



प्रधान आयुक्त का कार्यालय, सीमाशुल्क ,अहमदाबाद

“ सीमाशुल्कभवन ,”पहलीमंजिल ,पुराने हाईकोर्ट के सामने ,नवरंगपुरा ,अहमदाबाद- 380 009.

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PREAMBLE

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|------|---|---|--|
| A | फाइल संख्या/ File No. | : | VIII/10-73/SVPIA-A/O&A/HQ/2025-26 |
| B | कारण बताओ नोटिस संख्या-तारीख / Show Cause Notice No. and Date | : | Waiver of SCN by the Pax |
| C | मूलआदेश संख्या/ Order-In-Original No. | : | 01/ADC/SRV/O&A/HQ/2026-27 |
| D | आदेश तिथि/ Date of Order-In-Original | : | 02.04.2026 |
| E | जारी करने की तारीख/ Date of Issue | : | 02.04.2026 |
| F | द्वारा पारित/ Passed By | : | Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad |
| G | आयातक का नाम और पता / Name and address of Importer/ Passenger | : | Shri Rajesh Kumar Madnani, Sai Ashirvad, 69/42 Veer TejaJi Road, Mansarovar, Jaipur- 302020 (Rajasthan) |
| (1) | यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हें 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 इच्छुक 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:

Intelligence developed by the officers of Air Intelligence Unit (AIU), SVPI Airport, Customs Ahmedabad through passenger profiling of Spicejet Flight No. SG016 on 14.12.2025 indicated suspicion of smuggling of contrabands by some passengers arriving at SVPI Airport, Ahmedabad from Dubai (UAE).

1.1. Acting upon intelligence, the officers of Air Intelligence Unit (AIU), accompanied by independent Panchas started keeping watch on the passengers arriving from Dubai to Ahmedabad by Spicejet Flight No. SG016 on 14.12.2025 at Green Channel of Arrival Hall of the Terminal-2 of SVPI Airport, Ahmedabad. The officers subsequently intercepted a male passenger named Shri Rajesh Kumar Madnani (DOB: 17.07.1983) holding Indian Passport No. V6602125 (hereinafter referred to as the said "Passenger/Noticee") by verifying his Passport and boarding pass when he was trying to exit through Green Channel without making any declaration to the Customs Authorities at SVPI Airport, Ahmedabad.

1.2. Upon inquiry, the passenger identified himself as Shri Rajesh Kumar Madnani holding Indian Passport No. V6602125, DOB: 17.07.1983 residing at Sai Ashirvad, 69/42 Veer TejaJi Road, Mansarovar, Jaipur, Rajasthan 302020 and informed that he was travelling from Dubai to Ahmedabad by SpiceJet Flight No. SG016. The passenger was carrying one trolley bag of 'American Tourister' brand. The proceedings relating to personal search of the passenger and examination of his baggage was conducted in presence of the two independent witnesses and the same were recorded under the Panchnama dated 14/15.12.2025.

2. The AIU Officers inquired with the passenger as to whether he was carrying any contraband/dutiable goods in person or in baggage to which he denied. As regards the search of the passenger, the Officers asked/ informed the passenger that a search of his baggage as well his personal search was to be carried out and given him an option to carry out the search in presence of a Magistrate or a Gazetted Officer of Customs to which the Passenger desired to be searched in presence of a Superintendent of Customs. Before commencing the search, the officers offered themselves to the said passenger for conducting his personal search, which was declined by the said passenger reposing faith in the Officers.

2.1 Thereafter, in the presence of the panchas, the AIU officers conducted systematic search of trolley bag of 'American Tourister' brand belonging to Shri Rajesh Kumar Madnani. The AIU officers noticed that the said trolley bag contained clothes, food items and 02 cases (boxes) of Rolex Watch. Upon opening these 02 cases of Rolex watch, the AIU officers noticed that both the

cases contain international guarantee card of watch and literature related to watch. On being asked, Shri Rajesh Kumar Madnani informed that both the watches were in the pocket of his jeans pants. The AIU officers noticed that both the watches were new and of Rolex brand and 'Rolex Oyster Perpetual Date Just Superlative Chronometer Officially Certified' was engraved in the dials of these watches. The officers conducted a thorough personal search of the passenger in the presence of the panchas, however, nothing else was recovered. Thereafter, the AIU officer requested the passenger to pass through the Door Frame Metal Detector (DFMD) Machine installed near the AIU office. When the passenger passed through the DFMD Machine, no beep sound was heard indicating that there was nothing objectionable/dutiable goods/items on his body/clothes.

Thereafter, the officers found that Model No., Date of purchase and serial no. of watches was written on the guarantee card of the respective watch as detailed below:

| Sr. No. | Model No. | Serial No. | Date of Purchase |
|---------|-----------|------------|------------------|
| 1 | 126300 | 1K985795 | 08-11-2025 |
| 2 | 126334 | 4X2P5831 | 22-09-2025 |

2.2 The photograph of both the watches recovered from the passenger Shri Rajesh Kumar Madnani are as below:



2.3 Thereafter, the AIU officers questioned Shri Rajesh Kumar Madnani regarding the source and purpose of purchase, details of supplier and value of these 02 Rolex Watches recovered from him, to which Shri Rajesh Kumar Madnani informed that he had brought these watches from Dubai as per direction of Shri Ritesh Hada, Partner of their company (M/s. Ninja Parkour X, Ahmedabad) and he was not aware about the source, purpose of purchase and value of these watches.

