appointment of

 In the Annexure to the standing order no. 6202 dated 3-10-1963 at s. no.67
 and 70, the following amendments should be made. Addl. Preventive Officers
 in-charge of the vessels are "Proper officers" after office hours and during
 holidays.

(ref. standing order no. 2602, amendment no. 3, dated 25-2-1967 vide file
 no. c/2446/66,)

| S. No. | Brief subject | Section of Customs act, 1962 | |
|--------|--|------------------------------|--|
| | | | Assistant collector |
| 1 | of customs assessment of duty. | 18 (1) | ordering provisional |
| 2 | warehoused goods taking of surety) where the duty finally excess of that provisionally assessed. | 18 (2) (b) | Provisional assessment - bond (without bank assessed is in |
| 3 | | 21 | Derelict, jettison, |

| | | | |
|-------------------------------------|--------------|-----------------------------|--|
| etc. goods imported - | | | |
| 4 | 22 (3) (b) | Sale of damaged goods | |
| 5 | 30 (3) | Amendment of import | |
| manifest/report except in cases | | | |
| trifling nature which may be | | of amendments of a | |
| s/import | | permitted by the | |
| 6 | 32 | Unloading of imported | |
| goods without manifesting them. | | Unloading/loading without | |
| 7 | 34 (proviso) | Landing/shipment | |
| customs supervision. | | permission in | |
| 8 | 35 | Order for departure of | |
| without boatnote - | | unloading (i.e., | |
| particular case. | | Delivery of S/bills etc., | |
| 9 | 42 (1) | Depositing in warehouse of | |
| conveyance after loading, | | production of | |
| port clearance). | | (See under the head | |
| 10 | 46 (2) | Admission of part B/E. | |
| - before port clearance. | | Substitution of a B/E for | |
| 11 | 46 (1)(pro) | a B/E for Bond or | |
| imported goods, pending | | Extension for clearance | |
| documents/information | | also, permitting | |
| appraisers, also) | | Sale of animals, perishable | |
| 12 | 46 (2) | Order permitting clearance | |
| 13 | 46 (5) | of transhipment to | |
| Home-Consumption for | | ports or airports | |
| vice versa. | | | |
| 14 | 48 | | |
| after two month of unloading. | | | |
| sale after the lapse of the period. | | | |
| 15 | 48 (a)(pro) | | |
| goods, etc. | | | |
| 16 | 54 (3) (b) | | |
| for transhipment, in cases | | | |
| ports/airports other than major | | | |
| specified by the board under | | | |

| | | |
|----|------------------------------------|--|
| 17 | 54 (3) (a) 59 (pro) | Acceptance of fresh bond |
| | when whole or part of the | warehoused goods are |
| | transferred to another person. | Action pursuant to |
| 18 | 61 (pro) | of a private |
| | cancellation of licence in respect | warehouse where the goods are deposited. |
| 19 | 63 (2) | Sale of the warehoused |
| | goods by the warehouse keeper | for non-payment of |
| | the charges or rent. | Inspection by the owner |
| 20 | 64 | Removal from one |
| | of warehoused goods - | permission for |
| 21 | 67 | Payment of duty, charges, |
| | warehouse to another - | not properly |
| 22 | 72 (1)(d) | Sale for non-payment of |
| | etc. on warehoused goods | Cancellation after |
| | accounted for. | warehousing goods. |
| 23 | 72 (2) | Temporary detention of |
| | duty-warehoused goods. | for return on |
| 24 | 73 | Allowing stores to be |
| | action of bond executed for | to duty. |
| 25 | 80 | Deduction of amount due from |
| | prohibited baggage's imported | a person from money owing to him. |
| | leaving India. | |
| 26 | 85 | |
| | warehoused without assessment | |
| 27 | 142 (1)(a) | |
| | a person from money owing to him. | |

II - Appraisers

| | | |
|----|--------------------------------------|----------------------|
| 31 | 17 (1) | Assessment of |
| | duty-examination/testing of imported | or exported goods. |
| 32 | 17 (3) | Assessment of duty - |

| | | |
|-----------------------------------|---------------|----------------------------|
| production of relevant documents. | | |
| 38 | 47 | order permitting |
| clearance of imported goods for | see Sec. 13 | Home-consumption. |
| | 17(4) & 26(c) | |
| | also | |
| 39 | 51 (sec. | Order permitting clearance |
| for shipment. | 40 (a) also | |

III- Preventive Inspectors (Prev. Superintendents)

(for matters relating to the Prev. dept.)

| | | |
|------------------------------|------------|---------------------------|
| 40 | 27 (3) | Refund of duty |
| over-levied, wrong levied, - | | |
| 41 | 45 (2) (b) | Permission to remove or |
| deal with imported goods. | | |
| 42 | 64 | Inspection by owner of |
| warehoused goods - | | permission of |
| 43 | 69 (c) | Clearance for export from |
| warehouse | | (could be P.O. |
| Grade I) | | |
| 44 | 80 | Temporary detention of |
| dutiable baggage import for | | return on leaving |
| India. | | |
| 45 | 86 (2) | Transfer of stores from |
| one conveyance to another | | (could be P.O. Grade |
| - I) | | |
| 46 | 129 (2) | Refund of duty/penalty |
| admitted in appeal. | | |

IV - Preventive officers

| | | |
|----------------------------|--------|-------------------------|
| 49 | 30 (1) | Delivery of import |
| manifest/report (aircraft) | | |
| 50 | 34 | Customs - supervision - |

| | | |
|--|--------------|----------------------------|
| unloading/loading. | | |
| 51 | 37 | Going on board, |
| conveyance. | | |
| 52 | 38 | Requiring the person in |
| charge of conveyance produce | | documents/answer |
| questions. | | |
| 53 | 40 (b) | Order for shipment of |
| mail bags and baggage. | | |
| 54 | 41 (1) | Delivery of export |
| manifest by agent after departure | | of conveyance on |
| furnishing security. (aircraft) | | |
| 55 | 41 (3) | Amendment of export |
| manifest (aircraft). | | |
| 56 | 42 (1) & (2) | Order for departure of |
| aircraft after loading, | | unloading, |
| 57 | 51 | Order permitting |
| clearance for shipment in special cases. | | |
| 58 | 62 (1)to(4) | Control over the warehouse |
| goods | | |
| 59 | 69 (c) | clearance for export from |
| warehouse where P.O.'s are | | posted on permanent |
| basis. | | |
| 60 | 77 | Declaration of baggage |
| by owner. | | |
| 61 | 79 (1) | Passing of baggage - duty |
| free. | | |
| 62 | 95 (2) | Making of entries in the |
| advise book. | | |
| 63 | 95 (3) | Production of advice book |
| for inspection. | | |
| 63 (a) | 101 & 107 | Search and recording of |
| statement. | | all officers except |
| clerks and class iv officers. | | of the preventive |
| department. | | (office order no. 5, |
| dated 1-2-1963, c.1086/63) | | Arrest- All Preventive |
| 63 (b) | 104 | officers (of Prev. |
| Officers, Gr. I and other | | |
| dept.) of higher rank | | |

| | |
|---------------------------------------|------------------------------|
| dated 1-2-1963 - c 1086/63) | (office order no. 5, |
| 63 (c) 100, 106 | Search of passengers and |
| conveyance and seizure - | |
| and 110 | all officers except |
| clerks of the Prev. dept. | |
| dated 1-2-1963 - c. 1088/63) | (office order no. 4, |
| 63 (d) 103 | Screening and x-raying of |
| bodies of suspected persons | |
| smuggled goods - all officers, except | for detecting |
| officers of the Prev. dept. | clerks and class iv |
| dated 1-2-1963 - c 1088/63) | (office order no. 4, |
| 64 31 (1) & (2) | Grant of entry inwards after |
| office hours and during | |
| | holidays. |
| | (amendment no. 3, |
| dated 25-2-8967, to S.O.No. 6202) | |
| 65 41 (1) | (PRO) Delivery for export |
| manifest by agent after departure | |
| | of conveyance on |
| furnishing security after office | |
| | hours and during |
| holidays. | |
| | (amendment no. 3, |
| dated 25-2-8967, to So. no. 6202) | |

N.B.: Under section 37 and 38,
class-iv sepoy (outdoor) are also authorised to accompany the P.O.'s

II. Number 6918 dated 3-10-89.

Gist :- Constitution of reward committee.

(refer s.o.for full text)

Number 6932 dated 06.12.89

Gist:- Identification of the work areas into four functional
categories.—instructions regarding.

(refer s.o.for full text)

12. Number 6942 dated 15.2.1990

Gist :- To get supervisory control, addl. collector should visit to the department twice in a day.

(refer So. for full text)

12. Number 6943 dated 15-2-1990.

Gist:- To avoid the delay in the clearance of cargo.

(refer So. for full text)

14. Number 6944 dated 15-2-1990.

Gist:- Visiting hours for public relations.

(refer So. for full text)

Number 6966 dated 16.1.1991.

Gist:-Attention by appraising officers and preventive officers on shipping documents.

(refer So. for full text)

12. Number 6952 dated 13-8-90.

Gist :- Constitution of reward committee.

(refer s,o,for full text)

Number 6968 dated 20-2-1991.

Gist:- Posting in the special assistance cell in the public relation office.

(refer So. for full text)

13. Number 6988 dated 4-11-1991.

Gist :- Opening of new container freight station at mulund.

(refer So. for full text)

14. Number 6989 dated 26-11-89.

Gist :- Payment of customs duty in foreign convertible currency for import of cars/vehicles reg....

(refer So. for full text)

15. Number 7035 dated 10-3-93.

Gist :- To hangover the documents to DRI. or R & I instructions regarding.....

 (refer s.o. for full text)

16. Number 7044 dated 2-11-93
 Gist :- Filing of SLP's in Supreme Court.

 (refer s.o. for full text)

- 17 Number 7051 dated 31-01-94.
 Gist:- Submission of Overtime claims by officers

 (refer s.o. for full text).

 Rewards

As a general rule, the scheme of reward was first introduced and incorporated in the Sea Customs Manual on 31.3.53 in order to regulate the grant of rewards to informers and departmental officers as an incentive to bringing to book cases of breaches and evasions under the sea customs, act, the land customs act and the Indian merchandise and marks act.

Over the years, the scheme has become a time-tested fruitful anti-smuggling strategy of the department. For this purpose, it has undergone necessary changes, liberalisation and modification and its scope and coverage has been enlarged.

The rewards policy was substantially liberalised in March, 1985 both in terms of scope, entitlement of officers, grant of advance reward to officers and staff and lastly the quantum of admissible reward. Whereas cases detected on or after the date specified in the liberalised reward rules of 1985 are to be governed under these changed guidelines, cases detected prior to this date would continue to be governed by the old i.e. pre-1985(March) rules as enumerated below (excepting those proposals of advance/or final reward which were submitted to the ministry in respect of outstanding detection's when the new regulations came into force).

Check list for rewards (pre 1985) cases

As regards pre 1985 reward rules and procedures, a brief chronological chart of scope, eligibility, quantum of rewards admissible, categories of cases, and other terms and conditions is attached for guidance;

- (i) Check whether the prescribed reward register with relevant columns are being maintained or not,

(ii) Check whether immediately on receipt of the seizure files the same have been given a reward case file number and entered in the reward register or not with particulars of the seizure file number, cross reference to reward case number, particulars of the goods, and of seizure value, date and names of officers, who are indicated to have played different roles in detection, seizure and investigation of the case, as per the "contemporaneous" report, whether detection was on information or otherwise.

(iii) Check whether the goods are perishable in nature.

(iv) If so, check whether the goods have since been disposed of.

(v) Check if the disposal particulars have been received from the Supdt. incharge of the godown and noted in the reward register and the file with the noting of disposal particulars submitted to the Asst. collector.

(vi) Check that in respect of pre-1985 cases, no advance reward was granted to officers, as they are eligible only for final rewards on full disposal of the goods and completion of all post-seizure formalities including prosecution.

(vii) Check the even if perishable goods might have been disposed of before completion of other post seizure formalities like adjudication, etc. mere receipt of disposal particulars is not sufficient for initiating final reward proposals to officers/staff.

(viii) Check that files for final reward have been processed only after receipt of both full disposal particulars and report regarding expiry of appeal period, and wherever, parties were prosecuted, after receipt of court decision.

(ix) Check, however, that under pre-1985 reward procedure grant of advance reward to informers as permissible has been promptly processed in deserving cases as per attached instructions.

(x) Check whether the reward file contains the full particulars of the amount of final reward granted to officers and staff, the date of sanction, date of disbursement etc. and also number of informers who received advance and final reward separately with amount and date of disbursement.

(xi) Check whether reward disbursement (to informers) certificate has been duly written and signed by the reward disbursement authority.

(xii) Check whether both the reward disbursement authority, identifying the informer and officer witnessing the disbursement have signed the

voucher of disbursement and reward register.

(xiii) Check that soon after sanction and disbursement of rewards of officers and informers the relevant file as well as reward register have been endorsed in red with number and date of order and date of payment and amount, names of officers, so that the possibility of double sanction and double payment is ruled out.

(xiv) Check that before a final payment and drawal of the amount CAO takes necessary certificate from the reward section that no such amount in the same case was previously sanctioned and paid to avoid double payment.

(xv) Finally, check that the reward proposal (final reward or advance) under the pre-1985 procedure, is scrutinised from the angle of eligibility, admissibility, scope, validity, amount admissible, as per the attached chart of orders and instructions. (both for officers and informers).

(xvi) Check that reward payment vouchers were duly audited. check list for rewards granted under the liberalised reward rules

Under the liberalised reward rules dt. 30.3.85, for the first time, Group `A' officers upto the rank Asst. collectors and Supdt. Group `A' are eligible for (i) advance and (ii) final rewards in respect of cases detected on after 1.1.85, further, in appropriate cases, the govt. has also decided to consider in consultation with GCA/DG Director (anti- evasion), proposals mooted by the head of the department for grant of lump-sum payment/advance increments or such other award to officers above the rank of Asstt. collector as a mark of recognition of service rendered in the field of Anti-smuggling detection. the monetary ceiling of rewards for group `B' and `C' officers has also been withdrawn. Under the liberalised reward rules, both informers and govt. officers are eligible for reward separately upto 20% of the estimated market value of the contraband goods under seizure-including specification for gold, silver and narcotic drugs and psychotropic substances.

1. Check whether rewards to officers and informers in all cases detected on or after 1.1.85 have been exam under the liberalised reward rules.

2. Ensure that liberalised reward rules have been applied in the following types of cases -

(i) All cases of transit and internal trafficking of narcotic drugs and psychotropic including those detected w.e.f. 1.1.83.

(ii) All cases of seizures under the central excise act and rules, 1944 gold control act 1964, foreign exchange regulations act, 1973.

(iii) In all cases of evasion of central excise duty, concealment, and suppression of products and surreptitious removal of dutiable goods- upto 20% of duty evaded and fine and penalty realised, check that the reward amount in this case is limited to 20% of the market value of the goods, in according with the reward rules.

(iv) In all, gold control cases, involving seizure of bullion, check that reward has been and paid at prescribed specific rates and in cases of seizure of ornaments, and detection of irregularity in informers and Govt. servants are paid reward upto 20% of redemption fine, and penalty realised.

(v) In all FERA cases check that govt. servants and informers have been paid rewards upto 20% of the amount involved in confiscation and penalty realised.

(vi) Check whether in all eligible central excise and FERA cases advance rewards to informers and officers has been limited upto 25% of the admissible final reward.

(vii) Ensure that state employees like police and excise personnel are also paid advance rewards in appropriate cases, depending on the role played by them.

(viii) Ensure that in appropriate and deserving cases as per instructions, adequate reward has been considered to govt. servants who have made outstanding contribution in the field of (i) investigation (ii) adjudication (iii) prosecution (iv) detention of offenders under cofeposa (v) disposal of goods and (vi) special audit.

3. Check that in these special category of case, the reward amount has not exceeded rs.5000/- per head per case subject to 20% of the value of the goods involved.

4. Check that reward under the special category was sanctioned only by the head of the department.

5. Check whether sanction of advance reward has been kept limited to 50% of the estimated final reward (to govt. servants and informers)

6. Insure that advance reward was considered and granted in seizures involving the following categories of goods and not for other items:

(a) Gold, silver bullion, notified goods,

- (b) Arms, ammunition, explosives,
- (c) Opium and narcotic drugs and psychotropic substances,
- (d) Undeclared goods seized in customs area and customs water,
- (e) Freely convertible foreign currency.

7. Check that advance reward to govt. servants was announced by head of the department only in cases where exemplary skill, courage and ingenuity was displayed by the govt. servant.

8. Check that advance reward to govt. servant in no case exceeds 10% of the estimated market value of the contraband or 50% of the prescribed specific rates as in the case of gold, silver, narcotic drugs and psychotropic substances and that role of the govt. servant in the proposal is adequately supported by "contemporaneous" report of seizure and detection.

9. Check all reward advance of otherwise was sanctioned by the sanctioning authority or committee, after taking all terms and conditions of reward rules into account and that the reward sanctioning committee was properly constituted and had taken full-note of the contemporaneous report of seizure and detection.

10. Check that in baggage cases which are normally routine detection, neither any higher percentage of reward, nor any advance reward was considered.

11. Check that advance and higher percentage of reward is not considered or granted in routine or normal cases of detection/seizure where no skill, courage or ingenuity has not been displayed.

12. Ensure that each and every case of reward has been considered on individual merit of the case which may have been detected as a matter of routine on follow-up of a different case.

13. Check whether realistic value of goods has been noted at the time of seizure and that there is no deliberate over-valuation of the goods with ulterior motives.

14. Check whether appropriate authority for sanction of reward, depending upon the amount to be sanctioned, at attached, has given the sanction to the amount or not.

15. Check that all proposal for sanction of rewards in excess of Rs.1.lack to any single govt. servant has been sent to the board through DGRI

16. Check that rewards are considered in cases relating to gold, silver narcotic drugs and psychotropic substances etc. only after proper test of purity of these categories of goods is obtained and placed before the sanctioning

authority/rewards committee.

17. Check that reward in case gold, silver, narcotics and psychotropic drugs and substances is granted as paid as per the latest specific rates prescribed and that the rate of payment is worked out on that basis and prorate purit of the goods.

18. Check that reward amount to govt. servant is disbursed only after vigilance clearance.

19. While reward proposal can be considered for govt. servants against whom disciplinary/vigilance cases pending, ensure that the reward amount is disbursed only after the disciplinary/vigilance cases are clear.

20. The procedure regarding receipt of reward files, registration, processing of reward proposals, sanction and disbursement of rewards under post-1985, is otherwise the same.

21. Ensure that monthly statements/periodical statements are prepared correctly and despatched in time higher authorities.

Check-list on receipt, custody and disposal of seized and confiscated goods

All goods, conveyance and vessels seized under the customs act, 1962 and other allied acts become normally ripe for disposal only after completion of adjudication, appeal and court proceedings. the govt.of india, however, evolved a policy of disposal of certain categories of seized goods which are perishable, hazardous and liable to depreciation in value and quality even before completion of post seizure formalities like adjudication etc. thus all disposals are broadly processed under two heads viz.

- (i) Disposal of perishable, hazardous and quality depreciating seized goods as notified from time to time for this purpose and
- (ii) All other confiscated goods ripe for disposal after completion of post seizure formalities.

The Govt. of India have declared the following as perishable, hazardous and value depreciating goods:-

- (i) Cigarettes, food stuff, live-stock, perfumes, soap, toilet requisities etc
- (ii) Liquor.
- (iii) Primary batteries and batteries including re-chargeable batteries, button cells.
- (iv) Wrist watches including electronic wrist watches, watch movements, parts and components thereof,
- (v) All electronic goods including tv sets, vcr, tape recorders, calculators,

computers, components and spares thereof including diodes, transistors, integrated circuits etc.

(vi) Dangerous drugs and psychotropic substances. perishable items (ii) to (vi) above were specially notified for

Disposal post seizure formalities by an amendment of Sec. 110 of the customs act, 1962 on 5.2.86 in order to clear congestion in the department's godowns

Under the amended provisions of Sec. 110 (a) and (b) these specially notified seized goods are to be disposed of after seizure by getting the inventory of the seized goods duly authenticated by 'any' magistrate, to be approached for this purpose by the seizing officer.

Whether the disposal is that of seized perishable goods or other confiscated goods ripe for disposal those are to be disposed of in accordance with the instructions given by the ministry from time to time.

For the convenience of the officers and staff connected with receipt, custody and disposal of seized and confiscated goods, a chart containing the channel/modes, terms and conditions is attached.

Check list for custodians in charge of custome godowns

(i) Receipt

Ensure if the package to be received are properly sealed with customs seal and with the seal of the owner or his representative and that the seals are intact.

(ii) Ensure that all sealed packages brought for receipt and custody are entered with full inventory of the goods.

(iii) Ensure the packagees with broken seales without seals are checked with the inventory before the supdt. and then received.

(iv) Ensure that difference if any noticed in the contents in respect of packages without seal, broken seal has been reported to the asstt. collector through the supdt.

(v) Check that the valuables, perishables, unclaimed goods and goods covered under section 110 of the customs act, 1962 for the purpose of disposal has been properly segregated and stored separately. where there is no separate arrangement for storage of goods ripe for disposal, the custodian should ensure that such classification is done immediately after seizure and the goods are stacked on separate racks.

Maintain separate register in respect of (a) valuables and

 (b) other than valuables.

1. Ensure that on receipt of the goods, details as in the inventory and value entered in the register of seized and detained goods (form 2).
2. Ensure that separate entries for each seizure/inventory is made.
3. Make entries according to descriptions of the goods as entered in the inventory submitted by the seizing officer.
4. Give details of quantity description and value where separate register has been opened for different items like valuables, perishables etc.
5. Ensure that stocks are chronologically arranged on the stock and coloured stock card/tag is fixed to each package with each colour (ii) stock confiscated but not ripe for disposal, (iii) stock ripe for disposal or stock of unclaimed seizure.
6. Ensure acknowledgement of receipt of the goods in duplicate and triplicate of the inventory and return of the triplicate copy to the seizing unit or detaining unit.
7. Before issuing acknowledgement ensure that discrepancy in respect of packages with broken condition or without seal has been reconciled or goods re-inventorised by supdt. incharge of godown and officer depositing goods.
8. Ensure that all packages are carefully stored and protected against ravages of nature, insects rodents.
9. Ensure that the place of storage is safe against theft and fire and that goods are not likely to suit avoidable deterioration or damage.
10. If any such defects and insecure conditions of the godown are noticed, ensure that the same immediately reported to the asstt. Collector through the supdt.
11. Ensure that no hazardous/highly inflammable goods are received and stored in the warehouse where general goods are stored.
12. Ensure that all perishable goods and goods otherwise ripe for disposal and commodities spare under section 110 of the customs act, 1962, and unclaimed goods are listed promptly within a week for disposal and submitted to the ac

through the supdt. for disposal orders and valuation if required.

13. If the valuation is already available in respect of these goods as per the list circulated by the bombay, ensure whether the said valuation has been indicated in the list prepared for order of disposals submitted to the a.c. through the supdt.

14. Ensure that immediately on receipt of goods ripe for disposal with order of disposal, such goods are straightaway handed over to the disposed officer where the custodian is not himself the disposal officer.

15. Check that disposal under section 110 are of items specified in notfn. no. 31/86 dt. 5.2.86 and that such goods are disposed of only after authentication of inventory by a magistrate.

16. Check that there is no delay in transfer of goods ripe for disposal to the disposal unit on flimsy reasons.

17. Check that all goods ripe for disposal are listed for disposal after valuation of trade and auction goods within 7 days of receipt in the warehouse.

Check list for supervisory & inspecting officers

1. Ensure whether all the valuables have been kept in safe storage in the custom house strong room or lockers of rbi or sbi taken for this purpose.

2. Check that the godown is free from rodents, insets and safe from fire, theft and pilferage.

3. Check that the custodian of cwc and iai warehouses have executed necessary bonds under section 45 of the customs act, 1962 and the said warehouses are safe and secure and proper accounts are maintained.

4. Check that the register of warehoused goods have been properly maintained and all the relevant columns particularly the column for cross reference to the seizure file no., value, quantity and categorisation of goods for the purpose of disposal have been filled.

5. Check that the keys are kept in the personal custody of the departmental custodian.

6. Check that private entry to the warehouse/godown is prohibited.

7. Check that the goods have been stacked categorywise with coloured stock-cards and tags indicating the entry no. of the warehouse and stage at which

the goods have been pending.

8. Check whether damaged packages/baggage under storage have been sorted out and brought to the notice of the ac for appropriate order of disposal or action.
9. Check that unwanted, unauthorised persons are not allowed entry into the warehouses and check that the hamals/loaders handle the fragile goods with adequate care in the presence of the custodian only.
10. Check that whenever sealed packages are opened, under authorization from the a.c incharge the same is done in the presence of the supdt. and the authorised representative of the owner and the seizing officer whose seals have been affixed, packages should be re-sealed and suitable endorsement to the effect kept on the tag as well as the register.
11. Check that on re-examination if any discrepancy is noticed, the same is noted in the register/inventory against the particular entry.
12. Ensure that the said discrepancy is brought to the notice of the ac for necessary orders.
13. Check whether stock challenge have been conducted according to the periodicity prescribed both for valuables and other goods in custody.
14. Check whether annual stock-taking has been conducted in all the godowns of the customs house/collectorate.

Check list for godown officer

All seized vehicles are to be stored in sheds and/or covered with tarpaulins. engines are periodically checked and run. in appropriate case, vehicles should be kept on jacks when any inordinate delay in disposal of the vehicles is anticipated.

1. Ensure that where garage facilities are not available, temporary sheds have been elected. absence of these facilities should be reported to the collector for necessary orders.
2. Ensure that the seized/confiscated vessels and vehicles are maintained with necessary care within the monetary sanctions of expenditure given in this behalf.
3. Ensure that cars/vehicles, vessels are enlisted for disposal promptly on expiry of appeal period on conclusion of the court case.

Check list for security in storage and disposal

1. All the sales or disposal should be closed after specific office hours and the godown should be locked and sealed with the seal of the custodian every day.
2. The godowns should be operated for receipt, auction or sale only within specified office hours and in special cases under written orders of the collector beyond office hours.
3. Strong rooms where the valuable are kept should be maintained under double lock system with one lock and with one key with the custodian of the warehouse and the other key with the custodian of the valuable.
4. Ensure that handing over and taking over of charges by godown officers has been done over also stock-list and physical verification of the stock by the incoming officer.

Checks regarding stock-taking & inspection (for supervisory officers and inspecting officers)

1. Check whether the six-monthly as well as annual stock verification has been conducted by the ac nominated by the collector.
2. Check whether the supdt. incharge of the godown has conducted the 6-monthly or annual stock-list as specified and nominated by the collector.
3. Check whether random stock challenge and verification by the ac and supdt. incharge has conducted.
4. Check whether the report regarding stock-taking and stock challenges has been submitted to collector within a week's time after completion of stock-taking.
5. Check whether annual and 6 monthly inspection of the books of account and records maintained in respect of receipt, accountal and disposal, closing balance of stock in the godowns has been conducted by collector, dy. collector and asstt. collector as per the periodicity.
6. Check whether all the objections raised have been fully rectified. also check whether any objection was pointed out in the inspection or stock-taking

report.

7. If so, check whether proper action has been taken on the objections to rectify the defects pointed out and in fixing responsibility on the defaulting officer/custodian.
8. Check whether token number of packages were opened during stock verification and packages have been re-sealed by the stock-taking officer or officers making surprise/stock-verification.
9. Check whether periodical audit or concurrent audit is being conducted, in respect of receipt, storage, accountal and disposal of goods, with reference to the godown register/records maintained.
10. Check if the stock register is maintained properly with the prescribed columns.
11. Check whether the monthly stock position with break-up of opening balance, receipt, disposal and closing balance and no. of packages pending disposal are being submitted to the ac through the supdt. every month.
12. Check if the ac incharge of the warehouse/disposal is making critical review of the stock pending disposal every month.
13. Ensure that a monthly return in respect of goods ripe for disposal is prepared and submitted to the supervisory officer incharge before 5th of every month in form "v" for valuation and disposal.

Check-List Regarding valuation and disposal

1. After receipt of orders of confiscation by the custodian, ensure that an enquiry is made from the seizing unit whether any appeal has been filed against the order of confiscation. enquiry may be initiated after the expiry of the appeal period.
2. Ensure that as soon as order for conviction has been passed by a court whether steps have been initiated to dispose of the goods/vehicles. In such cases, the custodian should be in touch with the prosecution cell to verify progress of prosecution in each case where the goods are involved and are in custody.
3. Ensure that for valuation of trade goods, the file is processed and submitted promptly to the appropriate committee or authority. In respect of other goods covered by jpc price list, the files should be straightaway submitted to the supdt. for disposal order.

4. Ensure that the goods are handed over promptly to the disposal officer where there is arrangement for separate disposal unit as in major custom houses.
5. Check whether the valuation at the time of final disposal of goods, compares favourably with the value at the time of seizure and if not, whether special report on the difference is being prepared and submitted to the ministry through the d.p.o.
6. Ensure that upto date check list containing the various channels modes, terms and conditions and commissions has been while disposing of the goods.
7. Check that in respect of drugs, medicines and pharmaceutical preparations, the disposal is made after obtaining a certificate regarding the shelf life of the drugs and its fitness for human consumption from the Asstt. drug controller.
8. Ensure expeditions disposal of medicines and drugs in consultation with the drug controller.
9. Ensure that auction is not withdrawn on flimsy reasons.

Check list for conducting auction of confiscated goods

1. All sales by auction, should be at periodic intervals, say at least once in every month. If it becomes necessary with reference to stocks required to be sold or for other reasons, auctions may be held even at shorter intervals.
2. Ensure that due publicity is given in the local and regional papers where the goods to be auctioned are normally in demand.
3. Ensure that sufficient notice is given before the date of auction so that the bidders have enough time for attending the auction.
4. Ensure that the disposal unit takes due precaution and satisfies itself that each bidder present at the auction is bonafide or an actual user eligible to participate in the auction.
5. Ensure that in respect of disposal of sensitive items, a senior officer, addl. collector or a dy. collector is associated with the pricing and sale committee.
6. Ensure that all sales/disposal particulars have been properly recorded in the godown register.

7. Correlate and reconcile the entries in the master sheet, inventory register and cash memos of disposal goods.

Check list for Supervisory officer like Collector, D.C., A.C. and Superintendent on Audit report.

1. Check whether the internal audit party has inspected the records maintained by the custodian of the godown to ensure that goods seized are properly accounted for and are disposed of in accordance with the orders in force and the sale proceeds have been credited to the government.
2. Check whether the audit party has perused all the sale lists, sale vouchers together with related case files, disposal section registers etc. and if so what are their observations and objections and how these have been rectified.
3. Check whether periodical inspection of warehouses and godowns are being conducted by the officers of the directorate of preventive operations and whether any deficiencies in the system/procedures, have been pointed out to the collector for appropriate remedial action. check whether action has been taken to rectify these defects. check list for supervisory officers in respect of receipt, storage,

Custody accountal and disposal.

1. Check whether custodian is maintaining the register properly.
2. Check whether all receipts have been recorded in the register as per inventory with cross reference to seizure file.
3. Check whether goods have been properly received and accounted for in the register.
4. Check whether the goods have been handled carefully, stacked and stored properly in the warehouse/godown.
5. Check whether the seals are intact.

6. Check whether all the contents of the inventories have been properly acknowledged and one copy kept in the custodian's file.
7. Check whether stock cards have been maintained and stacking of goods in made.
8. Check whether categorywise entries have been properly in the godown register and disposal register in all respects.
9. Check whether list of goods ripe for disposal is being prepared every month, or as per frequency prescribed by the collector.
10. Check whether goods ripe for expeditions disposal under sec. 110 or perishable goods are being put up for disposal within 7 days of receipt.
11. Check whether the custodian of cwc/iaai/nai/ has executed necessary bonds for custodianship of seized goods.
12. Check whether taking over, handing over is done based on the latest stock position. check whether stock verification has been conducted.
13. Check whether monthly surprise checks and stock challenges are being conducted by supervisory officers like ac, dc etc.
14. Check whether annual stock verification has been completed and report submitted promptly or not
15. Check whether all the objections, irregularities and defects pointed out have been acted upon.
16. Check whether action has been initiated against officers responsible for serious irregularities pointed out.
17. Check whether periodical and concurrent audit is being carried out in respect of receipt, custody and disposal of seized and confiscated goods.
18. Check if sale vouchers are being issued with full description of the goods sold and the address of the buyer is being given in full and countersigned by the customer.
19. Check whether the sale vouchers are properly filed in the inventory file and are being regularly reviewed by the supdt. incharge of the disposal.
20. Check how many such inventory files are pending to be closed after completion of disposal in full.

21. Ensure that packages received from the airport and outstation seizure cases indicate the register and seizure case no. also and the same is entered in the warehouse register to facilitate cross verification of actual receipt of the seized goods with the relevant inventories.
22. Ensure that for all under and unexplained delays in disposal, defaulting officers have been called up to explain.
23. Ensure that in unclaimed cases, disposal action has been initialed immediately.
24. Ensure that vehicles and vessels are kept in proper custody, properly accounted and maintained. apart from the entry in the godown register, against the cases in which they are involved, maintain a separate list of vehicles and vessels for quick reference, disposal and replies to estimates committee.

F.No. 1301/3/85-ad.v.
Government of India
Ministry of finance
(Department of Revenue)

New Delhi the 30th march, 1985.

To,

All collectors of customs
All collectors of customs (preventive).
All collectors of customs and central excise.
All collectors of central excise.
Director general, revenue intelligence,
Director, anti-evasion.
Director, enforcement.
Director, preventive operations.
Narcotics commissioner.

Subject:- Grant of rewards to Informers and Government Servants – Review of policy, procedures and orders -Regarding.

Sir,

The Government have reviewed the existing policy, procedures and orders in respect of grant of rewards to informers and government servants in case of seizures made, infringement or evasion of duty, etc. detected under the provisions of the following acts :-

- i) The Customs act, 1962

- ii) The Central excise & salt, act, 1944
- iii) The Gold control act, 1968
- iv) The Foreign exchange regulation act, 1973.

2. As a result, the revised guidelines are laid down in the succeeding paras. all previous guidelines issued on the subject may be deemed to be modified to the extent indicated herein.

