



## प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

“सीमा शुल्क भवन”, पहली मंजिल, पुराने हाई कोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380009

### OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, AHMEDABAD

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### SHOW CAUSE NOTICE

#### (Under Section 124 of the Customs Act, 1962)

Whereas, an intelligence was gathered by Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (herein after referred as ‘DRI’) that persons belonging to few Angadia firms coming from Mumbai on board Saurashtra Mail train (No. 22945) may carry smuggled gold and other contraband/high valued goods through Ahmedabad Kalupur Railway Station. Further, these persons would board the cars/vehicles in the “Pick-up” area outside the railway station.

2. Whereas, acting on the said intelligence, the officers from DRI intercepted 15 passengers who were approaching the vehicles in the ‘Pick up’ area outside the Railway Station at around 04:50 hrs on 07.06.2023. The said passengers were carrying different bags and they informed that they were working for different Angadia firms. Thereafter, taking into consideration the quantum of baggage and reasons of safety, the officers with the consent of the passengers took them to the DRI, Ahmedabad Zonal Unit office situated at Unit No. 15, Magnet Corporate Park, Near Sola Flyover, Behind Intas Corporate Building, Thaltej, Ahmedabad, for the examination of the baggage. The proceedings were recorded in the presence of the independent panchas under Panchnama dated 07.06.2023 (RUD-1).

3. Accordingly, the examination of the baggage of all 15 passengers was done in separate rooms of the DRI, Ahmedabad office under respective Panchnamas dated 07.06.2023 (RUD-2). During examination of the bags of two passengers, who identified themselves as Shri Patel Mahendrabhai Shambhubhai, residing at 7/90, Brahamanwas Balol, Mehsana, Gujarat, and Shri Ramanbhai Kacharabhai Patel, residing at A-31, Swami Vivekanand Nagar, Patan Road, Unjha, Mehsana, Gujarat - 384170, both employees of Angadia firm- M/s Patel Madhavlal Maganlal & Company, the officers found that their bags contained various parcels. The officers opened each and every parcel contained in the bags and prepared inventory of all the goods found during the examination of baggage.

4. Whereas, on completion of the examination of the goods, the officers found that certain parcels are containing gold which appeared to be of foreign origin. Further, the passengers could not produce any documents showing legitimate import of the said goods and these goods appears to be of the nature of smuggled goods. The details of said gold, as identified vide the markings on the gold and labels of the parcels are as per below Table:-

**TABLE-I**

S. N.	Description as mentioned on packet	Weight	Sender	Addressed to
1	2 Yellow colour bars (Without markings)	3286.160gms (as per packing list)	Kalamandir, Surat	Auro Metal Refinery Pvt. Ltd, Suruchi House 10,44, Parimal Soc B/H Doctor House Ellis Bridge, Ahmedabad.
2	8 Yellow colour Bars having markings Argor Heraeus SA Switzerland 100 g, Melter Assayer 999.0 followed by serial number (The serial number is partially scratched)	100gms each	Jainam	Nevil Soni , Ahmedabd
3	8 Yellow colour Bars having markings sam 100 g Gold, 999.0 followed by serial number (The serial number is partially scratched)	100gms each	Jainam	Nevil Soni , Ahmedabd
4	2 Yellow Colour Bars having markings valcambi Suisse 100g gold 999.0 followed by serial number (The serial number is partially scratched)	100gms each	Jainam	Nevil Soni , Ahmedabd
5	1 Yellow colour Bar having markings UBS 100 g gold 999.0 Switzerland Melter Assayer followed by serial number (The serial number is partially scratched)	100 gms	Jainam	Nevil Soni , Ahmedabd
6	1 Yellow colour bar having markings PAMP MMTC 100g GOLD 999.0 Melter Assayer followed by serial number (The serial number is partially scratched)	100 gms	Jainam	Nevil Soni , Ahmedabd
7	1 Yellow Colour Bar (Without markings) of irregular shape	489.480 gms as per voucher	Pradeep bhai, Solanki Jewellers	Abhishek bhai, 1328, Mandui Ni Pole Matawalo khancho Hari kishandas sheth Ni Pole, Astodia, Ahmedabad
8	3 Yellow colour Piece (Without markings) concealed in Indian Currency of irregular shape	262.009 gms as mentioned on the packing material. Indian Currency value Rs 22750/-	Gemcraft , Mumbai Contact No. 9819780002	Dhanlaxmi Chain, Jitu Bhai, C.G Road, Ahmedabad Contact No. 9998190884
9	2 Yellow colour Bars 'RRG'	1 (100 gms) and 1 (50 gms) as per invoice	Damodar as Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005,	Jaykumar Labhchandra Mandalia, 120, Zaveri Chambers, Ratan Pole, Manek Chowk, Ahmedabad- 380001
10	1 Yellow colour Bar 'RRG'	100 gms as per invoice	Damodardas Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005,	Pramukh Jewellers, 1139-A, Pagathiyawalo Khancho, Devji Saraiyani pole, Manek Chowk, Ahmedabad- 380001
11	1 Yellow colour Bar 'RRG'	100 gms as per invoice	Damodardas Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005,	RBZ Jewllers Pvt Ltd, Block D, Ondeal Retail Park, Nr Rajpath Club, SG Highway, Ahmedabad - 380054 F
12	1 Yellow colour Bar 'JDR'	100 gms as per markings on the gold	RB	Shilp Jewellers
13	5 Yellow colour pieces of irregular shape along with Indian Currency	7.81 gms as per the slip found inside the parcel. Indian Currency Rs. 1100/-	Laxmi Gold	Gujarat Gold Centre
14	1 Yellow colour piece of irregular shape	Not found	Kalamandir, Surat	Aura Metal Refinery Pvt Ltd

\* The Indian origin gold was also detained due to the non-availability of any accompanying document viz. invoice etc. with the passengers.

5. Whereas, on the reasonable belief that these goods are liable for confiscation under the provisions of the Customs Act, 1962, the officers placed the said goods under detention for further investigation.

**6. DURING THE COURSE OF INVESTIGATION, STATEMENT OF SHRI PATEL HASMUKHBHAI, PARTNER IN M/S PATEL MADHAVLAL MAGANLAL & COMPANY (ANGADIA FIRM), JAIN DHARAMSHALA BUILDING, MARCHIPOLE, RATANPOLE, AHMEDABAD, GUJARAT, WAS RECORDED UNDER SECTION 108 OF THE CUSTOMS ACT, 1962, ON 15.06.2023:**

6.1 Shri Hasmukhbhai Patel, Partner in M/s Patel Madhavlal Maganlal & Company voluntarily presented himself on 15.06.2023 before the Senior Intelligence Officer, DRI, Ahmedabad Zonal Unit to tender his statement on behalf of his firm M/s Patel Madhavlal Maganlal & Company. His statement was thus recorded on 15.06.2023 **[RUD-3]**, wherein *inter alia* he stated, that he joined the firm as a partner in the year 1989 which was established by his father in the year 1974 with an aim of doing business in the field of Angadia (Courier); that their firm is engaged in work related to courier of various goods; that their firm specialized in courier services of precious and valuable goods, documents, Gems and Jewellery, Diamonds etc. from one location and deliver the same to the location as specified by the sender of the parcel; that on the services provided by them their clients pay GST@18% as per the CGST rules and regulations; that their company's pickup vehicles generally go to their customers' office to collect the goods in majority of cases; that in their dealing of precious parcels, while collecting goods, the parcels are sealed by the sender of the parcel and they do not know the exact description of goods and believe in description of goods mentioned on the parcel by the sender and collect freight on the basis of value declared by the sender of the parcel; that they insist to take copy of invoice or delivery challan from the senders of the parcel to which majority of the customers informs us that the same is attached inside the parcel or sometimes outside the parcel; that the parcels are delivered by them to the customers at their premises and sometimes in case of urgency the customer collects the parcel from their branch; that they do not accept parcels related to foreign currency and foreign origin gold in bars or any other form, but sometimes the customer mis-declare the correct description and nature of the goods in the parcel.

