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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ CO.PET. 471/2011

IFCI FACTORS LTD .....Petitioner

Through: Mr. Sharique Hussain, Adv.

versus

KRISH INTERNATIONAL PVT LTD .....Respondent

Through: Mr. Aakash Srivastava, Sr. Standing Counsel for Customs with Mr. Jayant Mishra, Customs Appraiser and Mr. Ashish Barnwal, Customs Inspector.
Mr. T. Singhdev and Mr. Tanishq Srivastava, Advs. for OL.
Mr. Deepank Yadav, Adv. for Auction Purchaser Mr. Mayank Gupta.

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

<u>O R D E R</u>

% 07.07.2026

<u>CO.APPL. 358/2026</u>

1. Pursuant to previous order dated 29th May 2026, a meeting was convened at the office of the Customs Department at *ICD-Tughlaqabad*, *Delhi*, on 02nd June 2026. After mutual discussions, parties signed the minutes of the meeting [‘***MoM***’], which have been handed over to the Court for its perusal.

2. The conclusion of the minutes of the meetings, which has been tabulated in the report and presented by the Official Liquidator [‘***OL***’], is as under:

"*The conclusion of Minutes of Meeting dated 02.06.2026 are as follow:*
1. Representative Sealed Samples (RSS) shall be drawn from the auctioned goods in the presence of concerned stakeholders.
2. The samples shall be sent to the laboratory for testing by Customs.
3. Customs would determine the applicable tariff classification, rate of duty and assessable value on the basis of bid value and lab report in accordance with the Customs Act, 1962 and communicate the duty liability to the Official Liquidator.2.
4. The assessed duty and other statutory liabilities as applicable for disposal of unclaimed goods and customs duty calculation on auction goods shall be communicated to the Official Liquidator.
5. The respective views of the Customs and Official Liquidator shall be placed before the Hon'ble High Court of Delhi and payment made to Customs by Official Liquidator in accordance with the orders of the Hon'ble High court.
6. Representative samples shall be drawn from the goods for Azo Dyes testing and any other tests considered necessary in the presence of concerned stakeholders.
7. Customs shall identify the applicable regulatory requirements pertaining to disposal of unclaimed goods & customs duty calculation on auction goods and communicate the same to the Official Liquidator.
8. Clearance of the goods shall be subject to fulfillment of applicable Import Policy conditions and statutory requirements relating to disposal of unclaimed goods & customs duty calculation on auction goods."

3. Considering that the counsel for the OL, *Mr. Aakash Srivastava*, Senior Standing Counsel for Customs, along with *Mr. Jayant Mishra*,

Customs Appraiser, and the counsel for *Mr. Mayank Gupta*, the successful bidder, are present and have been part of these discussions, the said MoM is taken on record.

4. Accordingly, the actions, which have been detailed in the said minutes, and as agreed by the parties shall be operationalized with respect to the *five* containers for which the bid of *Rs.1,62,93,175/-* was made.

5. All steps shall be operationalized much before and concluded on or before 31st July 2026, considering that the garments, as and when released, would have to be made ready for sale in the winter season.

6. As regards the *ten* remaining containers, *Mr. Aakash Srivastava*, Senior Standing Counsel for Customs, states that the market value, as per the Customs as well as the OL, was slated at *Rs. 2.26 crores*. The only private offer which has been received through *Mr. Mayank Gupta*, the successful bidder for the other *five* containers, is for *Rs.1.05 crores*.

7. Counsel for OL draws attention to ***CO.APPL. 358/2026*** wherein the summary of valuations conducted and attempts made to auction of garments has been tabulated, is extracted as under for reference:

VALUATION	ORDER FOR AUCTION	STATUS
Valued vide order dated 04.12.2017 - Valuation report received on 12.07.2018. *Valued at Rs.23,60,44,000/-.*	Put to auction vide orders dated 27.05.2019 and 15.10.2019.	No bids received.
	Put to auction vide order dated 27.01.2020 and reserve price reduced by 15%.	However, due to the lockdown imposed by the Government, the said auction could not fructify.
Valued vide order dated 15.09.2021- Valuation report received on 18.02.2022. *Valued at Rs.8,04,78,000/-.*	Put to auction vide order dated 09.05.2022.	No bids received.
	Put to auction vide order dated 31.10.2022 and reserve price reduced by 20%.	No bids received.
	Put to auction *vide* notice dated 15.01.2024 pursuant to the order dated 30.11.2023 after a 10% reduction in the reserve price.	No bids received

8. Subsequently, in compliance of order dated 25th March 2026, a sale notice was published in local newspapers and the e-auction was fixed for 04th May 2026. Only *eight* prospective buyers came for inspection. The e-auction agency, *RailTel Corporation of India*, *vide* e-mail dated 07th May 2026, provided details of the auction held on 04th May 2026, communicating that only *five* containers were auctioned and that, for the remaining

containers, ***no bidders participated***.

9. For the *five* containers, *Mr. Mayank Gupta* was the successful and highest bidder, in respect of whom the confirmatory orders have already been passed.

10. In these circumstances, since there is a private offer being made on behalf of *Mr. Mayank Gupta* for these *five* containers, which would have some value in the hands of the OL, as also the duty payable to Customs, there is, in the opinion of this Court, no point in dissipating these assets and their value.

11. Accordingly, the sale of the *ten* remaining containers, in favour of *Mr. Mayank Gupta*/successful bidder, shall be confirmed.

12. Same steps, as noted above in respect of the *five* containers, shall be applicable to these *ten* containers as well and operationalised and concluded on or before 31st July 2026.

13. Any argument, which anticipates the possibility of a higher value is either pure speculation or presumptuous and without any basis; any delay in sale, in fact, would lead to further dissipation of the value of assets.

14. Accordingly, ***CO.APPL. 358/2026*** filed by the OL is disposed of, in terms of the directions passed above.

15. The report of the OL dated 06th July 2026, which has been handed over and filed *vide diary no. E-270443/2026*, shall be taken on record.

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16. List on 27th August 2026, the date already fixed.

17. Order be uploaded on the website of this Court.

ANISH DAYAL, J

JULY 7, 2026/mk/ya