3.1 Quantum of rewards seizures of contrabands under the customs act ("smuggling" offence)

3.1.1 Informers and Government servants will be eligible for rewards upto 20% of the estimated market value of the contraband goods seized. in respect of gold, silver, opium and other narcotic drugs etc. the overall ceilings for rewards (based on broadly 10% of the value of these items, as reckoned by the government for the present are shown in the annex. these would be subject to periodical revision in the light of price fluctuations about which timely intimations should be sent to dgri every quarter to enable him to recommend appropriate revision as and when warranted, to the ministry.

3.2 Reward for detection of other offences under the customs act, such as, evasion of customs duty, under over-invoicing of import/exports, infringement of import/export licencing laws, etc. (other than those relating to smuggling matters.)

3.2.1 Informers and Government servants will be eligible for reward upto 20% of the duty, if any, sought to be evaded plus 20% of the fine and penalty levied/imposed and realised, provided the amount does not exceed 20% of the market value of the goods involved.

3.3 Seizures made, evasion of duty and other infringement detected under the central excise & salt act.

3.3.1 In cases of detection of evasion of central excise duty, concealment or suppression of production, surreptitious removal of dutiable goods, etc., informers and government servants will be eligible for reward upto 20% of the duty, fine and penalty levied/imposed and realized provided the amount does not exceed 20% of the marks value of the goods involved.

3.4 Seizures under the gold control act and cases of other violation detected

under the gold control act.

3.4.1 In case of seizure of gold button, the overall ceiling for rewards to informers and government servants will be as indicated in serial no.1 of the annex.

3.4.2 In other cases, whether of seizure of articles of gold/ornaments, or of detection of "shortages", informers and government servants will be eligible for reward upto 20% of the redemption fine and /or penalty imposed are realised, provided the amount does not exceed 20% of the market price of the goods involved.

3.5 Cases of seizures/violations detected under fera.

3.5.1 Informers and government servants will be eligible for reward upto 20% of the amount involved confiscation. when in addition to confiscation or without confiscation, a penalty is imposed and realised 20% of it may also be taken into account in computing the ceiling.

4. Reward should not be granted as a matter of routine.

4.1 Reward is purely an ex-gratia payment which, subject to the guidelines may be granted on the absolutly descretion of the authority competent to grant rewards and cannot be claimed by anyone as a matter of right. In determining the reward which may be granted, the authority competent to grant reward will keep in mind the specificity and accuracy of the information, the risk and trouble undertaken, the extent and nature of the help rendered by the informer, whether information gives clues to persons involved in smuggling, or their associates, etc; the risk involved for the government servants in working out the case, the difficulty in securing the information, the extent to which the vigilance of the staff led to the seizures, special initiative, efforts and ingenuity displayed, etc. and whether, besides the seizure of contraband goods, the owners/organizers/ financiers/racketeers as weel as the carriers have been apprehended or not.

4.2 To Government servants, rewards may ordinarily be paid upto 10% of the estimated market value of the goods involved (half of the maximum rewards indicated in respect of gold, silver, opium and other narcotic drugs, etc. in the annex. rewards in excess of this limit, but not exceeding 20% (or as in the annex, in respect of gold, silver, narcotics, etc.) of the said value, may be considered in cases where the government servant has exposed himself to a great personal hazard or displayed exemlary courage, commendable initiative, ingenuity or resourcefulness of an extraordinary character or his personal efforts have

been mainly responsible for the detection of the goods.

5. Stage of payment of reward payment of advance rewards

5.1 Advance reward may be paid to informers and government servant upto 50% of the expected final reward immediately on seizure in respect of the following categories of goods, namely :-

- a) Gold/silver bullion and goods which are notified; or specified
- b) Arms and ammunition, explosives;
- c) Opium and other narcotic drugs;
- d) Goods not declared which are seized in the customs area or customs waters; and
- e) Freely convertible foreign exchange in the form of currency notes.

5.2 In other ("smuggling") cases of seizures of contraband goods, advance reward upto 25% of the expected final reward may be paid immediately after seizure, if the authority competent to sanction reward is satisfied that the goods seized are reasonable expected to be confiscated on adjudication and the order is likely to be sustained in appeal/revision proceedings.

5.3 In all other cases, whether of seizure or of evasion/infringement detected on the basis of documents, 25% of the expected final reward may be paid after the issue of a show-cause notice provided the authority competent to sanction reward is satisfied that there is reasonable chance of confiscability/infringement/evasion, as the case may be, being established in adjudication and sustained in appeal/ revisionary proceedings.

5.4 In exceptional cases, the heads of departments may, having regard to the value of the seizures effected and magnitude of the evasion or infringement detected and special efforts or ingenuity displayed by the officers concerned, sanction and announce the grant of suitable rewards on the spot to be adjusted against the advance reward that may be sanctioned.

6. Payment of Final reward

6.1 Final reward will be paid after adjusting the advance reward, if any paid in the manner as indicated in succeeding paras.

6.2 In respect of the goods described in para 5.1, the remaining 50% of the reward may be sanctioned both to informers and government servants on adjudication of the case resulting in confiscation of the goods, if, however, the party concerned delays adjudication proceedings by contesting the imposition of penalty only but not confiscation of the goods, the final reward may be

sanctioned even prior to the conclusion of the adjudication proceedings.

6.3 In all other cases, 25% of the expected final reward may be paid after adjudication resulting in confiscation and/or confirmation of the demand/infringement and the remaining 50% may be paid only after the conclusive the appeal/revision proceedings by the appropriate authorities, (such as, tribunals, fera board, etc.) resuling the upholding of confiscation, demand/fines/penalties, etc. imposed under the respective acts.

7. To whom reward may be paid

7.1 Ordinarily, informers and Government servants (upto the level of group `A' superintendents/asstt. collectors of customs and central excise/ assistant directors) will be eligible for reward depending on contribution made by them as a term as well as individually with regard to the collection of intellignes surveillance, effecting of seizure etc. due credit should be given to the staff employed on investigation are prosecution resultiing in conviction of person involved other than the carries of contraband goods, etc.

7.2 Group `A' officers above the level of asstt. collector/asstt director will not be eligible reward on the basis of value of the seizure, etc. however, in appropriate cases, government may consider consultation with gca/dgri/director, anti-evasion, the grant of lump-sum payment/ advance increments and/or recognition, in any other manner of the services rendered by them for which purpose the heads departments should forward their recommendation to the aforementioned officers with a copy to the ministry.

8. Delegation of powers for payment of reward

8.1.1. The monetary limit for sanction of rewards to informers and government servants are given below.

| Designation of officer ----- | Whether limit for sanction of rewards to | |
|--|--|-----|
| ----- | Informers | |
| Govt. servants | ----- | |
| ----- Heads of Department 10,000/- | Rs. 20 lakhs | Rs. |
| ----- Addl. collector of customs/ 2,500/- Central excise/spl. director, | Rs.10,000/- | Rs. |

Enforcement.

Deputy collector of customs/
central excise/deputy director, Rs. 5,000/- Rs.
2,500/-
Enforcement/DRI/Directorate of Anti-evasion.

8.1.2 Any case for the grant of reward in excess of Rs. Twenty lakhs to an informer would be examined approved by a committee consisting of :-

1. The head of the department,
2. Director, preventive operations, and
3. Additional collector/deputy director, enforcement/deputy director, anti-evasion/dri.

8.1.3 All cases of grant of reward to government servants in excess of the limits specified above should be examined and approved by a committee consisting of the following :-

Amendment to reward for govt. servants Constitution of the committee

| ----- | ----- |
|--|---|
| <p>1. Reward in excess of Rs. 10,000/- but not exceeding Rs. one lakh. and most Deputy collector/ director the Hqrs.</p> | <p>1. Head of the department 2. Additional collector; 3. Sr. Deputy</p> |
| <p>2. Reward in excess of Rs. one lakh upto Rs. five lakhs. preventive operations; and Additional collector/ director incharge</p> | <p>1. Head of the department; 2. Director, 3. special of hqrs.</p> |
| <p>3. Reward in excess of Rs. five lakhs. GCA., as the</p> | <p>1. Concerned Member of the CBEC or case may</p> |

be, and

DGRI/Director, enforcement/

Director, anti-evasion, as

may be, and

head of department

concerned.

2.

the case

3. The

9. It has also been decided to set up three separate funds, namely, the welfare refund, the performance award fund and the special fund for the acquisition of equipment, etc., 1% of the estimated market value of the goods involved will be credited to the welfare fund, 4% to the performance award fund and 5% to the special fund. detailed guidelines in this regard will be issued separately.

10. In view of the liberalisation of rewards, the head of departments will take special care to ensure that the value of goods fixed at the time seized and disposed of should be prepared with utmost care with the assistance of the valuation committee and these should be regularly reviewed.

11. At the time an informer furnishes any information or documents, an undertaking should be taken from him that he is aware that the extent of the reward depends on the precision of the information furnished by him and that the provisions of section 182 of the indian penal code have been read by him or explained to him, that he is aware that if the information furnished by him is found to be false, he would be liable to prosecution, that he accepts that the government is under no obligation to enter into any correspondence regarding the details of seizures, if any, made, etc., and that the payment of reward is ex-gratia in the absolute discretion of the authority competent to grant reward.

Please acknowledge receipt of the letter.

Yours faithfully,

sd/-

(Ram Phal)

Under Secretary to the Government of India
Copy to;

1. All collectors (appeals) of customs & central excise.
2. P.S. to Chairman/M (cus.)/M(as)/M/(cx)/M(per/Member(b)/Member(l&j) Js(a)/Js(as).
3. Directorate of Inspection (Cus. & Central Excise), Directorate of publication, Directorate of training, directorate of O & M for information.

sd/-

(Ram Phal)

Under Secretary to the Government of India

Pre-1985 Reward Scheme

(a chronological list of instruction with brief
entitlement

1. Who are entitled to be given rewards.
 - (i) Rewards are granted to informers, i.e. persons bringing to notice breaches and evasions of the (customs act etc.) (f.no. 13/18ad.v/52 dated 31.3.53.).
 - (ii) Rewards may also be given by government to informers even though no goods may be confiscated provided the information has led to liquidation and /or conviction of smuggles through successful prosecution.(f.no. 13/59/71-ad. v dt. 14.6.72).
 - (iii) Reward is granted also to those persons (other than informers) who assist in effecting a seizure (f.no. 13/39/73-ad. v dt. 23.4.73)
 - (iv) Rewards are also granted to persons giving information about individuals against whom detention orders under cofeposa have been issued but who are absconding (f.no.r.13011/1/74-ad.v dt. 6.1.75. 13.2.75, r. 13011/9/75-ad. v dt. 21.10.75).
 - (v) Persons giving information about proclaimed offenderes are also entitled to rewards.) f.no. 1314/36/78-ad.v dt. 3.12.80).
 - (vi) Officers of the customs and central excise, departments, narcotics department and other departments who make seizures and those who investigate and

conduct prosecutions are also entitle to rewards
(see sction iv - "rewards to officers."

Principles

II. Principles for Grant of Reward

(a) Informers

(i) The Quantum of reward to informers has to be related to the nature of information, factors such to accuracy, utility, difficulty in obtaining information from other sources have to be taken into account weight is to be given to the informers's antecedents and the risk to which he is exposed (d.o.f. no.13/110/58-ad.v dt. 2.4.59).

(ii) The maximum reward rate _____ should not be given as a matter of routine but on the merits of each case. the amount of reward depend, upon the nature of information whether specification otherwise, and whether the information given clues to persons involved in smuggling, or these associates. in cases where informers have been found to keep back any information full reward should not be given
(f.no. r.13011/5/74-ad. v dt. 22.7.77).

(iii) If the information is `purchased' expenses should be met from ssf
(f.no. 13/239/65-ad.v dt.8.10.65).

(b) Officers

(i) The main consideration in computing rewards should be the risk involved in working out the case, the difficulty in securing the information and the extent of vigilance of the preventive staff
(f.no. 13/18/ad. v/52 dt. 31.3.53).

(ii) Ordinarily rewards should be given in cases of outstanding merits. they are not altogether ruled out in routine cases of seizure, but the propriety should be carefully examined (ibid).

(iii) If the information is specific and prectise, only a nominal amount should be given (f.no. 13/15/62-ad. v dt.29.10.62).

(iv) Reward to officers is more a token of appreciation of their work, and cannot be claimed as a mater of right. it is paid on ex-gratia consideration and is not a quid-pro-quo, for vigilance, honesty and efficiency
(d.o.f.no.13/110/58-ad. v dt. 2.4.59).

(v) Reward are not intended for routine seizures but where some special

efforts and ingenuity were displayed by the officers concerned. payment of reward as a matter of course, irrespective of the part played by each individual would defeat the very objective of granting rewards (ibid).

(vi) The quantum of reward should have more relationship with the initiative, effort and risk involved than with the amount seized

(f.no.13/15/62 dt. 29.10.62 reiterated in f.no.13/47/66-ad.v dt.5.5.66)

(vii) Where seizure is a result of team work, work of the team should be played up rather than that of the individual who actually made the seizure (ibid),

(also see f.no.13/18/ad. v/52 dt. 31.3.53)

(viii) The general principle (for sanction of reward) should be that the more senior the officer is, the less eligible he should be for a reward

(f.no.13/62-ad.v dt. 29.10.62).

(ix) The amount _____ should be reasonable having regard to the status, emoluments of, and the normal duties assigned to the individuals concerned (d.o.f.no.13/110/ad.v dt.2.4.59).

(x) Rewards are intended to act as an incentive for further good work and also to keep up the tempo of enthusiasm of officials.

(f.no.13/169/67-ad.v dt.6.7.689).

(xi) Normally rewards should be confined to those who do something directly connected with the seizure and action prior to it _____ rewards for seizures rendered during subsequent stages of investigation and prosecution should be given only in exceptional cases

(f.no.13/18/ad.v/52 dt. 31.3.53).

(xii) Staff employed in investigation and/or prosecution will be eligible for reward in deserving cases if their investigation etc. leads to conviction of persons other than carriers of smuggled goods.

(f.no.13/59/71-ad. 14.6.72).

(xiii) Contemporaneous record of the contribution of each participant in a seizure case should be made by a gazetted officer so that when rewards are sanctioned, a fair and equitable quantum is sanctioned to each. it will help in quick determination of reward to each officer a suitable modified manner of preparation was suggested in these cases where seizures are made by police or other govt. officers

(f.no.13/59/71-ad. v dt. 14.6.72).

Sanctioning authority
-----III Authorities competent to sanction rewards.

(a) To informers and officers-in customs cases

(i) Powers of collector 'enhanced' to sanction final reward upto rs.5000/- in gold, currency and jewellery cases, rs.2500/- in other customs cases (excluding dangerous drugs) and rs.2500/- in opium cases

(f.no.13/18/ad.v/52 dt.31.3.53).

(ii) In f.no.13/15/62 dt. 29.10.62 board ordered that a committee be set up in each collectorate scrutinise reward cases and make recommendations in differed cases for sanction of rewards collectors 212/64/ad.v d 27.10.64. it was finally, 13/59/71.ad. v 14.6.72; reward propose made to collectors are to be scrutinised by the ac(prev) or officers senior to him.

(iii) In regard to informers, powers of collectors were enhanced in f.no 13/168/65-ad.v dt.30.8.65. these related to seizure of foreign marked of foreign marked gold, diamonds etc.

(iv) Full powers in respect of grant of rewards to informers, within ceiling determined by take prescribed for gold and a percentage of the market value of other goods were delegated collectors in f.no.13/185/69-ad-v dt.9.2.70.

(v) Collectors powers to sanction rewards to govt. employees was revised and powers to grand reward to class ii gazetted officers was also delegated. within ceilings determined by rates, these were as under:

| | |
|--|-----------|
| Class II Gazetted officers | Rs.2500/- |
| PO's inspectors of officers of equal status. | Rs.1500/- |
| Other Class III officers (excluding drivers) | Rs.1000/- |
| Drivers | Rs.750/- |
| Sepoys and other class IV Staff f.no.13/59/71-ad.v dt.14.6.72) | Rs.500/- |

(vi) Additional collector and deputy collectors looking after preventive work were empowered to sanction rewards upto rs.5000/- in a case both to the informers and the officers, likewise asstt. collector (prev) were also given powers upto rs.2000/- (f.no.13/59/71-ad.v dt. 14.6.72)

(vii) The powers presently exercised by field officers are as laid down by f.no.rs.13014/36/78-ad.v dt.3.12.80. rewards to informers, which officers subordinate to collector can sanction are now linked to value of cause property and not to the extent of reward. Additional collector can sanction rewards in all cases where the estimated value of goods is Rs.50,000/- Dy.collectors in cases of upto Rs.25,000/- and ac's in cases of upto rs.10,000/-

(viii) Reward to officers can now be sanctioned by collector/addl. Collectors only. the limits laid down in 1962 (sl.no. v above). were raised to Rs.3500 (gr. `b'), Rs.2500/- (group `c') other than drivers and Rs.1500 (drivers, and group `d') (rs.13014/36/78 ad.v dt. 3.12.80 and rs. 13011/2/82-ad.v dt. 16.8.82)

(ix) Revision and second sanction of reward is not proper on the part of the sanctioning authority. there is no provision for 2nd or subsequent sanction of reward by the (same) sanctioning authority
(f.no.r.13012/12/17/81-ad. v dt. 31.3.82)

(b) To Informers and Officers in Narcotics cases

(i) Narcotics commissioner was delegated with powers of that of a collector in respect of seizures of opium made by his staff by
f.no.13/18/ad. v/52 dt.31.3.53.

(ii) The powers to sanction final rewards to informers was delegated to deputy and asstt. narcotics commissioners under certain conditions by f.no.13/109/59-ad. v dt.26.6.63 and f.no.13/127/63-ad.v dt.28.9.63 (not enclosed as evident from f.no.13/153/73-ad.v dt.5.12.73.

(iii) Narcotics commissioner was invested with full powers in respect of informers, and at a graded scale in respect of officers in
f.no.13/128/72-ad.v dt.14.3.75.

(c) To Other Persons (Being neither informers nor officers).

(i) Collectors can sanction reward upto 1000/- to persons other than informers who assist in effecting seizures (f.no.13/39/73-ad v. 23.4.73) and r.13014/36/78-ad.v dt.3.12.80).

(ii) Collectors can sanction rewards upto Rs.5000/- to persons furnishing clues etc. leading to arrest of cofeposa absconders (r.1301/10/74-ad.v dt.

6.1.75 & r.1301/9/75-ad.v dt.21.10.75).

(iii) Collectors can sanction rewards upto Rs.5000/- to persons who give information leading to apprehension of proclaimed offenders (f.no.13014/36/78-ad.v dt.3.12.80).

(d) To persons not covered by above.

Reward in the following cases is sanctioned by the govt. on proposals made by collectors:-

(i) Rewards to officers in excess of the amounts which collector/narcotics commissioner can sanction within their own powers (f.no.13/59/71-ad.v dt. 14.6.72 & 13/128/72-ad. v dt. 14.3.75).

(ii) Rewards to officers if on reconsideration of a case, collectors feel that more rewards should be given to an officer/officers than what has been sanctioned by him, even if with the additional amount the total may still be within the collector's powers of sanction (f.no.r.13012/17/81-ad.v dt.31.3.82)

(iii) Rewards to informers if the information has led to liquidation and/or conviction of smugglers through successful prosecution, even if no goods are seized/confiscated (f.no.13/59/71-ad. v dt.14.6.72).

(iv) Deserving cases of staff employed in investigation and/or prosecution if their investigation etc. leads to convictions of persons other than carriers of smuggled goods (f.no.13/59/71-ad. v dt. 14.6.72).

(v) To naval staff who participate in a seizure as reward is sanctioned also to the naval welfare fund (f.no.13/122/70-ad. v dt.6.4.73).

iv Reward to officers

(i) Officers instrumental in detecting cases, those who do something directly concerned with the seizure and action prior to it are entitled to rewards (f.no.13/18/ad.v/52 dt. 31.3.53).

(ii) Officer who are employed in investigation & prosecution are also entitled to rewards in exceptional cases. these rewards are sanctioned by govt. only (f.no.13/18/ad.v/52 dt.31.3.53 & f.no. 13/59/71-ad.v dt. 14.6.72).

(iii) Ministerial officers:instrumental in detecting fraud or irregularities are to be given certificate of merit by the head of depts. (f.no.13/5/61-ad.v dt. 16.7.62).

(iv) Retired government servants:rewards may be sanctioned to the officer who has retired from service. reward to retired officers who settle abroad is payable only in rupee in india.

(f.no.13/211/67-ad.v dt. 17.10.68).

(v) Officer who have resigned from govt. service may also be given rewards if the resignation was in circumstances which do not bring the officer out in any adverse light (f.no.13/211/67-ad.v dt.17.10.68).

(vi) Rewards should not be denied to officers discharged from service only on account a reduction in establishment. (f.no.13/211/67-ad.v dt. 17.10.68).

(vii) For ensuring fair and equitable reward to officers, a contemporaneous record showing the contribution of each participant should be prepared by the gazetted officer (f.no.13/59/71-ad. c dt. 14.6.72)

(viii) Special provision exist for sanctioning rewards to naval officers

(f.no. 13/122/70 ad.v dt. 6.4.73).

v. Advance reward

(a) As a general rule,no advance reward should be paid to the departmental officers (f.no.351/68-ad.v dt. 17.10.68). advance reward should not be paid to informers also until the identity of the seized govt.(gold etc.) are established as contraband after necessary test and purity ascertained promptly.

(b) Informers

(i) Subject to limits laid down for collectors and narcotics commissioner to sanction final rewards they were authorised to sanction grant of reward to informers upto 50% of the expected final reward immediately on adjudication, 25% after 6 months irrespective of the position regarding appeals, and 25% only on decision of appeal

(f.no.13/18/ad.v/52 dt.31.3.53). instruction regarding final reward since rescinded by f.no.23/29/65-ad.v dt.13.3.65).

(ii) Sanction of advance reward was shifted from the adjudication stage to seizure stage in respect of gold/jewellery cases in 1958

(f.no.13/19/56-ad. v dt. 21.6.58 not enclosed). the powers were at or near the point of entry in india (f.no.13/168/65-ad. v dt.30.8.65).

(iii) The estimated value of (goods) should be arrived at on the basis of the retail prices which are to be fixed in a realistic manner while examining advance reward proposals (d.o.f. no.13/190/67 ad.vdt.26.7.67 reiterated in f.no.13/185/69-ad.v dt.9.2.70).

(iv) In respect of (1) gold bullion and goods notified and specified under section ii-o and ii-i of the customs act (2) seizures made in the customs area or in india customs water of goods not declared and (3) seizures of unclaimed goods, advance reward could be paid before sale of the goods, if there is no doubt about the final confiscation of the goods.

(a) 50% of the expected final reward immediately on seizure and

(b) Balance on adjudication resulting in confiscation. penalty amounts are to be excluded for the purpose of advance (f.no.13/185/69-ad.v dt.9.2.70).

(v) Scope of items slightly modified: 50% of the expected final rewards could be sanctioned immediately on seizure in case of:-

(a) Gold bullion and goods which are notified or specified under the customs act, expect seizure of small quantities of assorted goods from business or residential premises;

(b) Goods not declared, which are seized in customs area or in customs water, and

(c) Unclaimed goods.

Final rewards may be sanctioned on adjudication, resulting in confiscation. if imposition of penalty is being defended but not confiscation of goods, final reward may be sanctioned prior to confiscation (f.no.13/59/71-ad.v dt. 14.6.72).

(vi) Advance rewards is payable only in the types of cases mentioned at (v) above and not in any other type (f.no.13/267/72-ad v dt.16.12.72)

(vii) Narcotics commissioner will continue to enjoy powers to grant advance reward to the informer immediately on seizure of opium upto 50% of the expected final reward after a prima-facie case has been established.

(f.no.13/128/72-ad. v dt. 14.3.75).

Final Reward

vi. Sanctioning final reward (see also `prosecutions).

(i) Final rewards should be sanctioned both to the informers/departmental officers as soon as possible after the goods are confiscated absolutely and without waiting for final sale thereof. disposal of appeal/r.p. should be verified before sanctioning (f.no.12/29/65-ad.v dt.15.3.65).

(ii) Reward to department officers is normally sanctioned only after the adjudication is over and the appeal/revision applications period is over, and where appeal/revision petition has been filed, after it has been finally disposed of
(f.no.13/251/68-ad. v dt. 17.10.68).

(iii) (a) Final reward to informer in the following category of cases may be sanctioned on adjudication resulting in confiscation. in case only imposition of penalty is disputed and not the confiscation, rewards may be sanctioned prior to confiscation.

(1) Gold bullion and goods which are notified or specified under the customs act, except in town seizure cases or assorted goods of small value.

(2) Undeclared goods seized in customs area or customs water, and

(3) Unclaimed goods.

(b) In the aforesaid three types of cases, reward to officers should ordinarily be sanctioned after adjudication of the case resulting in confiscation (see section on prosecution) (f.no.13/59/71-ad-v dt. 14.6.72).

(iv) Payment of reward should not be linked with disposal of goods
(f.no.13014/36/78-ad. v dt. 3.12.80).

(v) Reward to informers fixed at 10% of the estimated market price in India of the goods at the time of seizure; (estimated market price "if the goods were sold in the market in india in the ordinary course of trade"). for gold bullion, a rate of rs.15 per tola also provided. 10% of the fine and penalty actually realised could also be given
(f.no.13/185/69-ad. v dt.9.2.70).

(vi) The Quantum of fines and penalties in (customs) cases should now be excluded for computing quantum of rewards (f.no.r-13014/36/78-ad. v dt. 3.12.80).

(vii) The Existing ceiling of 10% is maximum permissible limit and rewards (to informers) up limit should not be granted as a matter of routine, but on the merits of each (f.no. 71-ad. v dt. 14.6.72).

Rate of ceiling

(viii) There are special provisions for sanctioning rewards where naval officers help in making seizure but the overall ceiling of 10% of value remains
(f.no.13/122/70-ad.v dt.6.4.73)

(ix) The total amount payable as reward both to the departmental staff and naval personnel staff not exceed the prescribed ceiling (ibid).

(x) In respect of certain commodities which are subject to quick fluctuations in value, rates have been fixed on weight.

vii. Admissible amounts

(i) From letter f.no.13/18/ad.v/52 dt.31.3.53 it is noticed that the reward rules then in force provide that an amount equal to half the realised value of confiscated goods, plus half of full and penalty realised could be paid as rewards. in respect of opium it is stated that there were objection to the payment of the entire price of opium seized calculated at the central govt. issue price in rewards to informers and departmental officers. guidelines for actual sanction honeable advised that as regards officers, the maximum should not ordinarily exceed three months salary or the officials. (the policy underwent a change later).

(ii) The amount of reward sanctioned or proposed for officers of the department in a case showing not ordinarily exceed 10% of the value of the confiscated goods plus the penalty or fine reliage

(iii) Rewards to informers in case of cloves, cinnamon etc., which were sold to the state tradings at a price much lower that the market price were to be reckoned at 20% of actual price or 10% of the market price, whichever was less (f.no.13/90/68-ad.v dt.25.4.68). basis from time to time.

1. Opium

(a) For informers

(i) Rs.30/- per kg. of opium of prescribed standard (f.no.13/153/73-ad.v dt. 5.12.73).

(ii) Rs.50/-per kg. of opium of prescribed standard (f.no.13/128/72-ad.v dt.14.3.75).

(iii) Rs.100/-per kg. of standard opium)f.no.13014/36/78-ad.v dt.3.12.80).

(b) For officers

Rs.30/- per kg. of standard opium (f.no.13/128/72-ad. dt.14/3/75).

2. Silver

Rs.50/- per kg. of 99% purity prorata reduction for lesser purity (this basis was in force for a very short time to the market value system (f.no.13/130/69-ad. v dt. 28.3.69). procedure for determining the purity of silver, it should be got verified locally by the collectors, etc.

(f.no.13/130/69-ad.v dt.28.3.69). Rs.200/-per kg. of silver with a purity of 99% of more, to be reduced prorata for lesser purity (f.no.r.13014/36/78-ad.v dt.3.12.80).

3. Gold

(a) Informer

(i) The amount of reward is ordinarily limited to rs.50/-per tola, in special case it can go upto rs.100/-per tola (d.o.f.no.13/110/58-ad.v dt.2.4.59).

Rate of ceiling

- (ii) Rs.15/-per tola (f.no.13/231/60/-ad.v dt.4.2.60 (not enclosed).
- (iii) Rs.20/-per tola (f.no.13/59/71-ad.v.dt.14.6.72). 0/-per tola (f.no.13/59/71-ad.v. dt.14.6.72).
- (iv) Rs.40/-per tola (f.no.r.13011/5/74-ad.v dt.22.7.77) rates applicable to gold with or without foreign markings (f.no.r.13011/12-w/77-ad.v dt.31.1.78).
- (v) Rs.60/-per tola (r.13011/5/74-ad.v dt.14.6.78).
- (vi) Rs.70/-per tola (r.13011/36/78-ad.v dt. 3.12.80).
- (vii) Rs.90/-per tola (r-13011/15/80-ad.v dt.1.10.81).

(b) Officers

Rs.20/-per tola (f.no.13/59/71-ad.v dt.14.6.72).
Rs.60/-per tola (r.13013/48/81-ad.v dt.10.9.82).

(c) Foreign Marked Gold

Reward rates applicable to seizures of foreign marked gold made anywhere in India (f.no.13/20/67-ad.v dt.26.6.67).

- (i) As seen from f.no.13/18/ad. -v/52 dt.31.3.79 one limit of reward was 3 related to "realised" value, being half the realised value of confiscated goods.
- (ii) Through f.no.13/15/62 dt.29.10.62, the new limit was set at 10% of the "value of the confiscated" goods.
- (iii) The value indicated in (ii) above should correspond to the value as defined in sec.2(41) of the customs act, 1962 read with section 14(1) of that act (f.no.13/47/66-ad. v dt.5.5.66).
- (iv) Only sale proceeds-actual or anticipated are taken into account and no.f.i.r. value (ibid)

(v) Under the reward rules the rewards are based upon the realised value of the confiscated goods if any, (d.o.f.no.13/190/67-ad.v dt.26.7.67).

(vi) Advance rewards to informers are based on estimated value. Estimated value....may be arrived at on the basis of retail prices which should be fixed realistically, that is, sufficiently below the market price... estimated value should be arrived at very carefully taking into account factors such as availability of similar (goods) in the market, demand for particular brands...in the market and condition of the (goods) at the time they are offered for sale (d.o.f.no.13/190/67-ad. v dt. 26.7.67).

(vii) Grant of advance reward is dependent on Assessed price (of goods). ensure that at the time of seizure, inflated prices are not indicated.when assigning price to seized goods the concerned officers should invariably ascertain the retail prices etc. fixed, realised in the customs house for similar goods and should assess the price of the seized goods accordingly (d.o.f.no.4/46/69-cus-iii dt.20.9.69).

(vii) Grant of advance reward is dependent on assessed price (of goods). ensure that at the time of seizure, inflated prices are not indicatedwhen assigning prices to seized goods the concerned officers should invariably ascertain the retail prices etc. fixed, realised in the customs house for similar goods and should assess the price of the seized goods accordingly (d.o.f.no.4/46/69. cus.iii dt. 20.9.69).

(viii) Reward to informer in goods other than gold will be within the overall ceiling of 10% of the estimated market price in india of confiscated goods at the time of seizure. the 10% ceiling will apply to estimated market price if the goods were sold in the market in india in the ordinary course of trade (f.no.13/185/69/ad.v dt.9.2.70).

(ix) The estimated market price of the seized goods must be determined on a realistic basis (vide vii above) and certified both by the ac and the gazetted officer incharge of disposal in order to avoid over payment of reward (ibid).

(x) Reward to informer in respect of goods sold to nccf should be paid on the basis of market price (f.no.13/64/71-ad.v dt.7.8.71. see also f.no. rs.13014/36/78-ad.v dt.3.12.80 for modification no. deduction of discount should be made).

(xi) In case of gold jewellery the reward should be based on the market price of jewellery as in customs cases (r.1301/16/-w/76-ad.v dt. 8.12.76).

(xii) Where goods have been disposed of when rewards are sanctioned, the actual sale proceeds should form the basis of computing payable quantum of

rewards. in all other cases, the rewards should be computed on the basis of estimated market value of the goods in accordance with existing instructions (rs.13014/36/78-ad.v dt.3.12.80)

(xiii) The Bombay (customs house/prev. collectorate) system of valuation should be adopted in all other collectorate also (ibid).

(xiv) Valuation of antiques, trophies, hides and skins of rare animals, made by an art purchase committee of the national museum or department of archeology or any other competent authority in the field may be continued to be accepted (ibid).

(xv) No deduction or discount should be made on account of.....charges and commissions allowed to sales agencies like nccf, hmt, military or para-military canteens, etc. (ibid).

Prosecutions

ix. Prosecutions; officers and others engaged in

(i) Recommendation for monetary reward for services rendered during investigation and prosecution should be made only in exceptional cases and on a comparatively smaller scale (f.no.13/18/ad.v/52 dt. 31.3.53).

(ii) Officers employed in.....prosecution are also entitled to rewards where their effort leads to conviction of persons other than carriers. govt. sanctions the reward in especially meritorious case (f.no.13/59/71-ad.v dt. 14.6.72).

(iii) Bombay high court observed in gr. app. no. 1121/63 that it might not be advisable to distribute reward to persons who are likely to be witnesses in a pending prosecution case for the reason that the testimony of such officers is likely to be looked at with much suspicion (f.no.13/351/68-ad.v dt. 17.10.68). see sl.no.v below.

(iv) Rewards to officials whose testimony is being relied upon for (a) confiscation of the goods or (b) for prosecution of the offenders should not be sanctioned until after adjudication as well as prosecution are over (f.no.13/59/71-ad.v dt. 14.6.72 (sec (v)below).

(v) Rewards to govt. officers and other may be paid even where prosecution may be involved in a case, at the discretion of the collector . he should examine the evidence in each particular case for sufficient independent (f.no.13014/36/78-ad.v dt. 3.12.80).

x. Officers under Cloud

(i) No rewards should be paid to officers who have been removed or dismissed from service (c.no.13/211/67-ad. dt. 17.10.68).

(ii) Officers discharged from service (other than those discharged only on account of reduction in establishment) can not be paid any rewards (ibid).

(iii) No rewards need be sanctioned to an officer under cloud till he is exonerated of the charges levelled against him. if charges are proved, no reward need be paid (f.no.13/3/66-ad.v dt. 14.1.66).

