

OIO No: 299/ADC/SRV/O&A/2024-25
 F. No: VIII/10-212/SVPIA-A/O&A/HQ/2024-25



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

सीमा शुल्क भवन, "पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद - 380009.

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PREAMBLE

A	फ़ाइल संख्या/ File No.	:	VIII/10-212/SVPIA-A/O&A/HQ/2024-25
B	कारणबता ओनोटिस संख्या-तारीख / Show Cause Notice No. and Date	:	VIII/10-212/SVPIA-A/O&A/HQ/2024-25 dated 10.09.2024
C	मूल आदेश संख्या/ Order-In-Original No.	:	299/ADC/SRV/O&A/2024-25
D	आदेश तिथि/ Date of Order-In-Original	:	28.03.2025
E	जारी करने की तारीख/ Date of Issue	:	28.03.2025
F	द्वारा पारित/ Passed By	:	SHREE RAM VISHNOI, Additional Commissioner, Customs, Ahmedabad
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	:	SMT. KRISHNA PARMAR, W/O SHRI HIMANSHU DHIRUBHAI PARMAR, 4-79, GURUJI NAGAR AAVAS YOJNA, B/H RANI TOWER, KALAWAD ROAD, RAJKOT PIN- 360005
(1)	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे यह जारी की गयी है।		
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क अपील (चौथी मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
(3)	अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:		
(i)	अपील की एक प्रति और;		
(ii)	इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।		
(4)	इस आदेश के विरुद्ध अपील करने वाले व्यक्ति को 7.5 % (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE:

Smt. Krishna Parmar W/o Shri Himanshu Dhirubhai Parmar, Age: 54 years (DOB-22.12.1970), having Indian Passport No. B8423318, residing at 4-79, Guruji

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Nagar Aavas Yojna, B/H Rani Tower, Kalawad Road, Rajkot Pin- 360005, arrived from Bangkok to Ahmedabad on 23.04.2024 by Thai Airways Flight No. TG343. On the basis of specific input that this female passenger was carrying dutiable/contraband goods, the passenger was intercepted by Air Intelligence Unit (AIU) officers, SVPIA, Customs, Ahmedabad, while passenger was attempting to exit through green channel without making any declaration to the Customs, under the **Panchnama dated 23/24.04.2024** in presence of two independent witnesses for passenger's personal search and examination of her baggage.

02. The pax was questioned by the AIU officers as to whether she was carrying any dutiable/ contraband goods in person or in his baggage, to which she denied. Not being satisfied with the reply of the suspected passenger, the officers asked her to pass through the Door Frame Metal Detector (DFMD) installed at the arrival hall after removing all the metallic substances. The passenger passed through the Door Frame Metal Detector (DFMD) installed at the end of the green channel in the Arrival Hall of Terminal 2 building; however, no beep sound was heard.

03. The officers conducted sustained interrogation, the said passenger confessed that she was carrying two cylindrical shape thick gold rods in her rectum. She was taken to the washroom opposite belt no. 1 of arrival hall, Terminal 2 by the Officer, where above said the passenger removed two cylindrical shape thick gold rods from her rectum.

04. Thereafter, the officer called Shri Kartikey Vasantrai Soni, Government Approved Valuer for conducting examination and valuation of the said gold rods. Shri Kartikey Vasantrai Soni arrived at the Terminal-2 of the SVPIA, Ahmedabad and conducted examination of the said rods and informed that the gross weight of the said items is 346.300 grams having purity of 999.0/24 Kt. The photograph of the above said article i.e. cylindrical gold rods are as under;



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After testing and valuation, the Govt. Approved Valuer confirmed and issued Certificate No. 090/2024-25 dtd. 24.04.2024 giving valuation as under:

Sr. No.	Item particulars	PCS	Net Weight (in grams)	Market Value (In Rs.)	Tariff Value (In Rs.)
1.	Cylindrical gold rod - 999.0 purity	2	346.300	25,79,935	22,59,303
	Total	2	346.300	25,79,935	22,59,303

5. Further, the Govt. Approved Valuer informed that the total Market Value of the said recovered gold is Rs. 25,79,935/- (Rupees Twenty-Five Lakhs Seventy-Nine Thousand Nine Hundred Thirty Five Only) and Tariff Value is Rs. 22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only), which has been calculated as per the Notification No. 29/2024-Customs (N.T.) DTD. 15-04-2024 (Gold) and Notification No. 30/2024-Customs (N.T.) dtd. 18-04-2024 (exchange Rate). He submits his valuation report dated 24.04.2024 to the AIU Officers which is annexed as Annexure-A to the Panchnama dated 23/24.04.2024.

6. The officers found that the said Gold rods of 24Kt. with purity 999.0 weighing 346.300 Grams as certified by Govt. Approved Valuer having market value of Rs. 25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five Only) and Tariff Value is Rs. 22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only) recovered from the above said passenger was attempted to be smuggled into India with an intent to evade payment of Customs duty which is a clear violation of the provisions of Customs Act, 1962. Thus, the officer determined that there existed a reasonable belief that the above said Gold was being attempted to be smuggled by the said passenger and the same was liable for confiscation as per the provisions of Customs Act, 1962; hence, the said gold rods were placed under seizure vide Seizure Memo dated 24.04.2024.