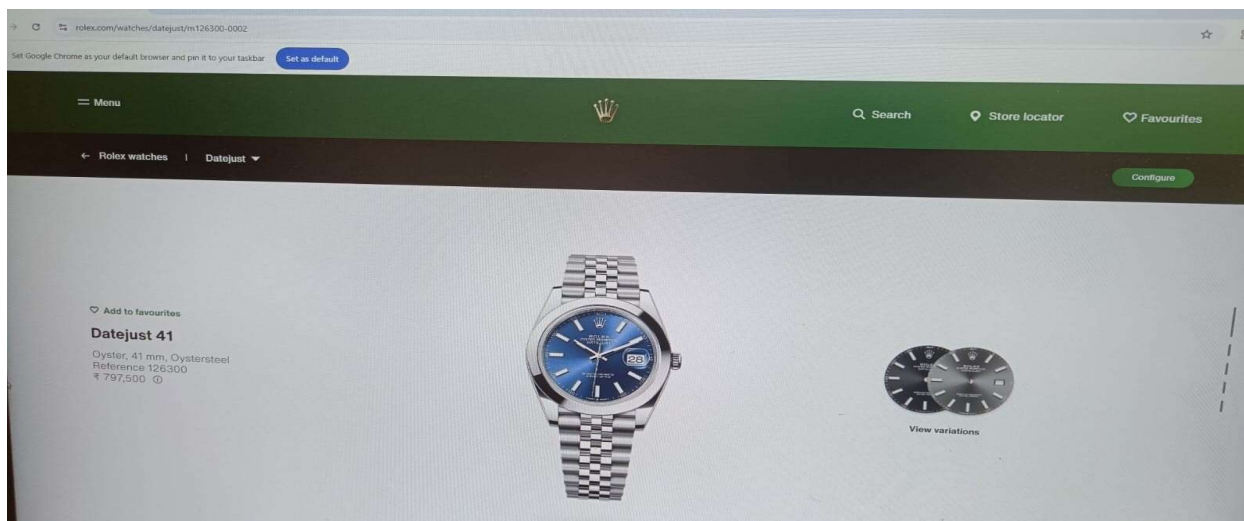
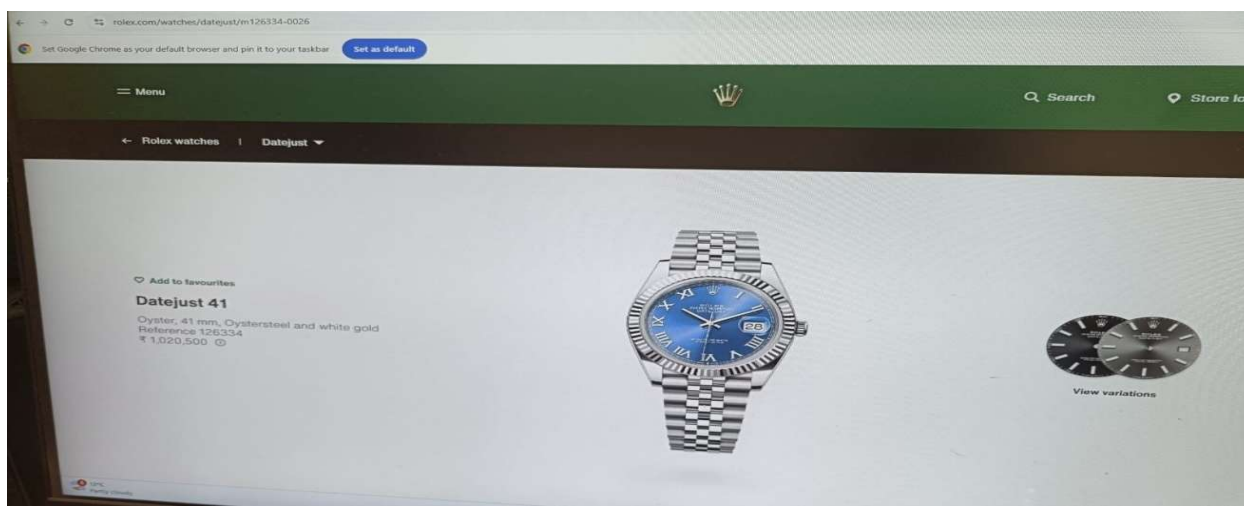
2.4 Thereafter, the AIU officers asked Shri Rajesh Kumar Madnani regarding invoice or other document indicating the value and ownership of these watches, to which Shri Rajesh Kumar Madnani informed that no invoice is available in respect of these watches and only the cases (boxes), literature of

watches and guarantee cards of these watches were with him and the same were recovered from his trolley bag.

2.5 Thereafter, the AIU officers, in presence of panchas enquired the value of these 02 Rolex watches from the website of Rolex (Rolex.com) and found the value of these watches as detailed below:

| Sr. No. | Model No. | Serial No | Date of purchase | Value of watch as derived from Rolex.com website |
|---------|-----------|-----------|------------------|--|
| 1 | 126300 | 1K985795 | 08-11-2025 | 7,97,500/- |
| 2 | 126334 | 4X2P5831 | 22-09-2025 | 10,20,500/- |
| Total | | | | 18,18,000/- |

2.6 The related screenshots obtained from said website (Rolex.com) regarding the value of watches are as under:



SEIZURE OF THE ROLEX WATCHES:

3. The above said 02 Rolex watches having total value of Rs.18,18,000/- were carried by the passenger in a concealed manner and without declaring the same before Customs Authorities with intent to evade the Customs Duty in violation of provisions of Customs Act, 1962. Therefore, the said watches were falling under the category of smuggled goods and there was a reasonable belief that the same were liable for confiscation under the provisions of Section 111 of the Customs Act, 1962. Accordingly, the said 02 Rolex watches having total value of Rs.18,18,000/- recovered from the passenger along with the their respective cases, literatures and guarantee cards were placed under seizure

vide Seizure Memo/Order dated 15.12.2025 issued under the provisions of Section 110(1) of the Customs Act, 1962. The watches were placed in a corrugated box which was sealed and handed over to the Ware House In-charge, SVPI Airport, Customs Ahmedabad vide Ware House Entry No. 7847 dated 15.12.2025.

STATEMENT OF PASSENGER SHRI RAKESH KUMAR MADNANI:

4. Statement of the passenger Shri Rajesh Kumar Madnani was recorded on 15.12.2025 under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated that he was 42 years old, holding Indian Passport No. V6602125, and was then residing at Memnagar, Ahmedabad, while his permanent address was Mansarovar, Jaipur (Rajasthan). He further stated that he was working as Manager – Operations and PR at M/s. Ninja Parkour X, Ambli, Ahmedabad, and was drawing a monthly salary of Rs.99,800/- and that he reported his day-today activities to Shri Ritesh Hada, Partner of the said firm.

4.1 The passenger further stated that on 14.12.2025, he had travelled from Ahmedabad to Dubai by Indigo Flight No. 6E-1477 for official work and returned to Ahmedabad on the same day by SpiceJet Flight No. SG016. He further informed that his air tickets for the said round trip were booked by his company through a travel agency, M/s. Globetrot Holidays, Ahmedabad, at the instance of Shri Ritesh Hada.

4.2 The passenger further stated that Shri Ritesh Hada had instructed him to bring two Rolex watches from Dubai from a person namely Shri Mohit (mobile no. +9710552929490). Accordingly, after reaching Dubai, he contacted Shri Mohit who directed him to meet one Mr. Afzal at a cafeteria in the Gold Souk, Deira area, who handed over two new Rolex watches (Model/Reference Nos. 126300 and 126334) along with their cases (boxes), International Guarantee Cards and other packing material. The passenger stated that he removed the watches from their boxes and concealed them in the pockets of his pants, while the empty boxes and related materials were kept in his trolley bag, with the intention of avoiding detection by Customs authorities at SVPI Airport, Ahmedabad. He further stated that the details of the seller, payment particulars and source of payment were known to Shri Ritesh Hada.