(iv) "under cloud" clarified, and ordered that reward need not be paid in any case which is decided during the period the officer is under suspension. or the period of punishment. the instruction were to apply even if the charge levelled against the officers is a small one. rewards may be given in cases coming up for consideration after exoneration or completion of the punishment period, as the case may be (f.no.13/152/72-ad.v dt. 5.10.72 see (v) below).

(v) Instuctions modified. rewards may be sanctioned in such cases, but actual payment made only after the officer is exonerated/period of punishment is over, the sanctioning authority should indicate this while sanctioning reward. this relaxation is inapplicable, however, if the complaint/proceeding relates to the very case which has comes up for sanction of reward (f.no.r.13011/7/80-ad.v dt. 22.3.1983).

xi. Legal Heirs:

Rewards may be sanctioned to the nominees/legal heirs of informers/officers who died before the sanction of rewards. if legal/formal nomination have been made, the same has to be followed. an order of preference of legal heirs has been laid down to be followed in those cases where formal/legal nomination have not been made (f.no.13/211/67 ad.v dt. 17.10.68).

Mode of payment

xii. Payment of Reward to Informers:

(i) In order to avoid routine production of the receipt given by the informer to the audit thus compromising the identity of the informer, a detailed procedure has been drawn up. the payment of sums in excess of Rs.1000/- collector, of sums less than Rs.10000/- the DC or AC. receipt is to be preserved for three years. certificate of payment in the hundered of the officer mentioned above would ordinarily serve the prupose of audit. informer is suitably

identified. (f.no.13/117/67 ad.v dt. 24.7.58.)

(ii) If the information has been given by the informer (s) to an officer of another formation, sanction reward to such informers should be finalised with the concurrence of the head of deptt. or other formation (f.no.13/185/69.ad. v dt. 9.2.70).

(iii) No Income tax is deductible at source from rewards paid to informers who are resident of India.

xiii. Proposals to Governemnt

 (i) Para 2 of d.o.f no. 13/110/58-ad.v dt.2.4.59 would give a general idea of the kind of case which there may be need to exceed the limits normally laid down, although the limit referance therein is no more the general criterion for the purposes of reward to officers. See items in section on `admissible amount'

(ii) If reward in excess of the amount falling within the collector's competence is considered necessary in any case, a recommendation is to be made to the govt. collector may pay the amount which his power and approach the govt. only for the excess amount (f.no.13/59/71-ad.v dt. 14.6.72

(iii) Similar provision in narcotics cases was made for the narcotics commissioner (f.no.1311/72-ad.v dt. 14.3.75).

(iv) In cases where final reward proposals are made to the ministry before the confisteted goods been sold, a certificate about the valuation having been given in a manner should be appended
 (f.no.13/401/69-ad dt.18.12.69)

(v) Addl. requirements were prescribed in june, 1980. these ralate to recommendation been recorded by the collector contemporaneously with the sanction of reward within his power, within which it should be sent to the ministry and the document that should be sent with proposal
 (f.no.13014/14/801-ad.v dt. 7.6.80).

(vi) In those cases in which rewards in addition to what collector has already sanctioned considered necessary, collectors should not themselves sanction the reward a second time but a proposal to the ministry
 (f.no.13012/17/82/ad.v dt. 31.3.82).

F.no R-13011/3/85-ad. v
 Government of India
 Ministry of finance
 Department of revenue

New Felhi,th 5th june 85

To,
 All collectors of customs.
 All collectors of customs (preventive)
 All collectors of customs and central excise,
 All collectors of central excise,
 Director general, revenue intelligence,
 Director of enforcement,
 Director of anti-evasion,
 Director of preventive operations,
 Narcotics commissioner of india,

Subject : Revised instructions on policy of grant of
 reward-clarification sought by various collectors,

Sir,

Some collectors of customs and central excise have
 raised certain points for clarification regarding the instructions issued vide
 minstry's letter of even number dated 30.3.1985.

I am directred to say that the various points which have
 been raised, are clarified in the succeeding paras.

The date from which the revised instructions will take effect.

2.2 The revised rates of rewards to government servants will be applicable
 to the cases wherein seizures, etc. have been effected on or after 1st january,
 1985. it is further clarified that the revised rates would not be applicable in
 respect of rewards to be paid to informers for information leading to seizure,
 etc. received prior to 3rd march, 1985, the date on which the government took a
 decision on the revised rates of reward, etc.

Whether advance rewards could be paid to departmental officers
 in past cases and how rewards are to be sanctioned in respect of pending cases
 of seizures, detection etc. made prior to 1st january, 1985 in which final
 rewards have not been sanctioned and which came up for consideration now :

2.3 Under the earlier orders, there was no provision for grant of
 advance rewards to government employees. this restriction has been removed after
 the issue of the revised guidelines on 30th march, 1985 and which have been
 given effect to from 1st jan 1985. as regards seizures, etc. made prior to 1st
 january, 1985, while the old rates, as in force on the relevant dates, would
 apply other aspects, such as, grant of advance reward to government employees
 eligible at the relevant time, monetary ceilings upto which competent

authorities could sanction reward, would be governed by the revised instructions, if final rewards had not been previously sanctioned and the cases come up for consideration now. It is further emphasized that the total amount available for sanction of reward to both informers and government employees in the aforesaid cases would be regulated by the old rates in accordance with the orders in force at the relevant time of seizures, detection, etc. Cases where rewards have been sanctioned before receipt of these orders need not be re-opened.

Whether the monetary limit laid down in this department's guidelines dated 30th March, 1985 is for reward for a case or per government employee:

2.4 The monetary limits laid down in para 8 of the aforesaid instructions relate to an individual government employee in a given case.

Whether rewards at the revised rates are payable for internal seizures of dangerous drugs psychotropic substances under the opium act/dangerous drugs act prior to and after 1st January, 1985. seizures under the customs act made prior to 1st Jan 85.

2.5.1 As clarified in para 2.2 above, the revised instructions issued on 30th March, 1985 would also be to seizures of Dangerous drugs and psychotropic substances made under the customs act on or after 1.1.85 further having regard to the increased transit traffic in narcotic drugs through India, it has been decided to extend the rates and instructions to cause of internal seizures of dangerous drugs and psychotropic substances made of personnel of the customs, central excise and narcotics department under the dangerous drugs act, 1930 and other act, 1857 on or after 1st January, 1985 for government employees (including state government employees assist officials working under the central board of excise and customs in effecting seizures).

2.5.2 The guidelines indicated in para 2.3 would also apply to the pending cases of opium.

2.5.3 As for seizures of other dangerous drugs such as heroin, morphine, etc. and psychotropic substance mandrax tablets, for want of firm prices, no rate of reward could be fixed. In view of the increasing including drug trafficking, transit trafficking with attendant effects, it has been decided that seizures of all dangerous drugs and psychotropic substances effected on or after 1st January 1985 would also qualify for reward govt. employees at the rates to be indicated separately. Informers would however be eligible for only in respect of information received on or after 3rd March, 1985.

3.1 Reference to para 3.1.2 in annex to this ministry's letter of even no. dated 30.3.85 may be treated as

3.2 The prescribed purity of gold in column 4 of the annex to the ministry's letter of even number dated..... may be read as `995 mills or more' instead of `995.5 mills or more'.

Please acknowledge receipt of this letter.

Yours faithfully,

sd/-

(R.K. Gangar)

Under

Secretary to the Government.

Copy to:

All collectors (Appeals) of Customs and Central Excise.

P.S. to Chairman/ M(cs)/ M(as)/ M(cx)/M(per)/Member(B)/Member(l&j)

AS(a)/JS(as).

Directorate of Inspection (Cus. and Central excise), Directorate of Publication, directorate of , Directorate of O&M for information

F.no.r-13011/3/85-ad.v
Government of India
Ministry of Finance
Department of revenue

New Delhi, the 9th Sep 85.

To,

All collectors of customs,
All collectors of customs and central excise,
All collectors of customs (preventive),
All collectors of central excise,
Director general of revenue intelligence,
Director of enforcement,
Director of anti-evasion,
Director of preventive operations,
Narcotics commissioner,

Subject : Rewards - Consideration for sanction of rewards to group `A' officers for post seizures- Clarification regarding.

Sir,

I am directed to refer to this Ministry's letter of even number

dated the 5th june, 1985 and telex no. 4693/js(as) dated 14.6.1985 on the subject cited above and to say that in regard to certain doubts expressed by some collectors of customs and central excise/director of enforcement/narcotics commissioner, the position further clarified in the succeeding paragraphs.

As clarified in the aforementioned telex dated 14.6.85, the maximum limit of reward payable would apply separately to the two categories, i.e. informers and government servants. the omission of the word "each" at appropriate places was inadvertent.

It is also, clarified that advance reward referred to in paras 5.2 and 5.3 of the letter dated 30.3.1985 may also be paid upto 25% of the expected final reward, subject to the conditions mentioned therein, immediately after seizure of excisable goods under the central excise and salt act, 1944 and rules made thereunder and that of foreign exchange seized and encashed under the foreign exchange regulation act, 1973, as distinct from cases involving no actual seizure where the offence is based entirely on the basis of documentary evidence which is government by para 5.3 that covers fera cases too.

It may also kindly be noted that group 'a' officers are not entitled to reward in respect of seizures etc. made prior to 1.1.1985. as regards para 2.5.3 of the ministry's letter dated 5.6.1985, the words "on or after 1st january, 1985" should be read as "during the period from 1st january, 1983" to 31st december, 1984" as was clarified in the aforementioned telex of 14.6.1985. the rates of reward in respect of such cases will be intimated later. as regards delegation of powers to various ranks of officers listed in para 8 of this ministry's letter dated 30.3.85, it is clarified that the powers are delegated to officers of equivalent rank in the narcotics organisation also.

In regard to internal seizures of opium, rewards at the revised rates are payable for seizures made under the opium act, 1978 also.

yours faithfully,

sd/-

(R.K.Gangar)

Under

Secretary of the Government of India.

F.no.

r-13011/3/85-ad.v

Government of India
Ministry of Finance
Department of

Revenue

New Delhi, the 30 Oct 1985

To,

Chief secretaries, all state governments.
Administrators, all union territories.

Subject : Rewards-policy of granting of rewards in the cases of detection and opium and other dangerous drugs - regarding.

Sir,

I am directed to say that the government of India have liberalised the rules governing payment of reward in the cases of seizures of opium and other narcotic drugs by its own agencies. It is felt that the reward structure for informers/police/excise personnel in various state governments may not be such as to accommodate the liberalised rewards for seizure of opium and other narcotic drugs as admissible in the rules framed by the department of revenue. It is, therefore, desirable that in the interest of curbing the drug traffic which is giving cause for alarm the reward granted by state governments for seizure of such drugs should be appropriately enhanced and norms to rewards admissible under the rules framed by the department of revenue should be taken note of in this context.

However, it may be borne in mind while evolving a revised policy in this regard that reward is purely an ex gratia payment and should be granted on the absolute discretion of the authority competent to grant rewards and cannot be claimed by anyone as a matter of right. In determining the reward which may be granted, the authority competent to grant reward will keep in mind the accuracy of the information, the risk undertaken, the extent and nature of the help rendered by the informer, whether the information gives clues to persons involved in the smuggling, the risk involved for the government servants in working out the case in securing the information, the extent to which the efficiency of the staff led to the seizure, the initiative drive, efforts and ingenuity and whether, besides the seizure of contraband goods the owners, organisers and financiers, racketeers and carriers have been apprehended or not

In the instructions issued by the department of revenue regulating the payment of rewards, it has been laid down that rewards may ordinarily be paid upto 10% of the estimated market value of the goods involved (half of the maximum reward indicated in the annexure) in respect of opium and other narcotic drugs. Rewards in excess of this limit, not exceeding 20% (as in the annexure) of the said value, may be considered in cases where the government servant has exposed himself to great personal hazard or displayed exemplary courage, initiative ingenuity or resourcefulness of an extraordinary character or his personal efforts have been mainly responsible for the detection of the

contraband. it is presumed that adequate facilities for testing the potency of the seized drugs are available in your state/union territories as the quantum of rewards to be paid depends on the potency of the drug seized as indicated in the annex.

It is requested that all state government/union territories may evolve suitable scheme on the lines of the rewards policy of the government of India indicated above and a copy of the revised instructions issued by them in this behalf may be sent to this department for its information.

Yours faithfully,

sd/-

(R.K.Gangar)

Under Secretary to the Govt. of India

Copy to

All heads of Department under Central Board of Excise and customs.

Annex

| Sr. no. of price | Commodity Prescribed purity now | Range of illicit prices indicated illicit | Rate of max @ 20% |
|------------------|---|---|-------------------|
| 1. | Opium Rs.220/- per kg. | Standard 1,000/- 2,000/- | |
| 2. | opium Morphine base Rs.8,000/-per kg. and its salts anhydrous | 40,000/- 90% or < of 50,000/- | |
| 3. | Heroin and its salts Rs.20000/-per kg. | morphine. 1,00,000/- 90% or < 3,00,000/- diacetyl | |

4. Cocaine and its salts morphine.
 Rs.400000/-per kg. 2,00,000/-
 90% or <
 6,00,000/-

5. Hasish anhydrous
 Rs.400/-per kg. 2,000/-
 with the
 35,000/-
 content of

6. Hasish oil 4% or more.
 Rs.2000/-per kg. 10,000/-
 with the
 17,500/-
 content of

7. Ganja 20% or more.
 Rs.80/-per kg. 400/-
 Should be
 500/-
 commercially

acceptable

as ganja

NB: Rewards shall be reduced prorata if the purity is less than the one prescribed above.

Copy no.13
 circulation restricted

Minutes of the meeting of the central board of excise and customs held on tuesday, the 29th January, 1986 at 9.00 a.m. A meeting of the board was held in the officer of the Chairman, Central Board Excise and Customs on Tuesday, the 29th January, 1986 at 9.00 a.m. apart from chairman, all members (except m(cx.i) and as (a), the following officers were also present:-

1. Shri B V Kumar, director general revenue intelligence
2. Shri S A Govindaraj, director (anti-evasion)
3. Shri K L Verma, Director (preventive operations)
4. Shri M G Venugopalan, deputy secretary (anti-smuggling)

5. Shri R K Vhandra, deputy secretary (central excise)

6. Shri J K Batra, OSD

2. The following items were taken up for discussion :-

2.1 Grant of rewards to senior officers [bmb 12/86]

 2.1.1 The question of extention of the scheme of grant of rewards or any other suitable form of recognition of the services of senior officers of the department was discussed in the board meeting.

2.1.2 As senior officers like Deputy collector and above are not primary workers in the field, it was felt that there is no justification for extention of the reward scheme in their case. it was also felt that it would be difficult to draw precise guidelines or norms of performance to justify payment of reward in their case. however, if in a particular case there has been any individual contribution of an extraordinary nature, which may perhaps warrant payment of a lumpsum reward, such cases could be processed outside the ambit of the normal reward rules and rewards could be sanctioned by the board.

2.1.3 It was also felt that the working of the existing scheme of rewards in respect of other officers also needs a critical scrutiny so that distortions in its working are scrupulously avoided. heads of department should be asked to strictly adhere to the guidelines and norms laid down for grant of rewards. the practice of sanctioning of rewards in a routine way even in respect of simple case of seizures in the airport etc. should be reviewed.

2.2 Tariff Conferences review of procedure regarding [bmb no.13/861]

 The question of streamlining of the procedure for expediting the process of decision making on conclusions reached at tariff conferences of the collectors came up for discussion before the board. providing for enabling powers to the central government to notify goods in case of which the provisions of Section 116 will not apply. it was decided that this may be further examined whether an amendment on the above lines could be carried out in section 116. instructions issued under letter no. 442/16/85-cus-iv dated 18.11.85 requiring that the goods which are eligible for conditional exemption, when short-landed, need not be given the benefit of `nit' or `concessional rate of duty' while imposing penalty under section 116, may be withdrawn for the time being.

Copy no

Circulation restricted

Minutes of the meeting of the central board of excise and customs held on monday, the 14th april, 1986 at 9.00 a.m. A meeting of the board was held in the office of the chaiman, central board of excise and customs on monday, the

14th april, 1986 at 9.00 A.m apart from Chairman, Member (Cus.I), Member (cx.i)Member

Shri P C Jayaraman, joint secretary (admn)
 Shri S A Govindaraj, director (anti-evasion)
 Shri B K Agarwal, director (audit)
 Shri K L Verma, director (preventive operation)
 Shri S K Chadhry, joint director (revenue intelligence)
 Shri D.S. Solanki, director (customs)
 Shri M G Benugopalan, deputy secretary (anti-smuggling)
 Shri R R V Ramanan, deputy director (cx)
 Shri K D Mankar, deputy collector (cx)
 Shri J K Batra, o s d.

The following items were taken up for discussion:-

2 Write off of irrecoverable amount of revenue-delegation of powers [bmb no.40/861]

2.1.1 The proposals at para 10 of the brief were considered and the Following decisions were taken:-

There was no need to consider enhancement of the powers of various Officers to write off irrecoverable demands if once bulk of the Pending cases which relate to tobacco are liquidated. The decision

(i) Taken by the board a few months ago in this regard would need to be Pursued further and early settlement of these irrecoverable dues Relating to tobacco should be worked out.

(ii) In view of the decision in regard to (i) above, there was no need to Empower the collectors to write off arrears of revenue exceeding Rs.500/- in each case without a certificate of irrecoverability From the revenue authority but on the basis of verification done by The superintendent of central excise.

2.2 Grant of reward to government servants-proposal for extension of the Scheme to officers engaged in adjudications, prosecutions, etc. [bmb no. 41/86].

2.2.1 The proposal for extension of the scheme or grant of rewards to government servants who made outstanding contributions in post-seizure operations was discussed in the board's meeting today. while it was noted that the present reward rules cover performance relating to collection of intelligence and making seizures, post-seizure operations which form a very important segment of the preventive work is not given its due importance. while it may not be necessary to reward routine performance in respect of post-seizure operations, any outstanding contribution made by government servants in various aspects of the post-seizure operations such as investigation, adjudication, prosecution, detention of persons involved under cofeposa, disposal of goods,

etc. should also be duly and adequately recognised and rewarded. It was decided that draft proposals for rewards in such cases should be prepared and discussed in the board meeting before the proposal is submitted to the finance minister for order.

2.3 Payment of rewards in respect of drug seizures made under the narcotics drugs and psychotropic substances act, 1985 [bmb no. 42/86].

2.3.1 The Question of grant of rewards in cases of seizures of dangerous drugs and psychotropic substances effected under the n.d.p.s act was discussed in the board's meeting. It was agreed that in respect of seizures made concurrently under the customs act and n.d.p.s act, rewards may continue to be paid by the customs authorities from the funds allotted for the purpose to c.b.e.c till such time the narcotics control bureau is formed.

2.3.2 The question of disbursement of rewards to state government after the formation of the narcotics control bureau could be decided later. It was also decided that the draft rules for grant of rewards under the NDPS act should be processed urgently.

F.No.r.13011/11/86.ad.v

Government of India
Ministry of Finance
Department of

Revenue

New Delhi, the 13th May, 86

To,

All heads of department under
Central board of excise and customs,

Subject: Grant of rewards to informers and government servants-
review of policy- regarding.

Sir,

The undersigned is directed to refer to the instructions contained in this ministry's letter no. 13011/3/85-ad.v dated 30th March, 1985 as amended from time to time, by which the liberalised reward schemes made applicable to the cases of drug seizures made under the opium act, 1878 and the dangerous drugs act, 1978 with the enactment of the narcotic drugs and psychotropic substances act, 1985, the aforesaid enactments have been repealed. Accordingly the

liberalised reward scheme would be admissible to the cases of drug seizures under the narcotic drugs and psychotropic substances act, 1985 from the date it was brought into force i.e. november,1985.

Yours faithfully

sd/-

Under secretary to the government of india

F.no.r-13014/23/85-ad.v

Government of india
Ministry of finance
Department of revenue

New Delhi,the 14may 86

To,

All collectors of customs,
All collectors of customs and central excise,
All collectors of customs (p)
All collectors of central excise,
Director general revenue intelligence/director of enforcement/
Director, anti evasion.
Director of preventive operations.
Narcotics commissioner.

Subject: Sanction of reward to staff involved in prosecution/
sponsoring detentions cofeposa/processing adjudication files etc.

Sir,

I am directed to say that a proposal for extension of the scheme for grain of reward to government who make outstanding contributions in post-seizure operations was under the consideration of the government while the present rewards rules cover performance relating to collection of intelligence and making of seizure operations which sometimes form a very important segment of preventive work is not always given importance. after careful consideration of the matter, the government has decided that while it may necessary to reward routine performance in respect of post-seizure operations, any outstanding made by government servants in various aspects of the post-seizure operations such as investigating,adjudication, prosecution,detention of persons involved under cofeposa, disposal of goods etc. should duly and adequately recognised and

rewarded.

2 The staff employed on investigations/adjudication and/or prosecutions will be eligible for rewards investigations etc. lead to penalisation/ conviction of persons who are organizers/financiers of smuggling (other than mere carriers of smuggled goods.) similarly deployed in cofeposa unit have to co-ordination with officers deployed for investigation so as to ensure prompt detention of the organisers of the smuggling racket. quite often our departmental officers play a very important role in tracing out cofeposa sabsconders and in effecting their detention. if the detention of financiers/organizers of smuggling racket (other than carriers) is sustained for the full term by the advisory board/courts/officers employed in cofeposa/work also could be rewarded. prompt disposal of the confiscated goods without causing any loss to government could also merit payment of reward. in all such deserving cases a reward upto a maximum of rs.5000/- per head in each case, subject to the over all ceiling of 20% of value of the goods involved etc. could be sanctioned by the head of the department.

Please acknowledge the receipt of the letter.

Yours faithfully,

sd/-

(Vijay singh)

Under secretary to the government of india

F.no.r-13011/34/86-ad.v
Government of India
Ministry of finance
Department of revenue

New Delhi,the 16th oct,86

To,
All collectors of customs,
All collectors of customs (preventive),
All collectors of central excise,
Director general revenue intelligence/director of anti-evasion/
Director of preventive operations/director of enforcement/director
General, economic intelligence bureau,
Narcotics control bureau
Narcotics commissioner, gwalior,

Subject: rewards - Disbursement of rewards to informers-procedure regarding.

Sir,

I am directed to refer to para 2 of this department's letter f.no.13117/61-ad.v dated 24.7.68 and f.no.13014/10/84-ad.v dated 20.2.85 regarding the procedure for disbursement of rewards to informers.

2 As you are aware, over a period of time a number of intelligence/ enforcement agencies have been constituted under the department of revenue like, directorate of revenue intelligence, the enforcement directorate the economic intelligence bureau, the directorate of anti-evasion and the narcotics control bureau. a few instances have come to notice wherein an informer cultivated by an officer of one agency has provided information resulting in a seizure by another agency.

3 Under the existing orders except in the case of police, the reward is payable to the informers as well as the officers of the other agency by the head of department who sanctions such reward. in order to protect the identity of the informer of each such agency, it has been decided that in cases where rewards are to be disbursed to an informer recruited by an officer of another agency, the sanctioning authority may forward the reward amount by cheque a draft, to the head of department of that agency for disbursement. thereupon the head of department of that agency may either disburse the reward personally in each, or cause disbursement by another officer under this by special authorisation in each case in writing and forward the certificate as per annexure `a' to the sanctioning authority for its record. the above procedure shall be followed in respect of disbursement of `advance rewards' also.

4 In all such cases the informer's receipt in annexure `b' should be retained in a sealed cover with the head of the department of the disbursing agency for a period of five years from the date of disbursement of the rewards for any future verification. the receipt of this letter may kindly be acknowledged.

yours faithfully,

sd/-

(M.G. Venugopal)

Deputy Secretary of the Government of India

Annexure- `A`

Certified that a sum of
 Rs. _____ (Rupees _____) sanctioned as advance/final
 reward
 in ministry of finance (department of revenue and insurance)/Collector etc.
 letter f.no. _____ dated _____ in the case of seizure
 of _____ on _____ and drawn in contingent bill
 no. _____ dated _____ for rs. _____ effect on _____ from _____ treasury
 was paid to the right informer, from whom a receipt has been obtained by me in
 the presence of a witness.

Signature of disbursing authority

with rubber stamp affixed his full

Name and Designation.

*here enter the nature, quantity and value of goods seized.

Annexure `B`

Received a sum/further sum of Rs. _____ equivalent to _____
 in _____ vance/final reward in the case of seizure of _____ made
 on _____ from the

Thumb impression/signature of

informer with date of payable

Certified that the payment has been made by me to the right informer
 whose thumb impression/signature appear on the above receipt, this day the

Signature of

Signature of Disbursing authority,

Witness officers,

Name and Designation

- 1.
- 2.

F.no.r-13011/36/86-ad.v

Government of India
Ministry of finance
Department of

Revenue

New Delhi, the 31st oct, 86

To,

All heads of department under
The Central board of excise and customs,

Subject: Reward-sanction of reward to audit staff involved in special audit of the units.

Sir,

I am directed to say that a proposal for extension of the scheme for grant of reward to government servants who make outstanding contributions in detecting major cases of evasion of excise duty through special audit operation carried out under the order of board or the collectors has been under the consideration of the government. by its very nature, 'special audit' is an operation similar to an operation of investigation under summons or search when documents are taken over and gone through. instead of taking over documents, the departmental officers engaged in special audit operation visit the licensee's premises and inspect the records, correlate the process of manufacture, the raw-material consumed to the production, capacity of the plant etc. and detect or bring out to surface cases of central excise duty evasion.

2 After careful consideration of the matter, the government has decided that officers/staff engaged in such special work and who make outstanding contributions in such investigations should also be duly and adequately recognised and rewarded. the rates and procedural methods adopted would be as laid-down in this department's instructions contained in f.no.r13011/3/85-ad.v dated 30.3.85 as amended from time to time.

3 It has also been decided that director, anti-evasion would be the member of board committee constituted para 8.1.2 and 8.1.3 of this department's instruction dated 30.3.85 in place of d.p.o in respect of all central excise cases.

Yours faithfully,

(Vijay singh)

Under Secretary to the Government of India

F.no.r.

13011/1/87-ad.v

Government of India
Ministry of Finance
Department of

Revenue

New Delhi, the 18th feb 87

To,

All collectors of customs (by name)
All collectors of customs (prev) (by name)
All collectors of customs and central excise (by name)
All collector of central excise (by name)
Director general, revenue intelligence
Director, anti evasion,
Director, enforcement,
Director, preventive operations,
Narcotics commissioner.

Subject: Rewards-review of policy and procedures for grant of
rewards to government servants- regarding

Sir,

Please refer to para 8.1.1. read with para 8.1.3 of this department's letter F.no.r.13011/3/85-ad.v 30.3.85 and subsequent clarifications regarding grant of rewards to informers and government servants the liberalised policy for rewards. The question of ensuring greater uniformity in sancitoning and payment of reward to government commensurate with their efforts in working out and effecting seizures of contrabands/drugs etc. in engaging the attention of the board for some time now. after careful consideration of the various of the issue, it has been decided that all proposals in payment of advance/final rewards to government servants, of and above the sum of rupees one lakh to any inforemer officer in a single case should be referred to the board for prior approval. accordingly, it is requested that proposals may be referred to the

board with full details including contemporaneous records like d.r.i.i ii etc, and the remarks of the collectors or the committee, as the case may be, past cases, where rewards of and rupees one lakh have been approved/sanctioned to any individual officer in a single case, but not paid as also be sent to the board for prior approval.

Receipt of this letter may kindly be acknowledged.

yours faithfully,

sd/-

(M.G. Venugopalan)

Deputy Secretary to the Government of India

F.no.r.

13013/20/87-ad.v.

Government of india
Ministry of finance
Department of

revenue

New Delhi, the 10th june, 87

To,
All head of Department under
Central Board of Excise and Customs.

Subject: Reward-review of policy and procedures for grant
of rewards To government servants-regarding.

Sir,

I am directed to refer to this department's letter no f.no.r. 13011/3/85-ad.v dated 30.3.85 and subsequent clarifications regarding Grant of reward to informers and government servants under the Liberalised policy for rewards.

2 It has comes to the notice of the board that quantum of rewards are Being sanctioned to the government servants only on the basis of Reward amount available for disbursement. Mostly rewards are being Sanctioned liberally without considering the part played by the Departmental officer. The Chairman, Central board of excise and Customs desires that while sanctioning the rewards to government Servants, the sanctioning authority should keep in mind that the

Quantum of reward sanctioned should relate significantly to the role Of the officers (initiative enterprise, strategy, risks taken etc.) And not be dependent only on the amount available for disbursement.

Yours faithfully,

Sd/-

(Vijay singhi)

Under secretary to the Government of India

F.no.r. 13011/34/86

ad.v

Government of india
Ministry of finance
Department of

revenue

New Delhi,the 6th Oct.87

To,
All collectors of Customs/Central excise,

Subject: Reward-review of policy and procedures for grant
of rewards To informers.

Sir,

I am directed to refer to Ministry's letter of even number dated 16.10.86 on the procedure for the directed of rewards to informers. In partial modification of the instructions contained in the above Letter, it has been that rewards shall be sanctioned to the informers Cultivated by the officials of the economic intelligent either during Their tenure in that bureau or even earlier and their disbursement Made by the directorate economic intelligence bureau.

2 Accordingly, a new sub-para 8.1.1(a) is being inserted in para 8.1.1 Of ministry's letter no. R.13011/3/85/ad.v dated the 30th march,1985,

To read as follows:-

"8.1.1 (a) the director general, economic intelligence bureaum, will Sanction rewards to informers 20 lakhs (rupees twenty lakhs only) In each case, rewards in excess of rs.20 lakhs in case will be Examined and approved by

a committee comprising of-

(i) Director general, economic intelligence bureau, (ii) member, Central board of customs in charge of anti-smuggling and (iii) deputy Director general, economic intelligence bureau".

These instructions are also applicable to cases where advance rewards Have already been sanction other authorities but final rewards are Yet to be paid.

Yours faithfully,

Sd/-

(Vijay Singh)

Under secretary to the Governement of India

F.no.r.

13013/34/87-ad.v.

Government of india
Minstry of finance
Department of

revenue

New Delhi,the 20th oct 87

To,
All head of department under
Central board of excise and customs.

Subject : Rewards-review of policy and procedure for grant of rewards To government servants.

Sir,

I am directed to refer to this department's letter no.r.13011/1/87 Ad.v dated 18.2.87 on the above subject and to say that the matter Regarding board's prior approval in sanctioning of advance/final Rewards to government servants of and above the sum of rupee one lakh To any individual officer in a single case has been re-considered in The board's meeting recently and it has been decided that in future Reward proposals from collectors of customs and central excise of rs.1 Lakh and above to an individual officer in a single case should be Referred to the Board through DGRI in respect of reward proposals For officers working in the directorate of revenue intelligence, such Proposals should be referred to the board through the d.g.i.& E. Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

(Anil Bhatnagar)

Deputy secretary (A.S) to the Govt of India

F.no.r.13011/5/88-ad.v.

Government of india
Ministry of finance
Department of

revenue

New Delhi, the 7th june, 88.

To,
All heads of departments under
Central board of excise and customs.

Subject: Reward-grant of rewards to informers and
government servants Revision in the quantum of reward in respect of gold and
silver

Sir,

I am directed to refer to ministry's letter f.no.r.13011/3/85ad.v
Dated 30.3.85 lying down the revised procedure for grant of rewards to Informers
and government servants. In partial modification of the Annexure to the
instructions contained in the above letter, the Government has decided that
quantum of rewards to informers and Government servants in respect of gold and
silver shall be on the Following rates:-

| Commodity | existing rates | revised rates |
|----------------------|--------------------|-------------------|
| prescribed purity | | |
| Gold | Rs.350/-per 10grms | Rs.500/-per 10grs |
| 999.5 mille or more. | | |
| Silver | Rs.650/-per kg. | Rs.1000/-per kg. |
| or more. | | 99% |

These rates will be applicable with immediate effect.

Yours faithfully,

Sd/-

(Vijay Singh)

Under secretary to the Government of India

F.no.r.

13011/19/88-ad.v

Government of india
Ministry of finance
Department of

revenue

New Delhi, the 24th aug 88

To,
All collectors of customs (prev)
All collector of central excise,
All collectors of customs,
The director central of revenue intelligence
The directorate of anti-evasion
The director general c.e.i.b.

Subject : Grant of reward to informers and government servants-reg

Sir,

The board have had occasion to review the scheme of liberalized reward rules introduced vide ministry's letter f.no.13011/3/85-ad.v Dated 30th march,85. It has been decided that in cases where the reward proposed officer is between Rs.50,000/- to Rs.1 lakh, such proposal should be examined by a committee headed by principal collector having jurisdiction in that region.

Yours faithfully,

sd/-

(vijay singh)

Under Secretary to the Government of India

F.no.r.13011/21/88-ad.v

Government of india
Ministry of finance
Department of

revenue

New Delhi, the 24th aug, 88.

To,

The Director general of revenue intelligence,
New Delhi.

Subject: Reward-Sanction of reward to department
officers-clarification

Sir,

I am directed to refer to your u.o note no.40/1/9/84-inv. Dated 6.7.88 on the above subject and to clarify that in old cases detected prior to 1.1.85 which come for consideration of grant of reward after 1.1.85, the collector or competent authority can sanction reward to department officer upto rs.10,000/- as against monetary ceiling of Rs.3500/- and Rs.2500/- for group 'B' and 'C' respectively prevailing prior to 1.1.85. the cases beyond that limit require to be referred to the reward committee to be constituted in the light of para 8.1.3 of existing reward rules dated 20.3.85. however, the quantum of reward available has to be reckoned by applying the rates of rewards prevailing at the time of seizure/detection. further, after issue of instructions f.no.r.13011/1/87-ad.v dated 18.2.87, the proposals for rs. one lakh and above have to be forwarded to the board for consideration.

Yours faithfully,

sd/-

(Vijay singh)

Under secretary to the government of india

F.no.r.13011/19/88-ad.v

Government of india
Ministry of Finance
Department of

Revenue

New Delhi,the 24th aug 88

To,

All collectors of customs (prev)
All collectors of central excise,
All collector of customs,
The director general of revenue intelligence
Director general, economic intelligence bureau, director,dte. of anti evasion.

Subject: Sanction of reward to staff involved in prosecution,
sponsoring detentions under coffeposa/processing adjudication filed etc.