7. A statement of the passenger Smt. Krishna Parmar was recorded on 24.04.2024 was recorded under Section 108 of the Customs Act, 1962 wherein she inter alia stated that:

- i. She was educated upto 9th Std.
- ii. There are 3 members in her family comprising of herself, her husband and her daughter.
- iii. She further stated that this was her first overseas visit i.e. Bangkok. She came in contact with a person at her native who suggested her to arrange some fund and buy gold from Bangkok at cheaper rate and further to sell

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the same in India at higher rate as Gold price/rate in India is higher than Thailand. She stated that her Passport was issued on 31.01.2024 and valid upto 30.01.3034. Thereafter, she arranged some money as loan from her friends and reached Bangkok on 17.04.2024. She purchased gold from Bangkok market and got it cut into small pieces. She inserted 02 Cylindrical Shape Thick Gold Rods in her body i.e. in rectum. She came to Ahmedabad in Flight No. TG 343 of Thai Airways. She stated that this was her first attempt of smuggling of Gold.

- iv. She further stated that she was not a regular and frequent flier.
- v. She further stated that she had perused the said Panchnama Dated **23/24.04.2024** drawn at Terminal-2 of SVP International Airport, Ahmedabad and that she was present during the entire course of the said panchnama proceedings and she agreed with the contents of the said Panchnama. She was explained the said Panchnama in Hindi Language too. Upon perusal of the Panchnama, in token of its correctness, she put her dated signature on each page of the Panchnama.
- vi. She further stated that in greed of earning quick money she opted this illegal smuggling of Gold by way of concealment in the rectum though she was fully aware that smuggling of gold without payment of Custom duty is an offence. She was in possession of 02 Cylindrical Shape Thick Gold Rod concealed in rectum but she did not make any declarations in this regard to evade the Custom duty. She confirmed the recovery of 346.300 grams gold having tariff value of Rs.22,59,303/-and Market value of Rs.25,79,935/- having purity 999.0/24 KT as narrated under the Panchnama dated **23/24.04.2024**. She had opted for green channel so that she could smuggle the gold without paying custom duty.

8. In view of the above, said Gold rods of 24Kt. with purity 999.0 weighing 346.300 Grams having market value of Rs. 25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five Only) and Tariff Value is Rs. 22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only) were placed under Seizure under panchnama proceedings dated 23-24.04.2024 and Seizure Memo dated 24.04.2024 on the reasonable belief that the same are liable for confiscation under the Customs Act, 1962 in as much as the said act was an attempt to smuggle the said goods inside India illegally. The seized goods i.e. 2 gold rods weighing 346.300 grams having purity 999.0 (24 Kt.) recovered/derived from the aforesaid passenger were handed over to the warehouse in-charge for safe keeping vide Warehouse Entry No.6222 dated 24.04.2024.

9. RELEVANT LEGAL PROVISIONS:

A. THE CUSTOMS ACT, 1962:

I) Section 2 - Definitions. —*In this Act, unless the context otherwise requires,*

(22) “goods” includes—

- (a) vessels, aircrafts and vehicles;
- (b) stores;
- (c) baggage;
- (d) currency and negotiable instruments; and
- (d) any other kind of movable property;

(3) “baggage” includes unaccompanied baggage but does not include motor vehicles;

(33) “prohibited goods” means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;

(39) “smuggling”, in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113;”

II) Section 11A – Definitions -*In this Chapter, unless the context otherwise requires,*

(a) “illegal import” means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force;”

III) Section 77 – Declaration by owner of baggage. —*The owner of any baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer.”*

IV) Section 79. Bona fide baggage exempted from duty. -

(1) *The proper officer may, subject to any rules made under sub-section (2), pass free of duty –*

(a) *any article in the baggage of a passenger or a member of the crew in respect of which the said officer is satisfied that it has been in his use for such minimum period as may be specified in the rules;*

(b) *any article in the baggage of a passenger in respect of which the said officer is satisfied that it is for the use of the passenger or his family or is a bonafide gift or souvenir; provided that the value of each such article and the total value of all such articles does not exceed such limits as may be specified in the rules.*

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V) Section 110 – Seizure of goods, documents and things.—(1) *If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods:”*

VI) Section 111 – Confiscation of improperly imported goods, etc.—*The following goods brought from a place outside India shall be liable to confiscation:-*

- (d) *any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*
- (f) *any dutiable or prohibited goods required to be mentioned under the regulations in an arrival manifest or import manifest or import report which are not so mentioned;*
- (i) *any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;*
- (j) *any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission;*
- (l) *any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*
- (m) *any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54;”*

VII) Section 119 – Confiscation of goods used for concealing smuggled goods—*Any goods used for concealing smuggled goods shall also be liable to confiscation.”*