4.3 The passenger further stated that upon his arrival at SVPI Airport, Ahmedabad in the midnight of 14/15.12.2025, he attempted to cross the Green Channel without declaring the said watches before the Customs authorities, however, he was intercepted by officers of AIU, Customs, and during the search of his baggage, two empty Rolex watch boxes were found in his trolley bag; that he had concealed the watches in his pants pocket and subsequently handed over the said watches to the Customs officers. He further

stated that he was unable to produce any purchase invoice or documents for the watches, and despite contacting Shri Ritesh Hada, the same were not provided. He explained that the officers ascertained the approximate value of the watches from the official Rolex website, which was found to be Rs.18,18,000/-, and the said watches along with their packing materials were seized under the provisions of the Customs Act, 1962.

4.4 The passenger further stated that he was aware that smuggling of goods without payment of Customs duty is an offence and admitted that he had deliberately attempted to bring the said Rolex watches into India without declaring the same before the Customs authorities with intention to evade payment of applicable Customs duty. He further confirmed that he had perused the Panchnama dated 14/15.12.2025 drawn at SVPI Airport, Ahmedabad, and stated that the facts recorded therein were true and correct. He also stated that his statement was given voluntarily without any fear, threat or coercion, and after understanding the contents, he signed the statement in token of its correctness.

5. Subsequently, Shri Rajesh Kumar Madnani vide email dated 24.12.2025 sent further submissions in respect to the statement tendered by him on 15.12.2025 vide which he made clarification enclosing a supplementary statement and copy of invoice of 02 Rolex watches to the AIU office.

CONTENT OF THE SUPPLEMENTARY STATEMENT OF PASSENGER SHRI RAKESH KUMAR MADNANI:

6. In the Supplementary Statement of the passenger Shri Rajesh Kumar Madnani was submitted voluntarily on 19.12.2025, wherein he, inter alia, mentioned that he was 42 years old, son of Shri Parasram Madnani, permanently residing at Mansarovar, Jaipur (Rajasthan) and then residing at Memnagar, Ahmedabad, Gujarat. He stated that he had travelled from Ahmedabad to Dubai on 14.12.2025 by IndiGo Flight No. 6E-1477 for official/work-related purposes and had returned to Ahmedabad on the same day by SpiceJet Flight No. SG-016. He further stated that his round-trip air tickets were booked through M/s. Globetrot Holidays, Ahmedabad.

6.1 The passenger further mentioned that upon his arrival at SVPI Airport, Ahmedabad at midnight of 14/15.12.2025, he was intercepted by the AIU officers of Customs and two Rolex Wrist Watches (Model/Reference Nos. 126300 and 126334) were found in his possession. He stated that during the interception he was extremely nervous, fearful and under mental stress due to the sudden questioning and unfamiliarity with the investigation process, and therefore the statement recorded on 15.12.2025 did not fully reflect the correct

factual background, which prompted him to submit the present supplementary statement for clarification of facts.

6.2 The passenger further mentioned that during the course of examination by Customs officers, two empty cases (boxes) of Rolex watches were found in his baggage, and upon inquiry he produced the watches which were in his possession and handed them over to the officers. He further submitted that he was asked to produce purchase bills or invoices, however due to nervousness he expressed his inability to produce the same at that time.

6.3 The passenger further deposed that during his visit to Dubai, he had intended to purchase the Rolex watches for his personal use. For ensuring authenticity of the watches, he had sought guidance from Shri Ritesh Hada, with whom he had a professional association. He stated that Shri Ritesh Hada merely provided a reference of one Shri Mohit, who in turn connected him to one Mr. Afzal in Dubai, from whom he purchased the watches. The passenger categorically stated that Shri Ritesh Hada had no role in the purchase, payment, possession or transportation of the watches.

6.4 The passenger further mentioned that he inadvertently failed to declare the said watches and pay the applicable Customs duty at the time of arrival, and that such omission occurred due to oversight, nervousness and lack of clarity regarding the applicable procedure, and not with any intention to smuggle the watches into India or evade Customs duty. He further expressed his willingness to pay the applicable Customs duty and produce purchase invoices or other documents, and requested the authorities to consider the supplementary statement along with his earlier statement and take a lenient view in the matter.

7. In order to verify the genuineness of the email dated 24.12.2025 and to get recorded the version of the passenger in light of the said email and the supplementary statement sent with the said email, a Summons dated 03.01.2026 was issued to Shri Rajesh Kumar Madnani directing him to appear before Superintendent (AIU), Customs Ahmedabad on 08.01.2026 to tender his statement in relation to the case booked against him.

FURTHER STATEMENT OF PASSENGER SHRI RAKESH KUMAR MADNANI:

8. Further Statement of the passenger Shri Rajesh Kumar Madnani was recorded on 08.01.2026 under Section 108 of the Customs Act, 1962 before the Superintendent of Customs (AIU), SVPI Airport, Ahmedabad, wherein he, inter alia, stated that he was 42 years old, son of Shri Parasram Madnani, holding Indian Passport No. V6602125, permanently residing at Mansarovar, Jaipur (Rajasthan) and then residing at Memnagar, Ahmedabad, Gujarat. He stated that he was working as Manager – Operations and PR at M/s. Ninja Parkour X,

Ambli, Ahmedabad, and provided his PAN, bank account details, mobile number and email ID. He further stated that he was post-graduate (MBA – last semester) from Sikkim Manipal University and could read, write and understand Hindi and English.

8.1 The passenger was confronted with his earlier statement dated 15.12.2025, wherein he had stated that Shri Ritesh Hada had instructed him to bring two Rolex watches from Dubai. In the present statement, he stated that at the time of interception by AIU officers on the midnight of 14/15.12.2025, he was under considerable stress and anxiety, and therefore wrongly implicated Shri Ritesh Hada in the matter. On being specifically asked why was he trying to protect Shri Ritesh Hada for the offence punishable under Customs Act, 1962 and whether Shri Ritesh Hada had pressurized or allured him to change his previous statement, Shri Rajesh Kumar Madnani submitted that in the night of 14/15.12.2025 when he was intercepted by the officers of Air Intelligence Unit, SVPI Airport, Customs Ahmedabad, he was under considerable stress and anxiety and he became afraid of the consequences of bringing 02 Rolex watches without declaring before Customs Authorities even after crossing the Red Channel of SVPI Airport Ahmedabad and without payment of applicable Customs Duty; that hence he had tried to relegate the charges/offence of smuggling on Shri Ritesh Hada, the Partner of their company M/s. Ninja Parkour X, 94/1, S.P. Ring Road, Besides BOHO Homes, Ambli, Ahmedabad-380058. Shri Rajesh Kumar Madnani further deposed that Shri Ritesh Hada has not pressurized or allured him to change his previous statement; that he was tendering the new statement in full consciousness without any fear, threat, greed or coercion. He added that he had obtained only guidance from Shri Ritesh Hada about genuineness of the said watches.