Sir,

Please refer to ministry's letter no.r.13014/23/85-ad.v dated the 14th may, 1986 on the above subject. it has been decided that staff employed on investigation/adjudication and/or prosecutions will be eligible for reward if their investigation lead to penalisation/ conviction of persons who are organisers. similarly staff deployed in relating to detention of smugglers under cofeposa, have also been made eligible for reward provided the detection is sustained for the full term by the advisory board/courts.

The matter has been reviewed by the board. it is seen that in most cases rewards are disbursed before the decision in the prosecution case has been taken. as such it is felt that there are hardly any cases in which rewards are sanctioned to officers working in investigation,adjudication,prosecution and cofeposa. it has been decided that in all cases where the value of seized goods is large and the sanctioning authority feels that highly commended post seizure work has been done resulting in apprehension of financiers and organisers of smuggling racket etc. or a specially laborious work has been done in relation to investigation, preparation of the work cause noted drafting of the complaint, etc. rewards may be sanctioned in terms of ministry's instructions dated the 30th march 85 after a complaint has been filed in the court under section 135 of the customs act, 1962.

In the types of case mentioned in para 2 above rewards, in terms of ministry's aforementioned letter may be granted to the staff who processed the proposals for detention under cofeposa act, only after the determination order is confirmed by the advisory board.

Yours faithfully,

sd/-

Under secretary to the government of india

Copy forwarded to

Shri K.L. Verma, Joint Secretary, Cofeposa.

Indian Oil Bhavan, New Delhi.

Board's no.21/23/55-cus.iv dated 10.9.56 inst no1/confiscated goods/56

Procedure for disposal of confiscated goods.

The board has approved the under mentioned paragraphs of the procedure suggested by the Directorate Inspection (c&c.e), without any change:- paras 1,2,6,7,8,9,13,18,19,22,23. These may be put into effect forthwith. The board has also decided that paras, 21 and 24 of the procedure may be omitted from it, as these para does not strictly refer to the procedure for the disposal of confiscated goods. paras 3,4,5,10,11,12,14,15,16,17 and 20 of the procedure need some modification and board's order thereon will be issued shortly. para 1.

Any procedure dealing with the disposal of seized or detained goods in any major customs house or customs station must ensure that recording and registration is done so as to account for each and every article seizure and that a watch is kept to ensure that such articles are brought promptly into appropriate registers. both in the godwon as well as in the executive section dealing with the case files the system should provide for a periods review of the registers with a view to seeing that every item seized or detained is disposed of immediately also becomes due for disposal, and ensuring that the registers maintained both in the godown and in the executive section give a true account of the disposal upto the final stage, including the credit entries under which the sale process are brought to government account. the warehouse or godown officer should be kept informed of all decision taken in the respective case files leading to confiscation etc. and even if the executive departments fail to intimate in time to the godown office all decisions taken, he should be in a position, through the registers, to bring special cases of delays to the notice of the executive departments. any storage is properly done, so that goods do to deteriorate, that the godwons are properly inspected, that periodical stock checking, especially of the valuables, is done by a responsible officer, that the godowns are properly inspected both by the godown officer himself and by superior officers from time to time, that security measures are adequate, and that complete verification of the goods stored is made periodically by a responsible officer. it is necessary that acts or commissions of its staff, and that proper security arrangements are made to store special consignments of

valuable goods or hazardous cargo. The procedure should also provide that storage charges, handling expenses etc. are reasonable and commensurate with the value of the goods. during disposal of the unredeemed goods it must similarly be ensured that government derives the maximum benefit out of the goods and that such disposals take place soon after the goods become due for disposal and that government suffers no loss at the time of disposal through the negligence, ignorance, or dishonesty of its officers. the following paragraphs illustrate how this is possible and the essential safeguards that must be prescribed, but within the framework of these rules, each customs house may make supplementary provisions to suit local conditions only. part ii below deals with the details of the procedure to be followed in major custom houses and part iii is meant for the land customs organisations.

Part II- Procedure for Major Custom Houses

para 2.

Goods which are normally seized or detained or which are taken over by the department in a major custom house:- normally a major customs house has to deal with the seizure and disposal of the following types of cases and the problems of custody of and accounting for the goods usually arise for these types.

(1) Trade goods, imported by sea, landed originally into port trust custody, but confiscated for contravention of the i.t.o. or other regulations by a customs house.

(2) Trade goods brought to a shed for shipment, confiscated by the customs house for infringement of the e.t.c. or f.e.r.a regulations.

(3) Post parcels imported or exported, confiscated for violation of either i.t.c. or f.e.r.a regulations etc.

(4) Bullion, bank notes and other valuables other than passenger's baggage etc. seized from steamers or aircraft during rummage or examination.

(5) Seizures made as a result of raids in the town with or without a search warrant,

(6) Detentions and seizures from passengers or crew of any goods including valuables imported or exported as accompanied or unaccompanied baggage.

(7) Airfreight stored departmentally and confiscate

Para 6.

Labelling and Storage:- Each package should be properly labeled to facilitate easy identification. in the case of passenger's baggage, the labels should show the vessel's name, the passenger's name and the detention receipt.....vessel's name, the customs house confiscation order no. and date, warehouse register serial no. and broad description of contents. if labelling is not possible the particular should be shown in a manila card tag which should be securely fastened to the package. if any goods cannot be stored except in loose condition like metal scrap,ore etc. a stack card should be kept showing description, vessels name, custom house confiscation order no. and the weight of the goods. goods received in damaged containers or in loose condition should receive proper attention, so that the goods are preserved in original condition as far as possible containers should be strengthened or loose articles kept in empty package of gunny bag.

Para 7

Precautions to be taken during storage :- The Warehouse officer

 should take all necessary precautions to see that the goods are properly received and stored, that they are not spoiled by white ants, rats,damp, or rain water, that stack cards or labels remain intact and legible throughout storage. as a rule no goods in a custom warehouse should be stored on the floor. these should be kept on sleepers, small parcels of value higher than, say rs.100/- should be kept in separate racks to be provided in the warehouse or in almiraha. all packages stored in the warehouse register should be kept serially arranged warehouse register should be kept serially arranged according to the warehouse register serial no. to facilitate tracing. during the time the goods remain in his charge he shall take all due precaution to prevent pilferage, damage or deterioration, to the same extent as he would have done had the goods been his personal property. any deterioration or pilferage must immediately be reported in writing to the assistant collector.

Para 8.

Inspection and supervision of the godown:-

 It will be the fundamental responsibility of the warehouse or godown officer to inspect the warehouse regularly in order to see that the goods stored in his charge are being properly kept and that none of the packages stored show any sign of deterioration. special treatment should be accorded to special consignments. for instance in the case of motor cars he should see that the tyres are properly inflated and that the engine is periodically run so that is properly lubricated. similarly any chemical which is hygroscopic in nature should not be allowed to melt during custody and spoil other goods. this may be done by changing containers or repairing them. the warehouse should be inspected once in a month by the custom house inspector or other inspector specially deputed for the purpose, who will see that the warehouse has been kept in

proper order by the warehouse officer. The inspector should select a few items at random from the register and see that the goods have been stored properly and that necessary precautions have been taken by the warehouse officer to prevent damage to or deterioration of the goods. he should scrutinise the register the case file, where necessary to see that there is no undue delay in disposal. every 3 months the chief inspector will inspect the warehouse and make a similar percentage check of the goods. in addition he should make a complete verification of the goods stored therein once a year say during the 1st week of july. assistant collector, outdoor and assistant collector, preventive should occasionally visit these places by surprise and see by random sampling of a few items with the warehouse register that the goods are being maintained properly and are stored satisfactorily and that there is no danger of deterioration during storage. all the supervision officers should particularly look out for packages which show signs of tampering for example cases with loose plan slack gunny bags etc. they should also see that the do-downs officer has taken all necessary steps to expedite disposal of the goods. they should also be on the look out for specially delayed cases and take appropriate action and bring them to the notice of the appropriate departments responsible for release of the goods or their final disposal. in token of these periodical visits and checks, they should initial the items in the godown registers and make suitable remarks, therein. transfers of warehouse officers on whom the responsibility for proper custody and accounting of the store goods rests, should not be done frequently. where a transfer is ordered the officer transferred and his successor must take a physical inventory of all the goods stored in the godown and in the strong room and both must sign the inventory in token of having verified the entire stock and thereafter the successor officer will be fully responsible for the goods mentioned in the inventory. the inventory must be tallied with the warehouse registers so that no discrepancy is shown as in stock in the certificate of such tally should be signed both by the officer transferred and the successor. this certificate should be recorded in the warehouse register itself and the inventory must be kept in the safe custody of the assistant collector concerned.

Para 9.

Responsibility of the warehouse officer for quick disposal:-

The division of responsibility between warehouse officer entrusted with the custody of the goods and the executive departments responsible for the quick action in the respective case files should be properly defined. normally the executive departments, responsible for the custody of the files and they take appropriate action from stage, like taking appropriate action for allowing re-export of the goods on payment of fine or for home consumption. similarly they take appropriate action when an appeal is received and await orders in appeal before ordering, disposal of the goods by public auction or otherwise. the warehouse officer cannot be a silent spectator in this connection, even though he may not have the relative case file which are usually under section in the executive departments. the responsibility of the warehouse officer in this

regard depends on the nature of the case. for instance, if accompanied or unaccompanied baggage is stored in this custody, and the passenger fails to clear in time, he has to initiate action to have the goods sold by auction as required under section 88. he should every months prepare a list of all items lying in the warehouse for over 3 months and send the list to the appropriate department, like preventive baggage section for initiating action. for perishable goods separate provision has to be made, as discussed in para 13 below. as regards confiscated goods, he should normally be kept informed by the executive department of the developments, such as receipt of an appeal in the department etc. nevertheless, on his godown for a period in excess of 3 months and send the list to the executive department concerned as reminder and issue of instructions to him for disposal. the most convenient method of keeping the warehouse officer informed is by routing the case files through the warehouse officer at each crucial stage of a file. for instance in the case of detentions from baggage the warehouse officer should see the case file when the a.c.'s orders are passed so that he can record the particulars in his register and release the file to the executive department. the crucial stages are passing of an order of adjudication, receipt of any appeal and passing of an order of disposal. in the case of uncleared baggage, this will also include issue of a notice to the ports. in the case of warehouses located away from the customs houses it may not be feasible to route the case files through the warehouses officer at each stage. In these cases a simple memo in cyclostyled for should be issued to him by the executive department to enable him to make a suitable note to this effect in the warehouse register. the executive departments should also have a system by which they should be able to watch the disposal of all cases of confiscated cargo through their departmental registers and naturally this will involve periodical scrutiny of these registers.

Para 13.

Disposal of perishable items-

Each custom house should have a list of articles which are considered as perishable articles and in the disposal of which special treatment is necessary. by perishable is meant not only those articles which deteriorate, fast in a day or two of storage like fresh fish or meat or other articles of food stuff, but also articles which are liable to fast deterioration and which cannot be kept undisposed of during the appeal period of 4 months or pendency of an appeal. the following list of articles which are obviously liable to fast deterioration is given below and each custom house should add to the list, if necessary.

- (1) fresh fruits and vegetables.
- (2) fresh fish and meat.
- (3) any other fresh food stuff.
- (4) cigarettes, tobacco, which are liable to deterioration due to dryage or humidity;
- (5) live stock.

- (6) photographic goods, such as films, printing papers, solutions used in developing and processing etc.
- (7) medicines which remain efficacious only for a limited period market on the goods themselves.
- (8) oil in tins, for example mustard, linseed, groundnut and and coconut oil which are liable to leakage.
- (9) salt in bulk.
- (10) hygroscopic substance like caustic soda, hypo etc.,

In containers other than saled tin containers.

When any of these goods are confiscated the period for redemption should be limited to one month or 15 days depending upon the nature of the goods and disposal action taken immediately on the expiry of the period granted for redemption. it, is not necessary to wait for the appeal period before disposal but the fact that the goods have been disposed of and the details of sale proceeds thereof should invariably be reported in the department's report to the appellate authority, so that these facts are taken into account at the time of passing the appellate orders. in the warehouse register and the case file in dealing with these goods that fact that the goods have been disposed of and the details of sale proceeds thereof should invariably be reported in the department's report to the appellate authority, so that these facts are taken into account at the time of passing the appellate orders. in the warehouse register and the case file in dealing with these goods that fact that the goods are perishable in nature should invariably be mentioned. it will be the duty of the executive department to release such files quickly to the disposal unit immediately after the period indicated for redemption in the orders in original is over, and similarly it shall be the special responsibility of the disposal unit to see that action is promptly taken for disposal. the officer will keep a special watch over such cargo and take timely action to remind the executive departments.

Para 18

Duties of the disposal section during and after auction:-

It shall be the duty of the officer in charge of the disposal section to attend all auctions, see that there is no combine among the bidders present, and that sufficiently large number of independent bidders are person. he shall record in the auction list against each lot the approximate number of bidders binding for the particular lot, and the name of the highest bidder and the amount goods should be removed from the warehouse only after appropriate delivery order from the auctioneers, which will be issued in favour of the successful bidder in duplicate. one copy will be retained in the case file and the other copy returned to the auctioneer for information and the signature of the party receiving the goods taken both in the delivery order as well as in the disposal register described in para 12. on completion of the auction and soon

after the delivery is effected the disposal office shall complete the case file and enter the sale particulars therein. the information required to be incorporated in the file will include (i) the amount of the bid accepted (ii) cash or deposit no. of the challan under cover of which money has been deposited in the treasury, (iii) lot no. of the auction list with the fair and reserve prices, and (iv) allocation of the charges, like port trust storage charges outstanding against the goods, customs duty, if any, to be entered separately, removal or other handling charges etc. for convenience all these particulars may be incorporated in a suitable cyclostyled form which can then be filed in by the officer and kept in the file. Similar information should be incorporated in the appropriate columns of the disposal register, and where the warehouse register is different from the disposal register as indicated in para 12, the file will be sent to the warehouse officer concerned for completion of his register and return. the case will then be returned by the disposal officer to the executive department responsible for intimation of action through the audit department for audit of all the transaction as explained in para 21 below. on receipt of the file it shall be the duty of the executive departments to enter the particulars of disposal in their own registers maintained. unless the executive depts, themselves maintain a complete record of these disposals, it will no be possible for them to watch quick disposal of the cases independent of the action taken by the disposal unit of the preventive department.

A similar procedure will be followed in the case of disposal by tender and necessary registration of the sale particulars in the disposal registers and entry thereof in the case file shall be made in the same manner as indicated above.

Para 19

Accounting of sale proceeds and publication in the statistical returns-

 When goods are confiscated under section 182 and 183 of the sea customs act and the owner fails to redeem the goods, such goods vest absolutely in government. the money realised by sale of such goods, therefore, belongs likewise to government. government cannot "recover" money from itself, and cannot, therefore, be entered uniformly under the "miscellaneous" head of account (board's letter f.no. 108(20)cus. 1/49 dated 20.6.50 to cce calcutta). where the particulars of importation are not recorded in the import trade returns prior to confiscation, such particulars should be recorded after sale. the real value for the purpose of trade returns will be worked backward from the sale value. As regards crediting of duty amount in respect of sales effected by the port trust, see paragraph 24 below.

Para 22

Audit of the Transactions:-

In order to safeguard government interest, it is very necessary that all the transactions relating to seizure and disposal of articles should be carefully and fully audited. the audit shall be in stages, one to ensure that all articles seized or detained or intercepted have been brought on to the godown or warehouse registers. this will be done most convenient by an audit clerk going to the godown at regular intervals say, daily at stated hours and checking the register with the relevant records. at the end of auction or disposal by lender. the transaction should similarly be fully audited to verify that the sale proceeds for all the consignments disposed of have been properly credited to government, that storage and other charges have not been exorbitant and that there has been no slackness on the part of any executive officers in the disposal. this audit will conveniently done with the help of the sale list together with the relative case files, disposal section register, and the warehouse register, or detention. immediately on receipt of the goods and the duplicate and the triplicate copies of the inventory, the custodian should satisfy himself that the packages have been properly scaled and that the inventory has been made to examine the contents of the packages provided the seals are intact and the inventory is in the proper form. if the seals and the inventory are in order, the custodian should acknowledge receipt the sealed packages in the duplicate and triplicate copies, regain the duplicate with him and return the triplicate to the seizing/detaining officer to be kept with the case file. if there is any discrepancy, the custodian should get the discrepancy reconciled before acknowledging receipt.

4. register of seized/detained goods:the custodian should enter the details given in the inventory in the register of seized/detained goods prescribed for the purpose (form 2), separate register should be maintained in respect of (a) valuables; and (b) other than valuables. each package should then be securely tied, pinned or stuck with a stock card in the proper form (form 3).

5. Storage of valuables:

Valuables should be kept invariably in a special safe in the custom house treasury or in a locker in the reserve bank of india or state bank of india, obtained exclusively for the purpose. wherever they may be deposited, such packages shall be stored systematically, serialwise and yearwise to facilitate easy check and location. relevant particulars of the storage arrangements should also be recorded in the register of valuables. the key of the safe or the locker shall be kept securely in the personal custody of the custodian. it should also be arranged that the treasury officer or the bank manager, as the case may be, that access to the safe or the locker, shall not be allowed except on a written authorization in an agreed form bearing the funning number, signed by the asstt. collector, incharge of the preventive department. such authorization should be issued normal in the name of the custodian or in exceptional circumstances when the customdian is not available, in the name of

any other responsible officer. the serially numbered authorisation forms should be kept in the personal custodian of the assistant collector, preventive department.

Storage of goods other than valuables:

Goods other than valuables should, as far as possible be kept on racks and almirahs. special care should be taken to prevent damage to the goods by rodents and insect. the almirahs and racks should be serially numbered commencing from i and the partitions in the almirahs and racks should be lettered commencing from a. the almirahs and racks should be so arranged and the packages dangerous so systematically stored that there should be no difficulty at any time to check and locate the packages. the key of the godown in which the goods are stored should be kept in the personal custody of the custodian.

Opening and re sealing of the packages:

As far as possible, the necessity for opening of the sealed packages for further investigation should be avoided. Whenever such sealed packages are required to be open such opening not be done without the specific authorisation of the asstt. collector, preventive. when such authorisation has been obtained, the custodian should arrange to produce the packages for opening after due verification of the seals, the packages should be opened in the presence of the custodian, the owner his authorized representative, if available, the seizing or detaining officer or a gazetted officer senior to the custodian. after necessary verification, the packages should be immediately re-sealed with the seals of the custodian owner or his authorised representative if available and the seizing or detaining officer or the gazetted officers witnessing the opening. the stock card should also be suitably endorsed and the packages should be re-deposit the original place of storage. if on such re-examination any discrepancy is noticed, such discrepancy should immediately be brought to the notice of the higher officers for appropriate action.

Return of goods to the owner:

Whenever seized or detained goods are ordered to be returned owner, the custodian should after satisfying himself that all the moneys due to the government have been by the owner, give delivery of goods against the owner's endorsement on the duplicate copy of the santory that the packages have been received by the owner with the seals intact. in case the owner wishes to have delivery, the custodian should comply with the request but the presence of the seizing or detaining officers also, as far as possible be secured. if the seizing or detaining officer is not available, the presents of a gazetted officer should be secured.

Responsibility of the custodian:

The custodian will be responsible for the physical custody of the where the disposal unit operates separately from the storage unit as explained in para 5 above.

Para 23

Submission of consolidated reports to collector for information and scrutiny:- at the beginning of each quarter the officer in charge of the disposal section will compile a consolidated report showing for the previous quarter the disposals made in the custom house. the report will be in the form of an abstract statement showing the total fair price, the gross sale proceeds, port trust and others storage and handling charges due or paid, separately and the not amounts credited to government. The statement show separately goods sold by auction and by tender and be submitted to collector through assistant collector preventive for information. the object of the statement is that it will show at a glance (i) the extent of delays in disposal as reflected in the port trust charges and (ii) the extent of other incidental expenses incurred by the department during storage.

Copy of cbr f.no.11/6/61-cus iv dt.13.6.61.
(instruction no.3/confiscated goods/61).

Sub:-Procedure for receipt, storage and disposal of seized goods. the present arrangements for receipt, storage and disposal of seized/confiscated goods have not been working satisfactorily. a revised procedure has therefore been approved by the board, a copy of which is enclosed. in supersession of the existing orders on the subject, the revised procedure should be following in future.

Instructions regarding the manner in which the reserve price should be fixed will be issued separately.

Procedure for receipt, storage and disposal of seized/ detained and confiscated goods.

Whenever goods are seized for detained, a complete inventory of the goods together with the identification marks, serial numbers etc. should be made out in triplicate in the proper form (form i) this should be done at the earliest opportunity and if possible immediately after the seizure. separate inventories should be made out in respect of (a)valuables; and(b) other than valuables. definition of valuables : the term `valuables' will include:

- (1) precious and semi-precious stones.
- (2) gold and articles made of gold.

- (3) jewellery
- (4) silver and articles made of silver.
- (5) watches; and
- (6) such other articles of small bulk and high value as may by special or general order be classified as valuables by the collector.

Disposal of inventory and sealing of goods: the inventory should be signed by the seizing or detaining officer and also countersigned after due verification by the owner of the goods or his authorised representative, if available. if the owner or his authorised representative is not available, the inventory should be countersigned by a gazetted officer after due verification. the goods should then be sealed with the seal of the seizing or detaining officer and the seal of the owner or his authorised representative. If the owner or his authorized representative is not available, the seal of the gazetted officer countersigning the inventory should, instead, be affixed. The original copy of the inventory should be given by the seizing or detaining officer to the owner of the goods or his authorized representative, if available. if the owner or his authorized representative is not available, the original copy should be forwarded to the concerned departmental officer who has the custody of such goods (seizure shed officer, currency officer etc.), hereafter called the "custodian", without avoidable delay and in any event within 24 hours of seizure packages with seals intact. he will not be responsible for the inner contents of the package if they have been sealed. the custodian should, however, insist before accepting the sealed packages that the inventory covering the goods should be complete in all respects. He should ensure that the packages are carefully stored and protected against the ravages of weather, rodents and insects. He should also take adequate precautions against theft and pilferage and keep watch on the condition of the goods. if the goods show signs of deterioration or damage, he should immediately bring it to the notice of the assistant collector, preventive, for appropriate action. fragile goods should be handled with care and if any goods are damaged in handling, he should immediately report the matter to the asstt. collector, preventive. He will be responsible for maintaining the register in the proper manner and for submitting the monthly return of goods ripe for disposal copies of all orders of confiscation should be endorsed to the custodian.

Regular cargo:

As in Bombay a separate godwon should whenever possible be set apart for keeping regular cargo confiscated to the government. on receipt of suitable advice (form 4) from the ministerial supervisor incharge of the unit dealing with the relevant case file, the custodian should immediately move through the concerned preventive officer to have the goods located, transported

and delivered into his charge as early as possible and within 15 days of the receipt of such advice at the latest. for ensuring prompt despatch of the advice in form 4, the ministerial section concerned should list out all cases for which the period allowed for exercise of option to pay fine in lieu of confiscation or the period of an appeal, whichever is longer, expires against the date of such expiry in a forward watch diary and one week from that date reference will be made to the penalty register to verify if the fine has been paid or an appeal filed and if not whether the goods can be taken over as finally vesting in govt. the section should then list out such of those items which are required to be taken over by the custodian from the port authorities for disposal action. when the goods are so delivered into custody, the custodian shall after due examination of the packages, make out in triplicate a detailed inventory of the contents in the proper form (form 1) and deal with them in the same manner as other seized/detained goods. in those customs houses where a separate godown for the purpose is not kept, it shall be the responsibility of the ministerial unit concerned to take necessary steps to arrange for the taking over from the port authorities direct by the disposal unit of such of those confiscated goods which have become ripe for disposal.

Air cargo:

Air cargo stored in the air cargo shed may be allowed to be kept in the same shed even after confiscated, pending disposal in the normal course. the officer incharge of the air cargo shed shall maintain a register in respect of confiscated cargo in the proper form (form 2) and shall perform all the functions of the custodian of the confiscated goods in respect of air cargo and shall deal directly with the disposal unit.

Post parcels :

It shall be the duty of the penalty unit of the postal appraising department to keep a close watch over all penalty cases registered by them. the parcels which are confiscated but not redeemed by the addressees and which are ripe for disposal shall be sorted out and a detailed inventory in the form prescribed (form 1) shall be immediately prepared of the contents of each parcel in the presence of a responsible postal official and a gazetted officer in the postal appraising unit. the parcels duly sealed with the seals of both the officers shall then be delivered to the custodian of confiscated goods. these goods shall thereafter be dealt within the same manner as order seized/ detained goods.

Disposal unit:

There shall be a separate unit, called the disposal unit, which should be charged with the task of taking over all goods ripe for disposal from the custodian and disposal by auction or otherwise. immediately after the close

of the month but before the 5th of the month following the custodian should prepare an up-to-date list in duplicate in the form prescribed (form-5) of all cases which in his opinion have become ripe for disposal and send it to the supervisory head incharge (by name) of the dealing department or section concerned for obtaining a 'no objection certificate'. on receipt of such a list the supervisory head incharge of the dealing department or section shall after all necessary verification certify that there is no objection to dispose of the goods. if there are any goods which should not be disposed of, the same should be clearly indicated in the list with the remarks delete. the list should then be returned within one week of receipt to the custodian. the custodian should keep the original with him and forward the duplicate to the disposal unit for further action.

On receipt of the list from the custodian, the officer incharge of the disposal unit should examine in the presence of the custodian the packages with the list and with the detailed inventory relating to the goods. if there are discrepancies, he should immediately bring them to the notice of the assistant collector, preventive in charge of disposal unit should then prepare a complete list of goods for disposal. simultaneously, the other officer nominated by the collector for the purpose should make appropriate market enquiries consult the appraising groups, if necessary, to ascertain the fair price for the goods. an auction list should be made in respect of each commodity or group of commodity in the form prescribed (form 6). the list should be put up for the assistant collector in charge of disposal. reserve price: instructions regarding the manner in which the reserved price should be fixed will be separately.

Auction:-

At least one auction should be held every month. wide publicity should be given a publication in newspapers or by hand bills or by circulation among the traders and chambers of co. depending upon the volume and variety of the goods offered for auction. auctioneers may also be appointed for the purpose. the lots to be included in the auction, the time and date of auction and the manner of public given etc. shall be decided by an auction committee consisting of the assistant collector incharge of duty and other assistant collector nominated by the collector and the senior most subordinate officer who is with the work of disposals the assistant collector incharge of disposal shall be present at the time of auction in respect of which bids are higher than the reserve price, may be sold outright to the purchasers if the collector incharge of disposals is satisfied that the bids are fair. the auction committee may also recommend to the collector for disposal of goods by tender, where such goods have not fetched or are judged to be unlikely a fair price at the auction. direct sale: the collector of customs will prepare a list of commodities which will not ordinarily be in public auction for various reasons. this list will generally include luxury articles, highly restricted for or other articles totally banned. such articles will be sold direct, as far as possible, to consumers if they are not which, being prohibited, cannot be sold to any one but

only destroyed (example, obscene literature). In such articles to be sold direct to the consumer the price in such goods. government departments, government owned hotels, hospitals, charity institutes. etc. in arranging direct sales, collectors should pay attention and take special precautions to avoid allegation of favouritism etc. if the arrangement proves suitable and popular, each collectorate may in due course consider having a permanent arrangement in the nature of shop, if necessary with a contractor or paid employee to manage it.

Destruction: articles which cannot be disposed of in any one of the above ways and which has been ordered by a competent officer to be destroyed should be destroyed in the presence of the assistant collector incharge of disposals. a monthly report of all such goods destroyed should be furnished to the collector for information.

Marking of articles: With a view to prevent unscrupulous dealers attempting to dispose of similar goods as purchased from customs auction, it is essential to have complete account of the serial number, colour and other details of the goods disposed of in auction. where, however, such identification details are not available goods should wherever practicable be rubber stamped with the name of the customs house and a code no. indicating the date of auction in code letter. textiles playing cards, etc. must be rubber stamped suitably in the prescribed manner, the code being changed from time to time. stock challenge: one every six months the asstt. collector, preventive, or an assistant collector nominated by the collector, shall conduct a complete stock taking of all valuables in the custody of their warehouse. similarly, once every six months the chief inspector, preventive or any other officer nominated by the collector for the purpose shall conduct a complete stock taking of all packages containing articles other than valuables. a report regarding the checks done and results should be submitted to the collector within a week from the date of check. the officers verifying stock should particularly examine whether the packages stored should be free of deterioration, substitution or pilferage. they should also verify the seals and satisfy themselves that they are intact. if the seals are intact it should not ordinarily be necessary to open the packages and verify contents and only a token number of packages may be opened and contents checked. the assistant collector, preventive or any other officer nominated for the purpose by the collector shall conduct random stock challenge by surprise, approximately once a quarter.

Transfer of charge: - whenever the custodian or any other officer in charge of confiscated goods is transferred, transfer should be so arranged that the successor is given time to take complete stock of goods. wherever the packages and seals are intact, it shall not be necessary to open the packages and count the individual articles. a special charge report indicating that the goods have been properly taken over should also be made out. whenever the custodian is absent, on casual leave or otherwise for short period, another officer should be nominated to attend to the period, another officer should be nominated to attend

to the work. as soon as permanent officer returns to duty, he should be posted with the developments during the former's absence.

Changes in procedure:- collectors may in their discretion make any minor changes in this procedure which may be necessitated by local conditions. no major changes should be made without the prior approval of the board.

copy of mf(dr) f.no. 545/3-m/78-lci dt. 10.02.1978.

sub:-pac- recommendations of the pac contained in para 1.171 of their fifty-fourth report (sixth lok sabha) regarding stock verification of valuables.

a copy of para 1.171 of the fifty-fourth report of the pac (sixth lok sabha) is appended. the pac has observed that there is no uniformity in the procedure followed at various custom houses for the verification of the seized stocks of diamonds and precious stones. the committee, therefore, desire that a uniform procedure may be adopted for the verification of such stocks so as to ensure that officers of the same rank are deputed on the job at all the customs houses and periodicity of verification is also uniform at these places.

In this connection attention is invited to para 20 of the procedure for receipt, storage and disposal of seized/ detained and confiscated goods of forwarded with board's letter f.no. 11/6/61-cus.iv dt. 13.6.61 wherein it has been laid down that once in every six months the assistant collector, preventive, or an assistant collector nominated by the collector, shall conduct a complete stock taking of all valuables in the custody of the custom house. it may be ensured that the procedure as laid down in the board in the aforesaid letter and subsequent instructions is strictly followed.

copy of board's f.no. 4/63/54-cus cus.iii/cus.iv dt. 7.9.61.

Sub:-Disposal of confiscated, detained and uncleared goods by customs hosue or port trust/port commissioners- fixation of reserve/fair prices.

Reference is invited to paragraph 2 of the baord's lette f.no. 11/6/61-cus. iv dated 13.3.1961.

The board considers that the method adopted by some customs houses for determining the reserve price of all goods on the basis of duty, fair value and customs port trust charges as the case may be, is not correct, because to fetch when resold in the market and not on any theoritical considerations concerning the department hability in respect of port trust levies or its claims in respects of its own warehouse and other charges. the board in fact does not consider it necessary that there should be any "reserve price" as such in respect of goods which are assessed on ad-valorem basis. it will be enough in the case of such goods if a fair price is determined as correctly as possible after taking into consideration the saleable value of the goods in question in

the market, i.e. the price which the goods are expected to fetch when resold in the market by condition which they are at the time of sale.

It is observed that some confusion exists regarding the exact significance of the expressions "reserve price" and "fair price". the "reserve price" should be the absolute minimum price below which, for legal or other reasons a consignment cannot be sold. (ordinarily goods should fetch appreciably more than the reserve price). a "fair price" on the other hand should be regarded as the best price at which the custom house can sell the goods under such conditions. this fair price can be expected to be somewhat lower than the price at which goods of the same nature and in the same condition could be sold by the purchaser in the wholesale market, the difference represents the profit which the buyer at the auction expects to make and/or the margin to cover him against the risk of purchase.

The board considers that fair price should be fixed by ascertaining the probable sale price of such goods in the market and subtracting from it a 'discount' which will represent the margin of the buyer at the auction. the price will vary with the nature of the goods, and the rates of discount for different categories of goods should be periodically (say once in six months) by the auction committee of each custom house, taking into account local conditions. the discount may be 5 to 10% more than the estimated reasonable profit which the buyer can expect to make on resale this increase is intended as an additional incentive to the prospective purchaser

As an example if certain goods in their present condition can be expected to fetch rs. 100/- in the open market, and the usual profit margin for wholesale transactions in such goods is approximately 20% the discount to be fixed at say 25% or 30% the fair price of the consignment, that is the price below which it should not be sold, would then be rs. 75/- or rs.70/-. Similar considerations would apply to the fixation of a fair price for goods assessable to specific rates on tariff values. in such cases, however, it will be necessary to ensure in addition that the price fetched at the auction is at least equal to the duty leviable thereon.

The Board would also like to emphasized that the goods should not be withdrawn from auction for any reasons, e.g. because it is considered that a slightly higher price might be fetched at a later auction. whereas on account of a clique having been formed during that auction, the goods have to be withdrawn at the auction the board considers that it would be more appropriate to dispose of them by tender on terms most advantages to govt. rather than by putting them up again at a subsequent auction, sale by private negotiation, to guard against allegations of favouritism or underselling. such sales should be effected under the orders of the collector or additional collector as the case may be after he had personally satisfied himself that every thing is in order, and the sale is in the best interests of the govt. statutory requirements should also be taken into account, e.g. nature of abandoned goods. section 88 s.c.a.

does not permit sale by tender.

The Board's order on the points mentioned above and contained in any of its earlier letters should have to be modified in the manner and to the extent stated above. the instructions should be deemed to be applicable both to the goods disposed of by customs houses and those disposed by the port trust/port commissioner in respect of which the customs department is required to indicate that price at which the goods are to be sold by port authorities.

F.no

715/14/810/lv(as)

Government of India
ministry of finance
department of

revenue

New Delhi, the 14th october

To

All Collectors Of Customs & Central Excise.

subject:-seized/confiscated perishable goods-disposal of-monetary limits of various of officers of customs.

sir,

the undersigned is directed to refer to para 2.34 of the 44th report of the public accounts ----- loksabha) for the year 1980-81 (copy enclosed wherein it has been stated that as time is essence in the --- of perishable goods, the committee would like the government to review the existing provisions and--- delegation of power of disposal in such cases to local customs units themselves upto appropriate financial limits.