6.2 Shri Hasmukhbhai Patel was shown the Panchnama dated 07.06.2023 **(RUD-2)** drawn at the office premises of Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad, vide which the examination of their goods/parcels was done. On perusal of the said Panchnama, he agreed with the correctness of the contents of the said panchnama. He produced the documents/details in respect to goods which were detained except for five goods mentioned at S.N. 2 to 6, in the Table-I. Details of the documents produced by him are mentioned in the below Table:-

**TABLE-II**

S. N.	Description as mentioned on packet	Documents submitted	Details of Sender	Details of recipient
1	2 Yellow colour bars (Without markings)	Copy of delivery challan issued by M/s Kalamandir, Surat	Kalamandir, Jewellers Limited, Surat 9978146777	Auro Metal Refinery Pvt. Ltd, Suruchi House 10,44, Parimal Soc B/H Doctor House Ellis Bridge, Ahmedabad. 9825855588
2	8 Yellow colour Bars having markings Argor Heraeus SA Switzerland 100 g, Melter Assayer 999.0 followed by serial	No Documents submitted	Jainam, 7715066590/ 8866820836	Nevil Soni, Ahmedabd 8238979797 Nevil Soni, Ahmedabd As above

	number (The serial number is partially scratched)		51/53, Vittal Vadi, Saas bahu Building, Third floor, Kalba devi, Mumbai	
3	8 Yellow colour Bars having markings sam 100 g Gold, 999.0 followed by serial number (The serial number is partially scratched)	No Documents submitted		
4	2 Yellow Colour Bars having markings valcambi Suisse 100g gold 999.0 followed by serial number (The serial number is partially scratched)	No Documents submitted		
5	1 Yellow colour Bar having markings UBS 100 g gold 999.0 Switzerland Melter Assayer followed by serial number (The serial number is partially scratched)	No Documents submitted		
6	1 Yellow colour bar having markings PAMP MMTC 100g GOLD 999.0 Melter Assayer followed by serial number (The serial number is partially scratched)	No Documents submitted		
7	1 Yellow Colour Bar (Without markings) of irregular shape	Copy of delivery challan issued for job work by M/s Solanki Jewellers, Mumbai	Pradeep bhai, Solanki Jewellers 9920258989	Abhishek bhai, 1328, Mandvi Ni Pole Matawalo khancho Hari kishandas sheth Ni Pole, Astodia, Ahmedabad, 9825077413
8	3 Yellow colour Piece (Without markings) concealed in Indian Currency of irregular shape	Copy of Karigar issue -MFG by M/s Gemcraft , Mumbai to M/s Dhanlaxmi, Ahmedabad	Gemcraft , Mumbai Contact No. 9819780002	Dhanlaxmi Chain, Jitu Bhai, C.G Road, Ahmedabad Contact No. 9998190884
9	2 Yellow colour Bars 'RRG'	Copy of Delivery challan issued by M/s Damodardas Jewellers, Vadodara	Damodardas Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005, 02652431774	Jaykumar Labhchandra Mandalia, 120, Zaveri Chambers, Ratan Pole. Manek Chowk, Ahmedabad- 3800019825203609
10	1 Yellow colour Bar 'RRG'	Copy of Delivery challan issued by M/s Damodardas Jewellers, Vadodara	Damodardas Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005, 02652431774	Pramukh Jewellers, 1139-A, Pagathiyawalo Khancho, Devji Saraiyani pole, Manek Chowk, Ahmedabad- 380001 9824654010
11	1 Yellow colour Bar 'RRG'	Copy of Delivery challan issued by M/s Damodardas Jewellers, Vadodara	Damodardas Jewellers, Alkapuri Arcade, R.C. Dutt Road, Vadodara- 390005, 02652431774	RBZ Jewllers Pvt Ltd, Block D, Ondeal Retail Park, Nr Rajpath Club, SG Highway, Ahmedabad - 380054 9377958212
12	1 Yellow colour Bar 'JDR'	Copy of Job Order issue	RB 9825244291	Shilp Jewellers, 07926441362
13	5 Yellow colour pieces of irregular shape along with Indian Currency	Copy of issue voucher original	Laxmi Gold, Surat 9978706199	Gujarat Gold Centre
14	1 Yellow colour piece of irregular shape	Copy of delivery challan issued by M/s Kalamandir, Surat	Kalamandir, Jewellers Limited, Surat 9978146777	Auro Metal Refinery Pvt Ltd, Suruchi House 10,44, Parimal Soc B/H Doctor House Ellis Bridge, Ahmedabad.9825855588

**6.3** However, Shri Hasmukhbhai Patel, the proprietor of the Angadia firm, could not produce any documents relating to goods (gold bars) mentioned at Sr. No. 2, 3, 4, 5 and 6 of the above Table-II, as the customers (sender/recipient) had not submitted any documents to him. He assured that he will again ask the customer (sender/recipient) to submit the documents related to goods (gold bars) mentioned at Sr. No. 2, 3, 4, 5 and 6 of the above table.

**7. DURING THE COURSE OF INVESTIGATION, A SEARCH WAS CARRIED OUT AT PREMISES OF M/S SHREE JAINAM JEWELS (SENDER OF THE PARCELS AS PER ANGADIA FIRM AND AS MENTIONED ON PARCEL), 51/53, SAAS BAHU PLAZA, 3<sup>RD</sup> FLOOR, 36A, OPPOSITE MANGAL MURTI TEMPLE, VITHALWADI, KALBADEVI ROAD, MUMBAI -400002 ON 21.06.2023:**

**7.1** Business premise of M/s Shree Jainam Jewels, the sender of the parcels as per Angadia firm, was searched under Panchnama dated 21.06.2023 (**RUD-4**), located at 51/53, Saas Bahu Plaza, 3rd Floor, 36A, Opposite Mangal Murti Temple, Vithalwadi, Kalbadevi Road, Mumbai-400002. The two persons namely, Shri Mahipal Jain, father of Shri Jaiman Jain, the proprietor of firm M/s Shree Jainam Jewels, and Shri Dashrath Kumar, the main employee in the firm, were present. Shri Mahipal Jain has informed about the business of the firm M/s Shree Jainam Jewels that his son Shri Jaiman Jain is the proprietor and this firm is in business of dealing in gold bullion marketing and trading of golden jewellery.

**7.2** Shri Mahipal Jain and Shri Dashrath Kumar, during the search in the presence of independent panchas, denied that they or their firm had not handed over any parcel to any person of the Angadia firm M/s Patel Madhavlal Maganlal & Company on 06.06.2023.

**7.3** During the search proceedings, in the presence of independent panchas, a person Shri Dayabhai Babbaldas Patel was called for, who is an employee from the Angadia firm M/s Patel Madhavlal Maganlal & Company. Shri Dayabhai Babbaldas Patel has informed, in the presence of independent panchas, that he himself had collected two parcels from Shri Dashrath Kumar on 06.06.2023, and identified Shri Dashrath Kumar by looking at the face of Shri Dashrath Kumar. However, Shri Dashrath Kumar continued to deny of handing over any parcel to any person of the Angadia firm M/s Patel Madhavlal Maganlal & Company.

**8. DURING THE COURSE OF INVESTIGATION, A SEARCH WAS CARRIED OUT AT RESIDENTIAL PREMISES OF SHRI NEVIL KANTILAL SONI (INTENDED RECIPIENT OF THE PARCELS AS PER ANGADIA FIRM & AS MENTIONED ON PARCEL), LOCATED AT BH-1A, 234, APNA NAGAR, NEAR AMBAJI TEMPLE, GANDHIDHAM, KUTCH-370201 & AT OFFICE PREMISES OF SHRI NEVIL SONI, LOCATED AT OFFICE NO. 6, FIRST FLOOR, PLOT NO. 257, WARD -12B, ZAVERI BAZAR, GANDHIDHAM, ON 21.06.2023:**

**8.1** Residential premise of Shri Nevil Soni, the intended recipient of the parcels as per Angadia firm, located at BH-1A, 234, Apna Nagar, Near Ambaji Temple, Gandhidham, Kutch-370201, was searched on 21.06.2023, under Panchnama dated 21.06.2023 (**RUD-5**). During the search, Shri Nevil Soni informed the officers that he along with his father Shri Kantilal Soni is engaged in the business of property agent mainly.