8.2 The passenger further stated that he had sent an email dated 24.12.2025 from his email ID (rmadnani@gmail.com) to the Customs authorities explaining the circumstances of the case and clarifying his position regarding the watches brought by him from Dubai. He reiterated that the said communication had been sent by him voluntarily.

8.3 During the course of the statement, the passenger was shown a Proforma Tax Invoice No. DXP116-2025 dated 14.12.2025, according to which the two Rolex watches were described as “used” and valued at AED 50,000 (approximately Rs.12,70,000/-). The passenger stated that although the watches were actually new, the seller M/s. Mukend Jewellers, Dubai had shown them as “used” in the invoice in order to apply a lower rate, as they were known to him. He further stated that the valuation of Rs. 18,18,000/- ascertained by the Customs officers from the Rolex website during the Panchnama proceedings was appropriate for new watches, and he accepted the

said valuation and expressed willingness to pay the applicable Customs duty accordingly.

8.4 The passenger was further questioned regarding his claim that he had no intention to evade Customs duty, despite the fact that he had not declared the watches before the Customs authorities and attempted to cross the Green Channel upon arrival at SVPI Airport, Ahmedabad. In this regard, he stated that he had acted under fear and confusion at the time of interception, and reiterated that his present statement was being given voluntarily and in full consciousness without any fear, threat or coercion.

VALUATION OF THE SEIZED GOODS (02 ROLEX WATCHES):

9. During the course of Panchnama dated 14/15.12.2025 and Statement dated 15.12.2025, the passenger Shri Rajesh Kumar Madnani failed to produce any Purchase Invoice/bill with respect to the said two Rolex watches recovered from his possession. The said two Rolex watches were new as per their appearance and their date of purchase was also available on the respective Guarantee Cards. On being asked, Shri Rajesh Kumar Madnani had stated in his statements dated 15.12.2025 and 08.01.2026 that the watches were new. Further, the packing material, cases/boxes, Literature and International Guarantee Card of these watches were also available as concealed in the luggage /trolley bag of the passenger, whereas, the watches were concealed in the pocket of his jeans pant to avoid interception thereof by the Customs Authorities or any other agency. The valuation of the said Rolex watches was done from the website of Rolex (Rolex.com) as per which the value of these watches was recorded as detailed below:

| Sr. No. | Model No. | Serial No. | Date of purchase | Value of watch as derived from Rolex.com website |
|---------|-----------|------------|------------------|--|
| 1 | 126300 | 1K985795 | 08-11-2025 | 7,97,500/- |
| 2 | 126334 | 4X2P5831 | 22-09-2025 | 10,20,500/- |
| TOTAL | | | | 18,18,000/- |

9.1 Subsequently, the passenger submitted a Proforma Tax Invoice bearing No. DXP116-2025 dated 14.12.2025 wherein both the watches were shown as 'Used'. Further, the total value of said 02 Watches as per said Proforma Tax Invoice was mentioned as AED 50,000 (i.e. equivalent to Rs.12,70,000/- as on 15.12.2025). In this regard, the passenger was asked to explain this aspect in light of the value of the watches having similar serial number as available on the website rolex.com, i.e. Rs.18,18,000/-. In response, the passenger stated that as regards the description of subject goods, though both the said watches were 'new', the seller M/s. Mukend Jewellers, Dubai being well known to him, applied rates of 'used' watches which was at lower side and in the description also, the 'new' watches were shown as 'used'; that since the value ascertained during Panchnama proceedings dated 14/15.12.2025 was Rs.18,18,000/- was proper for new watches as per website rolex.com, he accepted this valuation

and ready to pay Customs Duty on this value of Rs.18,18,000/. Accordingly, the value of said two Rolex watches recovered from the possession of the passenger ascertained as Rs.18,18,000/- is admitted and proper for the purpose of calculation of Customs Duty and interest, fine, penalty accordingly.

SUMMATION:

10. The aforementioned proceedings indicates that Shri Rajesh Kumar Madnani had attempted to smuggle abovesaid goods inside India with an intent to evade payment of Customs duty and it clearly does not constitute part of a bonafide baggage as it was in commercial quantity. Thus, the said goods i.e. 02 Rolex Watches, which were attempted to be smuggled by Shri Rajesh Kumar Madnani, are liable for confiscation under the provisions of Section 111 of the Customs Act, 1962 and were placed under seizure vide Seizure Memo/Order dated 15.12.2025 issued under the provisions of Section 110(1) of the Customs Act, 1962.

11. LEGAL PROVISIONS RELEVANT TO THE CASE:

Foreign Trade Policy 2015-20 and Foreign Trade (Development and Regulation) Act, 1992:

11.1 In terms of Para 2.26 (a) of the Foreign Trade Policy 2015-20, only bona fide household goods and personal effects are allowed to be imported as part of passenger baggage as per limits, terms and conditions thereof in Baggage Rules notified by the Ministry of Finance.

11.2 As per 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.

11.3 As per 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.

11.4 As per 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 there under and the foreign trade policy for the time being in force.

The Customs Act, 1962:

The Customs Act, 1962:

11.5 As per Section 2(3) – “baggage includes unaccompanied baggage but does not include motor vehicles.

11.6 As per Section 2(22), of Customs Act, 1962 definition of 'goods' includes-

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

11.7 As per Section 2(33) of Customs Act 1962, 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.

11.8 As per Section 2(39) of the Customs Act 1962 '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.

11.9 As per 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.

11.10 As per 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.

11.11 As per Section 110 of Customs Act, 1962 if the proper officer has reason to believe that any goods are liable to confiscation under this Act, she may seize such goods.

11.12 Section 111. Confiscation of improperly imported goods, etc.:

The following goods brought from a place outside India shall be liable to confiscation: -

- (a) *any goods imported by sea or air which are unloaded or attempted to be unloaded at any place other than a customs port or customs airport appointed under clause (a) of section 7 for the unloading of such goods;*
- (b) *any goods imported by land or inland water through any route other than a route specified in a notification issued under clause (c) of section 7 for the import of such goods;*

- (c) *any dutiable or prohibited goods brought into any bay, gulf, creek or tidal river for the purpose of being landed at a place other than a customs port;*
- (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;*
- (e) *any dutiable or prohibited goods found concealed in any manner in any conveyance;*
- (f) *any dutiable or prohibited goods required to be mentioned under the regulations in an import manifest or import report which are not so mentioned*
- (g) *any dutiable or prohibited goods which are unloaded from a conveyance in contravention of the provisions of section 32, other than goods inadvertently unloaded but included in the record kept under sub-section (2) of section 45;*
- (h) *any dutiable or prohibited goods unloaded or attempted to be unloaded in contravention of the provisions of section 33 or section 34;*
- (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;*
- (k) *any dutiable or prohibited goods imported by land in respect of which the order permitting clearance of the goods required to be produced under section 109 is not produced or which do not correspond in any material particular with the specification contained therein;*
- (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;*
- (n) *any dutiable or prohibited goods transited with or without transshipment or attempted to be so transited in contravention of the provisions of Chapter VIII;*
- (o) *any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;*
- (p) *any notified goods in relation to which any provisions of Chapter IV-A or of any rule made under this Act for carrying out the purposes of that Chapter have been contravened.*