In this connection, the board vide their instruction no. 2/16/56-lci dated 16.11.1956 and 8.1.61. l.c.i. dated 11.7.61 have already issued instructions regarding delegation of powers to officers for disposal of perishable goods. the matter has been considered again in the light of the recommendations of the public accounts committee and it has been decided in partial modification of the orders quoted above that various categories of officers of customs can now dispose of seized/confiscated perishable goods even before adjudication to the extent indicated below:-

- (i) superintendent of customs/central excise-Rs.2,5000/-
- (ii) asstt. collector of customs/central excise Rs.25000/-
- (iii) dy. collector of customs/central excise - Rs. 1,00,000/
- (iv) addl. collectors/collectors of customs/central excise unlimited.

It is again stressed that utmost expedition must be adopted for disposal of perishable goods so that no deterioration leading to loss of their value takes place.

Yours faithfully,

sd/-

(Ashok Mehta)

senior technical officer

f.no.

711/20/83-lc(as)

government of india
ministry of finance
(department of

revenue)

new delhi, the aug.10,1983

to

all collectors of and central excise.

(by name)

subject:-disposal of confiscated goods sensitive's to
smuggling-instructions regarding-

i am directed to refer to the instructions regarding disposal of confiscated goods sensitive to smuggling, issued from time to time as per list in the enclosure to this letter. the question regarding expeditious disposal of seized/confiscated consumer goods consecutive to smuggling has been under consideration of the ministry for some time. in view of the slow pace of disposal of such goods and accumulation of large stocks in the customs and central excise collectorates, it has been decided to increase the channels of disposal for seized/confiscated consumer goods sensitive to smuggling consistently, of course, with the need to restricting the quantum of sale to any to any one individual. accordingly, in addition to the existing modes of disposal, the following further measures to expedite disposal have been decided upon:-

- (i) bulk sales of seized/confiscated consumer goods, including watches, will also be made to all cooperative societies act;
- (ii) such goods will also be sold to state civil supplies corporations/state cooperative federations;
- (iii) watches, both mechanical and electronic, may also be allowed to be disposed of by retail sales from retail counters in the customs and central excise collectorates, subject to the condition that not more than one watch will be sold per person;
- (iv) sale of heterogeneous and miscellaneous types of goods seized in small

lots from passengers baggage, post-parcels, town seizures, etc. may continue to be made available in retail directly to the consumer the customs and central excise retail counters, in addition, such consumer goods as are not lifted by cooperative societies, civil supplier corporations, etc. may also be sold by retail sales.

(v) high value items especially electronic goods like video cassette records, two-in-one, music system calculators, colour-televisions, etc, may be sold by retail sale to bonafide consumers subject to the stipulation that not more than one price/set will be sold to one person;

(vi) liquor may be sold to all hotels, restaurants and clubs having the necessary liquor licences directly, without any reference to i.t.d.c. but subject to compliance with sale excise requirements. the sales to cooperative societies, state cooperative federations and state civil supplies corporations be made subject to the following conditions;

(a) the goods so purchased are inturn organised for sale directly to bonafide consumers at retail price fixed by the department. the sales to consumers will be restricted to one piece/set or quantities so the case may be;

(b) no 'pick and choose' (other than in the case of damaged/deteriorated/unsaleable items may be allowed.

(c) the cooperative societies, state cooperative federations, state civil supplies corporation will keep full accounts for scrutiny by the department as and when necessary;

As for discounts:-

(i) discount of 10 percent on sale prices fixed in the customs/central excise collectorates may be allowed to cooperative societies/state cooperative federation/state civil supplier corporation.

(ii) sales of liquor to hotels, restaurants, clubs will be on the basis of c.i.f. value plus duty less a rate of 10 percent as it presently admissible to i.t.d.c.

It is expected that with the above mentioned additional measures stocks of seized/confiscated goods ready for disposal which have presently accumulated will be cleared expeditiously.

It is requested that vigorous steps may be taken to clear the existing stocks. the results achieved by you may be closely monitored through the quarterly statements of disposal sent by the collectorates to the directorate of preventive operations.

The suggestions received from collectors from time to time regarding additional measures of disposal of all confiscated goods have been kept in view while prescribing the aforesaid additional measures, however the suggestions from the collectors, to expedite disposal would be appreciated, any practicable

difficulties in the implementation of these instructions may also please be brought to the notice of the ministry. the receipt of this communication may please be acknowledged.

yours faithfully

(ashok mehta)

under secretary to the govt

f.no.711/31/83-lc(as)

government of india
ministry of finance department

of revenue

new delhi, the 22nd may, 1984

To

All collectors of customs and central excise

Subject:- seized/confiscated goods-review of the list of perishable goods-supplementary instructions reg.

Sir,

The undersigned is directed to refer to this department's letter no. 2/1656/lci dated 16.11.1956. f.no. 8/1/61-lci dated 11.7.1961, f.no. 30/43/64-lci dated 15.4.68 and f.no. 71514/81-lc (as) dated 14.10.1981 regarding disposal of perishable goods in the custody of the department (copies enclosed).

The matter has been considered afresh in the light of the recommendations of the collectors' conference held in june, 1983. on a review of the existing instructions issued by the department, it is found that the list of perishable goods approved by the board covers goods which are prone to rapid deterioration like vegetables, fruits, foodstuffs, etc., as well as certain other goods having a limited storage life such as medicines, photographic goods, etc. the instructions do not, however, cover items which become obsolete due to prolonged storage. Rapid changes in technology, changing consumer preferences influenced by change in fashions and designs, introduction of new models incorporating new features, etc. diminish the marketability of such products and have a depressing effect on their prices. it has, therefore, been

decided to broaden the existing list of perishable and other items which could be disposed of early.

The entire stock of seized/confiscated goods in the custody of the department has been grouped under four different heads and for each category a maximum period for retention in departmental custody has been prescribed. steps for early disposal of the goods falling under the first three categories may be taken by the collectorates as prescribed therein.

(a) category - i: goods to be disposed of immediately after seizure.

the goods available under this category are prone to rapid decay and may also require special arrangements for their preservation and storage. These goods may, therefore, be disposed of immediately after seizure by the custodian of the goods after issue of notice to the owners and obtaining orders from the competent authority.

The following goods are listed under the above head:

- (i) fresh fruits and vegetables, meat, fish, poultry, eggs, and other fresh uncanned/unprocessed food materials;
- (ii) salt and hygroscopic substance (other than in sealed containers);
- (iii) raw (wet and salted) hides and skins;
- (iv) livestock;
- (v) medicinal herbs;
- (vi) molasses;
- (vii) newspapers and periodicals;
- (viii) confectionery;
- (ix) cigarettes, biris, biri-leaves and tobacco, which are liable to deterioration due to dryage or humidity;
- (x) menthol, campher, saffron;
- (xi) cells, batteries and re-chargeable batteries;
- (xii) cereals, sugar and other grocery items;
- (xiii) tea and coffee;
- (xiv) re-fills for ball-point pens;
- (xv) lighter fuel, including lighters with gas, not having arrangement for re-filling;
- (xvi) beer

(b) category-ii :goods to be disposed of within six months from the date of seizure or where the date of expiry is indicated; well before that date.

These articles have a short span of life and deteriorating in quality starts after a few days of storage and the risk/expenses for storage/maintenance of these goods are expected to be heavy. these goods may be disposed of within six months of their seizure or, where the date of expiry is indicated, well before that date.

The following goods would fall under this category;

- (i) medicines and drugs which remain efficacious only for a limited period;
- (ii) photographic goods such as films, photographic chemicals and papers;
- (iii) spices;
- (iv) resin;
- (v) catechu;
- (vi) hides and skins, feathers and products thereof;
- (vii) rubber goods and erasers;
- (viii) paper and articles made of paper;
- (ix) perfume, toilet waters and essential oils;
- (x) raw jute;
- (xi) tinned and preserved provisions, condensed milk and milk powder.

- (xii) liquors, other than beer,
- (xiii) vegetable oils;
- (xiv) petroleum products;
- (xv) pre-recorded cassettes (audio/video);
- (xvi) electronic watches, time pieces and clocks and parts thereof,

(c) category-iii-goods to be disposed of immediately after adjudication, if unclaimed/abandoned. items which are liable to rapid depreciation in value on account of the fast change in technology or designs or introduction of new models, etc. are included in this list. such goods, if unclaimed/ abandoned should be disposed of immediately after adjudication.

(i) electronic goods such as t.v sets, vcrs, v.c.ps, tape recorders and their combinations, mask systems, calculators, etc.

(ii) electronic components like diodes, transistors, integrated circuits light emitting diodes etc.

(iii) wrist watches, time-pieces and clock-movements and part thereof (other than electronic)

- (iv) hypodermic needles and syringes;
- (v) costumes-jewellery;
- (vi) textiles and ready-made garments.

(d) category-iv : all other goods

all other goods not listed under the above three categories are brought under this category. disposal goods falling under this category may be effected after completion of all due formalities. the list of goods included in the first three categories above is not exhaustive but only illustrative. collectors of customs/central excise may forward their suggestions for additions, if any, to these lists to the Ministry.

No doubt, as at present, in cases where prosecution proceedings are contemplated/pending, permission for early disposal of the goods involved has to be obtained from the competent court. in this connection, attention is invited to the ministry's letter no. 711/30/83-lc(as) dated the 16th july, 1983 (copy enclosed), every effort should be made for obtaining the court's permission for

early disposal of goods in such cases. as regards delegation of powers to various officers of customs regarding disposal of perishable goods, ministry's instructions contained in f.no.715/14/81-lc (as) dated 14.10.1981 would mutadis mutadis apply in regard to the disposal of above mentioned three categories of goods.

If any further problems with regard to disposal of goods arises, collectors may please refer such matter to this ministry for orders. the receipt of these instructions may please be acknowledged.

yours faithfully,

sd/-

(ashok mehta)

under secretary to the govt of india.

copy of m/f depts. of rev. letter f.no. 711/7/84-lc(as) dated the 31st may, 1984.

Recently a theft occurred in the mishandled baggage room at Delhi airport in which a substantial quantity of the goods stored there were stolen. in yet another case in tiruchirapally collectorate, seized goods which were temporarily kept in the office of the customs preventive unit, tanjore were looted by some unscrupulous persons.

The two cases mentioned above raise the general issued regarding security arrangements with regard to storate of seized/confiscated goods, the security arrangements would have to be made:

- (i) at the place of seizure and at the place of immediate storage in respect of major seizures; and
- (ii) at regular places of storage, i.e. departmental godowns in the field formations at the unit/divisional collectorate levels.

In order to avoid such incidents, it is essential that the seized goods etc. should be moved at the earliest opportunity to the headquarters of the division/collectorate where proper storage and security arrangements exit.

It is, therefore, requested that the existing security arrangements for the storage of seized/confiscated goods in your collectorate may please be reviewed at the highest level and stapes may be taken to ensure that such goods

are shifted to places where there are adequate storage and security arrangements, at the earliest possible opportunity. under no circumstances seized/confiscated goods of high value be allowed to be stored in places where there is threat to security. due to exigencies of situations if breach of security is suspected in the place of storage of seized/confiscated goods, local officers may be empowered to requisition the assistance of armed police guards for guarding the premises. at the earliest opportunity goods should be transferred to other godowns which are safe and secure.

Report on the action taken may please be sent to the ministry in due course. the receipt of this letter may please be acknowledged. fl no. 715/3/84/lc(as) dt.18.9.84

Valuation of seized/confiscated goods disparities between the value at the time of seizure and of disposal – instructions regarding.-

In pursuance of the observations made in the 44th report of the pac(7th lok sabha) the Ministry had decided that collectors would get a study made at the end of each year to see how the valuation at the time of seizure compares with the valuation At the time of disposal and with actual sale proceeds as per Ministry's instructions contained in its f.no.715/14/81-lc(as)dated 1.10.1981. the directorate of preventive operations was required to study the reports and send a consolidated report to the ministry. The Ministry have observed from the report for 1983 submitted by the directorate of preventive operations that, barring one or two instances of under valuation, the wide disparity in seizure value and the actual value is being attributed to over-valuation/inflated pricing of the goods by the staff at the time of seizures.

As has been repeatedly emphasised, this tendency needs to be curbed firmly. in this connection the then member, cbec's d.o. letter issued under d.o.f. f.no. 4/46/49-cus.iii dated 20.9.69 and directorate of inspection, cce's letter f.no.1348/9/71 dated 13.07.71 are enclosed for information. in the light of other instruction issued from time to time with regard to pricing of goods, you may please ensure that prices are not indicated by the seizing officers in your charge. for this purpose the jpc prices followed by c.h. could be taken as a guide. it should also be possible for you to identify the commodities generally seized jurisdiction and issue suitable instructions in the matter to achieve the desired objective.

A number of collectors have also explained the disparity as due to other agencies like BSF/police,for valuing the goods, seized by them and subsequently made over to customs, for want of adequate knowledge the price of such goods. In such cases the customs officers should, with the approval of the supervisory revalue the goods on the lines indicated in para 3 above for the purpose of showing the book value in the department records with suitable remarks at the state of taking over the goods/issue of show cause notice, as the case copy of dicce letter f.no. 1348/9/71, dt.13.7.71.

Disposal of consumer and luxury confiscated goods through nccf-wide

variations in price-reg. please refer to board's letter f.no. 30/21/70-lci dated 16.10.1970 forwarded with the letter no. c.no.1348/21/70 dt.26.11.70 on the above subject, your file no. viii (6) 48(430) cus./69 refers.

In modification of the board's letter mentioned above, the board has since decided that the collector of customs (prev) bombay should select a limited number of items with their brands in which seizures are the largest and a list of prices for these articles fixed by him for sale to national cooperative consumers federation. a copy price list should be sent to the dte as well as to all the collectors of customs and collectors of central excise so that the collectors could compare their prices with those fixed at bombay initiate investigations, there are large variations in prices, for bringing about uniformity to the extent possible.

Necessary action in this regard may please be taken as early as possible.

Ministry of finance government of india, deptt. Of revenue's letter f.no. 711/7/86-cus(as) february,1986. Disposal of condemned/confiscated vehicles and other various items ripe for disposal-delay in taking disposal action-regarding.

Please refer to shri p.p.singh, deputy financial adviser's d.o. letter dated 15.10.85 addressed to your copy to joint secretary (admn) and deputy collector (customs) amritsar on the subject cited above.

It has been clearly laid down in the board's instruction contained in its letter f.no.11/6/61-cus.iv dated 2.12.1961 that seized/confiscated vehicles should properly be looked after during storage. whenever there is a delay in the disposal of vehicles, vehicles should be jacked up and wherever garage facilities are not available temporary sheds are to be erected for the proper storage of the vehicle. for the proper upkeep and maintenance of seized/confiscated vehicles. head of department has also been delegated powers for incurring expenditure upto Rs.600 per vehicle per annum. confiscated vehicles ripe for disposal can also be appropriated for departmental use if they are in proper working condition. vehicles which are not fit for appropriation should be sold in public auction after giving wide publicity to the best advantage of the government. You are, therefore, requested to review the position in respect of the vehicles pending disposal in your collectorate and take urgent action to dispose them of as stated above. if there is any delay or negligence on the part of any of the officers concerned, appropriate action to fix the responsibility and disciplinary action should be taken.

Copy of m/f, f.no.394/387/85-cus(as) department of revenue (anti-smuggling unit) dated 5th february, 1986.

Sub:- Disposal of seized/confiscated goods immediately after seizure-amendment to the customs act-issue of notification reg. section 110 of the customs act was recently amended by customs amendment act (80 of 1985)by

inserting the following new-sections after sub-section (1) of section 110:-

"(1a) the central government may, having regard to the perishable or hazardous nature of any goods, depreciation in the value of the goods with the passage of time, constraints of storage spare for the goods or any other relevant considerations, by notification in the official gazette, specify the goods on class of goods which shall, as soon as may be after its seizure under sub-section(1), be disposal of by the proper officers in such manner as the central government may, from time to time, determine after following the procedure hereinafter specified.

(1b) Where any goods, being goods specified under sub-section(1a), have been seized by a proper officer under sub-section i, he shall prepare an inventory of such goods containing such details relating to then description quality, quantity, mark numbers, country of origin and other particulars as the proper officer may consider relevant to the identity of the goods in any proceedings under this act and shall make an application to a magistrate for the purpose of-

- (a) certifying the correctness of the inventory so prepared; or
- (b) taking, in the presence of the magistrate, photographs of such goods, and certifying such photographs as true; or
- (c) allowing to draw representative sample of such goods, in the presence of the magistrate, and certifying the correctness of any list of samples so drawn.

(1c) where an application is made under sub-section (18), the magistrate, shall, as soon as may be allow the application." in order to give effect to the amendment, notification no.31/86- cus(as) dated 5th february,1986 has been issued under section 110(ia) specifying the following goods to which the new provisions of section 110 shall apply:-

- (i) liquors;
- (ii) primary cells and primary batteries including re-chargeable batteries;
- (iii) wrist watches including electronic wrist watches; watch movements parts or components thereof;
- (iv) all electronic goods including television sets, video cassette recorders, tape recorders, calculators, computers, components and spares thereof including diodes, transistors, integrated circuits, etc; and
- (v) dangerous drugs and psychotropic substances. the disposal of various pereshable goods as listed in monistry's letter no. 711/31/83-lc(as) date 22.5.1984 shall continue as per the existing instruction. the procedure as laid down in section 110 subsection(1) and (ic) in respect of goods specified vide notification no-----31/86-cus(as) dated 5th February 1986 shall be followed in following cases:-

- (a) where prosecution is contemplated;
- (b) where the prosecution proceedings have already been lunched ;and/or
- (c) where the department has serious problems in their

storage/disposal.

The seized/confiscated goods shall continue to be disposed of in accordance with the existing modes of disposal as prescribed in the instructions issued ministry in this regard from time to time.

The amendment and the notification may be brought to the notice of all the field, formations for their appropriate action as warranted.

Difficulties, if any, experienced in the implementation of the amendment and modification may be brought to the notice of the board.

Ministry of finance government of india, deptt. Of revenue's letter no. 711/----- october, 1986.

Review of existing arrangements for storaged, accounting, disposal security and safty of seized/confiscated goods. the existing arrangements for the storaged,accounting disposal security and safty of seized/confiscated goods stored in various godowns all over india are being reviewed by the board, in this connection requested to kindly examine the following aspects personally and send your comments alongwith justification.

- (i) safety of the prense used for the storage of seized/confiscated goods
- (ii) provision of the lighting equipments in each godwon.
- (iii) existing arrangement for ensuring security in each goddown.
- (iv) adequancy of staff deployed in the godowns and pattern of men department.
- (v) strict adherence to the instructions issued by the ministry regarding proper accounting/stocktaking, security, disposal of seized/confiscated goods.

2. If the review indicates that there are certain deficiencies in the existing arrangements you are also requested to take adequate steps to ensure the security, safety and proper account of seized confiscated goods. your report must reach the ministry within 20 days form the dated the reciept of this goods ministry of finance government of india, deptt of revenues letter f.no.711/49/86/cus(as) of 1986. during the course of audit of certain formations, the central revenues audit parties had come up and pointed out the following deficiencies/irregulaties in the matter of disposal of goods seized/confiscated under the customs act, 1962:-

- (i) seized/confiscated goods of substancial value were lying undispos for perious expanded six years beyond the prescribed period of retention;
- (ii) In some cases, prosecution proceedings had been pending in the court for more than six years no action to move the court to permit disposal of the goods pending completion of prosecution proceedings was intisted. in certain cases, prosecution proceetings launched in 1978-79 had finalised in 1984, but no action for getting the goods released from the court was intimated.
- (iii) Goods of substantial value ripe for disposal were lying undisposed of

and some for years, although all due formalities for their disposal had been completed;

(iv) The instructions on the subject require that every attempt should be made to finalise the confiscation proceedings for motor vehicles within one month of seizure and the absolutely confiscated vehicles should be disposed of immediately without waiting for conclusion of appeal or revision petition, if any. It was however, noticed that no confiscated vehicle has been disposed of by sale in the light of these instructions;

(v) In a large number of cases, there was inordinate delay in disposal of perishable goods on account of which the department had to incur substantial losses as compared to the value of the goods fixed by competent authority at the time of seizure, because of deterioration of the goods during prolonged storage;

(vi) In some offices, neither the register for recording cases of seizure/offence was found maintained in the prescribed form nor essential details were found recorded. The goods ripe for disposal would thus not come to the notice of the seizure branch for report to the custodian to take timely action for their disposal.

(vii) The register for keeping record of receipt and disposal of seized/confiscated goods maintained by the custodian was found to be not in the prescribed form. As a result entries in the register could not be readily connected with the relevant entries in the register of offences and penalties to ensure that all the seized goods had been properly accounted for in the warehouse and disposed of by the disposal unit;

(viii) In respect of a number of cases, the prescribed procedure of noting the orders of confiscation appeals in the register of seized/confiscated goods was not followed. As a result, the cases becoming ripe for disposal were likely to go unnoticed by the custodian leading to delay in initiation of action for disposal;

(ix) The monthly list of cases ripe for disposal was not being prepared by the custodian in many places. Non-observance of this procedure and lack of co-ordination between the seizure branch and the custodians were partially reasons for delay in taking action for disposal of goods;

(x) Physical verification of seized and confiscated goods required to be done every six months had not been conducted for some years. In view of this, the position of the seized/ confiscated goods could not be ascertained to find out the actual losses by way of deterioration, depreciation, breakages, shortages, if any.

(xi) A consignment of medicine had remained to be sold in auction, though it had a limited shelf-life. Being medicinal goods and considering the limited shelf life period, it was incumbent on the part of the custodian/customs authorities to have initiated auction proceedings much in advance of the expiry date of the drug. However, valuation itself was completed very belatedly.

The various deficiencies/irregularities pointed out above are only illustrative and similar lapses occur in most of the custom houses/central

excise collectorates and what is more unfortunate and regrettable such irregularities continue to recur. you will observe that the deficiencies/irregularities relate to delays in disposal for various avoidable reasons, non-pursuit of cases involving adjudications/ appeals/prosecutions, etc., want of attention in respect of disposal of perishable/fast deteriorating goods, want of care in respect of disposal of motor vehicles/vessels, unsatisfactory storage, non-observance of prescribed procedures, non-maintenance and checks of prescribed registers, non-implementation of instructions regarding periodical stock-challenges and stock verification, etc. You will also agree that in all these matters, there is not dearth of instructions from the board/ministry and in the relevant department manuals. to facilitate reference, a "compilation of instructions on disposal of confiscated goods" (as on 1st july, 1984) had also been brought out by the directorate of preventive operations and i am sure you will be having a copy of the compilation with you. The failure, therefore, is essentially in not strictly implementing the clear instructions on the subject at all various levels and in not enforcing strict and effective supervision/ prescribed inspections to ensure that the instructions in regard to the various aspects of the subject are scrupulously followed by the different officers concerned in their day-to-day work. the fact that instructions exist and yet such lapses/irregularities occur lead to situations which invoke adverse comments of the public accounts committee estimates committee.

I shall, therefore, be grateful if you could kindly ensure that this matter receives your personal and constant attention so as to see that the various instructions on the subject get implemented scrupulously at all levels and by the various officers concerned, including the supervisory officers. the accountability of officers at different levels should be clearly impressed upon them. it should be made clear to all the concerned officers that a serious view will be taken of any lapses/deficiencies on their part, entailing disciplinary action and that no laxity in these matters will be permitted.

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cn 7 ms 7 ar 3 ab 4 bl 4 bccg 3 hd 10 jp 8 kn 3 md 3 mt 4 vd 1 gr 1 srl no.
109-140/01 gr 200 from anil bhatnagar finrev new delhi to collector of customs
(prev) ahmedabad/ bombay/ calcutta/ patna/ trichy/ Bangalore rpt collector of
customs bombay/ bangalore/ chandigarh/ calcutta/ cochin/ madras/ sahar airport
Bombay rpt collector of central excise ahmedabad/ aurangabad/ bangalore/
belgaum/ bombay/ bolpur/ caltutta chandigarh/cochin/ hyderabad/ jaipur/ kanpur/
madras/ madurai/ meerut/ patna/ trichy/ vadodara rpt narcotics commissioner

gwalior bt

 f.no. s/18013/21/89 ad. v dt. 1st feb1990 please refer telex of even
 no. dated 16th november 1989 regarding suspension of reward scheme to government
 servants(.) the supreme court's interim order is also applicable to informants
 (.) however, this order has been modified by the supreme court in its order
 dt.12th january 1990 to the effect that the prohibition contined in the said
 order regarding the distribution of therewards shall not apply to informers in
 gold and bui+bullion smugglig cases as also gold bullion silver and narcotic
 cases (.) the chief controller of accounts has since issued telex to all the
 p.a.os directing them to pass the bills for the informers falling in these
 categories

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fm: y p narula by controller of accounts (coord)acx new delhi

to: 1) the pay and accounts officer customs bombay

2) the pay and accounts officer cenexcise bombay onevvv

 no. coord/14(7)/89/2109 dated 5.3.94 (.) in terms of deptt of
 revenues clarificatory order no. c 18013/21/ 89-adv dt 7-2-90 there does not
 appear to be any objection to the payment of rewards including advance rewardsto
 the govt servants and informers in respect of the cases for which rewards have
 become due after adjudication (.) the payment of rewards will however be subject
 to fulfilment of otherrcondition and restriction of the rewards scheme(.)

=====
 tlx msg no. v1965/9.3.90/12.21 hrs by joy pls ack

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ci

item no. 16419

court no.2

saction

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Supreme court of india

Record of proceddings

writ position (s) civil/(xx) no.(s) 443

with slp(c) no. 12173/88 & slp(c) no.12873/

duncon agro inds.ltd. & anr. otc etc petitioner (s)

versus

union of india & ors etc.etc. respondent(s)

(for final disposal) (with appln. for stay)

dated :12.1.90. this/these petition(s) was/were called on for hearing

today coram *

hon'ble mr. justice ranganath misra

hon'ble mr. justice m.m. punchhi

hon'ble mr. justice s.c. agraval

the petitioner(s) mr. c.s.s. res.adv.

for petitioner in :mr. k.k. venugopal, sr.adv.

slp no.12178/88 m/s suman chaitan, parveen kumar, & mis malini, advs.

for the respondent(s) mr. santosh hagde,asg

mr. a.subba rao, adv.

mr. p.parmeshwaran, adv.

for petnr in m/s ge vahanvati, jr gagrat, ph gokhale

slp 12878/88 rj gagrat, rb hathikhanwala and ua rena, advs.

upon hearing counsel the court made the following order

hered learned counsel for the parties. order date 16.11.89 is modified to the e
tent that the prohibition contained therein regarding the distribution of the
reward shall not apply to informers in gold and bullian smuggling cases as also
gold bullion, silver and narcotic cases item no.16 and 19 be put together butnot
be listed before 23rd jan. 90.

sd/-

sd/-

(rj.gopal) court master

(p.k. gora) court master

f.no.c.18010/21/89.ac.v

Government of india

Ministry of finance

Department of

revenue

.....

New Delhi, the 7th fef.90.

To

The all heads of departments under
central board of excise and customs.

Subject: Reward-stay of grant of reward-direction by the supreme
court-regrding.

.....

Sir,

I am directed to refer to this department's telex of even number dated 16.11.89 on the above subject and to say that the above mentioned matter has been re-examined by the board carefully. It has been observed that the supreme court's interim order dated 16.11.89 was that while other conditions and restrictions of the reward scheme would continue to apply, no amount of reward (including advance reward) has to be given to anyone (including government servants and informers) until the case in which the reward becomes due has been adjudicated.

2. However, this order has been modified by the supreme court in its order dated 12th January, 1990 to the effect that the prohibition contained in the said order regarding the distribution of the reward shall not apply to informers in gold and bullion smuggling cases as also sold bullion silver and narcotic cases. The other controller of accounts has since issued telex to all the P.A.s directing them to pass the bills for the informers falling in these categories. However, a copy of further interim orders of supreme court dated 12.1.90 is enclosed herewith for compliance.

3. Those directions would hold good till the supreme court passes any further orders in the matter.

yours faithfully,

(vijay singh)

under secretary to the government of india

r.13011/5/88-ad.v

f.no.

Government of india
Ministry of finance
Department of

revenue

.....

new delhi, the 7th june, 88.

To
All heads of departments under
central board of excise and customs.

Subject: Reward-grant of rewards to informers and government, servants-revision in the quantum of reward in respect of gold and silver.

Sir,

I am directed to refer to ministry's letter f.no.r.13011/3/85-ad.v dated 30.3.85 lying down the revised procedure for grant of rewards to informers and government servants. in partial modification of the annexure to the instructions contained in the above letter, the government has decide, that quantum of rewrd to informers and government servants in respect of gold and silver shall be on the following rates:-

| commodity prescribed | existing rates | revised rates purity |
|---------------------------------|-------------------------|---------------------------|
| gold 999.5 mille or more. | Rs.350/-per 10 grms. | Rs.500/-per 10 grammes |
| silver 99% or more | Rs.650/ per kg. | rs.1000/- per kg. |

2. these rates will be applicable with immediate effect.

yours faithfully,

(vijay singh)

under secretary to the government of india

no. 6918

new custom house,
ballard estate,
bombay 400 038.

date :03.10.1989
Standing order

Sub:Constitution of reward committee.

According to order contined in f.no.13011/3/85 ad.v dated

30.03.1985 (para 8.1.3) a committee has to be constituted for examining the reward proposals and for grant of reward to officers, accordingly, a committee consisting of the following officer is constitutes for grant of reward in excess of rs.10,000/- but not exceeding Rs. one lakh.

1. Collector of customs(genl.) -chairman
2. Addl.collector of customs(prev,genl.) -member
3. Addl. collector of customs (apprg.genl.) -member.

The committee will be assisted by asstt. collector (preventive-general) and asstt.collector (appraising-general) as the case may be depending upon as to whether the cases pertain to preventive matter or appraising matter if the cases detected were by the preventive type units viz. SIIB, CIU, Dock intelligence unit, the papers shall be sent to asstt.collector(prev.genl.) for processing and putting up before the committee. in all other cases detected by appraising groups, audit, docks or other departments like m.c.d., etc. the reward proposals shall be sent to asstt.collector (appraising genl.) who will process the same and present the papers to the committee for consideration. the asstt. collectors (prev.genl. and appraising genl.) may take the assistance of asstt.collectors incharge of the detecting units for presentation of cases before the reward committee. the committee may coopt an addl.collector/dy.collector for examination of a proposal, if it deems necessary. this shall come into force with immediate effect.

(k viswanathan)

collector of customs,

bombay.

issued from file no.:
s/14-200/89c

Standing order no.6952

Sub: Constitution of reward committee.

In pursuance of the ministry's instructions contained in f.no. 13011/3/85 ad.v/30.3.85 as amended by letter f.no. 13011/19/88 ad.v/24.8.88, and in ----- of standing order no. dated 3.10.89, a committee consisting of officers as follows is constituted for sanction of rewards to officers.

1) For reward amount is excess of rs. 50,000/- but not exceeding rs. 1,00,000/-

- a) principal collector- chairman
- b) collector of customs- member
- c) addl. collector (preventive general- member
- d) addl. collector (appraising general)-member

2) For reward amount is excess of rs. 10,000/- but not exceeding rs. 50,000/-

- a) collector of customs - chairman
- b) addl. collector (preventive general) -member
- c) addl. collector (appraising general) - member

The committee shall be assisted by asstt. Collector (preventive general) and asstt. collector (appraising general), as the case may be. the cases detected by the preventive units viz. siib,ciu, dock intelligence units, shall be sent to asstt. collectors (preventive general and appraisig general) may take the assistace of asstt. clectors incharge of the detecting units for presentation of cases before the reward committee. the committee may co-opt an addl. collector/deputy collector for examination of a proposal, if it deems necessary.

This order shall come into force with immediate effect.

sd/-

v.k.gupta.

file no.s/15-70/90apprg.(m)
collector of customs

bombay

Computer section

Index

1. Details of computer configuration.
2. The terminal.
3. ORG systems.
4. Key board.
5. Working of computer in import department.
6. Working of computer in export department.

~ Computerisation:

The computerisation of customs department started in the year 1986. The Computer Main frame and system used in the bombay customs is that of "sperry 1100/74. The host system is installed in the bombay custom house. This host system is connected to other subordinate systems at sahar air cargo complex, bombay, customs houses at delhi, madras and calcutta. all these subordinate systems are connected with the host by means of dedicated telephone lines. hence it is possible to have access to the data from all the custom houses. for example by sitting in bombay custom house one can have access to the data of madras custom house, and therefore can get the information from that custom house. similarly access is possible from other formation. this is called as global access.

The software used to run the computer was initially prepared by M/s ORG. system. the computer language used is called "MAPPER".

By the term software, it means the programme which is developed for running the computer or for processing the data.

Data means the input.(like the bills of entry or shipping bill details or such other information you would like to feed into the computer). the software or the programme will help to feed in the data and will store and process the data.

By the term Hardware we mean the computer system like the main frame, terminals, disks tapes etc.

All the work of assesment of both import and export cargo and its related functions were hitherto done manually.the records of such assessments were maintained into various registers. now all the data are recorded at the various stages viz. on noting of bill of entry;on completion of assessment and at the time of payment of duty. the data so captured is stored in the disk of the mainframe of the computer. this disks can store data for a period of 120 days and one can recall the information within seconds for this period. by computerisation it has become very easy to process information and get the required data in statement form within a short time, which earlier took many days by employing many clerks. The labourious task of collecting data has been simplified. the feeding of the data is being done by a specialised staff known as key punch operators (k.p.o.) / terminal operators (t.o's). once the required data has been fed into the computer the same information can be retrieved in a variety of formats according to our needs. it is now very easy to see how earlier assesments have been done for a particular type of goods. more over you can get the other parameters like value, importers/exporters name,

description of goods etc. by means of the function of retrieval.

Before we go further into the actual data entry and other functions of the computer it is very essential to know what the computer is .

The system comprises of the CPU along with memory storage unit, consols, tape drives, data communication processor, printers & the terminals with key boards. the last two viz. terminals & keyboards are the work stations with the help of which a user can interact with the system.

The terminal: As stated above it is a monitor similar to ----- a t.v. it has a screen on which the data is displayed. this terminal has a switch at the rear which can be turn on or off. in front of the terminal, on the lower right hand side you have a circular knob which controls the brightness of the screen.