**8.2** Shri Nevil Soni, during the search, in the presence of independent panchas, informed that he do local trading of rough gold from his office premises located at Zaveri Bazar, Gandhidham. Thereafter, under the running Panchnama, office premise of Shri Nevil Soni located at Office No. 6, First Floor, Plot No. 257, Ward 12B, Zaveri Bazar, Gandhidham, was searched. Upon reaching at the location, it is noticed that a sign board of a firm M/s R. K. & Company is sticking theron.

**9. DURING THE COURSE OF INVESTIGATION, STATEMENT OF SHRI NEVIL SONI (INTENDED RECIPIENT OF THE PARCELS AS PER ANGADIA FIRM), PROPRIETOR M/S R.K. & COMPANY, OFFICE NO. 6, FIRST FLOOR, PLOT NO. 257, WARD -12B, ZAVERI BAZAR, GANDHIDHAM WAS RECORDED UNDER SECTION 108 OF CUSTOMS ACT, 1962, ON 21.06.2023:**

**9.1.** Shri Nevil Soni, the intended recipient of the parcel containing 2 kg gold bar, has voluntarily presented himself on 21.06.2023 before the Senior Intelligence Officer, DRI, Ahmedabad Zonal Unit, Regional Unit - Gandhidham to tender his statement in response to summons issued to him. Shri Nevil Soni was shown copies of two Panchnamas (i) Panchnama dated 07.06.2023 drawn at the office of the DRI, Zonal Unit, Ahmedabad, along with Annexures; (ii) Panchnama dated 21.06.2023 drawn at A-234, Apna Nagar, Nr. Ambaji Temple, Gandhidham, Kutch-370201, and he put his dated signature in token of having seen and perused the same.

**9.2** Shri Nevil Soni's statement was thus recorded on 21.06.2023 (**RUD-6**), wherein *inter alia* he stated, that he is using the mobile no. - 8758429797 & 8238979797; that M/s R. K. & Company is a proprietorship firm and his father Shri Kantilal Soni is proprietor, and he, his father & one person Shri Balbhadra Singh as office boy are working the firm; that they do the trading of rough gold and silver in the local market, along with their work of property agent; that in their local languages rough gold is called 'rani gold' which is made after melting of old gold ornaments; that their firm is not involved in import-export of any goods; that he knew the Angadia firm M/s Patel Madhavlal Maganlal & Company, Ahmedabad, and which have a branch in Gandhidham also; that they never involved in any business transaction with this Angadia firm and have no contact details of any person of this firm; that they or their firm has not purchased any gold from Mumbai; that he do not know any person going by the name of Jainam.

**9.3** Shri Nevil Soni, has been shown Annexure-B of Panchnama dated 07.06.2023, which indicates that 20 Gold Bars of foreign origin having total weight of 2 KGs which were seized from the baggage of Angadia firm M/s Patel Madhavlal Maganlal & Company, Ahmedabad. When he was shown & pointed out that these Gold Bars were destined at his name sent from the person Jainam, Mumbai, through the Angadia firm, he denied knowledge of any person of name Shri Jainam, and denied having made any transaction with him. He stated that this gold is not related to them or their firm.

**10. RELEASE OF INDIAN ORIGIN GOODS IN RESPECT OF ANGADIYA FIRM - M/S PATEL MADHAVLAL MAGANLAL & COMPANY**

**10.1** Shri Hasmukhbhai Patel on behalf of Angadia firm M/s Patel Madhavlal Maganlal & Company had submitted certain documents as detailed in Table-II at Para 6.2 above, pertaining to their Indian origin gold detained under the Panchnama dated 07.06.2023 (**RUD-2**).

**10.2** The representative of the said Angadia firm was called to the DRI office and the goods as mentioned in the table in the para 6.2 above, except the goods mentioned at Sr. Nos. 2, 3, 4, 5 and 6, were released to the Angadia firm. The proceedings thereof were recorded under Panchnama dated 22.06.2023 (**RUD-7**) in the presence of the independent panchas and Shri Hasmukhbhai Patel, the representative of the said Angadia firm.

**10.3** Thus, the goods (20 Gold Bars) without legitimate documents, as detailed in below Table-III, were not released and continued under detention for further investigation:-

TABLE- III

S. N.	Parcel No.	Item Description	Details of sender	Details of recipient
1	2	8 Yellow Colour Bars having markings Argor Heraeus SA Switzerland 100 g, Melter Assayer 999. Followed by serial no.(partially scratched)		
2	3	8 Yellow colour Bars having markings sam 100 g Gold, 999 followed by Serial Number (The serial number is partially scratched)	Jainam, 7715066590/ 8866820836	
3	4	2 Yellow Colour Bars having markings Valcambi Suisse 100 g Gold 999 followed by serial number (The serial number is partially scratched)	51/53, Vittal Vadi, Saas Bahu Buiding, Third Floor, Kalba Devi Mumbai	Nevil Soni, Ahmedabad 8238979797
4	5	1 Yellow Colour Bar having markings UBS 100 g gold 999 Switzerland Melter Assayer followed by Serial number (The serial number is partially scratched)		
5	6	1 Yellow colour Bar having markings PAMP MMTC 100 g Gold 999 Melter Assayer followed by serial number (The serial number is partially scratched)		

## 11. VALUATION AND SEIZURE OF THE DETAINED GOODS

**11.1** Shri Kartikey Vasantrai Soni, Govt. Approved Gold Assayer, examined the detained gold in presence of independent panchas and Shri Hasmukhbhai Patel under panchnama dated 11.09.2023 (**RUD-8**) drawn at DRI office situated at Unit No. 15, Magnet Corporate Park, Near Sola Flyover, Behind Intas Corporate Building, Thaltej, Ahmedabad. The Gold Assayer examined the detained gold in presence of independent panchas and Shri Hasmukhbhai Patel under Panchnames dated 07.06.2023 & 22.06.2023, both drawn at DRI office situated at Unit No. 15, Magnet Corporate Park, Near Sola Flyover, Behind Intas Corporate Building, Thaltej, Ahmedabad.

**11.2** Thereafter, Shri Kartikey Vasantrai Soni, Govt. Approved Gold Assayer, had submitted his valuation report dated 18.09.2023 (**RUD-9**), and certified the purity of Gold, weight, rate of gold etc. for detained 20 gold bars. As per the valuation report, the gold bars, total 20 in nos., are having Imported Markings, weigh 20000 grams or 2 kg in total, have 999 purity and are valued at Rs. 1,21,00,000/-.

**11.3** From the valuation report, it is determined that the detained gold as mentioned in the table above is having Imported Markings., and are of foreign origin. Further, the sender or the intended recipient of the gold could not able to produce the relevant documents pertaining to the import of the said gold. In view of the same, the detained goods, detailed as follows, were placed under seizure under vide Seizure Memo (DIN- 202310DDZ10000611838) dated 05.10.2023 (**RUD-10**), the provisions of Section 110 of Customs Act, 1962, under the reasonable belief that the same were liable to confiscation under the provisions of Customs Act, 1962:-

**TABLE-IV**

Parcel No.	Details of gold bars- Nos. and Marking on gold	Details of Sender as mentioned on the parcels	Details of recipient as mentioned on the parcels
1.	8 Yellow colour Bars having markings Argor Heraeus SA Switzerland 100g, Melter Assayer 999.0 followed by serial number (The serial number is partially scratched)		
2.	8 Yellow colour Bars having markings sam 100 g Gold, 999.0 followed by serial number (The serial number is partially scratched)	Jainam, 7715066590/8866820836	
3.	2 Yellow Colour Bars having markings valcambi Suisse 100g gold 999.0 followed by serial number (The serial number is partially scratched)	51/53, Vittal Vadi, Saas bahu Building, Third floor, Kalba devi, Mumbai	Nevil Soni, Ahmedabad 8238979797
4.	1 Yellow colour Bar having markings UBS 100 g gold 999.0 Switzerland Melter Assayer followed by serial number (The serial number is partially scratched)		
5.	1 Yellow colour bar having markings PAMP MMTC 100g GOLD 999.0 Melter Assayer followed by serial number (The serial number is partially scratched)		