11.13 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, harbouring, keeping, concealing, selling or purchasing or in any manner dealing with any goods which she knows or has reason to believe are liable to confiscation under Section 111, shall be liable to penalty.*

11.14 As per Section 123 of Customs Act 1962,

- (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.*

11.15 All dutiable goods imported into India by a passenger in baggage are classified under CTH 9803.

Customs Baggage Rules and Regulations:

11.16 As per Customs Baggage Declaration (Amendment) Regulations, 2016 issued vide Notification no. 31/2016 (NT) dated 01.03.2016, 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 under Section 77 of the Customs Act, 1962.

11.17 As per Rule 5 of the Baggage Rules, 2016, a passenger residing abroad for more than one year, on return to India, shall be allowed clearance free of duty in bona-fide baggage of jewellery up to weight, of twenty grams with a value cap of Rs. 50,000/- if brought by a gentlemen passenger and forty grams with a value cap of one lakh rupees, if brought by a lady passenger.

12. From the above paras, it appears that during the period relevant to this case, import of watches was subject to the stringent provisions of Section 123 of the Customs Act, 1962. Further, the accused passenger failed to declare before the Customs authorities that they were bringing expensive watches with

them and thereby rendered these watches liable for confiscation under the provisions of Section 111 of the Customs Act, 1962

13. VIOLATIONS AND CONTRAVENTION OF VARIOUS PROVISIONS/ LAWS:

It therefore appears that; -

- i.** Shri Rajesh Kumar Madnani had attempted to smuggle/improperly import two new Rolex watches having value of Rs.18,18,000/- [(i) One Rolex watch having total value of Rs.7,97,500/- and (ii) One Rolex watch having total value of Rs.10,20,500/- respectively], with a deliberate intention to evade the payment of customs duty and fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. The said passenger had knowingly and intentionally smuggled the said watches on his arrival from Dubai to Ahmedabad on 14.12.2025 with an intent to clear the said watches illicitly to evade payment of the Customs duty. Therefore, the aforesaid smuggled watches by Shri Rajesh Kumar Madnani, cannot be treated as bonafide household goods or personal effects. Shri Rajesh Kumar Madnani have, thus contravened the provisions of Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992.
- ii.** Shri Rajesh Kumar Madnani, by not declaring the said watches before the proper officer of the Customs have contravened the provisions of Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.
- iii.** The said two new Rolex watches smuggled by Shri Rajesh Kumar Madnani, are liable for confiscation under Section 111(d), 111(l) and 111(m) read with Section 2(22) and 2(39) of the Customs Act, 1962.
- iv.** Shri Rajesh Kumar Madnani, by the above-described acts of omission/commission and/or abetment has/have rendered himself liable to penalty under Section 112 and Section 117 of Customs Act, 1962.
- v.** As per Section 123 of Customs Act 1962, the burden of proving that the 02 new Rolex Watches having total value of Rs. 18,18,000/- are not smuggled goods, is upon Shri Rajesh Kumar Madnani, who is the Noticee in this case.

ROLE OF SHRI RAJESH KUMAR MADNANI IN THIS CASE:

14. On carefully going through the evidences available on record in the form of statements of Shri Rajesh Kumar Madnani recorded under Section 108 of the Customs Act, 1962, it appears that, Shri Rajesh Kumar Madnani had

attempted to smuggle 02 new Rolex watches having total value of Rs.18,18,000/- found concealed inside the pocket of jeans pants worn by him, who had arrived from Dubai to Ahmedabad on 14.12.2025 via Spice Jet Flight No. SG-016, at Terminal-2 of SVPI Airport Ahmedabad, with a deliberate intention to evade payment of Customs duty and fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act, 1962 and other allied Acts, Rules and Regulations. The said passenger had knowingly and intentionally smuggled the said watches, and attempted to exit from the Green Channel of SVPI Airport, Ahmedabad with an intent to clear the same illicitly to evade payment of Customs Duty. Therefore, the improperly imported 02 new Rolex watches by the passenger Shri Rajesh Kumar Madnani, by way of concealment in the pocket of jeans pant and without declaring it to Customs on arrival in India cannot be treated as Bonafide household goods or personal effects. Shri Rajesh Kumar Madnani 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, as amended.

14.1 Shri Rajesh Kumar Madnani has, by not declaring the said 02 new Rolex watches, which included dutiable goods to the proper officer of the Customs, contravened Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.

14.2 From above, it appears that the said passenger executed this smuggling operation, having prior knowledge of the concealment. The watches were found concealed in the pocket of his jeans pant. These activities were undertaken by the passenger with full awareness that such acts were illegal, unauthorized, and unsupported by proper documentation.

14.3 During the course of interception, the passenger Rajesh Kumar Madnani was enquired by the officers of Air Intelligence Unit, Customs Ahmedabad, whether, he wanted to declare any dutiable item before the Custom Authorities, to which he had denied. Thus, it appears that Shri Rajesh Kumar Madnani attempted to smuggle the watches by hiding them indigenously in the pocket of his jeans pants with an intention to dodge the customs authority.

14.4 The act of concealing the watches into the pocket of the jeans pant of the passenger to dodge the custom authority itself suggests the mens-rea on the part of the passenger with a view to smuggle the watches to avoid payment of Customs duty. It therefore, appears that the passenger Shri Rajesh Kumar Madnani was not inclined to declare the goods viz. 02 new Rolex watches that he was carrying, before the Customs Authorities. Thus, the 02 new Rolex watches recovered from the possession of the passenger, were attempted to be

smuggled by him into India illegally without declaration and payment of appropriate Customs duties.

14.5 In view of above, Shri Rajesh Kumar Madnani, for the purpose of the smuggling/illegal import of the said watches without declaring the same to the Customs with intend to evade the Customs Duty, have thus rendered these watches liable for confiscation under Section 111(d), 111(l) and 111(m) read with Section 2 (22), (39) of the Customs Act, 1962. By doing so, Shri Rajesh Kumar Madnani has rendered himself liable to penalty under **Section 112(a)** of Customs Act, 1962.