By switching on the terminal, initially you will get a blank screen. to get the "logo" on the screen you are to take the cursor to home position and press the key "f12" on the key board. then the "xmit" key on the key board should be pressed.

The cursor is a luminious rectangle which keeps moving by pressing the key. this rectangle can be taken to any part of the screen depending on the keys pressed on the key board. the home position is the top left hand corner of the screen.

Once you succeed in getting the logo you will see that it contain the following information

```

      ORG SYSTEMS
PLEASE START WORK  HRS
B.C.H. (E.O.D. AT  HRS)
UNIT. USER (IDLE)
      LEVEL33R1.

```

The important aspect to know is the this system is developed by org. the time when the system was started is shown on the second line after the words "please start work hrs. The third line signifies the bombay custom house and e.o.d. means the end of day at a particular time. the word unit means the terminal number on which you are working. the user is initially shown as idle. as soon as you sign on this will reflect the user's initial.

Further at the bottom of the screen you will see a bright green colour band in which is written row col on the lefthand side and poll on the right hand side. The screen has 24 rows or lines while it has 80 columns, or characters. the rows represent vertical lines while the coloumns or characters are represented horizontally. the "poll" represents the working of

the terminal vis-a- vis the mainframe. if the poll is missing the terminal is dead.

Key board:

It is akin to the key board of a typewriter. the keys are explained below: starting from left

1. Display erase to eof is used to erase the data on the entire screen.
2. EOD erase eol is used to erase all data after the cursor on the same line.
3. In disp delete in line is used to move the data to the left of the cursor
4. In disp insert in line is used to move the data to the right of the cursor.
5. THE arrow pointing homewards is used to take the cursor to home position.
6. Tab set soe this key is used to set tabulation point on the screen. the cursor can jump from one tab pont to another. the important function of this key is to put the soe (start of entry) mark before xmitting so that the data can be transmitted to the main frame. if the soe key is not pressed from the initial point from where you wish to capture the data then the computer will show on the top line "start of entry is missing".
7. The other four arrow keys represent the movement of the cursor to the north-south-east-west position.
8. The shift key is used to type capital letters, and for the use of upper case symbols. It can be locked by pressing the lock key. in that case all letters will be in capital form.
9. The "xmit" key is the most important key. it relates or interacts between the terminal and the mainframe. only after pressing the "xmit" key the data or a request can be conveyed to the mainframe.
10. It may be seen that on the terminal there are two screens. it is shown as 1 on the bottom right hand side of the screen. it can be changed to screen 2 by simultaneously pressing the "fctn" key and disp 1-2 ff the two screen are given so that one can work on screen one, while at the same time see any data on screen two. the second screen is also used to send data before printing the report of the first screen.

11. The other keys represent the characters shown on it, which are either alphabetical or numerical. Some other keys are used for writing a run or a programme also called as software. After knowing the terminal and the keyboard it is necessary to know how to operate it. The first thing to be done is to sign on. The computer will recognise only authorised user. Therefore it is necessary for you to get yourself registered in the computer. This is done by getting your user code from your computer co-ordinator. Once you get your code you can sign on to the computer. Only after that you can have access to the data. The procedure for signing on is as under at the cursor home position type the following:

Your initials, department number, your user code and then press the "xmit" key

Example: if my initial is pvg, my department number is 58, and my user code is say "rose" then I would sign on as under: pvg,58,rose and then press "xmit" key.

Remember that you should sign on exactly as shown. Even if the ,(comma) is missed or if you give a space in between the computer will not sign on and it will display "enter your user-id.". If you successfully sign on then, in the logo you will see your initials. This means that the computer has accepted your user identification. After this you can do the task allotted to you on the computer.

Import At the moment the IGM. is provided on floppy disks to ----- the EDP Section. The Data on the floppy is captured on to the system for further processing of the bill of entry. This is in addition to the manual noting of the bill of entry in the manual copy of i.g.m. This manual noting is done in the import department.

After noting of the bill of entry the same is sent to the group for assesment. During the stage of assessment many fields of data are entered (t.o.g., a.o. & t.o.a.) at this stage the appraiser has an option to see the earlier assesment done for the same goods. He can also see the value of similar goods taken for assesment. To obtain this information he has to use the function of "retrieval". To do this he has to give the command "util" at the cursor home position and press the "xmit" button on the key board. This will take him to the next screen and has to follow the instruction given by the computer.

The appraiser is also expected to key in certain data when he is processing the bill of entry "on line". The computer is very important to get upto date data and also for processing these data to give you the various statements without much labour. After the bill of entry is assessed by the group appraiser, it then goes to the audit appraiser. In addition to the manual

auditing of the bill of entry, it is expected of him to audit the bill of entry, on the system. for this purpose he feeds in the data in the audit screen. to obtain this screen the command at present is "ca".

After audit the bill of entry goes to the cash section for payment of duty or for "i.d.f." action. the cash department also gets the duty to be collected on the screen by keying in the relevant bill of entry number. after payment of duty in the cash section the bill of entry generally goes to the docks for examination of cargo. after examination, but before "out of customs charge" the bill of entry is sent to the computer section in the docks for entering the particulars of the goods "out of charged".

These steps are required so that when the computerization is fully completed the i.g..m. can be closed on the system and slowly the manual work can be dispensed with.

Export : The passing of the shipping bill in the export department -----has also been computerised to some extent. where the shipping bill is noted on the system the computer generates a batch of shipping bill numbers which is then endorsed on the respective shipping bills. by this method all the relevant export data is fed into the computer, which in turn is used to generate export statistics, in various formats which hitherto were done manually with much labour.

? Deputy Chief Chemist Office

Index

1. Chemical laboratory means testing laboratory.
2. standing orders.
3. Authorised testing officers for petroleum goods and issue a certificate.
4. Authorised testing officers for samples of explosives and issue a certificate.

?

D.Y.C.C. (Testing Laboratory) :- The chemical laboratory is one of the sections of the custom house. The Deputy Chief Chemist is generally the head of the department. However, DYCC. And other staff of this department is under the

administrative control of collector of customs.

It is purely a departmental institution intended to serve the needs of the Custom House. The laboratory work consists of analysis of samples sent to it for test and for giving technical advice on problems referred to it.

The chemical examiner is a chemical examiner to the Government of India for the purposes of Section 510 of the criminal procedure code. Section 510 of criminal procedure code :- Any document purporting to be a report under the hand of chemical examiner or assistant chemical examiner to the government, upon any matter or thing duly submitted to him for examination or analysis and report in the course of any proceedings under this code, may be used as evidence in any enquiry, trial or other proceedings under this code.

Note:- It is necessary to have the report signed by the chemical examiner or the assistant chemical examiner to use the same as evidence under the criminal procedure code. The samples drawn for testing from the export or import consignments must be based on the order of an officer empowered to do so. These samples should be accompanied by a test memo in duplicate duly signed by the proper officers. these test memo should bear all the relevent particulars for linking test memo to the particular consignment. these parameters are generally as follows :-

1. Shipping Bill or Bill of Entry No.
2. Vessel's name
3. Exporter or importer's name
4. Clearing agent's name and no.
5. Declared description as given in the shipping bill or bill of entry.
6. Group or export department reference no.
7. IGM and line no. in case of bill of entry.
8. The reference group or department.
9. The queries required for analysis. (The queries should be clear and specific for the the purpose the test is conducted.)
10. The test memo should be signed by the group appraiser as well as the officer drawing the sample.
11. Test memo should clearly state if remenent sample is required by the department sending the sample for test. [only one sample should be sent per test memo.]

Similarly the samples drawn for the purpose of testing must be sent in proper container which should bear proper labeling and seal. these labels should contain the following parameter:-

1. shipping bill or bill of entry no.
2. the importer or exporter's name

3. the cha's name and no.
4. vessel's name, rotation or voyage no.
5. description as shown in the shipping bill or bill of entry.
6. igm. and item no. in case of import sample.
7. the signature of exporter/importer/or their cha.
8. signature of the officer drawing the sample.

The samples along with the test memo duly completed should be sent to the dy.c.c. and the same should be handed over under receipt of the sample collection clerk.

Note:- Samples should be sent for testing only when absolutely necessary and in this regard s.o. given below may be referred to.

After testing of the sample the chemical examiner should countersign the test result given on the reverse of the test memo. these test memos with the results should be sent to the concerned department by despatch. at no time these test reports should be handed over to the importer/exporter or the CHA.

The technical opinion given by the DYCC. will only be a guide line for assessment.

Under standing order.

1. Number 6579 dated 1.3.1977.

Gist:- Testing of samples in the custom house laboratory -- fixation of time schedule instructions regarding....

(refer s.o. for full text)

2. Number 6584 dated 5-4-1977.

Gist:- Export items sent for test___ tests of oil cakes, gum guar, paultry feed etc. feasibility of reducing numbers forwarded for test-----

(refer s.o. for full text)

Number 6790 dated 19-09-1983.

Gist:- Procedure for drawal of sample and chemical test of goods for assessment and itc purposes, with a view to bring down the pressure on laboratory.

(refer s.o. for full text)

Number 6813 dated 1-12-1984.

Gist:- Issue of extra copy of the test report to the exporter in

terms of its public notice no.30 itc(pn) dated 4-6-1984.

(refer s.o. for full text)

3. Number 6935 dated 12.12.1989.

Gist:- To improve the quality of test in the custom house laboratory -- procedure regarding...

(refer s.o. for full text)

4. Number 6947 dated 30.3.1990.

Gist:- The officers and staff posted in the custom house laboratory should not meet directly with the trade – instructions regarding.....

(refer s.o. for full text)

3. Number 6953 dated 28-8-90.

Gist:- To publish test bulletin every month.

(refer s.o. for full text)

4. Number 6960 dated 27-12-1990.

Gist:- To drawal of samples from export consignments for the purpose of drawback claims---- regarding...

(refer s.o. for full text)

4. Number 6998 dated 29-1-92.

Gist:- To make references to laboratory for opinion even after the test reports given by the laboratory.

(refer s.o. for full text)

Number 7031 dated 25-1-1993.

Gist:- Drawal of samples from import consignments for testing in laboratory for purpose of Assessment and itc --- regarding...

(refer s.o. for full text)

Other Instructions:- The following the testing officers authorised to test Petroleum and to grant certificates of the results of such tests under section 17 of the petroleum act, 1934.

1. The chief chemist, Central revenues central laboratory, New Delhi.

2. The chemical examiner, central laboratory, New Felhi.

3. The chemical examiner, central excise and salt central

laboratory, New Delhi.

4. The assistant chemical examiner, central laboratory, New Delhi.
5. The chemical examiner, custom house, Bombay.
6. The chemical assistant, grade i, custom house laboratory, bomnbay
7. The chemical assistant, custom house laboratory, bombay.
8. The chemical examiner, custom house, calcutta.
9. The chemical assistant grade i, custom house, calcutta.
10. The chemical examiner, custom house, madras.
11. The assistant chemical examiner, custom house, madras.
12. The chemical examiner to the government of madhya pradesh and

Uttar pradesh.

13. The municipal health officer, vishakhapattam.
14. The civil surgeon, cochin.
15. The chemical examiner, custom house, okha.
16. The chemical assistant, custom house, kandla.
17. The chemical assistant, grade i, custom house, madras.
18. The assistant chemical examiner, custom house, calcutta.
19. The assistant chemical examiner, custom house, bombay.
20. The deputy chief chemist, custom house, bombay.
21. The deputy chief chemist, custom house, calcutta.
22. The assistant chemical examiner, custom house, cochin.
23. The chemical examiner, custom house, cochin.
24. The chemical assistant, custom house, cochin.
25. The assistant chemical examiner, central excise, digboi.

The following are the testing officers authorised to test samples of explosives under the explosive rules,. 1940 and to issue certificates to such tests.

1. The chief chemist, central revenues, control laboratory, New Delhi.

2. The chemical examiner, control laboratory, new delhi.
3. The assistant chemical examiner, control laboratory, New Delhi.
4. The chemical examiner, custom house, madras.
5. The chemical assistant grade i, custom house, madras.
6. The chemical examiner, custom house, bombay.
7. The chemical assistant grade i, custom house, bombay.
8. The chemical examiner, custom house, calcutta.
9. The chemical assistant grade i, custom house, calcutta.
10. The assistant chemical examiner, custom house, madras.
11. The assistant chemical examiner, custom house, calcutta.
12. The assistant chemical examiner, custom house, bombay.
13. The deputy chief chemist, custom house, calcutta.
14. The deputy chief chemist, custom house, bombay.

(Ministry of works, mines and power, notification p. 102 of 5.5.1948, s&p liep 2(15)/56 dated 6.10.56 and s&p ii ret2(5)/57 dated 24.5.57)

] Office of The Assistant Drug Controller

Index

1. Points of ADC's control.
2. Powers of customs officers as per section 11 of drug and cosmetics act 1940.
3. Dstandard quality.
4. Mis-branded drugs.
5. Adulterated drugs.
6. Spurious drugs.
7. Mis-branded cosmetics.
8. Spurious cosmetics.

]-----

Assistant Drug Controller Office.(A.D.C.): - The Customs Appraiser/Examiner

in addition to their other functions also enforces provisions of drug and cosmetics act,1940, therefore, if the collector of customs has reason to doubt if any drug/cosmetic does not comply with the provisions of chapter 3 of this act and rules made thereunder,can draw sample and send the same for -- testing. in this regard the drug controller's authority is final. the drug controller has therefore, posted additional drug controllers at the official points of entry for import and points of export.

The points at which the drugs can be imported into india are as follows :-

- 1) By rail accross the frontier with pakistan
 - (a) firozpur contonment, (b) amritsar railway station
- 2) By rail accross the frontier with bangladesh
 - (a) ranghata railway station;
 - (b) bongaon railway station;
 - (c) mohiassan railway station.
- 3) By sea into india
 - (a) bombay; (b) madras; (c) calcutta and (d) cochin port.
- 4) By air to india
 - (a) Bombay; (b) madras;(c) delhi; (d) calcutta and (e) ahmedabad air-port.

(43a drugs & cosmetics rules 1945.)

Power of customs officer as per sec.11 of the drugs & cosmestics act, 1940

 By virtue of this act the proper officer of customs so empowered shall have the same powers in respect of such drugs and cosmetics as they have in respect of any prohibited the goods under the customs act 1962. By virtue of section 11.(2) of the drugs and cosmetics act 1940, the said officers may detained any imported packages which he suspects to contain any drug or cosmetic, the import of which is prohibited under this act, and shall forthwith report such detention to the drug controller of india through the assistant drug controller. if necessary the packages or samples may be forwarded to the assistant drug controller for sending them for test to the central drug laboratory.

The Appraiser posted in the group should take the assistant drug controller's(adc) no objection before release of any consignments of drugs and cosmetics. he should comply with the instructions given by the a.d.c. in the following cases :-

(a) When asked to draw sample for adc in the manner prescribed by a.d.c.

(b) Asking for details of markings on the packages which may include the manufacturer's name, date of manufacture, weight of the packages etc.....

(c) He should give specific orders in the bill of entry if the inspection of the packages and the drawal of samples are to be done under the direct supervision of the officers of the a.d.c.

Similarly docks staff should also see that the adc's no objection has been obtained before release of the consignment,they are to comply meticulously the requirements of the adc as amplified in the examination order.

In the case of export consignment also before the shipping bills are finally passed, the adc's no objection should be obtained for consignments of drugs and cosmetics. he should also follow all the instruction given by the adc prior to the actual export of the goods.

Certain important terminologies and its meaning are explained below :-

1. Standards of quality means (a) in relation to a drug, that the drug complies with the standard set-out in iind schedule under the drugs and cosmetics act 1940. (b) in relation to a cosmetic, that the cosmetic complies with such standard as may be prescribed.

2. Mis-branded drugs means (a) if the drug is so coloured, coated, powdered, or polished that damage is concealed or if it made to appear

of better or greater therapeutic value than it really is or (b) if it is not labelled in the prescribed manner or (c) if its label or container or anything accompanying the drug bears any statement, design, or device which makes any false claim for the drug or which is false or mis-leading in any particulars.

3. Adulterated drugs means (a) if the drug contains in whole or in part, any filth, putrid or decomposed substance, or (b) if it has been prepared, packed, or stored under unsanitary condition whereby it may have been contaminated with filth or whereby it may have been rendered injurious to health or (c) if its content is composed in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health; or (d) if it bears or contains, for purposes of colouring only, a colour other than one which is prescribed; or (e) if it contains any harmful or toxic substance which may render it injurious to health; or (f) if any substance has been mixed therewith so as to reduce its quality or strength. Spurious drugs :- means (a) if it is imported under a name which belongs to another drug; or (b) if it is a imitation of or it is a substitute for, another drug or resembles another drug in a manner likely to deceive or bears upon it or upon its label or container the name of another drug, unless it is plainly or conspicuously marked so as to reveal its true character and its lack of identity with such other drug, or (c) if the label or container bears the name of an individual or company purporting to be the manufacturer of the drug, which individual or company is fictitious or does not exist, or (d) if it has been substituted wholly or in part by another drug or substance, or (e) if it purports to be the product of a manufacturer of whom it is not truly a product

5. Mis-branded cosmetics :- means (a) if it contains a colour, which is not prescribed; or (b) if it is not labelled in the prescribed manner; or (c) if the label or container or anything accompanying the cosmetic bears any statement which is false or misleading in any particulars.

6. Spurious cosmetics.:- means (a) if it is imported under a name which belongs to another cosmetic; or (b) if it is an imitation of, or is a substitute for, another cosmetic or resembles another cosmetic in a manner likely to deceive or bears upon it or upon its label or container the name of another cosmetic, unless it is plainly and conspicuously marked so as to reveal its true character and its lack of and its lack of identity with such other cosmetic; or (c) if the label or container bears the name of an individual or a company purporting to be the manufacturer of the cosmetic which individual or company is fictitious or does not exist; or (d) if it purports to be the product of a manufacturer of whom it is not truly a product.

} Index for DPCC. unit.

1. Working of DPCC. unit.

2. Export procedure.
3. Procedure regarding assaying of gold/jewellery.
4. Standing orders.

}

DPCC. :- Working : This section represents the mini unit of the ----- Appraising group, the export department and the examination centre in the docks. The working pattern is generally the same. However this unit deals exclusively with the import and export of gems and jewellery. since basically this unit deals with both imports and exports the details of each process for this unit is given below.

Import: bills of entry.

This unit deals with the imports made by sea as well as by air.

all the goods covered by bills of entry for import by air are noted in the d.p.c.c. itself, while for the goods covered by bills of entry for import by sea is noted in the customs house in the import department. in both the cases the importer or his agent presents the bill of entry after all the relevant particulars are entered in it. the custodian of the goods in case of d.p.c.c. cargo is the m.m.t.c. in bombay. they keep all the import and export cargo, and cannot deliver the import cargo without the order of the proper officer of the customs. after noting the bill of entry the same is presented to the appraiser, along with all the relevant documents like invoice, packing list, master/house airway bill, country of origin certificate, import license etc. the appraiser will scrutinise the documents with special emphasis on description and value. if the packing list is produced, then the a.o. will order for 25% examination. if no packing list is produced, then 100% of the goods will be examined. in case of 25% examination the selection of the packages will be done by the appraiser. after the examination order is given, the forwarding is done by the import clerk. the m.m.t.c. will forward the packages on the duplicate b/e. once the packages are received from the custodian, by the importer or his clearing agent, the same are presented to the examiner who will conduct the examination. before opening the package the examiner will scrutinise the packages for the following details:

1. Name of the importer
2. Name of the bank
3. Marks & numbers on the packages.
4. Number of the master & house airway bill on the

packages.

5. The total lots covered by the invoice after satisfying the above requirements the examiner will open the packages for superficial checking of description. however the examiner will check the weight

thoroughly, the examiner does not check the value of the goods. The examiner after examination gives his report on the reverse of the original bill of entry. If any discrepancy is noticed at this stage, the same is reflected in the examination report. The clearing agent or the importer as the case may be will sign below the examination report. Once this procedure is completed the bill of entry with all the documents and the packages are taken by the importer or cleared to the appraiser, for further processing of the b/e. The importer or his agent will be responsible for the packages when the same are sent from the examiner to the appraiser. The appraiser on receipt of the b/e and the packages will check the description and value of the goods. The a.o. also gives his report, which is not countersigned by the clearing agent if correct. If the goods are found to be correct, then the B/E is completed on the spot and proper duty levied. If there is a discrepancy, then the report is to be signed also by the importer or his clearing agent in acceptance of the report. After completion of the bills of entry, the same are concurrently audited by the concurrent audit appraiser. The procedure is similar to the one followed in the appraising group in the customs house.

The original and duplicate bills of entry after the full signature of the Appraiser will be sent to the assistant collector for his signature. The Assistant collector signs only the original copy of the bill of entry. When the Bill of entry is complete in all respects, it is ready for payment of duty. The import duty is paid in the cash department of the custom house. In case no duty is chargeable then IDF. Or import duty free number is given in the DPCC. by the concerned Dy. office Supdt. (d.o.s.). The DOS. also verifies the entry of license particulars in the register. After retaining the original bill of entry, the d.o.s. gives out of customs charge on the duplicate bill of entry.

The duplicate bill of entry is then presented by the importer or his agent to the MMTC for taking delivery of the parcels/packages. In the case of import by sea. The license Registration and debiting will be done in the custom house.

Export procedure in DPCC

A free shipping bill (white colour) is made out by the exporter or his clearing agent. All the details including tel no. as required are typed out neatly and along with the following documents, it is submitted to the export registration clerk.

1. Invoice
2. G.R. form (guaranteed remittance)
3. Packing list

The concerned registration clerk will note down the relevant particulars in a register and a serial (thokka) number is given, which is also entered in the register. After registration of the shipping bill the same is sent to the appraiser. The goods are also presented in open condition to the

appraiser. the passing of the shipping bill and the examination are done simultaneously.

The appraiser checks the shipping bill to verify the following details:

- 1.IEC. code number
- 2.RBI code number
- 3.Income tax number.

Apart from the above parameters the appraiser also checks the description and value and then gives an order for examination of 25% or more packages of the lot covered by the shipping bill. the cargo along with the shipping bill and the relevant documents are then taken to the examiner for the physical verification of the description and weight. the examiner after examination as per the order, gives the examination report, which is also signed by the exporter or his agent, in token of his agreement with the report. if there is no discrepancy in the examination, the examiner will count the total lots as declared in the invoice/shipping bill. The exporter or his agent will then repack the goods in durable containers before the examiner. these containers are then wrapped in white cloth or paper. thereafter the details of marks & numbers, exporters name, shipping bill no., serial number along with the initials and date of the examiner is put. these packages are then taken to the sepyo for sealing them. the exporters or his agents endorsement for the receipt of the parcel is taken on the shipping bill, and the parcels are given to them. the examiner also signs below this endorsement. thereafter the parcels are deposited with the m.m.t.c. by the exporter or c.h.a. The MMTC. gives I.R.Number on the duplicate and triplicate copy of the Shipping bill.

The Appraiser gives out of customs charge based on the examination report of the examiner. the out of customs charge is given on all the copies of the shipping bill.

Presented to the assistant collector of customs for his counter signature on the original and duplicate copy of the shipping bill.

After the procedure is completed the shipping bill is sent to the export clerk, who after verifying the documents are completed affixes the r.b.i. security number on all the copies of the shipping bill and also on both the copies of g.r. form. original copy of the shipping bill and the original copy of the g.r. form are retained by the export clerk while the rest of the documents are given to the exporter or his c.h.a. for effecting the shipment.

The exporter or his agent will hand over the duplicate and triplicate copy of the shipping bill to MMTC. for effecting shipment, and for obtaining certificate from EFO.(export freight office).

The MMTC. sends the cargo to airport for effecting the

shipment by submitting the duplicate and triplicate copy of the shipping bill to the preventive officer. after this process the MMTC sends the duplicate copy of the shipping bill to Air MCD for further action. while the triplicate copy of the shipping bill is given to the CHA. for thier further processing. The GR. copy is sent to RBI. for processing export realisation.

Note :-The responsibility of valuation is that of the ----- appraiser. however if there is a valuation dispute the same is referred to a panel of experts constituted from the trade. the panels decision on the valuation is not binding on the department as it is advisory in nature and voluntary.

Procedure regarding Assesing of Gold/Jewellery.

Assasing of gold is done along with the examination of the goods by the government approved asseyor. This is done mostly in case of kundan,plain or studed jewellery.in case of kundan jewellery, the shell or the outer covering of gold is first weighed and the weight recorded. This gold is sealed withthe customs seal. Therafter this gold is given for kundan or studding work. The exporter is expected to give the full details and split up weight of the gold, lac used for kundan work, weight of studded material and any addition of gold done during the process of kundan work.From the above bifurcation of weights the correct weight of the gold input is to be verified for certification.

Under standing orders.

Number 7050 dated 02-12-93

Gist :- Constitution of trade advisory panel and nomination in the case of gem and jewellery. the list of items, the person in the panel members and their address is given in the list attached.

(refer s.o. for full text.)

(refer earlier on the same subject no 6860 dated 04-05-87).

!
Disposal section :- Working:- The work of the disposal section is to dispose of the following goods:-

1. All the goods which are confiscated in pursuance to the order of the adjudicating authority.

2. All the goods lying in bonded warehouses for which the bond period have expired.

For the disposal of the goods under Serial no.1 it is necessary to obtain the following documents:-

1. The copy of the order-in-original
2. The copy of the panchanama and or inventory.
3. The disposal order from the concerned department. for the disposal of the goods under Serial no.2 it is necessary to get from the Assistant Collector bond department,

1. An intimation that due notice has been given to the parties concerned about the expiry of the bond and yet they have failed to clear the goods.

2. Permission for the sale of such goods,if there are no impediments for disposal.

Generally a statement is recieved from the bonded warehouse keeper for all those goods which are not cleared by the importers/bonders even after the expiry of the bond period. This statement is then sent to the Assistant Collector bond department for seeking permission for disposal. Once the confirmation for disposal is recieved from the assistant collector bond these goods are listed for public auction. the goods are disposed by two methods.

1. By public auction.
2. By inviting sealed tenders.

Note:- Under Section 23 and 48 of the customs act 1962 certain unclaimed, abandoned and relinquished goods are sold. However these goods are sold by the respective custodians of the goods. These goods are not dealt with by the disposal section.

Public Auction:- A public auction means that any person a can bid for the goods listed in the auction. There is no restrictions or discrimination on the bidder.

A government auctioneer is appointed by the collector of customs for conducting the public auctions. Initially a list of items for disposal is prepared by the examining officer posted in the disposal section. This list is made on the basis of bond particulars receive from bond department

or the disposal orders from other departments. This list is made only after the goods are ripe for disposal. The Examiner checks if any court case or other legal impediments are mentioned therein. If so he will not list such items till such impediments are cleared.

Once this list of items are prepared, the same is given to the Government appointed auctioneer, who in turn will make the auction list in the prescribed format with the general conditions of auction. (The general conditions are listed below). The auction list will normally contain the following informations.

1. File/bond number.
2. Description of the goods.
3. Quantity/weight of the goods.
4. Place of storage.

Note:- Each file/bond number will be given one entry in ----- the auction list, unless it contains different items. In such cases the same entry will be split to contain the different items under split lot number like a)... b).....c).....etc.

Once this auction list is prepared the same is typed/cyclostyled and submitted by the auctioneer to the Assistant collector disposal section.

Note: The auction list should not contain the value of ----- the goods. The auction list should contain the date, time and place where the auction is to be held.

Once the auction list is ready, wide publicity of the auction should be given. This is generally done by advertising in news papers, displaying on notice boards in the Custom House etc. It is expected that the auction list should be given to the bidders in advance so that the parties can inspect the goods before the actual auction. The interested parties come to collect the auction list from the auctioneer as well as from the disposal section. If the parties want to inspect the confiscated goods in the warehouse, they can request the Appraiser or the Examiner to accompany them to the warehouse for inspection under their supervision. The public auction is held on the appointed date and time. This auction is attended by:-

1. The Government appointed auctioneer with his staff.
2. The Assistant collector disposal section.

3. The Appraiser posted to the disposal section.
4. The Examiner posted in disposal section.
5. The Preventive Officer posted in disposal section

The lots are called as per the serial number in the auction list. The parties will bid for the lots at different prices. The bid amount is compared with

1. The fair price.
2. The reserve price.

Fair price:- The Fair price means the price equal to the Assesable value of the good + the duty on the goods (duty leviable on the date of sale, without any benefit of conditional notifications.) The fair price is worked out by the Appraiser posted in the disposal section in consultation with the Assistant collector. For ascertaining the fair price the Market inquiry is conducted by the Appraiser to compare market price with the calculated fair price. Fair price depends on the condition of the goods, Market supply of that item, any restrictions imposed statutorily like ITC. restriction etc.

In case of motor cars depreciation on the price is given based on the direction given by the Central Board of Excise and Customs or the Ministry as the case may be. regarding all goods the general discount given ranges between 15% to 20%

Reserve Price: The reserve price should not normally be less than duty amount. If the bid in the auction for any lot is equal or above the fair price, the bid is to be accepted on the spot by the Assistant collector disposal. If the bid is accepted then the bidder has to deposit the bid amount forthwith in case where the bid is accepted finally. however if the bid amount is less than the fair price but above the reserve price, in such cases the lot can be accepted as sold (STC.) i.e. Subject to Confirmation by the Collector of Customs. However if the bid is less than the reserve price, generally the bid is rejected, but the Assistant collector disposal may accept such bids subject to confirmation by the Collector. Generally no bid is accepted when the amount is less than the duty on the goods. If the bid is accepted subject to confirmation by the collector, then the bidder has to deposit the Earnest Money (EMD.), equal to the ten per cent of the Bid amount.

If the Collector rejects the bid, then the EMD or the Earnest money deposit is returned to the party. However if the bid is accepted by the collector the party is informed to pay the balance amount within three working days.

Note:- Sales tax will be charged on the goods as per the rules -----

and rate applicable. this is in addition to the bid amount. This work is done by the preventive staff posted in the disposal section. registers are maintained by the Preventive Officer to record the details of auction with respect to the bid amount, goods auctioned on the basis of STC., EMD paid by the parties etc.

Once the bid has been accepted and the full amount has been paid by the party, D.O. (Delivery order) is issued to him. The Delivery order is sent by registered post to the address given by the bidder. The bidder can also collect the delivery order personally by giving proper receipt, from the disposal section. In order to get the delivery of the goods, the party has to produce the delivery order to the Appraiser posted in the disposal section. However in case of confiscated goods in warehouse under preventive supervision the delivery will be given by the preventive staff of the warehouse.

Once the party produces the delivery order to the Appraiser, he will direct the examiner to go with the party to give delivery of the goods.

The officer giving delivery of the goods shall

1. Verify the quantity of the goods in that lot. If there is excess, then the quantity which is in excess shall not be delivered to the party. However if the quantity is short or less than what is shown in the delivery order he shall make a report to that effect and retain any documentary evidence like the weighment receipt, etc. and put up the same with the report to the Appraiser/Assistant collector disposal section. In case of shortage the party will claim for the refund. The refund is granted by the assistant collector after ascertaining the reason for Shortage and after due inquiry.

2. The officer giving the delivery has to identify the lot to be delivered. this can be done with the help of the warehouse keeper.

3. The officer giving delivery of the goods should only deliver the quantity specified in the delivery order. If the amount and per kilogram rate is mentioned in the delivery order, then after proper calculation the weight equivalent to the value should be given.

General conditions of Auction Sale.

1. All lots are sold subject to reserve price fixed by the customs administration.
2. Any lot can be withdrawn from the auction sale by customs administration without assigning any reason.
3. Lots may be sold bigger, smaller or joint lots than those mentioned in auction catalogues.
4. All goods are sold in condition they stand i.e. "As is

where is basis". The quantities, qualities, sizes, measurements, number and weights, whether announced verbally at the time of sale or specified in the catalogues are approximate. All goods are sold on the assumption that bidders have inspected the same and knew what they are buying, whether they have actually inspected the same or not. The auctioneer do not give any guarantee or warranty or undertaken any responsibility for the make, manufacture, description, quality, condition, size, weight, grade, accuracy, soundness, completeness etc. of the goods.

5. No sale shall be invalidated by reasons of any defect or fault in any of the goods or lots by reasons of any defect or fault in description thereof in the catalogues or particulars or fault in or error in misdescription.

6. Local taxes included RTO taxes, goods-Taxes, municipal taxes, sales tax etc.etc. if any, will be payable by the purchasers of the lot at the rate in force. The purchasers of the lot are also responsible for payment of arrears if any not paid earlier. The entire responsibility of payment of above taxes, whenever and wherever applicable, will be of purchasers only, directly to the concerned government department. Successful bidder should indemnify the collector of customs, New custom house, Bombay for the payment of above taxes whenever and wherever applicable.

7. On the fall of hammer, the successful bidder shall pay full amount or at least 25% cash or demand draft of Nationalised banks only A/C. Collector of Customs, Bombay of the accepted bid on the spot as earnest money.

8. If on the fall of hammer the highest bidder fails to pay required earnest money, the bid shall be forthwith cancelled and lot be reauctioned.

9. The balance of the amount of the bid alongwith sale tax at the rate in force shall be paid by the successful bidder by Reserve Bank of India's cheque or State Bank of india, fort Bombay or any Nationalised bank's to the customs treasury within three working days from the date of earnest money paid.

10. After payment of the balance amount as afore said delivery be taken within three working days, failing which action will be taken as per conditions of auctions. In case, the balance amount of the bid not paid within specified period, the earnest money, paid by the bidder, shall stand forfeited to the government and the bidder will also forfeit all his rights to the goods for which he gave the bid and paid the earnest money of the bid.

11. Delivery will be made only during office working hours on working days.

12. The purchaser will have to make their own arrangement for transport of the goods.

13. In case of the examination or the weightment of the goods prior to delivery regarding the number and quantity the purchaser will have to make his own arrangements at his own cost regarding weightment of goods.

14. In certain cases some bids may be accepted provisionally
i.e.

a. Subject to confirmation by the Additional collector of customs bombay.in all such cases, all the above mentioned conditions shall also be applicable for such bids. The successful bidder shall pay at least 10% in cash or demand draft of any nationalised bank A/C. Collector of customs, Bombay on the spot as earnest money.

b. For subject to confirmation lots bidder has to inquire and get the confirmation from the Preventive Officer, disposal unit, N.C.H. Bombay-38., within three working days from the following day of auction. In case of acceptance/rejection of such provisionally accepted subject to confirmation bid, the formal intimation in writing by the auctioneer will be sent to the bidder by under certificate of posting only. In case of rejection such bids, the refunds will be given to the bidder by the customs dept. in the same manner in which 10% the bid amount was temporarily received for safe custody.

