HE ILLEGALLY ACQUIRED PROPERTY (RECEIPT, MANAGEMENT AND DISPOSAL) RULES, 1989[1]

In exercise of the powers conferred by section 76 of the Narcotic Drugs andPsychotropic Substances Act, 1985 (61 of 1985), the Central Government hereby makesthe following rules, namely:-

CHAPTER I

PRELIMINARY

1. Short title and commencement.-(l) These rules may be called the IllegallyAcquired Property (Receipt, Management and Disposal) Rules, 1989.

2. Definitions.-In these rules, unless the context otherwise requires,-

(a) "Act" means the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985);

(b) "Administrator" means any officer appointed by the Central Government under sub-section (1) of section 68G of the Act;

(c) "Form" means form annexed to these rules;

(d) "Fund" means the National Fund for Control of Drug Abuse, constituted under sub-section (1) of section 7 A of the Act;

(e) "godown" means a godown for storage of property received under sub-section (2) of section 68G of the Act.

CHAPTER II

ASSISTANCE TO THE ADMINISTRATORS

3. Assistance to the Administrators.- The Central Government may provide from time to time such members of staff and other persons as it thinks fit to assist the Administrator in exercise of his powers and performance of duties under these rules.

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CHAPTER III

DESIGNATION OF GODOWNS, RECEIPT AND MANAGEMENT OF PROPERTY

4. Designation of godowns.-(l) The Administrator shall designate as many godowns as may be necessary for the storage of property mentioned in the orders made under sub-section (1) of section 68F or sub-section (3) of section 68-1 of the Act.

1. *Vide* S.O. 384 (E), dated 29th May, 1989, published in the Gazette of India, Extra, Pt. II, Sec. 3 (ii), dated 29th May, 1989.

(2) The Administrator shall select godowns referred to in sub-rule (1), keeping in view the security of the premises, storage capacity, nature of property and other relevant factors.

(3) Each designated god own shall have a godown keeper and a godown-in-charge to assist the Administrator.

5. Proper accounting of properties.-The Administrator shall, at the time of receiving the properties, ensure proper identification of such property with reference to its particulars mentioned in the order made under sub-section (1) of section 68F or sub-section (3) of section 68-I of the Act, as the case may be.

Form II for recording entries in respect of property, namely, gold and gold jewellery, diamonds (including rough and uncut diamonds), precious and semiprecious stones other than diamond and wrist watches (hereinafter called 'valuables') to be maintained.

8. Storage of property.-(1) The Administrator shall ensure that the packages containing valuables are kept in the godown in an iron safe and vault, under double lock system, one key remaining with the godown-keeper and the other to be retained by the godown-in-charge.

(2) Where, for any valid reasons, it is found that the packages containing valuables may not be kept in godown, such packages shall be kept in lockers obtained exclusively for this purpose, either with any branch of the Reserve Bank of India or of any nationalized bank.

(4) The packages referred to in sub-rules (1) and (2) shall be stored systematically casewise, serialwise, yearwise and with proper identification marks to facilitate re-check and inspection.

9. Management of land and building.- The Administrator may authorise any officer referred to in section 68T of the Act to take possession of vacant land or building in respect of which

(i) an order of seizure of freezing of such land or building has been made under sub-section (1) of section 68F of the Act; or

(ii) an order for forfeiture of such land or building has been made under sub-section (1) of section 80-1 of the Act.

10. Occupation of land or building.-(1) Where any property in the nature of land or building is in possession of a lessee or a tenant and against such property and order under sub-section (1) of section 68F of the Act has been made, the Administrator may allow the lease or tenant to continue in occupation of such land or building in accordance with such terms and conditions which existed on the date of passing an order under sub-section (1) of section 68F of the Act. (2) The income derived from such property shall be kept with the Administrator until such time the competent authority declares the property forfeited under sub-section (3) of section 68-I.

(3) Where any property is declared not liable to be forfeited under the Act, the Administrator shall, within reasonable time, return to the person such property and the income derived therefrom after deducting such expenses if any, which were incurred on the maintenance and management of the property.

Form III. **12. Storage of property other than valuables**.-(1) Movable property other than valuables shall be stored in almirahs and racks.

(2) Each almirah and rack shall have a stock-card indicating the case number and full description of the property.

13. Placement of stock-cards.-The godown-in-charge shall ensure that the racks or almirahs or any other thing used for storage of property, display stock-cards indicating the case number and full description of the property stored.

14. Opening and re-sealing of the packages.-(1) Where any package is to be opened for any reason, the same shall be opened in the presence of the owner and the concerned godown-in-charge after obtaining the order of the Administrator.

(2) The packages shall be re-sealed immediately after the purpose, for which such packages were opened, is fulfilled in the presence of the owner and the concerned godown-in-charge.

(3) At the time of re-sealing, the owner, and the concerned godown-in-charge, shall affix their seals.

