

THE UTTARAKHAND VALUE ADDED TAX RULES, 2005

33: Sale of Seized Goods:

Where any seized goods are ordered to be sold the same shall be sold by auction in accordance with the following procedure:-

(a) The goods shall be auctioned by a committee consisting of the following -

(i) Deputy Commissioner nominated by the Joint Commissioner of the region Chairman

(ii) Assistant Commissioner nominated by the Joint Commissioner of the region Member

(iii) The officer seizing the goods or the Assessing Authority authorised to cause the goods to be sold under sub-section (10) of section 43 of the Act; Ex-officio Member

(b) The Ex-officio member shall send a requisition for auction to the chairman of the Committee. The requisition shall contain full description of the goods to be auctioned and also the date, time and place of auction. At least seven days notice shall be given for the auction. The Chairman shall advertise the auction either by publication in at least two newspapers of wide circulation in that area or by beating of drums. The notice of auction shall also be prominently displayed at the place of auction;

(c) The Committee shall determine a minimum price of the goods to be auctioned;

(d) The goods to be auctioned may be placed in one or more lots. The conditions of the auction shall be as under:

(i)The persons who have deposited an earnest money equal to five percent of the minimum price , shall be entitled to bid in the auction;

(ii)The goods shall be auctioned on the principle of "as is where is";

(iii)The Committee shall have the right to accept provisionally or not to accept any bid. It may, in case of goods subject to speedy and natural decay, for the reasons to be recorded in writing, accept a bid even at a price lower than the minimum price fixed by the Chairman . The final acceptance of any bid shall be subject to the approval of the Joint Commissioner of the region.

(iv)The auction purchaser shall have to deposit twenty percent of the auction money immediately after the acceptance of the bid provisionally by the Committee. The remaining amount of auction money shall be deposited at the time of delivery of the goods. The delivery of goods shall be made only after final acceptance of the bid by the Joint Commissioner of the region.

(v)If the auction purchaser fails to deposit twenty percent of the auction money immediately after the acceptance of bid provisionally by the Committee, it shall automatically stand cancelled and the earnest money of such auction purchaser shall stand forfeited.

(vi)If the bid is not finally accepted by the Joint Commissioner of the region the amount deposited by the auction purchaser including earnest money shall be refunded to him.

(vii)If the auction purchaser fails to take delivery of the goods within a week of receipt of information about final acceptance of the bid, it shall stand cancelled . In such an event the earnest money deposited by the auction purchaser shall stand forfeited. The expenses incurred on the auction shall be deducted from the twenty percent bid money deposited by the auction purchaser and balance

amount of bid money, if any, shall be refunded to the auction purchaser within three months from the date of auction.

(viii) The earnest money deposited by other bidders shall be refunded to them within three working days of the date of auction.

(ix) The auction purchaser shall have to deposit tax on the price, in addition to the bid money.

(x) In case the bid is not finally accepted by the Joint Commissioner of the

region or is cancelled because the successful bidder fails to deposit the bid money or fails to take delivery of the auctioned goods within the specified time the goods shall be re-auctioned in accordance with the procedure specified in this Rule.

(xi) If the seizure or penalty order is quashed by the competent authority at any time after the proceedings for auction have started but have not been completed, the goods shall be returned to the owner or to the person from whom the goods were seized. If the auction has been completed the amount received from the auction shall be paid to such person after deducting the expenses incurred on the auction.

(xii) The amount received from the auction shall be adjusted towards any tax or penalty assessed or imposed after deducting the expenses incurred on the auction. The excess amount, if any, shall be paid to the owner, or the transporter of the goods or the person from whom the goods were seized.

(xiii) The amount adjusted towards any tax or penalty shall be deposited in the treasury in the name of the dealer, or, as the case may be, transporter or the person from whom the goods were seized, and the certificate of deposit shall be sent to the ex-officio member.