**12. DURING THE COURSE OF FURTHER INVESTIGATIONS, STATEMENT OF SHRI HASMUKHBHAI PLATEL, PARTNER IN M/S PATEL MADHAVLAL MAGANLAL & COMPANY, JAIN DHARAMSHALA BUILDING, MARCHIPOLE, RATANPOLE, AHMEDABAD, GUJARAT, WAS RECORDED UNDER SECTION 108 OF THE CUSTOMS ACT, 1962 ON 29.01.2024:**

**12.1.** Summons dated 16.01.2024, was issued to Shri Patel Hasmukhbhai, Partner, M/s Patel Madhavlal Maganlal & Company, Jain Dharamshala Building, Marchipole, Ratanpole, Ahmedabad, Gujarat and accordingly his statement under section 108 of Customs Act, 1962 was recorded on 29.01.2024 (RUD-11). He was shown panchnama dated 11.09.2023 (RUD-8) vide which the examination of the detained gold was done by the govt approved valuer. He perused the same and in token of the same, put his dated signature on last page of the same. He was shown the valuation report of Shri Kartikey Vasantray Soni dated 18.09.2023 (RUD-9), and he also put a dated signature on the report in the token of perusal of the same. He stated that after perusing the said valuation report, it appears that the gold bars weighing 02 kgs in total, pertaining to Jainam (Sender Name) and Nevil Soni (Receiver Name) are of foreign origin as all the gold bars are having following Import Markings - SAM, UBS, MMTC-PAMP, ARGOR, Valcambi markings. He stated that it appears that the gold bars handed over to them for delivery by M/s Shree Jainam Jewels, Mumbai were of foreign origin.

**12.2** He was shown the panchnama dated 21.06.2023 (RUD-4) drawn during the search at the premises of M/s Shree Jainam Jewels, 51/53, Saas Bahu Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Touch, Vithalwadi, Kalbadevi Road, Mumbai by the DRI Ahmedabad. He perused the said Panchnama and in token of perusal

of the same, he put his dated signature on the last page of the said Panchnama. He was specifically asked to peruse the fact in the same Panchnama dated 21.06.2023 that Shri Mahipal Jain, father of Shri Jaiman Jain and Shri Dashrath Kumar, an employee of M/s Shree Jainam Jewels had denied that they had not handed over any gold on 06.06.2023 to M/s Patel Madhavlal Maganlal & Company. On being asked about the same, he stated that Shri Dashrath Kumar had booked a parcel with them on 06.06.2023 for delivery to Shri Nevil Soni, Ahmedabad, the parcels which contained 02 KGs of gold. He stated that Shri Dayabhai Babbaldas Patel, an employee of M/s Patel Madhavlal Maganlal & Company had personally taken the delivery from Shri Dashrath Kumar of M/s Jainam Jewels on 06.06.2023 from the premise of M/s Jainam Jewels. He further stated that they had also issued receipt during booking of the parcel and also made entry in the booking register. He stated that Shri Mahipal Jain and Shri Dashrath Kumar are untruthful where they informed that they had not handed over any parcel to our firm in Mumbai on 06.06.2023.

**12.3** He was shown the statement of Shri Nevil Soni dated 21.06.2023 (RUD-6). On being asked to peruse the part of statement of Shri Nevil Soni, "Q.7 and Q.10 of the statement where he is asked about the contact details of M/s Patel Madhavlal Maganlal and the 02 kgs of gold of foreign origin detained by the DRI under Panchnama dated 07.06.2023", he stated that he had inquired about the same from his office and it was found that some parcels were delivered by their firm to Shri Nevil Soni in the past also. Further, he stated that the parcel detained under Panchnama dated 07.06.2023 had paper wrapped on the parcel which had specifically mentioned the sender of the parcel as Jainam and intended recipient of the parcel as Nevil Soni with their phone nos. He stated that Shri Nevil Soni is untruthful when he says that he didn't do any business with his firm or he does not know any Jainam. He stated that his staff had also informed that Shri Nevil Soni had come outside the DRI, Ahmedabad office in the morning of 07.06.2023 when he got to know that his parcels had been detained by DRI.

**12.4** He stated that earlier two more parcels in May or June'2023, booked from Mumbai, were delivered by their firm to Shri Nevil Soni in Ahmedabad, and Shri Nevil Soni had personally collected those parcels from their office in Ahmedabad. He stated that he will submit the proof of the same within three days' time. Accordingly, he has submitted copies of receipts

**12.5** He stated that he has no knowledge about as to from where Shri Jaiman of M/s Shree Jainam Jewels had sourced the said foreign origin gold of 2 KGs, as they merely took delivery of the parcels from their shop and that too was handed over to them in a plastic wrapping by M/s Shree Jainam Jewels.

**12.6** He stated that they do not own any ownership of the said gold, as the ownership of the gold lies completely either with Shree Jainam Jewels, Mumbai or with Shri Nevil Soni who lives in Gandhidham.

### **13. NON APPEARANCE AND NON COOPERATION OF VARIOUS PERSONS/ENTITIES IN RESPECT OF SEIZURE OF 2 KG OF GOLD HAVING VALUE OF Rs.1,21,00,000/-**

#### **13.1 By M/s Shree Jainam Jewels:-**

**13.1.1** Summons dated 21.06.2023 and 27.05.2024 (RUD-12 & 13) were issued to Shri Jaiman Jain, Proprietor of M/s Shree Jainam Jewels, and Shri Dashrath Kumar, employee in the firm M/s Shree Jainam Jewels, in connection with the instant investigation related to 20 Gold Bars, weighing total 2 kgs., of Foreign origin detained vide Panchnama dated 07.06.2023, wherein his presence for recording of statement and production of following documents were sought:-

1. KYC Documents;

2. Ownership proof documents;

**13.1.2** In this response, Shri Jaiman Jain, vide his letter dated 22.06.2023, submitted that the Summons dated 21.06.2023 appears to be vague in nature, and he sought Advocate's presence during the recording of statement. Subsequently, he did not appear for recording of statement on the scheduled date and time.

**13.1.3** Shri Dashrath Kumar, vide his letter dated 22.06.2023, also sought Advocate's presence during the recording of statement. Subsequently, he too did not appear for recording of statement on the scheduled date.

**13.1.4** Shri Jaiman Jain and Shri Dashrath Kumar did not appear before the investigating agency, DRI, Ahmedabad, till date. It appears that by not appearing before the investigating agency, DRI, they did not cooperate during the investigation. They resorted delay tactics, with an intent to stall the investigation pertaining to 2 KGs Foreign Origin Gold, having fair market value of Rs.1,21,00,000/- seized by DRI, Ahmedabad vide seizure memo (DIN-202310DDZ10000611838) dated 05.10.2023. The investigating agency reserves its right to issue of an addendum or Supplementary Show Cause Notice or Separate Show Cause Notice, to bring on record further evidence as may be gathered against the noticees of this Show Cause Notice and also to issue Show Cause Notice to any person/persons not covered included in this Show Cause Notice, who may be found to be involved.

**13.2. By Shri Nevil Soni:-**

**13.2.1** Summons dated 16.01.2024 (**RUD-14**) were issued to Shri Nevil Soni, in connection with the instant investigation related to 20 Gold Bars, weighing total 2 KGs., of Foreign origin detained vide Panchnama dated 07.06.2023, wherein his presence for recording of statement and production of following documents were sought:-

1. Sales and Purchase of Gold Bars from 01.04.2023 to 06.06.2023 and details of payment received;
2. Details of import of gold or purchase of foreign origin gold.

**13.2.2** In response to said Summons, Shri Nevil Soni, has sent an e-mail to DRI, AZU' official e-mail id on 25.01.2024, informed that he is currently attending a training at Dubai and could not be able to present himself before DRI, till 27.02.2024. He also stated in the e-mail that his submission made during the recording of his statement on 21.06.2023 may be taken on record.