14.6 Further, as per the facts discussed supra, the passenger Shri Rajesh Kumar Madnani has concerned himself in the act of smuggling of watches which were recovered from his possession, and knowingly violated the various provisions of Customs Act, 1962, Foreign Trade Policy 2015-20, Baggage Rules, 2016, Customs Notifications, etc., and also did not file the declaration under Section 77 of Customs Act, 1962 with respect to the subject watches with intend to evade the Customs Duty which rendered the above goods liable to confiscation under Section 111(d), 111(1) and 111(m) of the Customs Act, 1962. Shri Rajesh Kumar Madani was found concerned in carrying, keeping, concealing, illegally importing such watches which he knew are liable to confiscation under section 111 of Customs Act, 1962 and thereby rendered himself liable for penalty under **Section 112(b)** of Customs Act, 1962.

14.7 Shri Rajesh Kumar Madnani has failed to discharge his onus in terms of the provisions of Section 123 of the Custom Act, 1962. These actions render the said watches quantity liable for confiscation and also render penal action against him under the Customs Act, 1962.

14.8 Shri Rajesh Kumar Madnani had tendered his voluntary statement dated 15.12.2025, however, vide his email dated 24.12.2025 and the supplementary statement as well as statement dated 08.01.2026 recorded under Section 108 of Customs act, 1962, he informed that the facts mentioned in the statement dated 15.12.2025 were deposed by him under considerable stress and anxiety vide which he attempted to relegate/shift the charge/offence /responsibility on the Partner of his firm. By doing so, Shri Rajesh Kumar Madnani had attempted to mis-lead the investigation and for these omission and commission on his part, Shri Rajesh Kumar Madnani has also rendered himself liable for penalty under **Section 117** of Customs Act, 1962.

15. In view of the above facts and evidences available on records, it appears that the goods brought **by Shri Rajesh Kumar Madnani** are liable for **(i)** Confiscation of the 02 Rolex Wrist Watches, which are valued at **Rs.18,18,000/-** (Rupees Eighteen Lakhs Eighteen Thousand Only), placed

under Seizure under Panchnama Proceedings dated 14-15.12.2025 and Seizure Memo Order dated 15.12.2025 under the provisions of Section 111 of the Customs Act, 1962 and the passenger **Shri Rajesh Kumar Madnani** is liable for (ii) Penalty under the provisions of Section 112 and 117 of the Customs Act, 1962, for the omissions and commissions mentioned hereinabove.

WRITTEN SUBMISSION & PERSONAL HEARING:

16. The noticee **Shri Rajesh Kumar Madnani** through his letter dated 10.03.2026 requested for waiver of SCN/Oral SCN under the provisions of Section 124 of Customs Act, 1962. He has also requested for adjudication of the case after granting him opportunity of personal Hearing without issuing/serving Show Cause Notice. Accordingly, the request for non-issuance of written Show Cause Notice is accepted in terms of the first proviso to Section 124 of the Customs Act, 1962 and the noticee has been explained the provisions of Section 124 of Customs Act, 1962 thoroughly regarding the provision for issuing SCN and waiver of SCN has been granted and matter is taken up for decision on merits.

16.1 To follow the principle of natural justice, personal hearing in the matter was granted on 25.03.2026. Accordingly, the noticee **Shri Rajesh Kumar Madnani**, attended the personal hearing on 25.03.2026 to represent the case and requested to appear for personal hearing in person instead of video conferencing.

16.3 During the personal hearing, the noticee **Shri Rajesh Kumar Madnani** accepted that he brought the said 02 Rolex Watches upon arrival from Dubai and attempted to exit through the Green Channel without making the requisite declaration. He further submitted that this lapse occurred due to lack of knowledge and that it was his first mistake. He further requested to the authority to take a lenient view in the matter and allow release of the said 02 Rolex Watches upon payment of the redemption fine, applicable duty alongwith reasonable fine and penalty.

DISCUSSION AND FINDINGS:

17. I have carefully gone through the facts of this case and find that the Noticee has appeared in Personal Hearing. I therefore proceed to decide the instant case on the basis of evidences and documents available, written reply of noticee and record of personal hearing. I find that the noticee has requested for **Waiver of Show Cause Notice** vide letter dated **10.03.2026**. The request for non-issuance of written Show Cause Notice is accepted in terms of the first proviso to Section 124 of the Customs Act, 1962 and accordingly, the matter is taken up for decision on merits.

18. In the instant case, I find that the main issue to be decided is whether the 02 Rolex Watches found concealed inside the pocket of jeans pant worn by the passenger Shri Rajesh Kumar Madnani, valued at Rs.18,18,000/- (Rupees Eighteen Lakhs Eighteen Thousand Only), placed under Seizure under Panchnama Proceedings dated 14-15.12.2025 and Seizure Memo Order dated 15.12.2025 are liable for confiscation under Section 111 of the Customs Act, 1962 or not and the passenger **Shri Rajesh Kumar Madnani** is liable for penalty under Sections 112 and Section 117 of the Customs Act, 1962 or not.

19. I find that the Panchnama clearly draws out the fact that the passenger was intercepted by the officers of Air Intelligence Unit, SVPIA Ahmedabad when he arrived at Arrival Hall, Terminal-2 of SVPI Airport and attempted to exit through the Green Channel without declaring any goods and was subsequently stopped and questioned by the AIU officers as to whether he was carrying any contraband/ dutiable goods in person or in his baggage to which he denied. In the presence of independent witnesses, a personal search and baggage examination were conducted under a Panchnama. Although he initially denied carrying any contraband, officers discovered two boxes of Rolex watches in his American Tourister trolley bag, while the actual watches were found in his jeans pocket. The watches bore inscriptions indicating high-value certification. No purchase invoices or ownership documents were produced, apart from guarantee cards and related materials found in the baggage. Accordingly, the said 02 Rolex Watches placed under Seizure under Panchnama Proceedings dated 14-15.12.2025 and Seizure Memo Order dated 15.12.2025, in the presence of the passenger and Panchas.

20. I also find that the passenger 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 his 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. In fact, in his statement, he has admitted that he had kept the said 02 Rolex Watches, concealed in the baggage and not declared the same on his arrival before the Customs with an intent to clear them illicitly and evade payment of Customs duty and thereby, violated provisions of Customs Act, the Baggage Rules, the Foreign Trade (Development Regulations) Act, 1992, the Foreign Trade (Development & Regulations) Rules, 1993 and the Foreign Trade Policy 2015-2020.

21. Further, the passenger has accepted that, he had not declared the said 02 Rolex Watches, placed in his baggage on his arrival to the Customs Authorities. It is clear case of non-declaration with an intent to smuggle the said 02 Rolex Watches. Accordingly, there is sufficient evidence to say that, the

passenger had kept the said 02 Rolex Watches which were in his possession and failed to declare the same before the Customs Authorities on his arrival at SVPIA, Ahmedabad. The case of smuggling of said 02 Rolex Watches recovered from his possession and which were kept undeclared with an intent to smuggle the same and in order to evade payment of Customs duty is conclusively proved. Thus, it is proved that passenger violated Section 77, Section 79 of the Customs Act, 1962 for import/ smuggling of said 02 Rolex Watches which were 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.