VIII) Section 112 – Penalty for improper importation of goods, etc.—*Any person, -*

- (a) *who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 111, or abets the doing or omission of such an act, or*
- (b) *who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing or in any manner dealing with any goods which he know or has reason to believe are liable to confiscation under Section 111, shall be liable to penalty.*

B. THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992;

I) Section 3(2) - *The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods or services or technology.”*

II) Section 3(3) - *All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.”*

III) Section 11(1) - *No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.”*

C. THE CUSTOMS BAGGAGE DECLARATIONS REGULATIONS, 2013:

I) Regulation 3 (as amended) - *All passengers who come to India and having anything to declare or are carrying dutiable or prohibited goods shall declare their accompanied baggage in the prescribed form.*

10. Contravention and violation of law:

It therefore appears that:

(a) The passenger viz. Smt. Krishna Parmar had dealt with and knowingly indulged herself in the instant case of smuggling of gold into India. The passenger had improperly imported gold weighing 346.300 **gram** having purity 999.0/24Kt under Panchnama dated 23-24.04.2024 and having Market value of **25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five Only)** and Tariff Value is Rs. **22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only)**. The said gold rods were concealed in her rectum and not declared to the Customs. The passenger opted for the green channel to exit the Airport with the deliberate intention to evade the payment of Customs Duty and fraudulently circumvent the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. Thus, the element of *mens rea* appears to have been established beyond doubt. Therefore, the improperly imported gold bar weighing **346.300** grams having purity 999.0/24Kt and having Market value of **25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five Only)** and Tariff Value is Rs. **22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only)** by the said passenger Smt. Krishna Parmar by

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way of concealment and without declaring it to the Customs on arrival in India cannot be treated as bona fide household goods or personal effects. The passenger has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

- (b) By not declaring the value, quantity and description of the goods imported by her, the said passenger violated the provision of Baggage Rules, 2016, read with the Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.
- (c) The improperly imported gold by the passenger viz. Smt. Krishna Parmar consisting of gold rods found concealed in her rectum, without declaring it to the Customs are thus liable for confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) read with Section 2 (22), (33), (39) of the Customs Act, 1962 and further read in conjunction with Section 11(3) of Customs Act, 1962.
- (d) Smt. Krishna Parmar by her above-described acts of omission and commission on her part has rendered herself liable to penalty under Section 112 of the Customs Act, 1962.
- (e) As per Section 123 of Customs Act 1962, the burden of proving that the gold rods weighing **346.300** grams having purity 999.0/24Kt concealed in her rectum and having Market value of **25,79,935/- (Rupees Twenty-Five Lakhs Seventy-Nine Thousand Nine Hundred Thirty-Five Only)** and Tariff Value is **Rs. 22,59,303/- (Rupees Twenty-Two Lakhs Fifty-Nine Thousand Three Hundred and Three only)**, without declaring it to the Customs, is not smuggled goods, is upon the said passenger.

11. Accordingly, a Show Cause Notice was issued to Smt. Krishna Parmar, holding Indian Passport No. B8423318, residing at residing at 4-79, Guruji Nagar Aavas Yojna, B/H Rani Tower, Kalawad Road, Rajkot Pin: 360005, calling upon her to show cause in writing to the Additional/Joint Commissioner of Customs, having his office located at 'Custom House' Building, Near All India Radio, Old High Court Lane, Navrangpura, Ahmedabad 380009, within 30 days of the receipt of this notice as to why :-

- i. Two gold rods weighing **346.300** grams having purity 999.0/24Kt concealed in her rectum and having Market value of **25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five**

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Only) and Tariff Value is Rs. 22,59,303/- (Rupees Twenty Two Lakhs Fifty Nine Thousand Three Hundred and Three only), which has been calculated as per the Notification No. 29/2024-Customs (N.T.) DTD. 15-04-2024 (Gold) and Notification No. 30/2024-Customs (N.T.) dtd. 18-04-2024 (exchange Rate), should not be confiscated under the provisions of Sections 111(d), 111 (f), 111(i), 111 (j) and 111 (l) and 111(m)of the Customs Act, 1962 and;

- ii. Penalty should not be imposed upon her under Section 112 of the Customs Act, 1962 for the omissions and commissions mentioned hereinabove.

DEFENSE REPLY AND RECORD OF PERSONAL HEARING:

12. The noticee has not submitted any written submission to the Show Cause Notice issued to her.

13. The noticee was given opportunity for personal hearing on 07.02.2025, 18.02.2025 & 28.02.2025 but she failed to appear and represent her case. In the instant case, the noticee has been granted sufficient opportunity of being heard in person for three times but she failed to appear. In view of above, it is obvious that the Noticee is not bothered about the ongoing adjudication proceedings and she do not have anything to say in her defense. I am of the opinion that sufficient opportunities have been offered to the Noticee in keeping with the principle of natural justice and there is no prudence in keeping the matter in abeyance indefinitely.

13.1 Before, proceeding further, I would like to mention that Hon'ble Supreme Court, High Courts and Tribunals have held, in several judgments/decision, that ex-parte decision will not amount to violation of principles of Natural Justice.