**13.2.3** Shri Nevil Soni did not appear before the investigating agency, DRI, Ahmedabad, till date. It appears that by not appearing before the investigating agency, DRI, he did not cooperate during the investigation. He resorted delay tactics, with an intent to stall the investigation pertaining to 2 KGs Foreign Origin Gold, having fair market value of Rs.1,21,00,000/- seized by DRI, Ahmedabad vide seizure memo (DIN-202310DDZ10000611838) dated 05.10.2023. The investigating agency reserves its right to issue of an addendum or Supplementary Show Cause Notice or Separate Show Cause Notice, to bring on record further evidence as may be gathered against the noticees of this Show Cause Notice and also to issue Show Cause Notice to any person/persons not covered included in this Show Cause Notice, who may be found to be involved.

**13.3** It appears that the burden of proof in case of 'Gold' in terms of Section 123(1) of Customs Act, 1962, that they are not smuggled goods shall be laid on Shri Jaiman Jain, Proprietor of M/s Shree Jainam Jewels, Shri Dashrath Kumar, and Shri Nevil Soni and M/s. Patel Madhavlal Maganlal & Company. And during

the course of investigation, they could not provide legitimate documents of import of said foreign origin gold seized vide seizure memo dated 05.10.2023.

#### **14. EXTENSION UNDER FIRST PROVISO OF SECTION 110(2) OF THE CUSTOMS ACT, 1962:**

**14.1.** The investigation could not be completed in the stipulated time period of six months from the date of the detention of goods. The competent authority vide letter dated 01.12.2023 (**RUD-15**) granted the extension by a further period of six months for issuance of Show Cause Notice in respect of seized goods in terms of the first proviso of Section 110(2) of the Customs Act, 1962 as amended by the Finance Act, 2018.

#### **15. LEGAL PROVISIONS:-**

**15.1** The provisions of law, relevant to import of goods in general, the Policy and Rules relating to the import of gold, the liability of the goods to confiscation and liability of the persons concerned to penalty for improper/illegal imports under the provisions of the Customs Act, 1962 and other laws for the time being in force, are summarized as follows:-

**i. Para 2.26 of Foreign Trade Policy 2015-20:**

*Bona-fide household goods and personal effects may be imported as part of passenger baggage as per limits, terms and conditions thereof in Baggage Rules notified by Ministry of Finance.*

**ii. Para 2.1 of the Foreign Trade Policy 2015-20:**

*The item wise export and import policy shall be specified in ITC (HS) notified by DGFT from time to time.*

**iii.** *Under ITC (HS) heading sub code 98030000, import of all dutiable articles, imported by a passenger or a member of a crew in his baggage is restricted and their import is allowed only in accordance with the provisions of the Customs Baggage Rules by saving clause 3(1)(h) of the Foreign Trade (Exemption from Application of Rules in Certain Case) Order, 1993.*

**iv. Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992:**

*The Central Government may by Order 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.*

**v. Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992:**

*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.*

**vi. Section 7 of the Foreign Trade (Development and Regulation) Act, 1992:**

*No import can take place without a valid Import Export Code Number unless otherwise exempted*

**vii. Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992:**

*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.*

**viii. Rule 11 of the Foreign Trade (Regulation) Rules, 1993- Declaration as to value and quality of imported goods:**

*On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.*

**ix. Rule 14 of the Foreign Trade (Regulation) Rules, 1993: Prohibition regarding making, signing of any declaration, statement or documents,**

*(2) No person shall employ any corrupt or fraudulent practice for the purposes of importing or exporting any goods.*

**x. Section 2 of the Customs Act, 1962: Definitions -**

In this Act, unless the context otherwise requires,

*(3) "baggage" includes unaccompanied baggage but does not include motor vehicles;*

*(3A) "beneficial owner" means any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported;*

*(14) "dutiable goods" means any goods which are chargeable to duty and on which duty has not been paid;*

*(22) "goods" includes-*

1. *vessels, aircrafts and vehicles;*
2. *stores;*
3. *baggage;*
4. *currency and negotiable instruments; and*
5. *any other kind of movable property;*

*(23) "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*

*(26) "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes <sup>22</sup> [any owner, beneficial owner] or any person holding himself out to be the importer;*

(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;

(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 of the Customs Act 1962.

**xi. Section 11(3) of the Customs Act, 1962:**

*Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.*

**xii. Section 11A (a) of the Customs Act, 1962;**

*(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.*

**xiii. Section 77 of the Customs Act 1962:**

*The owner of baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer.*

**xiv. Section 110 of Customs Act, 1962:**

*If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods.*

**xv. Section 111 of Customs Act, 1962: 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;*

.....  
*(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 trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54;

xvi. **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,

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, -

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest.

xvii. **Section 119. Confiscation of goods used for concealing smuggled goods.**

*Any goods used for concealing smuggled goods shall also be liable to confiscation.*

**xviii.**

**Section 123. Burden of proof in certain cases. -**

*(1) Where any goods to which this section applies are seized under this Act in the reasonable belief that they are smuggled goods, the burden of proving that they are not smuggled goods shall be -*

*(a) in a case where such seizure is made from the possession of any person, -*

*(i) on the person from whose possession the goods were seized; and  
(ii) if any person, other than the person from whose possession the goods were seized, claims to be the owner thereof, also on such other person;*

*(b) in any other case, on the person, if any, who claims to be the owner of the goods so seized.*

*(2) This section shall apply to gold, and manufactures thereof, watches, and any other class of goods which the Central Government may by notification in the Official Gazette specify.*

**xix.**

As per Customs Baggage Declaration Regulations, 2013, 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.

**xx.**

Customs Notification No. 50 /2017 –Customs dated 30.06.2017, as amended, issued by the Central Government; and RBI Circular No. 25 dated 14.08.2013 [RBI/2013-14/187, AP (DIR Series)] permit the import of gold into India by eligible passenger/specified entities, subject to certain conditions.

**xxi.**

In terms of the Circular No. 34/2013-Cus. issued by the Directorate General of Export Promotion vide F. No. DGEP/EOU/G & J/16/2009 dated 04.09.2013, import of gold is restricted and gold is permitted to be imported only by the agencies notified by DGFT which are as follows:

- i) Metals and Minerals Trading Corporation Limited (MMTC);
- ii) Handicraft and Handloom Export Corporation (HHEC);
- iii) State Trading Corporation (STC);
- iv) Project and Equipment Corporation of India Ltd. (PEC);
- v) STC Ltd.;
- vi) MSTC Ltd.;
- vii) Diamond India Ltd. (DIL);
- viii) Gems and Jewellery Export Promotion Council (G & J EPC);
- ix) A star Trading House or a Premier Trading House under Paragraph 3.10.2 of the Foreign Trade Policy and
- x) Any other authorized by Reserve Bank of India (RBI).

Hence, the import of gold by any other persons/agencies other than the above mentioned is restricted in terms of the Circular No. 34/2013-Cus. issued by the Directorate General of Export Promotion and the same is liable to be confiscation under the Customs Act, 1962.

**xxii.**

The CBIC's instructions issued vide F. No. 495/6/97-Cus. VI dated 06.05.1996 and reiterated in letter F. No. 495/19/99-Cus VI dated 11.04.2000 clearly states that the import of goods in commercial quantity would not be permissible within the scope of the Baggage Rules, even on payment of duty.

**15.2** A co-joint reading of the above mentioned legal provisions under the Foreign Trade (Development and Regulation) Act, 1992 and the Customs Act, 1962, read with the notification and orders issued there under, it appears that certain conditions have been imposed on the import of gold into India as a baggage by a passenger, in as much as, only passengers complying with certain conditions such as he/she should be of Indian origin or an Indian passport holder with minimum six months of stay abroad etc. can only import gold in any form and the same has to be declared to the Customs at the time of their arrival and applicable duty has to be paid in foreign currency. These conditions are nothing but restrictions imposed on the import of gold or gold jewellery through passenger baggage. The Hon'ble Supreme Court of India in the case of Sheikh Mohd. Omer Vs Collector of Customs, Calcutta, reported in 1983 (13) ELT 1439, clearly laid down that any prohibition applies to every type of prohibitions which may be complete or partial and even a restriction on import is to an extent, a prohibition. Hence, the restriction imposed on import of gold through passenger baggage is to an extent, a prohibition.