15. The purchaser will make his own arrangement at his own cost regarding the transfer of vehicle in his own name.

16. The bidders are directed to give their correct name and detailed postal address. No name once given at the time of paying e.m.d. can be changed in the bid-sheet. Customs delivery order shall be issued in the name given in the bid-sheet only and will be received by the person who sign the bid-sheet at the time of auctions.

17. The Presiding Officer in the auction reserves the right of removing any person for misbehaviour.

18. Collector of Customs reserves the right to reject any bid finally accepted in the auction without assigning any reason whether or not the bidder has paid full amount.

19. All bidders & purchasers shall be deemed to have read and acquainted with these conditions of the sale and have given their bids, subject to these conditions.

20. Special condition if any, will be announced by the auctioneer at each auction sale.

Duties of the Appraiser in Disposal Section:-

1. The valuation of the lot and fixation of the fair and reserve price is to be done by him.
2. Making market inquiry for ascertaining price of the goods.
3. Attending court case if any.
4. Attending auctions.
5. To maintain register showing the details of the goods sold in each auction.
6. Putting up notes for grant of refund or other such file work.

Note :- After the goods are disposed off in auction the files will be audited by the auditor in disposal section. the files pertaining to bond cargo will go to the bond department for noting the disposal of bond goods and for necessary further action by bond department.

Duties of examiner in disposal section:-

1. To list all the items for auction for submitting to the auctioneer. He will take only those cases which are ripe for disposal, after obtaining the disposal order in case of confiscated goods and permission from Assistant Collector bond in case of expired bond goods.
2. Attending auctions to assist the Appraiser.
3. Supervising delivery.
4. Inspection of the goods before auction if desired by party.
5. Any other work assigned by the Appraiser or Assistant Collector.

Standing order

Standing Order No. 6570 Dt. 16th dec., 1976.

In order to expedite the finalisation of sale accounts of current

lots of uncleared/unclaimed goods sold by BPT. In auction, the following procedure will be followed with immediate effect. this procedure has been cleared in principle by BPT.

An Appraiser will attend the BPT. auction as an observer to watch the bidding and to see that no lot will be normally sold below the reserved price. It will also be the responsibility of the Appraiser to note down in respect of each lot sold, the price accepted at the fall of the hammer. at the end of the auction he should compare the price as noted down by him with the price noted down by the BPT. clerk and after finding everything in order, he should calculate, in respect of each sold lot, the amount of duty and fine by following the existing procedure. He should complete this within 4 days time and should arrange to forward with the approval of the A.C./Docks statement of Customs duty and ITC. fine to the BPT.

On the BPT. side immediately after sale in respect of each sale list action will be completed within 45 days to collect information about (a) auctioneer's expenses, (b) advertisement charges, (c) establishment expenses and (d) disputed cases, if any. using this information, allocation of 'expenses of sale' should be done in respect of each individual lot. It shall be the responsibility of the BPT. To ensure that the sale list completed together with the allocation sheet is forwarded to the customs within 45 days of the date of sale.

On receipt of this information from the Port Trust, it will be the duty of the sales appraiser to complete assessments after taking into account the allocation indicated by BPT. and to determine the net amount. he will also prepare a final demand memo and arrange to forward it to the port trust within 7 days.

On receipt of the demand memo indicating the net amount due to the customs, the port trust will arrange the payment within a week. The actual payment against an auction will thus be made within two months of the date of auction and the sale list finalised.

If the port trust comes across any further cases where withdrawal of duties and fines are to be claimed from customs, they should take up such matters in the form of refund of excess payments made. If customs find any short payments recourse should be taken to recover the same by issuing formal notices of demand, if such detection are made after the payment by the BPT. of the assessed amounts.

Standing order no. 6574

Sub:- Disposal of cut and polished diamonds for export and the sale of rough and uncut diamonds and cut and polished, rough and uncut

precious and semi- precious stones-procedure regarding.

 As per board's letter f.no. 549/118/71-lci dated 22.12.1972 and 4.1.1973 cut and polished diamonds and precious and semi-precious stones are to be sold at the best available price by auction or tenders in the local market. As far as rough and uncut diamonds and precious and semi-precious stones are concerned, in accordance with the Board's letter f.no. 30/21/63-lci dated 3.7.1960 These are to be sold by auction at CIF. price after charging the duty at the prevailing rate and debiting the import licence issued for rough and uncut diamonds and precious and semi-precious stones. However, in order to prevent the misuse of bills issued by the customs in respect of cut and polished diamonds to cover smuggler goods and also with a view to earn foreign exchange, it has been decided that cut and polished diamonds will not be sold for internal use. Cut and polished diamonds will be sold for export only against foreign exchange.

Immediately after the goods become ripe for disposal the seizing departments should issue disposal orders to enable the custodian incharge of precious goods in the Custom house to initiate action for the disposal of the goods. Similarly in respect of precious goods kept at the Airport and PAS. The concerned Asstt. collectors will ensure that as soon as goods become ripe for disposal the disposal order is issued and the goods together with the relevant files are transferred to the custodian incharge of precious goods in the Custom warehouse, who will immediately enter the same in the warehouse register showing the file number and the warehouse entry number of the transferring section and other relevant particulars such as description weight, number of pieces as per carat average size of the pieces and the value. The custodian thereafter handover the packets to the disposal officer dealing with precious goods in the custom house. the assistant collector (disposals) will be informed about the transfer of the goods for disposal. The disposal officer in the custom house concerned with the disposal of diamond and precious and semi precious stones will ensure that the seals are intact and should enter the particulars of each packet received from the Custodian in the register to be maintained (Annexure I). After receipt of the packet, the packet will be signed by the disposal officer and the Supdt. I/C of warehouse. After the packets are received by the disposal officer they will be opened for weighment and inventorisation in the presence of Supdt. warehouse and the Jewellery Appraiser.

After the weighment and inventorisation of each lot, the particulars will be compared with the original inventory and the other details in the panchanama prepared at the time of seizure/detention and the number of pieces, weight in carats, average size of the stones the value at the time of seizure and the file number, will be recorded for each lot in the disposal register. Each lot will thereafter be sealed in the presence of the jewellery approach and preventive supdt. warehouse and the goods will be deposited in the

strong room. The precious goods once transferred to disposal officer will be in the charge of the disposal officer. If any discrepancy is noticed at the time of inventorisation with the particulars available in the seizure/detention files, a note will be made against the relevant entry in the disposal and ware house registers and immediately a report will be submitted to A.C.(Disposal) and Addl.Collector.

Cut and polished diamonds will be offered for sales only for export and rough and uncut diamonds and rough and uncut precious and semi precious stones will be sold in the local market after debitting the import licence and charging the duty leviable at the time of sale. Cut and polished precious and semi-precious stones etc., other than diamonds will be sold at the best available price in the local market.

Cut and Polished Diamonds

For Export purposes the diamonds will be categorized and arranged to twiss. The description of the diamonds, the size, weight, number of pieces per carat, colour, shape and such other information as is normally shown in the export invoice by the Exporters while shipping such goods out of the country will be recorded for preparing a catalogue of the lots to be offered for other precious goods offered for sale will be separately listed in the catalogue. For preparing such a catalogue, the assistance of the Custom House Jewellery exports, the experts on the approved panel of the Custom House And also the experts nominated by the Diamond Merchant's association or the association concerned with the particular type of precious stones will be taken.

i) Cut and Polished Diamonds :-

The goods sold will be required to be exported by the tendered directly from the customs. They, therefore will be valued in terms of foreign currency, preferably u.s.\$ on FOB. export basis keeping in view the ruling prices for goods of similar kind and quality in the international market.

Goods will be valued by (a) panel or jewellery appraisers of the custom house (b) by the panel appointed by the Bombay diamonds merchants association and (c) valuers nominated by the Additional Collector from the approved panel of exports prepared by the Custom House.

ii) Rough and Uncut diamonds and rough and uncut Precious and Semi-precious stones.

These are to be sold in the internal market but after debitting the import licence by the bid amount accepted and on charging the customs duty at prevailing rate on the bid amount in addition. Valuation therefore for this item will correspond to the CIF. import prices for the goods of like kind and and quality, imported from abroad. Goods will be valued by (a)

panel of jewellery appraisers of the custom house (b) by the panel appointed by Associations representing the particular trade (c) by a valuer nominated by the addl.collector from the panels of experts drawn up by this custom house.

iii) Cut and Polished Precious stones, pearls, gun metals, corals etc.

 These goods are to be sold in internal market. valuation will, therefore, be on the basis of prices obtainable in the local markets for the like qualities and quantities of goods.

Goods will be valued by (a) panel of jewellery appraisers of the custom house (b) by the panel appointed by the respective associations and (c) by a valuer nominated by the Addl. collector from the panels of exports drawn up by the Custom house.

The valuation of the goods will normally be done after the receipts of the tender's but such valuation shall be completed before the date fixed for the opening of the tenders

Tender form :-

After inventorisation of the goods to be offered for sale a catalogue will be prepared, giving lotwise particulars such as weight, no.of pieces, shape, size, colour etc. The advertisement will be issued through the director of advertising and visual publicity, new delhi indicating the dates and place of inspection and general conditions of the sale. Advertisement should be published in all the important English news papers and at least in one local vernacular language paper at the important tradecentres for the particular commodities. tender forms will be numbered and sold at a price of Rs.2/- and the tenders will be properly accounted for, copies of the tender form will be sent to all important Collectorates and associations of the diamonds and Precious and Semi-precious stone, gun metals and pearls in the Major cities where such goods are generally sold.

Inspection :-

The disposal officer incharge of diamonds and precious and semi-precious stones will inform the police department and arrange for sufficient number of armed guards to be present during the inspection of the goods. All precious goods shall be taken from the warehouse to the inspection room or back to the strong room only under armed escort. the armed guards will be present throughout the inspection of the goods. At a time not more than 3 groups, each consisting of not more than 2 persons shall be allowed to inspect the goods. The inspection of rough and uncut or cut and polished diamond, precious and semi-precious stones will be allowed on deposit of inspection fee of Rs.1000/- which is refundable, or adjustable against the amount recoverable

from the party in case of acceptance of the tenders, the Jewellery Appraiser alongwith the Supdt. warehouse and the Disposal officer and atleast one more Prev. Officer shall be present in the inspection room. Each lot will be opened by the Jewellery Appraiser and passed on in turn to the parties. no fresh lot will be shown for inspection unless the previous lot is returned to the jewellery appraiser and all the pieces are accounted for and handed over to the disposal officer for safe custody.

Receipt and Opening of tenders :-

The tenders will be closed on the date indicated in the advertisement and will be received by the supdt. incharge of the warehouse who will record the time and date of the receipt and will issue a receipt for the tender while receiving the tender. The tenderor will be informed of the date and time of opening of the tenders. the tenders will be opened before a committee consisting of the Addl. collector, The Asstt. collector incharge of disposals, supdt. warehouse and the Jewellery Appraiser. Each tender opened will be initialed by all the Members indicating the date of the opening of the tender. The quotations in each tender will be read out after opening. Within 2 days of the opening of the tenders the Asstt. Collector will set a statement prepared for each catogery of goods limiting out the guide price, the price available in the seizure/detention file, and the tenders price for each lot and shall submit it to collector through the Addl. collector with the recommendations of the Jewellery Appraiser and ac/disposals. After the acceptance of tenders the tenderers will be informed about the acceptance and wherever tenders are rejected the rejection letter will be issued and inspection fees and earnest money collected from the tenderers will be refunded to the party. In respect of cut and polished precious and semi-precious stones and rough and uncut diamonds and precious and semi precious stones for the local consumption the successful bidders will be given a period of 10 days from the date of the receipt of the communication accepting the bid. on sufficient cause being shown this period can be extended by the additional collector by not more than 7 days to pay the balance amount and to take the delivery of the goods.

In respect of cut and polished diamonds offered for sale for Export against Foreign exchange and conditions for sale will be as per the conditions in Annexure `III'. The exporter will be given a period of 45 days to negotiate with the overseas buyer and for arranging for the opening of the letter of credit and for making the payment of all charges to the custom house and for completing the formalities regarding the shipment of the goods. The extention of time will be given in suitable cases by the Additional collector on being satisfied that party will be able to complete the formalities within a reasonable time.

Auditing:-

After the acceptance of the tenders for the export of cut and polished diamonds and after the party deposits in the custom house treasury the rupee equivalent of the accepted bid in US.dollars worked out as indicated in Annexure III, the auditor attached to the warehouse should check up the calculations taking in to account the total weight of the lot, the exchange rate and the guide price and the accepted price etc. After auditing and checking of the calculations and after verifying that the amount remitted by the party is correct, the party will be allowed to file a shipping bill for Export of the goods and after the evidence regarding the Shipment of goods and the receipt of goods by the foreign buyer is furnished by the party and the realisation of Foreign Exchange bills will be finally audited and the entries in the warehouse register, the disposal register and the sale register will be audited and closed.

Revision of prices :-

Since the disposal of diamonds may be spared over a period of time, prices fixed at frequent revision due to fluctuation of prices. The Jewellery Appraiser should keep in touch with the fluctuation with the market conditions both in india and abroad and whenever upward trend is noticed the price should be revised. The prices should be reviewed atleast once in 3 months for cut and polished diamonds. It will not be necessary to revalue each and every lot during these periodical revisions, it will suffice if the general percentage fluctuation in the prices is ascertained and the valuation is adjusted accordingly.

A n n e x u r e `I

Disposal register of rough and uncut, cut and polished
Diamonds precious and semi-precious stones etc.

| S.no. | Name of the Value at formation the time from which of seiz-ure receive and the warehouse Entry no. of the forwarding section. | Date of Date of inventory of the goods | Date of Remark receipt goods for disposal. | Weight /No.of in pieces |
|-------|---|--|---|----------------------------|
| 1 | 2 | 3 | 4 | |
| 1 | 2 | 3 | 4 | |

5 6 7 8

 Annexure 'III'

 Conditions for export of cut and polished diamonds

1. Prices tendered will be considered to be FOB. Export prices in US.dollars.
2. The successful tenderer will be permitted to load f.o.b export value 2% to cover the expenditure on account of freight, insurance and the commission to be earned by the tenderer.
3. The successful tenderer will arrange to get irrevocable letter of credit opened by the foreign buyer in his favour. However the export will be permitted only after a certificate from a bank indicating the opening of the L/C for the goods in question is filed with the custom house and the amount of the accepted bid converted in Eupees at the buying T.T. rate quoted by the State Bank on the date of issue of the letter of acceptance of the bid is paid to the collector of customs, Bombay.
4. The goods shall be exported from the custom house directly and the tenderer will have to bear the freight and the insurance charges. The tenderer will be required to file a Shipping bill in his name as exporter on account of the Collector of customs. The goods will have to be insured to the extent of 120% of the value accepted and the goods will have to be exported within 45 days of the date of acceptance of the tender, failing which the offer will be deemed to have been withdrawn and the earnest money will be forfeited.
5. Goods thus exported will not be allowed to be reimported.
6. The tenderer will be required to declare on the export invoice that the goods are being exported on behalf of the Collector of Customs, Bombay. The tenderer will be required to give an undertaking that he shall perform all the formalities connected with the shipment of the goods viz.filing a shipping bill, filing of g.r.forms, booking of parcel through airlines/foreign post office and arranging for shipment of the goods to the foreign buyer under customs supervision etc.
7. The tenderer shall also be required to undertake to produce

within one month of the date of shipment of the goods the bank certificate and such other evidence as may be demanded regarding realisation of foreign exchange thereafter the earnest money will be refunded to the exporter.

No.6599. dated.24th june 1977.

Sub:-Procodure for Payment of bills to the BPT. on account of rent for godowns used for the Storage of confiscated goods.

Confiscated goods lying in the transit sheds of BPT in the docks and bunders are required to be removed to the customs godowns immediately after an order confiscating the goods is passed. In view of the shortage of warehousing space in the custom warehouse at freare basin it has been decided that only those goods which are ordered to be confiscated out right will be re- moved to this warehouse. in addition to the godown at freare basin to BPT. have made available to the custom house. Two other godowns at Sewree and Cotton deptt. respectively, on rental basis for the storage ofconfiscated consignments of woollen rags. The area available in these warehouses and the rents payable to the BPT for each one of them are as indicated in table `A'.

At the joint meeting held between the Chairman, BPT. And the Collector of customs on 9.2.1977, it was decided that the rent for these premises shall be at the rate of Rs.2/- per sq.ft. per mensum irrespective of the number of packages stored in these premises. In addition, the port trust will be recovering establishment and watch and ward charges as shown in column 4 of the table `A' below. Since the charges for these warehouses are in the mature of expenses of sales, it has been agreed that such charges can be adjusted against the amount of ITC. fine payable by the BPT. to the customs on the goods sold by the Bombay port trust.

It has been decided that bill on account of the rent for those premises should be sent by the BPT to the A.C. building. on reciept of the bills, the particulares as per proforma shall be recorded in that register maintained in the office of the consaltant collector (building). A.C.(bldg) after verifying the bills will send intimations to CAO. and A.C.(bldg) permitting adjustment of the amount. the number/date/month of the bill and the amount to be adjusted will be deuty indicated. On receipt of intimation from A.C.Bldg. the CAO. will adjust, the amount of the accepted bill against the balance of ITC. fines due to the custom house from the BPT. after adjustment the CAO will inform the docks manager BPT about the adjustment of the bill. A copy of the intimation will also be sent by CAO to A.C.(building). CAO. will file all such intimations in respective file. Copy of such intimation regarding adjustment should be sent by CAO to A.C. building for record.

Table `a'

| Location Area (sq. Meter) | Sq.ft. charges | Total amount of monthly bill Per sp. Meter) | Amount of rent @ Rs.2/-per (Rs.21.53 | Monthly and watch/ward |
|--------------------------------|----------------|---|--------------------------------------|------------------------|
| 1 | 3 | 2 | 4 | |
| Sewri godown | 2027.00 | Rs.43, 641.31 | | Rs.13750.00 |
| | Rs.57,391.51 | | | |
| Shed no.td.52 | | | | |
| Cotton dept. | 3040.44 | Rs.65, 546.79 | | Rs.16250.00 |
| | Rs.81,796.79 | | | |
| Shed no.1 and Shed no.2 (part) | | | | |
| Frere basin | 2602.46 | Rs.56, 030.96 | | Rs. 6910.55 |
| | Rs.62,941.51 | | | |

Proforma of the Register

| Name of particulars | Area in date of Sq. motor adjusment | amount of monthly requiring payment | no. & date of b/t bill receipt of intimation sent | & |
|---------------------|-------------------------------------|-------------------------------------|---|---|
| godown date of | rent & charges payable | | | |
| by cao | | | | |
| regarding | | | | |
| c.a.o | | | | |

No.6717 dated 10-07-1979

It has been noticed that the procedure laid down in Board's letter f.no.11/6/61-cus iv dated 13.6.1961 as amended from time to time for receipt,storage and disposal of seized goods is not being followed strictly. It is,therefore,directed that hereafter,stock-taking in all the warehouses of this custom house should be conducted twice a year viz.during the first week of January and the first week of July each year by the Supdts. i/c of the warehouses concerned and by the Asstt.collector i/c of dispesals in respect of valuables as indicated below :-

| | |
|---|-----------------------|
| 1. Custom House (strong room) | a/c disposals |
| 2. custom house warehouse (other than strong room) | supdt. i/c c.h/w.h. |
| 3. SMC. warehouse | supdt. i/c s.m.c.w/h. |
| 4. prabhadevi warehouse warehouse | supdt. i/c prabhadevi |
| 5. sewree warehouse | supdt. i/c sewri w/h. |
| 6. `a' warehouse | supdt. i/c c.h/w.h. |
| 7. curreny road warehouse warehouse | supdt. i/c prabhadevi |
| 8. mazgaon warehouse | supdt. i/c c.h/w.h. |
| 9. pas warehouse | supdt. i/c c.h/w.h. |
| 10. custom w/h retail shop | supdt. i/c c.h/w.h. |
| 11. k.p.d.retail shop warehouse | supdt. i/c s.m.c. |

Stock taking reports should be put up to additional collector through AC/Disposal without fail by end of January and July each year.

While conducting stock-taking,the officers verifying stock should particularly examine whether the packages sotred shown any signs of deterioration,substitution or pilferage. They should also verify whether the seals on the packages are intact and if so it should not ordinarily be necessary for them to open the packages and verify their contents,unless substitution,pilferage or deterioration of contents is suspected,when a 100% verification of contents should be undertaken. While submitting stock-taking reports to the additional collector,details of opening stock at the time of last stock-taking,receipt,disposal and balance should be given indicating deficiencies or excess in stocks.

A copy of the stock-taking report should be posted in the stock-taking register separately maintained in each of the warehouses. reference

shall be quadruplicate, one for the concerned appraising group, and office copy to be retained in import deptt. for further reference, if any. Each show cause notice shall be given a separate no. with a prefix/ suffix different from the normal prefix of s/10 given in other adjudication cases. The scn shall be made answerable to the adjudicating authority in charge of the appraising group concerned.

2. Further processing of the case shall be done by the appraising group on the basis of reply received from the party. If no reply is received within the time specified in the scn, the appraising group may decide the issue and proceed with confiscation of goods as per adjudication proposals put up by the appraiser. An appellable order should be issued simultaneously with the order of confiscation of goods by the adjudicating authority. The group shall maintain in the enclosed performa a separate register of show cause notices received from import department and record the decision in the case against each scn. It should be ensured that adjudication in each case is finalised within one month of the date of issue of scn.

3. Where a bill of entry is presented to the import department for noting after a show cause notice has already been issued, the import department shall refer the bill of entry to group indicating no. and date of scn issued in that case. The group shall keep a note on the copy of scn as well as in the register maintained for the purpose and allow noting of bill of entry depending upon merits of the case. After noting the bill of entry shall be forwarded to the group.

4. After the expiry of time limit for filing an appeal, if no appeal has been filed by the party, the group shall forward the case papers to the disposal unit, indicating fair value of goods for disposal by auction/tender.

5. On receipt of the case papers for disposal the docks disposal unit shall locate the goods in the docks, examine if necessary and arrange for the disposal.

6. For the goods in respect of which bills of entry are fill and assessment completed but are not cleared or duty is not paid, the present procedure for disposal under section 48 of chapter 62 or under the port act shall continue.

7. This new procedure shall come into force immediately.

Standing order no. 6862 dated. 09-05-89 amendment to standing order no. 6862 dt. 18.5.87

The following modifications/amendments are ordered in s.o.no. 6862 dt. 18-5-87 with immediate effect. in para 11(b) the following

serical numbers may be read as follows :

- (1) disposal section of warehouse - one year
 - (2) custodian in disposal section - one years
 - (3) p.o. i/c bonds - one year
- rest of the standing order no 6862 remains unchanged.

f.no.vide s/43/1756/86 p)

Standing order no.6892 dated 2.1.1989

As there are no specific instructions regarding receipt, withdrawal and disposal of detained/confiscated packages brought from airport and deposited in smc warehouse,the following standing order is issued.

Detained packages:

The detained packages which are forwarded to the smc warehouse will be received by the custodian of SMC warehouse under proper acknowledgement in the respective challans. A copy of the challan should be filed serial number-wise for each calendar year. the circumstances under which the detained packages can be returned to the seizing unit and the authorisation under which the same can be returned are given below:-

(1) For examination of the packages by the adjudicating authority in adjudication proceedings.

(2) For valuation or classification purposes.

(3) For release of the goods either in part or in full to

The passengers/importers.

In all the above circumstances a written order from the asstt.collector of the disposal unit concerned indicating the same of the officer authorised to receive the package will be required.

When such authorisations are received,the custodian will keep a suitable remark against the relefant entry of the register maintained for the purpose and the requisition orders will be kept in a separate file with a cross reference of the entry in the register.

If the goods are required under any other circumstances special permission from addl.collector/collector should be obtained by a.c. and sent to supdt.s.m.c. warehouse.

Other instructions

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Confiscated goods vest with the government

When goods are confiscated under section-182 of the sea customs act (section 122 customs act, 1962), they vest in government under section-126 customs act, 1962. the officer adjudging confiscation shall take possession of things confiscated and every officer on requisition of such officer shall assist him in keeping and holding such possession. there is nothing in the act saving the rights of any interest of any person or reserving any lien to any shipper or othe person having a claim on the goods. therefore, the confiscation vests the property absolutely in the government thereby extinguishing all rights of any other person in or over the goods". (solicitor to the central govt. at calcutta, letter no. 2485/40, dated 23.6.1949)

Confiscated goods ordinarily not be disposed of when appeal or revision petition under consideration

(a) Redemption fine-period of redemption and penalty order regarding

All orders of confiscation under the sea customs act (custos act, 1962) or the land customs act (to which section 183 applies) should fix a fine under section 183, sea customs act(section 125 customs act 1962). an exception should be made in respect of prohibited goods, when by handing over the goods to the owner on any terms whatever, the customs officer would clearly be frustrating the object of the restriction, and in some cases, abeting an offence under some other law as for example, where the goods are counterfeit coin , obscene or seditious articles, goods the entry of which is not permissible under such acts, as the destructive insects and pests act, or the live stock importation act, or (in the case of an unlicensed owner) arms, opium, morphia or cocaine,this exception is not intended to imply that the collector is not at liberty in his discretion to fix a fine for such goods with the condition that the goods be re-shipped under customs supervision.

(board's instruction no. 5 of 1925 and c.no. 385-cus. war/44, dated 22.11.1944)

(i) Under section 183 of the sea customs act (section 125 customs act, 1962) the owner of confiscated goods must be given an option to pay a fine in lieu of confiscation. the period within which the fine, when fixed, should be paid is, however, not laid down. nor is it obligatory on the appellant to pay the redemption fine under section 189 (section 129 customs act, 1962) pending the appeal [vide Board's instruction (customs) no. 2 of 1935].

(ii) The Board considers, however, that a time limit of four months (now three months vide sec.128 customs act'62) for the payment of the fine should be specified in the order confiscating the goods. on

the expiry of this period necessary action should be taken to dispose of the goods without further reference to the owner provided an appeal against the order has not been preferred.

(iii) When an appeal against the order of confiscation has been preferred, the goods should not be sold until the appeal has been finally decided. If the order of confiscation is upheld on appeal the goods may be sold after a final notice to the owner.

(iv) In forwarding papers called for by the government of India in connection with the disposal of a revision application it should be stated if the confiscated goods, if any, have been disposed of. If they are not disposed of further action should be suspended pending the disposal of the revision application.

(v) The redemption period of 4 months (now 3 months specified in an order (original) is automatically extended if the party in the meantime submits an appeal of revision application to the central board of revenue or to the government of India.

[g.o.i, m.f. (r.d.) no.70/144-cus.ii -49, dt.7.1.1950]

(vi) The Board has decided that in cases where the goods have not been cleared within the time-limit of four months (now three months vide sec. 128 customs act '62) prescribed in the order confiscating the goods and the goods have not been already disposed of by auction or otherwise, they may be allowed to be cleared, if applied for by the party on payment of the fine or penalty and other charges even if the application is received after the expiry of the period stated in the order. A quarterly report giving particulars of such cases should be furnished to the board for information.

[c.b.r. letter no. 53(137) -cusii/49, dated 16th feb. 1950]

(vii) Under the board's instructions (customs) No.5 of 1936 dated 17.12.36, a time limit of 4 months (now 3 months vide sec. 128 customs act '62) has to be given for payment of fine order under section 183 sea customs in lieu of confiscation (section 125 customs act, 1962). The board has, however, said that these instructions do not apply to perishable goods and that such goods can be sold after a reasonable notice to the owner to enable him to deposit the fine and obtain delivery.

A question arose for the Board's consideration whether a period of 30 days could be considered reasonable for the redemption of perishable goods particularly when a provision in the order was made for extension of this period if the owner applied for extension before the expiry of the period with good and sufficient reason for such extension and further whether after the expiry of the period of 30 days it was permissible for the

department to dispose of the goods in case the party neither redeemed them not asked for any extension of the period. It was urged that if the goods are sold after the period of 30 days, the party does not get full opportunity of the statutory time-limit of 3 months provided under section 188 of the customs act (section 128 customs act, 1962) because even after the appeal is admitted the goods being already disposed of by auction cannot be returned to the party and only the sale proceeds thereof can be refunded.

The Board in consultation with the Ministry of Law have decided that if the adjudicating authority passes an order restricting, for the perishable goods, the period for redemption to 30 days in the first instance and also intimate, the party in the order itself that extension of time would be granted on good and sufficient ground in case the applications are filled by the party within 30 days, there is no justification for the party to sleep over his rights and then come forward with his complaint subsequently. the party has only himself to blame if on account of his own fault, the course of action intimated to him is followed in respect of his goods. such an order, the board have ruled, would be perfectly in accord with the principles of justice, equity and good conscience. It would, however, be proper for the customs authority to issue to the owner a fresh notice just after the period of 30 days specifying the date fixed for sale, as by the issue of such a notice, it would be made clear to the owner that the custom house is anxious to protect the interests of the owner.

[c.b.r. lr.no. 2/6/55 l.c. dated 29.2.56]

The instruction to allow four months for the payment of the redemption fine need not be followed in special cases in which this course may be expensive or inconvenient, as for instance if the goods concerned are hazardous goods.

In strict law, confiscated goods may be disposed of by Government, in any way, at any time, after they have become Government property under Section 184 sea customs act (section 126 of the customs act). the question is one of practical expediency and adjudicating officer should in such cases fix such period as, in all circumstances of the case, seems the reasonable minimum.

[cbr r. dis. 180-cus.ii/29 of 29.8.29]

Note: The period of four months for payment of redemption fine was provided on the analogy of the then Section 128 Sea customs act since repealed. In consideration of administrative convenience and period provided under Section 128 customs act, 1962, the period of three months for payment of redemption fine is provided generally in the order in original.

Board's instruction cited in board's instruction no. 5 of 25.11.25 in sub para 35(8) (a)-regarding redemption fine & penalty above does not imply that "prohibited" goods must in no circumstances be allowed entry. It implies that when passing it would clearly frustrate the prohibition or abet an

offence, the affording goods must not be passed. In some cases (e.g. ordinary merchandise marks act cases) we have for years past allowed offending goods, if difficult to mark to pass under a penalty without marking, they are nevertheless still "prohibited". in fact it is all a matter of policy. a breach of any such prohibition is punishable under section 167, clause 8 of the sea customs act (section 113 of the customs act '62 and section 112) which only says that such goods shall be liable to confiscation and any person concerned to a penalty.

[collector's remarks, bombay dated 13th june, 1928 in c.e. no. 23/7-a of 1928]

[section 125 customs act authorises absence confiscation in case of "prohibited" goods in discretion of the adjudicating officer]

Penalty & fine retention of -question of when Question of when ordered readjudication de novo :

A question was placed before the government of India as to how the amounts recovered as fines and penalties in pursuance of the original orders should be disposed of when the orders are quashed, annulled or set aside by the appellate authorities pending re-adjudication de novo in the types of cases mentioned below:-

(i) The subject were allowed to cleared on payment of a fine in lieu of confiscation.

(ii) Only a personal penalty was imposed and paid and the goods were not available for confiscation e.g. enforcement of import trade control bond.

(iii) The subject goods were confiscated cleared on a fine in lieu of confiscation and in addition a penalty had also been imposed and recovered from the person concerned in the offence in respect of the goods.

The government of india in consultation with the Ministry of Law decided that the procedure laid down below seriatim should be observed in respect of the three types of cases referred to above.

(i) The amount of fine should be returned in case the party restores the goods which were redeemed by payment of fine and not otherwise.

(ii) In this case if the original order imposing a personal penalty is set aside, it follows that the party concerned is entitled to the refund of the amount of penalty paid by him. It would be difficult resist such a claim on any principles of law. The result of the order passed in appeal is that it rubs out, as it were, from the record the original order imposing a personal penalty. the amount of penalty paid by the party, therefore, would be

money received on behalf of the party and lying in trust with the government for the party, and, hence, it would be obligatory to return the money as soon as the demand is made.

(iii) This has two aspects. it deals with the case of a party whose goods were ordered to be confiscated and on whom also a personal penalty is imposed. if the order as a whole is set aside, then the party would be entitled to the refund of the fine paid by him in lieu of confiscation on his returning the goods. But he would be entitled unconditionally to refund of the amount paid by him on account of the personal penalty imposed. in case, however, the confiscation is ordered against one party and personal penalty is imposed on another then, while the party on whom the personal penalty is imposed would be entitle to unconditional refund, the party against whom the order of confiscation was passed would be entitled to refund of the final only on his surrendering the goods which were redeemed by him.

The solutions suggested above are not expressly provided for by the sea customs act and are based on principles of justice and equity. [ministry of finance (r.d) letter no. 45(8)-cus. i/53, dated 19.1.54]

In an appeal before the board, it was observed that the Collector had vacated the order passed by the Assistant collector on the ground that the principles of natural justice had not been observed while allowing the appeal, the collector had stated in the order that it was without prejudice to readjudication on merits of the case, it, therefore, implied that if the Assistant collector, so thought fit, he may start denovo proceedings. A question arose whether the amount collected from the party under the adjudication order which was set aside was liably to be refunded or not.

The law ministry who were consulted in the matter have advised that whether or not the words, "without prejudice to, readjudication of the merits of the case" have been used in the collectors' order, the result would be that once the order of the collector has been passed setting aside the order of the Assistant collector then from the moment thereis no adjudication order imposing any penalty on the party concerned till fresh adjudication proceedings have been initiated and order passed by the competent authority. In the circumstances the amounts already paid by the party in accordance with the order of the assistant collector cannot be retained by the authorities concerned in the absence of fresh adjudication order levying or imposing any such penalty. if, therefore, follows that the amounts already collected would have to be refunded to theparty concerned.

However, if the case is readudicated before the amount refundable is paid to the party concerned, and every effort should be made to readjudicate quickly, there should be no objection to the fine, penalty and/ or duy finally adjudged in the readjudication proceedings being adjusted against the amount refundable.

[f.no. 39/3/68 -cx.i dated 11.11.1968.]

Procedure for receipt, storage and disposal of seized goods. the following revised procedure for the storage and disposal of siezed/confiscated goods should be followed, in supersession of the existing orders on the subject. board's f.no.11/6/61-cus,iv. dated 13-6-61.

[instruction no. 3/confiscated goods/61].