22. From the facts discussed above, it is evident that Shri Rajesh Kumar Madnani had carried 02 Luxury High Valued Rolex Watches from Dubai to Ahmedabad, with an intention to smuggle and remove the same without payment of Customs duty. Thereby rendering the 02 Luxury High Valued Rolex Watches which are valued at Rs.18,18,000/- (Rupees Eighteen Lakh Eighteen Thousand Only), liable for confiscation, under the provisions of Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962. By carrying these Luxury High Valued Rolex Watches concealed in the baggage and not declaring the same before the Customs, it is established that the passenger had a clear intention to smuggle the said 02 Rolex Watches 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.

23. It is seen that the Noticee had not filed the baggage declaration form and had not declared the 02 Rolex Watches which were concealed in his clothes and bags, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013. I find that the passenger Shri Rajesh Kumar Madnani, gave multiple statements under the Customs Act, 1962 regarding his attempt to bring two Rolex watches into India from Dubai on 14 December 2025. In his initial statement, he admitted that, acting on instructions from his superior, he collected the watches in Dubai, concealed them in his clothing to avoid detection, and attempted to pass through the Green Channel at SVPI Airport, Ahmedabad without declaring them, thereby knowingly trying to evade customs duty. However, in subsequent statements, he retracted key parts of this version, claiming he was under stress at the time and had incorrectly implicated his superior. He asserted instead that he had personally purchased the watches for his own use, that non-declaration was unintentional due to confusion and anxiety, and that he lacked documents at the time of interception. He also acknowledged that the watches were undervalued in a proforma invoice by the seller despite being new, accepted the higher valuation of Rs.18,18,000/- determined by Customs, and expressed willingness to pay the applicable duty.

23.1 It, is therefore, proved that by the above acts of contravention, the Noticee has rendered the said 02 Rolex Watches, totally valued at Rs.18,18,000/- placed under Seizure under Panchnama Proceedings dated 14-15.12.2025 and Seizure Memo Order dated 15.12.2025, are liable to confiscation, under the provisions of Sections 111(d), 111(l) and 111(m) of the Customs Act, 1962. By using the modus of placing the said 02 Rolex Watches in his baggage and clothes, it is observed that the passenger was fully aware that the import of said goods is offending in nature. It is, therefore, very clear that he has knowingly carried such Rolex Watches (02) and intentionally not declared the same on his arrival at the Airport. It is seen that he has involved himself in carrying, keeping, concealing and dealing with the impugned goods in a manner which he 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/ passenger 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.

24. Given the facts of the present case before me, the 02 Rolex Watches which are valued at **Rs.18,18,000/-** (Rupees Eighteen Lakhs Eighteen Thousand Only) recovered from the said passenger, that was kept undeclared and placed under seizure would be liable to confiscation under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962. I find that the passenger such Watches (02) brought for personal use and not carried on behalf of some other person with a profit motive and intentionally not declared the same on his arrival at the Airport. It is seen that he has involved himself in carrying, keeping, concealing and dealing with the impugned goods in a manner which he knew or had reasons to believe that the same were liable to confiscation under the Act.

25. I further find that the passenger had involved himself and abetted the act of carrying the 02 Rolex Watches by placing in baggage. He has agreed and admitted in the statement recorded that he travelled with these items from Dubai to Ahmadabad. Despite his knowledge and belief that the said Watches carried and undeclared by him is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the passenger attempted to clear the said items without making any declaration. The passenger in his statement dated 19.12.2025 stated that he did not declare the impugned the said 02 Rolex Watches as he wanted to clear the same illicitly and evade the Customs Duty. Thus, it is clear that the passenger has actively involved himself in carrying, removing, keeping, concealing and dealing with the 02 Rolex Watches which he knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I find that the passenger is liable for penal action under provisions of Sections 112 of the Act and I hold accordingly.

26. I also mention here that, CBIC Circular No: 495/5/92-Cus.VI dated 10.05.1993 talks about concealment of goods in order to smuggle it into India. So, I find that ingenious concealment is one of the important aspects of deciding on redemption/ non-redemption of the goods, I proceed to decide the issue.

27. In view of the above discussions, I hold that the said 02 Rolex Watches recovered from the noticee/ passenger are liable for confiscation. However, since the impugned 02 Rolex Watches carried by the passenger in commercial quantity. The pax has purchased the 02 Rolex Watches from M/s. Mukend Jewellers, Dubai, UAE, vide Invoice No. DXP116-2025 dated 14.12.2025. He has produced copy of purchase Invoices at the time of further statement dated 19.12.2025.

28. Further the passenger has concealed the Watches in his clothes/ baggage, which is termed as an ingenious concealment. But I use my discretion to give an option to redeem the impugned seized 02 Rolex Watches on payment of a redemption fine, as provided under Section 125 of the Act.

29. I would like to record it here that the passenger had not filed any declaration which he was required to file when he disembarked at Ahmedabad Airport and thereby violated provisions of Section 77 of the Customs Act, 1962 read with Customs Baggage Declaration regulation, 2013. The act of passenger amounted to "smuggling" as defined in Section 2(39) of the Customs Act, 1962. Thus, the said 02 Rolex Watches smuggled is liable to confiscation in terms of Section 111(d), 111(l) & 111(m) of the Customs Act, 1962. However, as I have recorded herein above, I am in favour of using my discretion to release it on payment of redemption fine.

30. I find that this issue of redemption of goods has travelled through various appellate fora. I find that in the following cases, Hon'ble Supreme Courts, High Courts, the appellate fora allowed redemption of seized goods;

- i. Sapna Sanjeev Kohli vs. Commissioner-2010(253) E.L.T. A52(S.C.)
- ii. Union of India vs. Dhanak M Ramji-2010(252) E.L.T. A1 02(S.C.)
- iii. Shaikh Jamal Basha vs. G.O.I.-1997(91) E.L.T.277(A.P.)
- iv. Commissioner of Cust. & C. Ex. Nagpir-1 Vs. Mohd. Ashraf Armar-2019(369) E.L.T. 1654 (Tri. Mumbai)
- v. R. P. Sharma., Additional Secretary in RE Ashok Kumar Verma 2019(369) E.L.T. 1677 (G. O. 1.)
- vi. Suresh Bhosle Vs. Commissioner of Customs (Rev.) Kolkatta- 2009(246) E.L.T. 77(Cal.)
- vii. T. Elavarasan Versus Commissioner of Customs (Airport), Chennai reported 2011 (266) E.L.T. 167 (Mad.)

31. I find that when there are judgements favouring redemption, there are contra judgement which provide for absolute confiscation of seized goods attempted to be smuggled into India as follows;

Abdul Razak vs. U. O. 1. - 2012(275) E.L.T. 300 (Ken) maintained by Hon'ble Supreme Court - 2017(350) E.L.T. At 73(SC)

32. I further find that ingenious concealment is one of the important aspects for deciding on the redemption/ non-redemption of the goods.