## **16. SUMMARY OF THE INVESTIGATION**

**16.1** From the investigation conducted so far, it appears that:

- (a) During the search of the baggage of the passengers intercepted outside Kalupur Railway Station on 07.06.2023, two passengers working for Angadia firm - M/s Patel Madhavlal Maganlal & Company, were found in possession of certain amount of foreign origin gold. The said gold was subsequently detained on the reasonable belief that the same are liable for confiscation under the provisions of the Customs Act, 1962.
- (b) As per the labels present on the parcels of the gold detained on 07.06.2023 and documents submitted by Shri Hasmukhbhai Patel, Partner in Angadia firm M/s Patel Madhavlal Maganlal & Company, Ahmedabad, during his statement dated 15.06.2023; it was held that 20 Gold Bars, having total weight of 2 KGs, was being sent by Jainam to Nevil Soni.
- (c) Accordingly, searches were conducted at premises of both the sender of the parcels i.e. Jainam, and the intended recipient of the parcel i.e. Shri Nevil Soni. During the search at the office premises of Jainam i.e. M/s. Shree Jainam Jewels, Shri Mahipal Jain, the father of Shri Jainam Jain and Shri Dashrath Kumar, employee of M/s Shree Jainam Jewels, informed that they have not handed over any parcel to any person of the said Angadia firm. During the search, one person namely Shri Dayabhai Babbaldas Patel, of Angadia firm M/s Patel Madhavlal Maganlal & Company, was called for. He informed that he had taken two small parcels from Shri Dashrath Kumar, and confirmed the same after looking at the face of Shri Dashrath Kumar. However, Shri Dashrath Kumar refused this incident and reassured that he did not hand over any parcel to any person of Angadia firm M/s Patel Madhavlal Maganlal & Company.
- (d) During the recording of Statement, Shri Nevil Soni, the intended recipient of the parcels containing 20 gold bars, denied having any knowledge of Jainam, Mumbai, and stated that he never purchased any gold from Jainam, Mumbai. He also stated that he did not have business activity with the Angadia firm M/s Patel Madhavlal Maganlal &

Company, and confirmed that detained goods (2 KGs Gold bars) are not related to him or their firm.

(e) Shri Kartikey Vasantray Soni, Gold Assayer, examined the said gold in presence of independent panchas and the representative of the Aangadiya firm and certified the purity of Gold, weight, rate of gold vide his valuation report dated 18.09.2023 ascertained that the said 20 Gold Bars, having total weight of 2 KGs, are of foreign origin and their fair value as per market rate are Rs. Rs.1,21,00,000/-. Accordingly, the detained goods were seized vide Seizure Memo dated 05.10.2023.

(f) Further statement of Shri Hasmukh Patel has been recorded on 29.01.2024, and he was shown Panchnama dated 21.06.2023 drawn at office premises of M/s Shree Jainam Jewels. On perusal, and further questioning, he confirmed that Shri Dashrath Kumar, himself, had booked a parcel with them on 06.06.2023, and his employee Shri Dayabhai Babbaldas Patel had personally taken delivery from Shri Dashrath Kumar from the office premises of M/s Shree Jainam Jewels. He held that both Shri Mahipal Jain and Shri Dashrath Kumar were being untruthful, when they denied handing over of parcels. Next, Shri Husmukh Patel has been asked to peruse the Statement of Shri Nevil Soni dated 21.06.2023. He informed that Shri Nevil Soni was being untruthful when he denied any business activity with their firm, as in the past they have delivered parcels to Shri Nevil Soni as well. He stated that his staff had told him that Shri Nevil Soni had come outside of DRI's Ahmedabad Office in the morning of 07.06.2023, the date on which parcels detained by DRI officials.

(g) Shri Hasmukh Patel, of M/s Patel Madhavlal Maganlal & Company, Ahmedabad, vide their letter dated 29.01.2024, provided their No Objection for disposal of seized goods, in the event of adjudication or appellate authority orders so.

(h) From the above, it thus appears that the said foreign origin gold, i.e. 20 gold bars, having total weight of 2 KGs., pertaining to M/s Shree Jainam Jewels are smuggled goods in terms of Section 2(39) of Customs Act, 1962.

(i) The burden of proving that the Gold seized from the Angadia firm M/s Patel Madhavlal Maganlal & Company under Panchnama dated 07.06.2023 are not smuggled goods, lies on M/s Shree Jainam Jewels, Shri Nevil Soni, M/s Patel Madhavlal Maganlal & Company respectively. It appears that during the investigation, all of them have failed to provide proof that the said foreign origin gold, i.e. 20 gold bars, having total weight of 2 KGs., pertaining to M/s Shree Jainam Jewels are not smuggled goods. Thus, it appears that the said foreign origin gold weighing 2 KGs in total valued at Rs.1,21,00,000/- (Rupees One Crore Twenty One Lakhs only) are liable for confiscation under the provisions of Section 111 (d), (j), (l) & (m) of Customs Act, 1962.

## **17. ROLE PLAYED BY VARIOUS ENTITIES**

### **17.1 Shri Jainam Jain, Proprietor of M/s Shree Jainam Jewels & Shri Dashrath Kumar, employee of M/s Shree Jainam Jewels:-**

Shri Jainam Jain is the proprietor of the firm, M/s. Shri Jainam Jewels (771506590/8866820836), who is the sender of goods which was seized vide

seizure memo dated 07.06.2024 and contained 10 foreign origin gold bars weighing 2000 grams having purity 999 and valued at Rs. 1,21,00,000/- . Summons dated 21.06.2023 to Shri Jainam Jain, Proprietor of M/s. Jainam Jewels, 51/53, Saas Bau Plaza, 3<sup>rd</sup> Floor, 36A, Opp. Mangal Murti Touch, Vithalwadi, Kalbadevi Road, Mumbai and Shri Dashrath Kumar, Employee of M/s. Jainam Jewels, 51/53, Saas Bahu Plaza, 3<sup>rd</sup> Floor, 36A, Vithalwadi, kalbadevi Road, Mumbai were issued. Search was conducted at the said address and the proceedings thereof is recorded under Panchnama dated 21.06.2023. During the course of panchnama, initially, Shri Dashrath Kumar, Employee of M/s. Shree Jainam Jewels called Shri Jainam Jain and informed him to come to the premises of M/s. Shree Jainam Jain. On hanging up with the other party, he (Shri Dashrath Kumar) informed that Shri Jainam Jain will come in 10-12 minutes. Later, Shri Mahipal Jain, father of Shri Jainam Jain came to the said premises and informed that Shri Jainam Jain is out of town for 2 days and has gone to Bangalore. During the search at the office premises of Jainam i.e. M/s. Shree Jainam Jewels, Shri Mahipal Jain, the father of Shri Jainam Jain and Shri Dashrath Kumar, employee of M/s Shree Jainam Jewels, informed that they have not handed over any parcel to any person of the said Angadia firm. During the search, one person namely Shri Dayabhai Babbaldas Patel, of Angadia firm M/s Patel Madhavlal Maganlal & Company, was called for. He informed that he had taken two small parcels from Shri Dashrath Kumar, and confirmed the same after looking at the face of Shri Dashrath Kumar. However, Shri Dashrath Kumar refused this incident and reasserted that he did not hand over any parcel to any person of Angadia firm M/s Patel Madhavlal Maganlal & Company.

Neither Shri Jainam Jain, the Proprietor of firm, M/s. Jainam Jewels nor Shri Dashrath Kumar, Employee of M/s. Jainam Jewels joined the investigation and tendered their statement. The non-cooperation of Shri Jainam Jain, Proprietor of M/s. Jainam Jewels & Shri Dashrath Kumar, Employee is evident on record as much as of them not participating in the investigation by an act of dishonour of summons dated 21.06.2023 and 27.05.2024. It appears they are evading their responsibility to honour the summons and cooperate in the investigation. They adopted delayed tactics to derail the investigation. They failed to provide the documents, i.e., sale/purchase ledger for 01.04.2024 to 06.06.2024. Details of import/purchase of foreign origin gold made by them, Details of payment received from Shri Nevil Soni. It appears that Shri Jainam Jain in order to save himself from the consequences which may flow on account of dealing with smuggled gold has preferred to disown the gold seized by DRI. In terms of provisions of Section 123 of the Customs Act, 1962, the burden of proof that the goods sent by Jainam is not smuggled lies on M/s. Jainam Jewels. It appears that Shri Jainam Jain, Proprietor of M/s. Jainam Jewels is culpable and the act of omission and commission made on their part for the smuggling of foreign origin gold which are liable for confiscation, has rendered them liable for penalty under Section 112(a), 112(b) and 117 of the Customs Act, 1962.