In support of the same, I rely upon some the relevant judgments/orders which are as under-

a) The Hon'ble Supreme Court in the matter of JETHMAL Versus UNION OF INDIA reported in 1999 (110) E.L.T. 379 (S.C.), the Hon'ble Court has observed as under;

“7. Our attention was also drawn to a recent decision of this Court in A.K. Kripak v. Union of India - 1969 (2) SCC 340, where some of the rules of natural justice were formulated in Paragraph 20 of the judgment. One of these is the well known principle of audi alteram partem and it was argued that an ex parte hearing without notice violated this rule. In our opinion this rule can have no application to the facts of this case where the appellant was asked not only to send a written reply but to inform the Collector whether he wished

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to be heard in person or through a representative. If no reply was given or no intimation was sent to the Collector that a personal hearing was desired, the Collector would be justified in thinking that the persons notified did not desire to appear before him when the case was to be considered and could not be blamed if he were to proceed on the material before him on the basis of the allegations in the show cause notice. Clearly he could not compel appearance before him and giving a further notice in a case like this that the matter would be dealt with on a certain day would be an ideal formality.”

b). Hon'ble High Court of Kerala in the case of UNITED OIL MILLS Vs. COLLECTOR OF CUSTOMS & C. EX., COCHIN reported in 2000 (124) E.L.T. 53 (Ker.), the Hon'ble Court has observed that;

Natural justice - Petitioner given full opportunity before Collector to produce all evidence on which he intends to rely but petitioner not prayed for any opportunity to adduce further evidence - Principles of natural justice not violated.

c) Hon'ble High Court of Calcutta in the case of KUMAR JAGDISH CH. SINHA Vs. COLLECTOR OF CENTRAL EXCISE, CALCUTTA reported in 2000 (124) E.L.T. 118 (Cal.) in Civil Rule No. 128 (W) of 1961, decided on 13-9-1963, the Hon'ble court has observed that;

Natural justice - Show cause notice - Hearing - Demand - Principles of natural justice not violated when, before making the levy under Rule 9 of Central Excise Rules, 1944, the Noticee was issued a show cause notice, his reply considered, and he was also given a personal hearing in support of his reply - Section 33 of Central Excises & Salt Act, 1944. - It has been established both in England and in India [vide N.P.T. Co. v. N.S.T. Co. (1957) S.C.R. 98 (106)], that there is no universal code of natural justice and that the nature of hearing required would depend, inter alia, upon the provisions of the statute and the rules made there under which govern the constitution of a particular body. It has also been established that where the relevant statute is silent, what is required is a minimal level of hearing, namely, that the statutory authority must 'act in good faith and fairly listen to both sides' [Board of Education v. Rice, (1911) A.C. 179] and, "deal with the question referred to them without bias, and give to each of the parties the opportunity of adequately presenting the case" [Local Govt. Board v. Arlidge, (1915) A.C. 120 (132)]. [para 16]

d) Hon'ble High Court of Delhi in the case of SAKETH INDIA LIMITED Vs. UNION OF INDIA reported in 2002 (143) E.L.T. 274 (Del.). The Hon'ble Court has observed that;

Natural justice - Ex parte order by DGFT - EXIM Policy - Proper opportunity given to appellant to reply to show cause notice issued by Addl. DGFT and to make oral submissions, if any, but opportunity not availed by appellant - Principles of natural

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justice not violated by Additional DGFT in passing ex parte order - Para 2.8(c) of Export-Import Policy 1992-97 - Section 5 of Foreign Trade (Development and Regulation) Act, 1992.

e) The Hon'ble CESTAT, Mumbai in the case of GOPINATH CHEM TECH. LTD Vs. COMMISSIONER OF CENTRAL EXCISE, AHMEDABAD-II reported in 2004 (171) E.L.T. 412 (Tri. - Mumbai), the Hon'ble CESTAT has observed that;

Natural justice - Personal hearing fixed by lower authorities but not attended by appellant and reasons for not attending also not explained - Appellant cannot now demand another hearing - Principles of natural justice not violated. [para 5]

f). The Hon'ble High Court of Jharkhand in W.P.(T) No. 1617 of 2023 in case of Rajeev Kumar Vs. The Principal Commissioner of Central Goods and Service Tax & The Additional Commissioner of Central GST & CX, 5A Central Revenue Building, Main Road, Ranchi pronounced on 12.09.2023 wherein Hon'ble Court has held that

“Accordingly, we are of the considered opinion that no error has been committed by the adjudicating authority in passing the impugned Order-in-Original, inasmuch as, enough opportunities were provided to the petitioner by issuing SCN and also fixing date of personal hearing for four times; but the petitioner did not respond to either of them.

8. Having regard to the aforesaid discussions and admitted position with regard to non-submission of reply to the SCN, we failed to appreciate the contention of the petitioner that principle of natural justice has not been complied in the instant case. Since there is efficacious alternative remedy provided in the Act itself, we hold that the instant writ application is not maintainable.