Procedure

Whenever goods are seized or detained, a complete inventory of the goods together with the identification marks, serial no. etc. shold be made out in triplicate in the proper form (form 1). this should be done at the earliest opportunity and if possible immediately after the seizure. separate inventories should be made out in respect of (a) valuables; and (b) other than valuables.

2. Definition of valuables - The term `valuables' will include-

- (1) Precious and semi-precious stones.
- (2) Gold and articles made of gold.
- (3) Jewellery.
- (4) Silver and articles made of silver.
- (5) Watches; and
- (6) Such other articles of small bulk and high value as may by special or general order be classified as valuables by the collector.

3. Disposal of inventory and sealing of goods - The inventory should be signed by the seizing or detaining officer and also countersigned after due verification by the owner of the goods or his authorised representative, if available. If the owner or his authorised representative is not available, the inventory should be countersigned by a gazetted officer after due verification. the goods should then be sealed with the seal of the seizing or detaining officer and the seal of the owner or his authorised representative. If the owner or his authorized representative is not available, the seal of the gazetted officer countersigning the inventory should, instead,be affixed. The original copy of the inventory should be given by the seizing or detaining officer to the owner of the goods or his authorised representative, if available. if the owner or his authorised representative is not available, the original should be kept with the case file.the goods together with the duplicate and triplicate copies of the inventory should be forwarded to the concerned departmental officer who has the custody of such goods (seizure shed officer, currency officer etc.), hereafter called the "custodian", without avoidable delay and in any event within 24 hours of seizure or detention. immediately on receipt of the goods and the duplicate and the triplicate copies of the inventory,the custodian should satisfy himself that the packages have

been properly sealed and that the inventory has been made out in a proper manner to indicate the complete details of the contents of the packages. it is not necessary for him to examine the contents of the packages provided the seals are intact and the inventory is in the proper form. if the seals and the inventory are in order, the custodian should acknowledge receipt of the sealed packages in the duplicate and triplicate copies, retain the duplicate with him and return the triplicate to the seizing/detaining officer to be kept with the case file. If there is any discrepancy, the custodian should get the discrepancy, the custodian should get the discrepancy reconciled before acknowledging receipt.

4. Register of seized/detained goods-the costodian should enter the details as given in the inventory in the register of seized/ detained goods prescribed for the purposes (form 2). Separate register should be maintained in respect of (a) valuables; (b) other than valuables. each package should then be securely tied, pinned or stuck with a stock card in the proper form (form 3).

5. Storage of valuables - Valuables should be kept invariably in a special safe in the Custom House Treasury or in a locker in the Reserve bank of india or State Bank of India, obtained excusively for the purpose. Wherever they may be deposited, such packages shall be stored systematically, serialwise and

year-wise to facilitate easy check and location. Relevant particulars of the storage arrangements should also be recorded in the register of valuables. The key of the safe or the locker shall be kept securely in the personal custody of the custodian. It should also be arranged that the treasury officer or the Bank manager, as the case may be, that access to the safe or the locker, shall not be allowed except on a written authorisation in an agreed form, bearing a running number, signed by the Assistant collector, incharge of the preventive department. Such authorisation should be issued normally in the name of the custodian or in exceptional circumstances when the custodian is not available, in the name of any other responsible officer. the serially numbered authorisation forms should be kept in the personal custody of the assistant collector, preventive department.

6. Storage of goods other than valuables - goods other than valuables should, as far as possible, be kept on racks and almirahs. special care should be taken to prevent damage to the goods by rodents and insects. the almirahs and racks should be serially numbered commencing from 1 and the partitions in the Almirahs and racks should be lettered commencing form A. The almirahs and racks should be so arranged and the packages so systematically stored that there should be no difficulty at any time to check and locate the packages. the key of the godown in which the goods are stored should be kept in the personal custody of the custodian.

7. Opening and re-sealing of the packages - As far as possible, the necessity for opening of the sealed packages for further investigation

should be avoided. whenever such sealed packages are required to be opened, such opening should not be done without the specific authorisation of the assistant collector, preventive. when such authorisation has been obtained, the custodian should arrange to produce the packages for opening. after due verification of the seals, the packages should be opened in the presence of the custodian, the owner or his authorised representative, if available, the seizing or detaining officer or a gazetted officer senior to the custodian. after necessary verification, the packages should be immediately resealed with the seals of the custodian, the owner or his authorised representative, if available and the seizing or detaining officer or the gazetted officer witnessing the opening. the stock card should also be suitably endorsed and the packages should be re-deposited in the original place of storage. if on such re-examination any discrepancy is noticed, such discrepancy should immediately be brought to the notice of the higher officers for appropriate action.

8. Return of goods to the owner - Whenever seized or detained goods are ordered to be returned to the owner, the custodian should after satisfying himself that all the moneys due to the government have been paid by the owner, give delivery of the goods against the owner's endorsement on the duplicate copy of the inventory tht the packages have been received by the owner with the seals intact. in case the owner wishes to have open delivery, the custodian should comply with the request but the presence of the seizing or detaining officer should also as far as possible be secured. if the seizing or detaining officer is not available, the presence of a gazetted officer should be secured.

9. Responsibility of the custodian - The custodian will be responsible for the physical custody of the packages with seals intact. he will not be responsible for the inner contents of the package if they have been sealed. the custodian should, however, insist before accepting the sealed packages that the inventory, covering the goods should be complete in all respects he should assure that the packages are carefully stored and protected against the ravages of weather, rodents and insects. he should also take adequate precautions against theft and pilferage and keep watch on the condition of the goods. if the goods show signs of deterioration or damage, he should immediately bring it to the notice of the assistant collector, preventive, for appropriate action. fragile goods should be handled with care and if any goods are damaged in handling, he should immediately report the matter to the Asstt. collector, preventive. he will be responsible for maintaining the registers in the proper manner and for submitting the monthly return of goods ripe for disposal. copies of all orders of confiscation should be endorsed to the custodian.

10. Regular Cargo - As in Bombay a separate godown should whenever possible be set apart for keeping regular cargo confiscated to the government. on receipt of suitable advice (form 4) form the ministerial supervisor incharge

of the unit dealing with the relevant case file, the custodian should immediately move through the concerned preventive divisional officer to have the goods located, transported and delivered into his charge as early as possible and within 15 days of the receipt of such advice at the latest. For ensuring prompt despatch of the advice in form 4, the ministerial section concerned should list out all cases for which the period allowed for exercise of option to pay fine in lieu of confiscation or the period of an appeal, whichever is longer, expires against the date of such expiry in a forward watch diary and one week from that date reference will be made to the penalty register to verify if the fine has been paid or an appeal filed and if not whether the goods can be taken over as finally vesting in government. The section should then list out such of those items which are required to be taken over by custodian from the port authorities for disposal action. When the goods are so delivered into custody, the custodian shall after due examination of the packages, make out in triplicate a detailed inventory of the contents in the proper form (form 1) and deal with them in the same manner as other seized/detained goods.

11. In those Custom Houses where a separate godown for the purpose is not kept, it shall be the responsibility of the ministerial unit concerned to take necessary steps to arrange for the taking over from the port authorities direct by the disposal unit of such of those confiscated goods which have become ripe for disposal.

12. Air cargo - Air cargo stored in the Air cargo shed may be allowed to be kept in the same shed even after confiscation, pending disposal in the normal course. The officer in charge of the air cargo shed shall maintain a register in respect of confiscated cargo in the proper form (form 2) and shall perform all the functions of the custodian of the confiscated goods in respect of air cargo and shall deal directly with the disposal unit.

13. Post parcels - It shall be the duty of the penalty unit of the postal appraising department to keep a close watch over all penalty cases registered by them. The parcels which are confiscated but not redeemed by the addressees and which are ripe for disposal shall be sorted out and a detailed inventory in the form prescribed (form 1) shall be immediately prepared of the contents of each parcel in the presence of a responsible postal official and a gazetted officer in the postal appraising unit. The parcels duly sealed with the seals of both the officers shall then be delivered to the custodian of confiscated goods. These goods shall thereafter be dealt with in the same manner as other seized/detained goods.

13A. Disposal unit : there shall be a separate unit, called the disposal unit, which should be charged with the task of taking over all goods ripe for disposal from the custodian and disposal by auction or otherwise. Immediately after the close of the month but before the 5th of the month following the custodian should prepare an up-to-date list in duplicate in the

form prescribed (form 5) of all cases which in his opinion have become ripe for disposal and send it to the supervisory head incharge (by name) of the dealing department or section concerned for obtaining a 'no objection certificate'. on receipt of such a list the supervisory head incharge of the dealing department or section shall after all necessary verification certify that there is no objection to dispose of the goods. if there are any goods which should not be disposed of the same should be clearly indicated in the list with the remark delete. the list should then be returned within a week of receipt to the custodian. the custodian should keep the original with him and forward the duplicate to the disposal unit for further action.

14. On receipt of the list from the custodian, the officer incharge of the disposal unit should examine in the presence of the custodian the packages with the list and with the detailed inventory relating to the goods. if there are discrepancies, he should immediately bring them to the notice of the asstt. collector, preventive. the officer incharge of disposal unit should then prepare a complete list of goods for disposal. simultaneously, he or any other officer nominated by the collectors for the purpose should make appropriate market enquiries and also consult the appraising groups, if necessary, to ascertain the fair price for the goods. an auction list should be made out in respect of each commodity or group of commodities in the form prescribed (form 6). the list should be put up to the assistant collector in charge of disposals.

15. Reserve Price- Instructions regarding the manner in which the reserve price should be fixed will be issued separately.

16. Auction - At least one auction should be held every month. Wide publicity should be given either by publication in newspapers or by handbills or by circulation among the traders and chambers of commerce, depending upon the volume and variety of the goods offered for auction. auctioneers may also be appointed for the purpose. the lots to be included in the auction, the time and date of auction and the nature of publicity to be given etc. shall be decided by an auction committee consisting of the assistant collector incharge of disposals, and another assistant collector nominated by the collector and the seniormost subordinate officer who is concerned with the work of disposals. the assistant collector incharge of disposals shall be present at the time of auction. goods in respect of which bids are higher than the reserve price, may be sold out right to the purchasers if the assistant collector incharge of disposals is satisfied that the bids are fair. the auction committee may also recommend cases to the collector for disposal of goods by tender, where such goods have not fetched or are judged to be unlikely to fetch, a fair price at the auction.

17. Direct sale - The Collector of Customs will prepare a list of commodities which will not ordinarily be sold in public auction for various reasons. this list will generally include luxury articles, highly restricted for

import or other articles totally banned. such articles will be sold direct, as far as possible, to consumers if they are not articles which, being prohibited, cannot be sold to any one but only destroyed (example, obscene literature). in respect of such articles to be sold direct to the consumers the price for each item will be fixed by the auction committee and no article will be sold below that price. apart from disposal direct to consumers such articles could also be disposed of by the collector direct to the sole agents dealing in such goods, government departments, municipalities, government-owned hotels, hospitals, charity institutes etc. in arranging direct sales, collectors should pay personal attention and take special precautions to avoid allegations of favouritism etc. if the arrangement proves successful and popular, each collectorate may in due course consider having a permanent arrangement in the nature of a retail shop with if necessary a contractor or paid employee to manage it.

18. Destruction - Articles which cannot be disposed of in any one of the above ways and which have been ordered by a competent officer to be destroyed should be destroyed in the presence of the assistant collector, incharge of disposals. a monthly report of all such goods destroyed should be furnished to the collector for information.

19. Marking of Articles - With a view to prevent unscrupulous dealers attempting to dispose of smuggled goods as purchased from customs auction, it is essential to have complete account of the serial number, colour and other details of the goods disposed of in auction. where, however, such identification details are not available, the goods should wherever practicable be rubber stamped with the name of the custom house and a code number or indicating the date of auction in code letter. textiles, playing cards etc. be rubber stamped suitably in the above manner, the code being changed from time to time.

20. Stock challenge - Once every six months the assistant collector, preventive, or an assistant collector nominated by the collector shall conduct a complete stock taking of all valuables in the custody of the custom house. similarly, once every six months the chief inspector, preventive or any other officer nominated by the collector for the purpose shall conduct a complete stock taking of all packages containing articles other than valuables. a report regarding the checks and done results should be submitted to the collector within a week from the date of check. the officers verifying stock should particularly examine whether the packages stored show signs of deterioration, substitution or pilferage. they should also verify the seals and satisfy themselves that the the seals are intact. if the seals are intact, it shall not ordinarily be necessary to open the packages and verify contents but a token number, of packages may be opened and contents checked. the assistant collector preventive, or any other officer nominated for the purpose by the collector shall conduct random stock challenge by surprise, approximately once a quarter.

21. Transfer of charge - Whenever the custodian or any other officer in charge of confiscated goods is transferred, the transfer should be so arranged that the successor is given time to take complete stock of the goods. wherever the packages and seals are intact, it shall not be necessary to open the packages and count the individual articles. a special charge report indicating that the goods have been properly taken over should also be made out. whenever the custodian is absent, on casual leave or otherwise for short periods, another officers should be nominated to attend to the work. as soon as the permanent officer returns to duty, he should be posted with the developments during the former's absence.

22. Charges in Procedure - Collectors may in their discretion make any minor changes in this procedure which may be necessitated by local conditions no major charges should be made without the prior approval of the Board.

Original (for owner)

Duplicate (for custodian)

Triplicate (for case file)

Form I

(para i)

(Inventory of goods seized/detained)

1. Name and address of Owner -----
2. By whom seized (or detained)-----
3. Place and date of seizure-----
(or detention)
4. Custom house case file no.-----

| Quantity | Sr | No. Of | Detailed description |
|----------|---------|----------|------------------------|
| | No | Estimate | Remark |
| | of | Packages | of goods (packagewise) |
| | ex-duty | | |
| | | value | |
| | 1 | 2 | 3 |

| | | | |
|----|---|---|---|
| | 7 | 8 | 9 |
| 10 | | | |

| | | | | |
|--|--|---|---|---|
| Estimated Nature of re-duty sealing value preparation invent- inventori identify marks on packages | Estimated Nature of re-duty sealing value preparation invent- inventori identify marks on packages | Date of Where stored preparation of detailed inventory ory (if necessary) | Date of Where stored preparation of detailed inventory ory (if necessary) | Names of officers present at the time of of detailed sation and ing given |
| 11 | 12 | 13 | 14 | 15 |

form 2 - contd.

| | | | |
|---|---|----------------------|----------------------|
| date of particular of re-opening re-opening | date of particular of re-opening re-opening | release of the owner | release of the owner |
| name of present date of officers present of at the time of the re-opening recep | name of present date of officers present of at the time of the re-opening recep | how re-sealed | how re-sealed |
| where re- stored release if so | where re- stored release if so | ordered | tent |

| | | | | | |
|------------|-----------------------------------|-------------------|------------|----|-------|
| | | | | | |
| | 16 | 17 | 18 | 19 | 20 21 |
| | disposal by the department | | | | |
| fetched | date of re-opening | auction lot no. | price | | |
| | date of diliv for purposes of | and other parti- | at auction | | |
| ery to the | valuation by | culars of the lot | | | |
| | bidder at the jewellery expert | in which included | | | |
| | auction | | | | |
| | | | | | |
| | 22 | 23 | 24 | 25 | |
| remarks | signature of | amt paid as | signature | | |
| | the recipient | godown rent | with | | |
| date | | receipt no. | | | |
| of | | and date to | | | |
| custodian | | be indicated | | | |
| | | also | | | |
| | | | | | |
| | 26 | 27 | 28 | 29 | |

Form 3 (para 4)
Stock-cards

1. serial no. in the seized/detained goods register.
2. date of receipt
3. name of owner of the goods, if known

- 4. no. of packages
- 5. description of goods quantity and value
- 6. history of the consignment (here enter the date of check made by an officer, date of opening of seal, date of suction etc.)

form 4 (para 10)

list of cases in which the period of redemption/appeal has expired

from
the
.....department

to
the custodian

the goods mentioned hereunder have not been redeemed within the prescribed period and the period for preferring appeal is also over. necessary steps may therefore be taken to take possession of the same and thereafter to dispose them of.

| value | sl. | c.h. | no.of | marks | weight | description |
|-------|---------|---------|-------|-------|--------|-------------|
| | date of | | r | | | |
| goods | no. | case | pack | and | (if | of |
| | | expire | | e | | |
| | | file | ages | nos. | avail | |
| | | of red- | | m | | |
| | | no. | | able | | |
| | | emption | | a | | |
| | | period/ | r | | | |
| | | appeal | | k | | |
| | | period | s | | | |
| | 1 | 2 | 3 | 4 | 5 | |
| 6 | 7 | 8 | 9 | | | |

Form 5 (para 13)

list of cases ripe for disposal (in triplicate)

from
the officer-in-charge, disposal unit.

to
.....
.....department.

the undermentioned cases have becomes ripe for disposal. kindly indicate within a week hereof whether you have any objection to disposal

by auction being proceeded with.

| sl. | disposal | original | no.of | marks |
|-------------|-----------|----------|-------|-------|
| description | weight | value | r | |
| no. | unit | case | pkgs | and |
| goods | | e | | of |
| | register | file no. | | |
| nos. | | m | | |
| | ation no. | | a | |
| | | | r | |
| | | | k | |
| | | | s | |

date..... officer incharge, disposal unit
 i no objection to the disposal of the above mentioned goods.

date..... department
 form 6 (para 14)
 auction list

auction held on.....at.....

1. serial no. in the seized/detained goods register
2. custom house case file no.
3. no. of packages
4. description of goods/quantity/weight
5. ex-duty value
6. reserve price
7. name(s) of bidder(s)
8. knocked down price

signature.....
 auctioning officer

disposal of confiscated, detained and uncleared goods by custom houses or port trust/port commissioners - fixation of reserve/fair prices- reference is invited to paragraph 2 of the board's letter f.no 11/6/61-cus. iv, dated 13-6-61.(instructions reproduced above)

2. the board considers that the method adopted by some custom houses for determining the reserve price of all goods on the basis of duty, fair value and customs port trust charges as the case may be, is not correct, because it ignores the fact that in a free auction, the amount realised would be based on the price which the articles are expected to fetch when re-sold in the market and not on any theoretical considerations concerning the departments liability in respect of port trust levies or its claims in respect of ots own warehouse

and other charges. The board, in fact, does not consider it necessary that there should be any "reserve price" as such in respect of goods which are assessed on ad valorem basis. It will be enough in the case of such goods if a fair price is determined as correctly as possible after taking into consideration the saleable value of the goods in question in the market, i.e. the price which the goods are expected to fetch when re-sold in the market by the purchaser in auction, taking into consideration the condition in which they are at the time of sale.

3. It is observed that some confusion exists regarding the exact significance of the expressions "reserve price" and "fair price". The "reserve price" should be the absolute minimum price below which, for legal or other reasons a consignment cannot be sold. (ordinarily goods should fetch appreciably more than the reserve price). A "fair price" on the other hand should be regarded as the best price at which the custom house can sell the goods under normal conditions. This fair price can be expected to be somewhat lower than the price at which goods of the same kind and in the same condition could be sold by the purchaser in the wholesale market, the difference representing the profit which the buyer at the auction expects to make and/or the margin to cover him against the risk of possible loss. The board considers that fair prices should be fixed by ascertaining the probable sale price of such goods in the market, and subtracting from it a "discount" which will represent the margin of the buyer at the auction. This discount will vary with the nature of the goods, and the rates of discount for different categories of goods should be fixed periodically (say once in six months) by the auction committee of each custom house, taking into account the local conditions. The discount may be 5 to 10% more than the estimated reasonable profit which the buyer at auction can expect to make on re-sale. This increase is intended as an additional incentive to the prospective purchaser.

4. As an example if certain goods in their present condition can be expected to fetch Rs. 100 in the wholesale market, and the usual profit margin for wholesale transactions in such goods is approximately 20% the discount may be fixed at say 25 or 30%. The fair price of the consignment, that is the price below which it should not normally be sold, would then be Rs. 75 or Rs. 70.

5. Similar considerations would apply to the fixation of a fair price for goods assessable to specific rates of duty or on tariff values. In such cases, however, it will be necessary to ensure in addition that the price fetched at the auction is at least equal to the duty leviable thereon.

The board would also like to emphasise that the goods should not be withdrawn from auction for flimsy reasons, e.g., because it is considered that a slightly higher price might be fetched at a later auction. Where, however, on account of a clique having been formed during the auction, the goods have to be withdrawn at the first auction, the board considers that it would be more appropriate to dispose of them by tender on terms most advantageous to Govt.,

rather than by putting them up again at a subsequent auction. sale by private negotiation may be resorted to if other methods have been tried and have failed ; but it is necessary to be extremely circumspect in effecting sales by private negotiation, to guard against allegations of favouritism or under selling. such sales should be effected under the orders of the collector or additional collector as the case may be, after he has personally satisfied himself that every thing is in order, and the sale is in the best interests of the govt. statutory requirements should also be taken into account, e.g., in the case of abandoned goods. section 88, s.c.a does not permit sale by tender.

7. The board's orders on the points mentioned above and contained in any of its earlier letters should be deemed to be modified in the manner and to the extent stated above. the instructions should be deemed to be applicable both to the goods disposed of by the custom houses and to those disposed of by the port trust/port commissioners in respect of which the customs deptt. is required to indicate the prices at which the goods are to be sold by the port authorities.

(board's f.no.4/63/57-cus.iii/cus.iv dated 7-9-1961.)

Disposal of confiscated goods by public auctions/private negotiations - instructions regarding

Reference para 6 of board`s letter f.no. 4/63//57-cus.iii/iv dated 7-9-61, which interalia stipulates that sale of confisca- ted goods by private negotiations may be resorted to if other methods have been tried and failed.the question of sale by private negotiations vis-a-vis by public auction was considered by the PAC.and their observations made in this regard are contained in para 2.116 of their 44th report. The PAC.has opined that the system of public auction has its own advantages and is definitely preferred to sale by private negotiation.The collectors of central excise and customs are therefore,suggested that in all such cases ,an attempt should be made to put the goods to subsequent public auction in case the first attempt fails.the observations of the PAC. should be kept in view before sale by private negotiation is resorted to.

[Board`s f.no.30/60//64-l.c.i.(para 2.116) dated 20-4-66]

Standard form of tender for the sale of goods in custom houses-

Reproduced below is a standard form of tender for the sale of perishable goods in th custom houses evolved by the directorate of inspection (customs & central excise) in consultation with the ministry of law . this form should be used in all cases of sale by tender both for perishable and other goods. the form may be sold at a nominal rate of rs. 2 to avoid frivolous

(board's f.no. 55/20/59-cus.iv, dated 17-9-1961.)

Both copies to be returned. Tender no.....

Due for return on.....

And will be opened on....

At.....in public offers

To remain open till.....

Tender for the purchase
of.....

To
The president of india,
Through the Assistant Collector of Customs,
(outdoor)
Custom house,
Bombay/calcutta/madras/cochin/pondicherry/visakhapatnam/
kandla.

The undersigned hereby tender(s) for the purchase from you of the goods

Specified in column one of the 1st schedule hereto or for such portion thereof as you may determine by your acceptance at the prices quoted in column 2 of the said schedule and to take delivery thereof by the time stated in the column 3 of the said schedule and subject to the conditions set out in the "instructions to tenderers" and "general conditions of contract" set forth in the 2nd schedule hereto and also agree(s) to hold this offer open for your acceptance till the date specified above.

2. Receipt no.....issued by the customs house treasury for Rs.....is enclosed as earnest money.

3. The undrsigned understand (s) that the tender documents have been sold to him/them and he/they is/are being permitted to tender in consideration of the stipulation on his/their part that after submitting, his/their tender. He/they will not resile from his/their offer or modify the terms and conditions thereof. Should the undersigned fail to observe and comply with the foregoing stipulation, the earnest money shall be forfeited to the President of India.

Dated this Day

The Second Schedule above referred to (Instructions to Tenderers)

1. Highest tender not necessarily to be accepted. the president of India hereinafter referred to as "government" is not bound to accept the highest or any tender or to assign a reason for non-acceptance.

2. Power to accept portion of tender :the tenderer is at liberty to tender either for the whole or any portion of the goods offered. when quotations are invited in one tender for a larger number of lots, tenderer may quote for any one lot and/or for a number of lots and/or for all the lots but price for each lot must be quoted separately. government shall have the right of accepting any portion of the tender made unless the tenderer expressly stipulates to the contrary in the tender.

3. Delivery of Tender : This tender should be submitted on prescribed form in duplicate in sealed double covers clearly marked on the outside "tender no." it should be addressed to the assistant collector or customs (outdoor), custom house...by.....on..... the tenders will be opened in public on the next working day.

4. Prices : Prices must be quoted in English, in figures and words and per unit shown in the 1st schedule. All quotations will be considered in terms of rupees and naye paise. tenderers must therefore quote in rupees and naye paise instead of in rupees. annas and pies.

5. Alterations to tender and schedules to tender by tenderers : any modification which the tenderer wishes to put forward may be stipulated for as a qualifying condition to his tender and written thereon and permission in writing must first be obtained to do so from the assistant collector of customs (outdoor), otherwise the tender, is liable to be ignored.

6. Earnest money : The tender must be accompanied by custom (s) house treasury receipt for the amounts specified hereunder. five per cent of the tender value in Indian Rupees. Tenders not accompanied by earnest money will not be considered. Tenderers shall remain open for acceptance upto and inclusive of..... and if said date be declared a holiday for govt. offices, they shall, remain open for acceptance till the next working day.

7. All offers should be unconditional, firm and final.

8. Further particulars : If any, respecting this tender will be furnished on application.

9. Tender to be signed and completed : the tender must be signed and witnessed as also the 1st schedule. in the case of a partnership

firm, whether registered or unregistered all partners should sign or some one holding a power of attorney duly executed in his favour by all the partners and authorizing him to bind all the partners of the firm in all matters pertaining to the contract including the arbitration clause. disregard of these instructions, or if the tender is in any way incomplete renders such tender liable to be ignored.

10. Any correction made in the price quoted should be attested by the tenderer under his full signature.

11. Tenders not received in time will be ignored.

12. Tender fee is non-refundable and tender is non-transferable. if the goods are not claimed within 10 days of the date for delivery, govt. may sell the same without further notice as and when they best and recover from the buyer the loss incurred by the the govt. as a result of such sales made against default. if delivery is by instalments the assistant collector may at his option treat the default as breach of contract and cancel the contract and sell the balance of the goods and recover loss from the buyer.

13. Recovery of sums due : Whenever any claim for the payment of sum of money arises out of or under this contract against the buyer, govt. shall without prejudice to any other remedy be entitled to deduct it from the proceeds of such re-sale or to appropriate the security deposit in whole or in part and in the event of the security deposit being insufficient the balance may be deducted from any sum then due or which at any time hereafter may become due to the buyer under this or any other contract with government and if this is not sufficient the buyer shall pay any balance to govt. on demand.

14. Damage : The buyer shall make good all damage which may be caused to any property of govt. or of any other person by any act of default of the buyer, his agents or servants, in connection with the removal of any of the goods ; provided that the govt. may at their option make good such damage and charge the buyer with the expense thereof.

15. Corrupt practice : Any bribe, commission, gifts or advantage given, promised or offered by or on behalf of the buyer, or his agent or servant or any one on his or their behalf (whether with or without the knowledge of the buyer) to any officer servant, representative or agent of govt., in relation to the obtaining or to the execution of this or any other contract with the govt. shall in addition to any criminal liability which he may incur, subject the buyer to the cancellation of this and all other contracts and also to payment to govt. of any loss resulting from any such cancellation.

16. Insolvency : The Govt. may at any time terminate this contract

if the buyer is adjudicated insolvent or enters into any arrangement with creditors being a company would up voluntarily or otherwise, unless it be for the purpose of reconstruction ; and recover from the buyer any loss resulting therefrom.

17. Assignment or subletting of contract : The buyer shall not assign or sublet this contract or any part thereof without the written permission of the assistant collector and even if permitted to do so shall remain liable for fulfilment of the contract.

18. All disputes and differences arising out of or in any way touching or concerning this agreement whatsoever shall be referred to the sole arbitration of of any person appointed by the Collector of Customs.....it will be no objection to any such appointment that the person appointed is a government servant that he had to deal in course of his duties as such govt. servant he has expressed any views on all or any of the matters in dispute or difference. the award of such arbitrator shall be final and binding on the parties to this agreement. it is a term of this agreement that in the event of such arbitrator to whom the matter is originally referred being transferred or vacating his office by resignation or otherwise of becoming unable to act for any reason, such collector of customs as aforesaid at the time of such transfer, vacation of office or inability to act shall appoint another person to act as arbitrator in accordance with the term of this agreement. such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor. it is also a term of this agreement that no person other than a person appointed by the collector of customs as aforesaid should act as arbitrator and, if for any reason that is not possible, the matter is not to be referred to arbitration at all. subject as aforesaid, the indian arbitration act, 1940 shall apply to the arbitration proceedings under this clause.

19. Any contract which may eventuate from this tender and acceptance shall be governed by the laws of india for the time being in force .

20. The buyer will pay all the taxes and other charges of any nature whatsoever leviable by any authority.

21. Octroi duty and /or terminal tax shall be payable by the purchaser exclusive of the sale price and the buyer shall be responsible for the payment of such dues within the time stipulated for removal of goods. delivery of goods will be given by stock holders only on production of proof of having paid these charges or an exemption in writing from the municipal board concerned.

General Conditions of Contract

1. Definition : The term "government" means the president of India and when the context so admits his successors and assigns and the govt. of india and any officers acting for him or them. the "assistant collector" means the assistant collector of customs (outdoor) in the custom house or the officer who for the time being is entrusted, whether or not in addition to other functions, with the functions, duties and powers of the said assistant collector of customs (outdoor) in the custom house.....or any other officer authorized by him in this behalf in writing . the "buyer/purchaser" means the person, the persons constituting a partnership firm, whether registered or unregistered, or company whose tender for the purchase of all or any of the articles specified in the first schedule to the tender is accepted and where the context so admits his or their legal representatives and permitted assigns and, in the case of a company, its successors and permitted assigns.

2. Earnest money : The tender must be accompanied by custom house treasury receipt for the amounts specified hereunder :- five per cent of the tendered value in indian rupees as earnest money.

The tenderer shall hold the officer open till such date as may be specified in the tender. it is understood that the tender documents have been sold to the tenderer and the tenderer is being permitted to tender in consideration of the stipulation on his part that after submitting his tender, he will not resile from his offer or modify the terms and conditions thereof. should the tenderer fail to observe and comply with the foregoing stipulation, the earnest money shall be forfeited to the government.

3. If the tender is accepted, the earnest money deposited by the successful tenderer will be held as security deposit for due performance of the contract. the earnest moneys of the other tenderers shall, save as herein before provided, be returned to them, but the govt. shall not be liable to pay interest thereon.

4. Condition of goods : The goods are sold as they lie. they shall be removed by the buyer with all faults and notwithstanding any errors or misstatements of description, measurement, quantity, weight, enumeration or otherwise and without question on the part of buyer, and no claim shall lie against govt. for compensation nor shall allowance be made on account of any such faults mis-statements or errors although the same may be of a considerable nature. In particular the description of the goods may be identical with or similar to description of goods in some previous sale by tender but no reliance must be placed on any such description. the buyer should satisfy himself thoroughly as to what is offered for sale before submitting his tender and may, prior to tendering, inspect the goods between 10.00 hours and 13.00 hours on any working day, and shall be deemed (whether or not such inspection shall have in fact taken place) to have notice of all defects and faults whether tendering the goods unmerchantable or otherwise and any errors and mis-statements as

aforesaid which he might have discovered on inspection and shall not be entitled to any compensation on account thereof. nor shall any party to this contract be entitled to claim or recover from the other any compensation by way of damages or otherwise if the goods sold are not available by reason of not being at the specified place and the contract shall stand cancelled.

5. Risk : The goods shall be and remain in every respect at the risk of the buyer from the date of acceptance of his offer for and on behalf of the govt. (by the assistant collector) and govt. shall not be under any liability for the safe custody or preservation thereof from the date.

6. Payment : The buyer shall make payment for the goods purchased. into the custom house treasury by the date fixed. the entire sale value shall be paid into the custom house treasury within 1 week from the date of issue of sale letter. such payment shall be made in the manner prescribed in the sale letter. Permission to remove or take delivery of the goods will only be given on production of the custom house treasury receipt. failure to deliver the receipt to the.....by the date specified in the sale letter will render the contract liable to cancellation.

7. Delivery : Delivery of the goods will be ex-godown. All necessary equipment and labour etc., required for the purpose will have to be arranged by the buyer himself. if nothing is stated to the contrary by the tenderer(s) it will be assumed that removal of the goods will be completed within 10 days from the date of issue of sale release order. should the buyer wish to take delivery of the goods purchased through the medium of representative then he will give the letter a letter authorising him to take delivery of same. that letter must contain details of the goods together with reference to the number and date of the assistant collector's letter accepting his offer. unless these instructions are complied with implicitly the officer holding the goods will not give delivery.

8. Failure to pay price : In case where delivery is to be taken by instalments and payment to be made before delivery, if the buyer shall make default in paying for any goods in accordance with this contract the Assistant collector shall be at liberty to resell the same as and when he thinks best and recover any loss from the buyer without affecting the contract regarding delivery of other goods at some later date or the assistant collector may treat any such default as a breach of the contract and in that case (or where delivery of all goods purchased is to be taken at one time and default is made in paying for the goods contracted to be bought) cancel the contract by notice in writing to the buyer and re-sell the same as and when he thinks best and recover from the buyer any loss incurred on such sale. in any case govt. shall in addition be entitled to recover from the buyer any costs of storage, warehousing or removal of the goods and any expenses incurred in or in connection with a sale or attempted sale thereof. any gain on any re-sale as aforesaid shall belong to

Please deliver the receipt to this office by the*.....

Yours faithfully,

Signature

Designation

For and on behalf of

the President of India

*specify date.

General Conditions of Contract
(as in enclosures to tender form-to be reproduced here)
notice inviting tenders

Sealed tenders which will be received
upto.....196 . (date) are invited for and on behalf of
the president of india for the sale
of..... lying at
.....shed.

Tenders are to be on customs form
no..... the same would be subject tothe instructions and
general conditions of contract appended thereto. tender form can be obtained
from the office of the assistant collector of customs,
.....(address) on payment of sum of rs.
2/- in cash.

[board's F.No. 55/20/59-Cus. iv, dated 17.9.61]

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end ed. no corrections applied