#### **17.2 Shri Nevil Soni:-**

Shri Nevil Soni is engaged with his father's firm M/s. R. K. & Company with his father, Shri Kantilal Sonni who is proprietor of the said firm. The said firm is engaged in trading of rough gold and very less amount of Silver in the local market and along with the property agent work. He denied knowing any person with name 'Jainam'. From the statement of Shri Hasmukhbhai Patel of M/s. Madhavlal Maganlal & Company, it is gathered that Shri Nevil Soni was

present at the time of detention of parcels near by office of DRI, Ahmedabad. This is also corroborated by the location of his mobile phone, i.e. 8238979797, which indicates his presence in Ahmedabad. The call details record of mobile no. is attached herewith as **RUD-16**. The angadiya firm has admitted in his statement that he was there to get knowledge of his parcel which was detained by DRI, Ahmedabad and he is giving false statement and that in the past they have couriered the parcels from M/s. Jainam to Shri Nevil in the past during May- June, 2023. It appears that Shri Nevil Soni in order to save himself from the consequences which may flow on account of dealing with smuggled gold has preferred to disown the gold seized by DRI. In terms of provisions of Section 123 of the Customs Act, the burden of proof lies on Shri Nevil Soni to establish that the said gold bars are not smuggled goods, which he has failed to provide and had concerned themselves in dealing with the Gold bars which they knew or had reason to believe are liable to confiscation under section 111 of the Customs Act, 1962.

**17.3 M/s Patel Madhavlal Maganlal & Company and Shri Patel Mahendrabhai Shambhubhai and Shri Ramanbhai Kacharabhai Patel (both employees of Angadia firm M/s Patel Madhavlal Maganlal & Company):-**

Shri Mahendrabhai Shambhubhai and Shri Ramanbhai Kacharabhai Patel, employees of M/s. Patel Madhavlal & Company has indulged himself in acquiring possession of and in carrying of parcels containing the said foreign origin gold weighing 2000 grams and was intercepted by DRI, Ahmedabad at Kalupur Railway Station. Thus, by indulging themselves in such an act of acquiring possession and in carrying of parcels containing the said foreign origin goods without legitimate documents, which were liable for confiscation under Customs Act, 1962, they have rendered himself liable to penal action under Section 112(a), 112(b) and 117 of Customs Act, 1962.

Further, Shri Hasmukhbhai Patel, Partner in M/s Patel Madhavlal Maganlal & Company in his own admission admitted that they cannot accept the parcels containing foreign origin gold for courier/transport, thus, they failed to verify the legitimate documents for carrying foreign origin gold. Therefore, the employees of said angadiya firm namely, Shri Mahendrabhai Shambhubhai and Shri Ramanbhai Kacharabhai Patel, and partner Shri Hasmukhbhai Patel of the firm M/s. Patel Madhavlal Maganlal & Company collectively had concerned them by dealing with carrying the foreign origin gold weighing 2000 grams from Shri Jainam of M/s. Jainam Jewels, 51/53, Saas Bahu Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Touch, Vithalwadi without verifying the legitimate documents of import of such foreign origin gold from respective senders. Further, they admitted that they cannot accept the parcels containing foreign origin gold for transport. It appears that they have abetted in carrying, transporting and thus dealing with courier of smuggled foreign origin gold without their legitimate documents of import. It appears that they failed in their obligation to report the possession of foreign origin gold which are liable for confiscation under Section 110 of the Customs Act, to respective revenue authorities. By indulging themselves in such acts of omission and commission, they rendered them liable for penal action under Section 112(a) & (b) and 117 of the Customs Act, 1962.

**18.** The documents relied upon in the Investigation are listed in the **Annexure-R** to this Notice.

**19.** The 20 Gold Bars of foreign origin gold weighing 2 Kgs. belonging to M/s Shree Jainam Jewels and Shri Nevil Soni, and valued at Rs.1,21,00,000/-,

were seized from the employee of Angadia M/s. Patel Madhavlal Maganlal & Company outside Kalupur Railway Station, Ahmedabad. Thus, in terms of Section 122 of Customs Act, 1962, the SCN issuing authority is Joint/ Additional Commissioner of Customs, Ahmedabad.

**20.** Therefore, view of above, Shri Jainam Jain, Proprietor of M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3rd Floor, 36A, Opposite Mangal Murti Temple, Vithalwadi, Kalbadevi Road, Mumbai-400002; Shri Dashrath Kumar, C/o M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Tounch, Vithalwadi, Kalbadevi Road, Mumbai- 400002; Shri Nevil Soni, S/o Shri Kantilal Soni, A-234, Apna nagar, Nr. Ambaji Temple, Gandhidham, Kutch-370201; M/s. Patel Madhavlal Maganlal & Company, Jain Dharamshala Buuilding, Marchipole, Ratenpole, Ahmedabad, Gujarat; Shri Mahendrabhai Shambhubhai, residing at 7/90, Brahamanas Balol, Mehsana, Gujarat (employee of M/s. Patel Madhavlal Maganlal & Company) and Shri Ramanbhai Kacharabhai Patel, (employee of M/s. Patel Madhavlal Maganlal & Company) residing at A-31, Swami Vivekanand Nagar, Patan Road, Unjha, Mehsana, Gujarat – 384170 are hereby called upon to show cause in writing to the Additional Commissioner of Customs, having his office located at 2nd Floor, 'Custom House' Building, Near All India Radio, Navrangpura, Ahmedabad-380 009, as to why:-

- i. The 20 gold bars having imported markings and weighing 2000 grams or 2 Kg in total, having purity 999 and valued at Rs.1,21,00,000/- (Rupees One Crore Twenty-One Lakhs Only) pertaining to M/s. Shri Jainam Jewels and Shri Nevil Soni, Gandhidham placed under seizure vide seizure memo (DIN- 202310DDZ10000611838) dated 05.10.2023. **(RUD-10)** should not be absolutely confiscated under the provisions of Section 111(d), 111(j), 111(l) and 111(m) of the Customs Act, 1962.
- ii. Penalty should not be imposed on Shri Jainam Jain, Proprietor of M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3rd Floor, 36A, Opposite Mangal Murti Temple, Vithalwadi, Kalbadevi Road, Mumbai-400002 under section 112 (a) and 112 (b) of the Customs Act, 1962;
- iii. Penalty should not be imposed on Shri Jainam Jain, Proprietor of M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3rd Floor, 36A, Opposite Mangal Murti Temple, Vithalwadi, Kalbadevi Road, Mumbai-400002 under section 117 of the Customs Act, 1962;
- iv. Penalty should not be imposed on Shri Dashrath Kumar, C/o M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Tounch, Vithalwadi, Kalbadevi Road, Mumbai- 400002 under section 112 (a) and 112 (b) of the Customs Act, 1962;
- v. Penalty should not be imposed on Shri Dashrath Kumar, C/o M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Tounch, Vithalwadi, Kalbadevi Road, Mumbai- 400002 under section 117 of the Customs Act, 1962;
- vi. Penalty should not be imposed on Shri Nevil Soni, S/o Shri Kantilal Soni, A-234, Apna nagar, Nr. Ambaji Temple, Gandhidham, Kutch-370201 under section 112 (a) and 112 (b) of the Customs Act, 1962;
- vii. Penalty should not be imposed on Shri Nevil Soni, S/o Shri Kantilal Soni, A-234, Apna nagar, Nr. Ambaji Temple, Gandhidham, Kutch-370201 under section 117 of the Customs Act, 1962;
- viii. Penalty should not be imposed on M/s. Patel Madhavlal Maganlal & Company, Jain Dharamshala Buuilding, Marchipole, Ratenpole, Ahmedabad, Gujarat under section 112 (a) and 112 (b) of the Customs Act, 1962;