9. As a result, the instant application stands dismissed. Pending I.A., if any, is also closed.”

DISCUSSION AND FINDINGS:

14. I have carefully gone through the facts of the case. Though sufficient opportunity for filing reply and personal hearing had been given, the Noticee has not come forward to file her reply/ submissions or to appear for the personal hearing opportunities offered to her. The adjudication proceedings cannot wait until the Noticee makes it convenient to file her submissions and appear for the personal hearing. I, therefore, take up the case for adjudication ex-parte, on the basis of evidences available on record.

15. In the instant case, I find that the main issue to be decided is whether the **346.300** grams of 02 gold rods, concealed in her rectum, having **tariff value of Rs.22,59,303/-** and market value is **Rs.25,79,935/-**, seized vide Seizure Memo/ Order under Panchnama proceedings both dated 23/24.04.2024 , is liable for

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confiscation under Section 111 of the Customs Act, 1962 (hereinafter referred to as 'the Act') or not; and whether the noticee is liable for penal action under the provisions of Section 112 of the Act.

16. I find that the panchnama dated 23/24.04.2024 clearly draws out the fact that the noticee, who arrived from Bangkok in Thai Airways Flight No. TG-343 was intercepted by the Air Intelligent Unit (AIU) officers, SVP International Airport, Customs, Ahmedabad on the basis of specific Intelligence, when she was trying to exit through green channel of the Arrival Hall of Terminal 2 of SVPI Airport, without making any declaration to the Customs. While the noticee passed through the Door Frame Metal Detector (DFMD) Machine, no beep sound was heard which indicated there was no objectionable/dutiable substance on her body/clothes. Further, the AIU officers asked the passenger to keep her baggage into X-Ray Baggage Scanning Machine installed near the Green Channel counter at terminal 2 of SVPI Ahmedabad. The passenger kept her baggage into X-Ray Baggage Scanning Machine for scanning of her baggage. On scanning of her baggage, no suspicious image appeared on the screen of the X-Ray machine. The officers again asked the said passenger if she is having anything dutiable which is required to be declared to the Customs to which the noticee denied. After thorough interrogation by the officers, Smt. Krishna Parmar confessed that she was carrying two cylindrical shape thick gold rod in her rectum. The noticee handed over the 02 cylindrical shape thick gold rod after returned from washroom. It is on record that the noticee had admitted that she was carrying the 02 cylindrical shape thick rod concealed in her rectum, with intent to smuggle into India without declaring before Customs Officers. It is also on record that Government approved Valuer had tested said Gold rods and confirmed that the same were made up of pure gold of 24 kt and 999.0 purity, weighing 346.300 Grams. The Tariff Value of said Gold rods were Rs. **22,59,303/-** and market Value of **Rs.25,79,935/-** which was placed under seizure under Panchnama dated 23/24.04.2024, in the presence of the noticee and independent panch witnesses.

17. I also find that the passenger/noticee had neither questioned the manner of the panchnama proceedings at the material time nor controverted the facts detailed in the panchnama during the course of recording of her statement. Every procedure conducted during the panchnama by the Officers, was well documented and made in the presence of the panchas as well as the passenger/noticee. In fact, in her statement dated 24.04.2024, she has clearly admitted that she had travelled from Bangkok to Ahmedabad by Flight No. TG-343 dated 23.04.2024 carrying gold in form of thick cylindrical rods concealed in her rectum; that she had intentionally not declared the substance containing foreign origin gold before the Customs authorities as she wanted to clear the same illicitly and evade payment of customs duty; that she was aware that smuggling of gold without payment of

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customs duty is an offence under the Customs law and thereby, violated provisions of Customs Act and the Baggage Rules, 2016. In her statement, she submitted that the gold in form of thick cylindrical rods was purchased by her at Bangkok from the money which she arranged from her friend circle as the rate of the gold was cheaper in Bangkok from India, however she did not have any purchase invoice.

18. I find that the noticee has clearly accepted that she had not declared the gold in form of thick cylindrical rods concealed in her rectum, to the Customs authorities to clear it clandestinely to evade the payment of custom duty. It is clear case of non-declaration with intent to smuggle the gold. Accordingly, there is sufficient evidence to conclude that the noticee had failed to declare the foreign origin gold before the Customs Authorities on her arrival at SVP International Airport, Ahmedabad. Therefore, it is a case of smuggling of gold without declaring in the aforesaid manner with intent to evade payment of Customs duty is conclusively proved. Thus, it is proved that passenger violated Section 77, Section 79 of the Customs Act for import/smuggling of gold which was not for bonafide use and thereby violated Rule 11 of the Foreign Trade Regulation Rules 1993, and para 2.26 of the Foreign Trade Policy 2015-20. Further as per Section 123 of the Customs Act, 1962, gold is a notified item and when goods notified thereunder are seized under the Customs Act, 1962, on the reasonable belief that they are smuggled goods, the burden to prove that they are not smuggled, shall be on the person from whose possession the goods have been seized.