15. Maintenance of seized/confiscated conveyances.-Conveyances, such as aircrafts, vessels, motor vehicles and any other mode of conveyance shall be properly maintained by the godown-in-charge.

CHAPTER IV **DISPOSAL OF PROPERTY**

16. Disposal of livestocks, perishables, etc.-Subject to the sale proceeds being credited to the Fund under section 7 A of the Act, the Administrator shall dispose of the livestock and property which is perishable in nature or prone to decay in the manner as he deems fit.

17. Disposal of valuables.-Subject to the sale proceeds being credited to the Fund under section 7 A of the Act, the Administrator shall dispose of the valuables mentioned below in the following manners, namely:

(1) **Gold, gold jewellery, silver and silver jewellery**.-The valuables, namely, gold, gold jewellery, silver and silver jewellery shall be deposited in the Government of India Mints which shall credit the value of such property to the Central Government.

(2) **Diamonds**.-Rough and uncut diamonds shall be' sold either by auction or tender to import licence holders against debit of their licences. Cut and polished diamonds shall be sold by auction or tender with the specific condition that such diamonds shall be exported.

(3) Precious and semi-precious stones other than diamonds.-(i) Rough and uncutprecious and semi-precious stones other than diamonds shall be sold byauction or tender to holders of import licences against debit of their licencesin the internal market.

(ii) Cut and polished precious and semi-precious stones, other thandiamonds, shall be sold internally, by auction or by tender.

18. Disposal of currency.-(1) Indian and Foreign currency shall be deposited withthe Reserve Bank of India or any Nationalised Bank.

(2) The amount so deposited shall be credited to the Fund constituted under this Act.

19. Disposal of the property.-Property other than those mentioned in rules 16 to 18shall be disposed of by public auction.

20. Disposal of land or building.-Subject to the relevant provisions of any lawrelating to the acquisition or disposal of immovable property and also subject to the saleproceeds being credited to the Fund under section 7 A of the Act, land or building shall bedisposed of by tender or by public auction.

21. Disposal of conveyances.-Conveyances, such as aircrafts, vessels, vehicles andother mode conveyance shall be sold by public auction of or by tender.

22. Furnishing Reports and Returns.- The Administrator shall furnish a quarterlystatement to the Narcotics Control Bureau indicating the value of the property receivedand disposed of and the closing balance of all properties kept in the godowns and banks.

CHAPTER V

MISCELLANEOUS

23. Periodical Reports.- The godown-in-charge shall submit, every month, a report to the Administrator of the property received or disposed of during the period.

24. Periodical inspection.- The Administrator with a view to ensuring safety, security, proper accounting and management of all properties in the godowns, conduct physical inspection and verification with the help of such officers as he thinks fit.

25. Record of receipt and disposal.- The Administrator shal1 maintain a record of receipt and disposal of all properties received and disposed of under these rules. He shall also maintain an account of all income received and expenditure incurred on receipt, management and disposal of such property.

FORM I

(See rule 6)

GODOWN

REGISTER

1. Godown entry S1. No.

2. Narcotic Drugs and Psychotropic Substances Crime No.

3. Description of property in the sealed packages/containers.

4. No. of packages/containers.

5. Quantity (package/containerwise).

6. Name(s) and address(es) of accused.

7. Name with official designation and address of seizing/depositing officer.

8. Facsimile of the seal put on the packages/containers by the seizing officer/ depositing officer.

9. Date and time of deposit.

10. Particulars of exit and re-entry for exhibiting to competent authority /Tribunal. 11. Date and time of removal for disposal.

12. Disposal particulars.

13.Certificate of disposal including price payment particulars and credit to the Fund. 14. Remarks of the Inspecting Officer(s).

FORM

II

(See rule 7)

GODOWN REGISTER FOR VALUABLE*

1. Godown entry Sl. No.
2. Narcotic Drugs and Psychotropic Substances Crime No.3. Description of the valuables in packages/containers.
4. No of packages/containers (itemwise).
5. Condition of seal at the time of entry.
6. Quantity (package/containerwise).
7. Name(s) and address(es) of accused.
8. Name with official designation and address of seizing/ depositing officer.
9. Facsimile of the seal put on the packages/containers by the seizing/depositing officer. .
10. Date and time of deposit.
11. Particulars of exit and re-entry for exhibiting to competent authority/Tribunal.
12. Date and time of removal for disposal.
13. Disposal particulars.
14. Certificate of disposal including price payment particulars and credit to the National Fund for Control of Drug Abuse.
15. Remarks of the Inspecting Officer(s).

*Valuables will include: (1) Precious and semi- precious stones; (2) Gold and articles of gold; (3) Jewellery; (4) Silver and articles of silver; and (5) Watches.

RECORD FOR LAND AND BUILDING

1	SI. Crime No
2	Particulars
3	No. of the last
4	owner(s)
5	Location
6	Description as
7	per Municipal revenue records
	Area(in case income of land)
	Value
	Annual