- ix.** Penalty should not be imposed on M/s. Patel Madhavlal Maganlal & Company, Jain Dharamshala Buuiling, Marchipole, Ratenpole, Ahmedabad, Gujarat under section 117 of the Customs Act, 1962;
- x.** Penalty should not be imposed on Shri Mahendrabhai Shambhubhai, residing at 7/90, Brahamanas Balol, Mehsana, Gujarat (employee of M/s. Patel Madhavlal Maganlal & Company) under section 112 (a) and 112 (b) of the Customs Act, 1962;
- xi.** Penalty should not be imposed on Shri Mahendrabhai Shambhubhai, residing at 7/90, Brahamanas Balol, Mehsana, Gujarat (employee of M/s. Patel Madhavlal Maganlal & Company) under section 117 of the Customs Act, 1962;
- xii.** Penalty should not be imposed on Shri Ramanbhai Kacharabhai Patel, (employee of M/s. Patel Madhavlal Maganlal & Company) residing at A-31, Swami Vivekanand Nagar, Patan Road, Unjha, Mehsana, Gujarat – 384170 under section 112 (a) and 112 (b) of the Customs Act, 1962;
- xiii.** Penalty should not be imposed on Shri Ramanbhai Kacharabhai Patel, (employee of M/s. Patel Madhavlal Maganlal & Company) residing at A-31, Swami Vivekanand Nagar, Patan Road, Unjha, Mehsana, Gujarat – 384170 under section 117 of the Customs Act, 1962;

**21.** The Noticee are further required to state specifically in the written reply as to whether they wishes to be heard in person before the case is adjudicated. If no specific mention is made about this in the written reply, it shall be presumed that they do not wish to be heard in person. They should produce at the time of showing cause, all the evidences which he intends to reply upon in defense.

**22.** The Noticee/s, are further required to note that the reply should reach within 30 (thirty) days or within such extended period as may be allowed by the adjudicating authority. If no cause is shown against the action proposed above within 30 days from the receipt of this show cause notice or if anyone does not appear before the adjudicating authority as and when the case is posted for hearing, the case is liable to be decided ex-parte on the basis of facts and evidences available on record.

**23.** This show cause notice is issued without prejudice to any other action that may be taken against her, under this Act or any other law for the time being in force, or against any other company, person(s), goods and conveyances whether named in this notice or not.

**24.** Department reserves its right to amend, modify or supplement this notice at any time prior to the adjudication of the case. The investigating agency reserves its right to bring on record further evidence against the noticees of the Show Cause Notice and also to issue Show Cause Notice to any other person not covered in this Show Cause Notice, found to be involved, by issue of an addendum or Supplementary Show Cause Notice or Separate Show Cause Notice.

25. The relied upon documents for the purpose of this notice are listed in Annexure 'R' and copies thereof are enclosed with this notice.

*Vishal*  
3/6/24  
(Vishal Malani)  
Additional Commissioner  
Customs, Ahmedabad.

F. No. VIII/10-82/DRI-AZU/O&A/HQ/2024-25  
**DIN- 20240671MN000072297F**

Dated 03.06.2024

BY SPEED POST:

To,

- 1) Shri Jainam Jain, Proprietor of M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3rd Floor, 36A, Opposite Mangal Murti Temple, Vithalwadi, Kalbadevi Road, Mumbai-400002
- 2) Shri Dashrath Kumar, c/o M/s. Jainam Jewels, 51/53, Saas Bahi Plaza, 3<sup>rd</sup> Floor, 36A, Opposite Mangal Murti Tounch, Vithalwadi, Kalbadevi Road, Mumbai- 400002
- 3) Shri Nevil Soni, S/o Shri kantilal Soni, A-234, Apna nagar, Nr. Ambaji Temple, Gandhidham, Kutch-370201
- 4) M/s. Patel Madhavlal Maganlal & Company, Jain Dharamshala Buuilding, Marchipole, Ratenpole, Ahmedabad, Gujarat
- 5) Shri Mahendrabhai Shambhubhai, (employee of M/s. Patel Madhavlal Maganlal & Company) residing at 7/90, Brahamanvas Balol, Mehsana, Gujarat.
- 6) Shri Ramanbhai Kacharabhai Patel, (employee of M/s. Patel Madhavlal Maganlal & Company) residing at A-31, Swami Vivekanand Nagar, Patan Road, Unjha, Mehsana, Gujarat – 384170

Copy to:

- 1) The Additional Director General, Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad
- 2) The Superintendent System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. <http://www.ahmedabadcustoms.gov.in>.
- 3) The Deputy Commissioner, SVPIA, Ahmedabad, with request to affix the same at Notice Board at Airport (for any information to any other claimant)
- 4) Notice Board at Customs House, Ahmedabad (for any information to any other claimant)
- 5) Guard File.

**ANNEXURE-R**

<b>LIST OF RELIED UPON DOCUMENTS</b>		
<b>RUD No.</b>	<b>Statement / RUD</b>	<b>Remarks</b>
<b>1</b>	Panchnama Dated 07.06.2023 for the interception of aangadiya employees outside Kalupur Railway Station	Copy enclosed (in CD)
<b>2</b>	Panchnama Dated 07.06.2023 for the detention of goods	Copy enclosed (in CD)
<b>3</b>	Statement dated 15.06.2023 of Shri Hasmukhbhai Patel, Partner in M/s Patel Madhavlal Maganlal & Company recorded u/s 108 of the Customs Act 1962	Copy enclosed (in CD)
<b>4</b>	Panchnama dated 21.06.2023 pertaining to the search proceedings of Business premise of M/s Shree Jainam Jewels	Copy enclosed (in CD)
<b>5</b>	Panchnama dated 21.06.2023 pertaining to the search proceedings at the premise of Shri Nevil Soni	Copy enclosed (in CD)
<b>6</b>	Statement dated 21.06.2023 of Shri Nevil Soni recorded u/s 108 of the Customs Act 1962	Copy enclosed (in CD)
<b>7</b>	Panchnama dated 22.06.2023 in respect of the release of the goods	Copy enclosed (in CD)
<b>8</b>	Panchnama dated 11.09.2023 under which the valuation and examination of the detained goods was done by the certified Chartered Engineer	Copy enclosed (in CD)
<b>9</b>	Valuation Report dated 18.09.2023 given by Shri Kartikey Vasantrai Soni, Govt. approved Gold Assayer certifying the purity of Gold, weight, value of gold.	Copy enclosed (in CD)
<b>10</b>	Seizure Memo (DIN- 202310DDZ10000611838) dated 05.10.2023 pertaining to seizure of 20 Gold Bars of foreign origin gold weighing 2 kgs belonging to M/s Shree Jainam Jewels and/or Shri Nevil Soni, and valued at Rs.1,21,00,000/-	Copy enclosed (in CD)
<b>11</b>	Statement dated 29.01.2024 of Shri Patel Hasmukhbhai, Partner, M/s Patel Madhavlal Maganlal & Company recorded under Section 108 of Customs Act, 1962	Copy enclosed (in CD)
<b>12</b>	Summons dated 21.06.2023 issued to Shri Jaiman Jain, Proprietor of M/s Shree Jainam Jewels, and Shri Dashrath Kumar, employee in the firm M/s Shree Jainam Jewels	Copy enclosed (in CD)
<b>13</b>	Summons dated 27.05.2024 issued to Shri Jaiman Jain, Proprietor of M/s Shree Jainam Jewels	Copy enclosed (in CD)
<b>14</b>	Summons dated 16.01.2024 issued to Shri Nevil Soni	Copy enclosed (in CD)
<b>15</b>	Letter dated 01.12.2023, granting extension for period of six months for issuance of Show Cause Notice i.r.o. Seized goods in terms of the first proviso of Section 110(2) of the Customs Act, 1962	Copy enclosed (in CD)