19. From the facts discussed above, it is evident that the passenger/noticee had brought gold of 24 kt having 999.0 purity weighing 346.300 grams, in form of thick cylindrical rods concealed by the noticee in her rectum, while arriving from Bangkok to Ahmedabad, with an intention to smuggle and remove the same without payment of Customs duty, thereby rendering the gold weighing 346.300 gms., seized under panchnama dated 23/24.04.2024 liable for confiscation, under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962. By secreting the gold in form of cylindrical rods concealed in her rectum and not declaring the same before the Customs, it is established that the passenger/noticee had a clear intention to smuggle the gold clandestinely with the deliberate intention to evade payment of customs duty. The commission of above act made the impugned goods fall within the ambit of 'smuggling' as defined under Section 2(39) of the Act.

20. It is seen that for the purpose of customs clearance of arriving passengers, a two-channel system is adopted i.e Green Channel for passengers not having dutiable goods and Red Channel for passengers having dutiable goods and all passengers have to ensure to file correct declaration of their baggage. I find that

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the Noticee had not filed the baggage declaration form and had not declared the said gold which was in her possession, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013 as amended and she was tried to exit through Green Channel which shows that the noticee was trying to evade the payment of eligible customs duty. I also find that the definition of "eligible passenger" is provided under Notification No. 50/2017- Customs New Delhi, the 30th June, 2017 wherein it is mentioned as - "eligible passenger" means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days. I find that the noticee has not declared the gold before customs authority. It is also observed that the imports were also for non-bona fide purposes. Therefore, the said improperly imported gold weighing 346.300 grams concealed by her, without declaring to the Customs on arrival in India cannot be treated as bona fide household goods or personal effects and accordingly, the noticee does not fall under the ambit of "eligible passenger". The noticee has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

21. It, is therefore, proved that by the above acts of contravention, the passenger/noticee has rendered gold of 24 kt having 999.0 purity weighing 346.300 gms., in form of cylindrical rods concealed in rectum, having total Tariff Value of Rs.22,59,303/- and market Value of Rs.25,79,935/-, seized vide Seizure Memo/Order under the Panchnama proceedings both dated 23/24.04.2024 liable to confiscation under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962. By using the modus of concealing the gold in rectum and without declaring to the Customs on arrival in India, it is observed that the passenger/noticee was fully aware that the import of said goods is offending in nature. It is therefore very clear that she has knowingly carried the gold and failed to declare the same to the Customs on his arrival at the Airport. It is seen that she has involved herself in carrying, keeping, concealing and dealing with the impugned goods in a manner which she knew or had reasons to believe that the same were liable to confiscation under the Act. It, is therefore, proved beyond doubt that the noticee has committed an offence of the nature described in Section 112 of Customs Act, 1962 making him liable for penalty under Section 112 of the Customs Act, 1962.

22. I find that the passenger/noticee has confessed of carrying gold of 24 kt having 999.0 purity, weighing 346.300 grams and attempted to remove the said

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gold by concealing the same in her rectum and attempted to remove the said gold from the Customs Airport without declaring it to the Customs Authorities violating the para 2.26 of the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 further read in conjunction with Section 11(3) of Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016 and Customs Baggage Declaration Regulations, 2013. As per Section 2(33) "prohibited goods" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with. The improperly imported gold by the passenger without following the due process of law and without adhering to the conditions and procedures of import have thus acquired the nature of being prohibited goods in view of Section 2(33) of the Act.

23. It is quite clear from the above discussions that the gold was concealed and not declared to the Customs with the sole intention to evade payment of Customs duty. The records before me shows that the passenger/noticee did not choose to declare the prohibited/dutiable goods and opted for green channel customs clearance after arriving from foreign destination with the willful intention to smuggle the impugned goods. 02 Gold rods weighing 346.300 grams of 24Kt./ 999.0 purity, having total Market Value of Rs.25,79,935/- and Tariff Value of Rs.22,59,303/-, concealed in rectum, were placed under seizure vide panchnama dated 23/24.04.2024. The passenger/noticee has clearly admitted that despite having knowledge that the goods had to be declared and such import is an offence under the Act and Rules and Regulations made thereunder, she attempted to remove the gold by concealing in rectum and by deliberately not declaring the same on her arrival at airport with the willful intention to smuggle the impugned gold into India. Further, I find from the voluntary statement tendered by the noticee that the gold was purchased by her, however she did not have any purchase invoice. I find that even after lapse of more than six months the noticee did not come forward to submit her defense reply alongwith the documentary evidences viz. copy of invoice of purchasing gold, bank statement or other relevant documentary evidences which establishes that the gold was purchased in legitimate way and proved her ownership on the gold as claimed in the statement. Also the noticee did not avail the opportunity of personal hearing which shows her reluctance towards ongoing adjudication process and have nothing to submit in her defense. Therefore, without any documentary evidences, I hold that the gold was purchased in legitimate way. I therefore, find that the passenger/noticee has committed an offence of the nature described in Section 112(a) and 112 (b) of

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Customs Act, 1962 making her liable for penalty under provisions of Section 112 of the Customs Act, 1962.

24. I further find that gold is not on the list of prohibited items but import of the same is controlled. The view taken by the **Hon'ble Supreme Court in the case of Om Prakash Bhatia** however in very clear terms lay down the principle that if importation and exportation of goods are subject to certain prescribed conditions, which are to be fulfilled before or after clearance of goods, non-fulfillment of such conditions would make the goods fall within the ambit of 'prohibited goods'. This makes the gold seized in the present case "prohibited goods" as the passenger trying to smuggle the same and was not an eligible passenger to bring or import gold into India in baggage as per the terms and conditions prescribed under Notification No. 50/2017-Customs Dated 30.06.2017. The gold was concealed in rectum in form of cylindrical gold rod and kept undeclared with an intention to smuggle the same and evade payment of customs duty. By using this modus, it is proved that the goods are offending in nature and therefore prohibited on its importation. Here, conditions are not fulfilled by the passenger.

25. In view of the above discussions, I hold that the gold rods weighing 346.300 grams of 24Kt./999.0 purity, concealed in rectum in form of cylindrical gold rods and undeclared by the passenger/noticee with an intention to clear the same illicitly from Customs Airport and to evade payment of Customs duty, are liable for absolute confiscation. Further, it becomes very clear that the gold was carried to India by the noticee in concealed manner for extraneous consideration. **In the instant case, I am therefore, not inclined to use my discretion to give an option to redeem the gold on payment of redemption fine, as envisaged under Section 125 of the Act.**

26. In the case of Samynathan Murugesan [2009 (247) ELT 21 (Mad)], the Hon'ble High Court upheld the absolute confiscation, ordered by the adjudicating authority, in similar facts and circumstances. Further, in the said case of smuggling of gold, the High Court of Madras has ruled that as the goods were prohibited and there was concealment, the Commissioner's order for absolute confiscation was upheld.

27. Further I find that in a case decided by the Hon'ble High Court of Madras reported at 2016-TIOL-1664-HC-MAD-CUS in respect of Malabar Diamond Gallery Pvt Ltd, the Court while holding gold jewellery as prohibited goods under Section 2(33) of the Customs Act, 1962 had recorded that "restriction" also means prohibition. In Para 89 of the order, it was recorded as under;

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"89. While considering a prayer for provisional release, pending adjudication, whether all the above can wholly be ignored by the authorities, enjoined with a duty, to enforce the statutory provisions, rules and notifications, in letter and spirit, in consonance with the objects and intention of the Legislature, imposing prohibitions/restrictions under the Customs Act, 1962 or under any other law, for the time being in force, we are of the view that all the authorities are bound to follow the same, wherever, prohibition or restriction is imposed, and when the word, "restriction", also means prohibition, as held by the Hon'ble Apex Court in Om Prakash Bhatia's case (cited supra)."

28. The Hon'ble High Court of Madras in the matter of Commissioner of Customs (AIR), Chennai-I Vs. P. Sinnasamy [2016 (344) E.L.T. 1154 (Mad.)] has held-

Tribunal had arrogated powers of adjudicating authority by directing authority to release gold by exercising option in favour of respondent - Tribunal had overlooked categorical finding of adjudicating authority that respondent had deliberately attempted to smuggle 2548.3 grams of gold, by concealing and without declaration of Customs for monetary consideration - Adjudicating authority had given reasons for confiscation of gold while allowing redemption of other goods on payment of fine - Discretion exercised by authority to deny release, is in accordance with law - Interference by Tribunal is against law and unjustified -

Redemption fine - Option - Confiscation of smuggled gold - Redemption cannot be allowed, as a matter of right - Discretion conferred on adjudicating authority to decide - Not open to Tribunal to issue any positive directions to adjudicating authority to exercise option in favour of redemption.

29. In [2019 (370) E.L.T. 1743 (G.O.I.)], before the Government of India, Ministry of Finance, [Department of Revenue - Revisionary Authority]; Ms. Mallika Arya, Additional Secretary in Abdul Kalam Ammangod Kunhamu vide Order No. 17/2019-Cus., dated 7-10-2019 in F. No.375/06/B/2017-RA stated that it is observed that C.B.I. & C. had issued instruction vide Letter F. No. 495/5/92-Cus. VI, dated 10-5-1993 wherein it has been instructed that "in respect of gold seized for non-declaration, no option to redeem the same on redemption fine under Section 125 of the Customs Act, 1962 should be given except in very trivial cases where the adjudicating authority is satisfied that there was no concealment of the gold in question".

30. The Hon'ble High Court of Delhi in the matter of Rameshwar Tiwari Vs. Union of India (2024) 17 Centax 261 (Del.) has held-

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“23. *There is no merit in the contention of learned counsel for the Petitioner that he was not aware of the gold. Petitioner was carrying the packet containing gold. The gold items were concealed inside two pieces of Medicine Sachets which were kept inside a Multi coloured zipper jute bag further kept in the Black coloured zipper hand bag that was carried by the Petitioner. The manner of concealing the gold clearly establishes knowledge of the Petitioner that the goods were liable to be confiscated under section 111 of the Act. The Adjudicating Authority has rightly held that the manner of concealment revealed his knowledge about the prohibited nature of the goods and proved his guilt knowledge/mens-reas.”*

24.....

25.....

“26. *The Supreme Court of India in State of Maharashtra v. Natwarlal Damodardas Soni [1980] 4 SCC 669/1983 (13) E.L.T. 1620 (SC)/ 1979 taxmann.com 58 (SC) **has held that smuggling particularly of gold, into India affects the public economy and financial stability of the country.**”*

31. Given the facts of the present case before me and the judgements and rulings cited above, I find that the manner of concealment i.e in her rectum, in this case clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold rods. Therefore, the noticee has failed to discharge the burden placed on her in terms of Section 123. Further, from the SCN, Panchnama and Statement, I find that the manner of concealment of the gold is **ingenious** in nature, as the noticee concealed the gold in her rectum with intention to smuggle the same into India and evade payment of customs duty and mens-reas in the instant case is established beyond doubt. Therefore, the gold weighing 346.300 grams of 24Kt./999.0 purity, concealed in rectum in form of cylindrical gold rod is therefore, liable to be **confiscated absolutely. I therefore hold in unequivocal terms that the gold weighing 346.300 grams of 24Kt./999.0 purity, placed under seizure would be liable to absolute confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Act.**

32. I further find that the passenger had involved herself in the act of smuggling of gold weighing 346.300 grams of 24Kt./999.0 purity, concealed in rectum in form of cylindrical gold rods. Further, it is fact that the passenger/noticee has travelled with gold weighing 346.300 grams of 24Kt./999.0 purity, concealed in her rectum, from Bangkok to Ahmedabad despite her knowledge and belief that the gold carried by her is an offence under the provisions of the Customs Act, 1962 and the Regulations made thereunder. In regard to imposition of penalty under Section 112 of Customs Act, 1962, I find that in the instant case, the principle of mens-

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rea on behalf of noticee is established as the noticee concealed the gold in his rectum in form of thick cylindrical gold rods, which shows his malafide intention to evade the detection from the Authority and removing it illicitly without payment of duty. Accordingly, on deciding the penalty in the instant case, I also take into consideration the observations of Hon'ble Apex Court laid down in the judgment of M/s. Hindustan Steel Ltd Vs. State of Orissa; wherein the Hon'ble Apex Court observed that *"The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in case where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct or act in conscious disregard of its obligation; but not in cases where there is technical or venial breach of the provisions of Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the Statute."* In the instant case, the noticee was attempting to evade the Customs Duty by not declaring the gold weighing 346.300 grams having purity of 999.0 and 24kt. Hence, the identity of the goods is not established and non-declaration at the time of import is considered as an act of omission on his part. Thus, it is clear that the passenger has concerned herself with carrying, removing, keeping, concealing and dealing with the smuggled gold which she knew or had reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I hold that the passenger/noticee is liable for penal action under Sections 112 of the Customs Act, 1962 and I hold accordingly.

33. Accordingly, I pass the following Order:

ORDER

- i.)** I order absolute confiscation of the 02 thick cylindrical Gold rods weighing **346.300** grams having Market Value at **Rs.25,79,935/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Nine Hundred Thirty Five Only)** and Tariff Value is **Rs.22,59,303/- (Rupees Twenty-Two Lakhs Fifty-Nine Thousand Three Hundred and Three only)** concealed in rectum by the passenger/noticee Smt. Krishna Parmar and placed under seizure under Panchnama dated 23/24.04.2024 and seizure memo order dated 24.04.2024 under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962;

- ii.)** I impose a penalty of **Rs. 6,50,000/-** (Rupees Six Lakh Fifty Thousand Only) on Smt. Krishna Parmar under the provisions of Section 112(a)(i) and Section 112(b)(i) of the Customs Act 1962.

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32. Accordingly, the Show Cause Notice No. VIII/10-212/SVPIA-A/O&A/HQ/2024-25 dated 10.09.2024 stands disposed of.

(SHREE RAM VISHNOI)
Additional Commissioner
Customs, Ahmedabad

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DIN: 20250371MN00005025C8

By SPEED POST A.D.

To,

SMT. KRISHNA PARMAR,

W/O SHRI HIMANSHU DHIRUBHAI PARMAR,
4-79, GURUJI NAGAR AAVAS YOJNA,
B/H RANI TOWER, KALAWAD ROAD,
RAJKOT PIN- 360005,

Copy to :-

1. The Principal Commissioner of Customs, Ahmedabad.(Kind Attn: RRA Section)
2. The Deputy Commissioner of Customs (AIU), SVPIA, Ahmedabad.
3. The Assistant Commissioner of Customs, SVPIA, Ahmedabad.
4. The Deputy Commissioner of Customs (Task Force), Ahmedabad.
5. The System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. <http://www.ahmedabadcustoms.gov.in>.
6. Guard File.