Further, while deciding the case, the CBIC Circular/ Instruction F. No: 275/17/2015-CX. 8A dated 11.03.2015 is also looked into, which emphasized that Judicial discipline should be followed while deciding pending show cause notices/ appeals.

33. I find that, the option to redemption has been granted and absolute confiscation is set-a-side vide order No.12/2021-CUS(WZ)/ASAR dated 18.01.2021 by the Revision authority, GOI issued under F. No: 371/44/B/2015-RA/785 dated 29.01.2021. Similar view was taken by Revision Authority vide Order No. 287/2022-Cus(WZ)/ASAR/Mumbai dated 10.10.2022 Order No. 245/2021-Cus(WZ)/ASAR dated 29.09.2021 issued under F. No: 371/44/B/15-RA/2020 dated 06.10.2021 and Order No. 314/2022-Cus(WZ)/Asar/Mumbai dated 31.10.2022 issued from F. No: 371/273/B/WZ/2018 dated 03.11.2022. All the above mentioned 3 orders of RA has been accepted by the department.

34. I further find that the Hon'ble High Court of Delhi in a recent judgement dated 21.08.2023 in the case of Nidhi Kapoor and others, in para 156 of its order observed that —

"The Court holds that an infraction of a condition for import of goods would also fall within the ambit of Section 2(33) of the Act and thus their redemption and release would become subject to the discretionary power of the Adjudicating Officer. For reasons aforesaid, the Court finds no illegality in the individual orders passed by the Adjudicating Officer and which were impugned in these writ petitions. "

35. I find that the seized 02 Rolex Watches were concealed under the clothes/ baggage to be considered as an ingenious concealment. Further, the ownership of the seized Watches by Shri Rajesh Kumar Madnani cannot be denied, as he claims ownership of seized goods during the statement dated 19.12.2025. Looking to the facts, I am of the considered opinion that under section 125 of the Customs Act, 1962, the option for redemption can be granted.

35.1 I find that the passenger was unable to produce any relevant documents viz. purchase invoice at the time of interception and as per the Customs

Valuation Rules, the assessment needs to be done as per the methods prescribed under the Valuation Rules, 2007 and accordingly, the valuation of the said 02 Rolex Wrist Watches, were obtained on the basis of preliminary market enquiry and obtained from the website of Rolex (Rolex.com) as per which the value of these watches was recorded as detailed below:

| Sr. No. | Model No. | Serial No. | Date of Purchase | Value of watch as derived from Rolex.com website |
|---------|-----------|------------|------------------|--|
| 1 | 126300 | 1K985795 | 08-11-2025 | 7,97,500/- |
| 2 | 126334 | 4X2P5831 | 22-09-2025 | 10,20,500/- |
| TOTAL | | | | 18,18,000/- |

35.2 I further find that the passenger admitted in his further statement dated 19.12.2025 and submitted that he has purchased the 02 Rolex Wrist Watches from M/s. Mukend Jewellers, Dubai, UAE, vide Invoice No. DXP116-2025 dated 14.12.2025 were described as “used” and valued at AED 50,000 (approximately Rs.12,70,000/-).

35.3 I also find that the passenger stated in his statements that although the watches were actually new, the seller M/s. Mukend Jewellers, Dubai had shown them as “used” in the invoice, which he admitted was done by the seller to reduce valuation, even though the watches were actually new. The passenger accepted the higher valuation of Rs.18,18,000/- determined by Customs and expressed willingness to pay the applicable duty. The basis for Customs Valuation is governed by Section 14 of the Customs Act, 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The transaction value, defined as the price actually paid or payable for the goods, should be the basis for valuation and in such cases, the noticee ought to have been in the possession of the Invoice when he was intercepted and the goods were seized. However, it is evident from records that the noticee was not carrying this Invoice and did not produce the same at the time of seizure. Further, the noticee has failed to submit any details of payment particulars which ought to be made through banking channel, which has not been done in the present case.

35.4 Further, I find that the initial valuation was done on the basis of market price available on internet. Also, the noticee has not contended the Customs Valuation. Therefore, in the view of above, I reject the value as mentioned in the invoice at AED 50,000 (approximately Rs.12,70,000/-) as submitted by the noticee in terms of Rule 12 of Customs Valuation Rules, 2007 as amended and accepted the total value determined by Customs in Indian Rupees Rs.18,18,000/- and accordingly, Customs duty is to be calculated on the said assessable value. Therefore, in view of above, I give an option to the passenger, Shri Rajesh Kumar Madnani, under Section 125(1) of the Act to redeem the 02 Rolex Wrist Watches on payment of a redemption fine in lieu of confiscation.

36. I further find that the passenger had involved himself and abetted the act or carrying 02 Rolex Watches by placing under baggage box. He has agreed and admitted in the statement recorded that he travelled with 02 Rolex Watches from Dubai to Ahmadabad. Despite his knowledge and belief that the concealed Rolex Watches carried by him and undeclared in him person is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the passenger attempted to carry the said goods. The passenger in his statements dated 15.12.2025, 19.12.2025 and 08.01.2026 stated that he did not declare the impugned Rolex Watches as he wanted to clear the same illicitly and evade the Customs Duty. Thus, it is clear that the passenger has involved himself in carrying, removing, keeping, concealing and dealing with the undeclared Watches which he knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I find that the passenger is liable for penal action under the provisions of Sections 112 of the Customs Act, 1962 and I hold accordingly.

37. In regard to the imposition of penalty under Section 112 of the Customs Act, 1962, I find that in the instant case, the principle of *mens-rea* is established beyond doubt from the documentary evidence on record and the discussions above. While deciding the penalty, I also take note of the observations of the Hon'ble Apex Court in *M/s. Hindustan Steel Ltd vs. State of Orissa*, wherein it was held that-

“The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct, or acts in conscious disregard of its obligation; but not in cases of technical or venial breach 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.”

37.1 The act of bringing into India goods contravening the provisions of the Customs Act and omitting to declare them under Section 77 clearly falls within the scope of Section 112(a), which covers “acts or omissions rendering goods liable to confiscation, or abets the doing or omission of such act.” Further, the ingenious manner of concealment adopted by the noticee falls squarely within Section 112(b) of the Customs Act, 1962.

37.2 Accordingly, I hold that the noticee is liable for penalty under **Sections 112(a) and 112(b) of the Customs Act, 1962** and impose the same. I also find that Shri Madnani did not fulfill his legal obligations under Section 123 of the Customs Act, 1962, further reinforcing the confiscation of the goods and penal liability against him.

38. Regarding imposition of penalty under Section 117 of Customs Act, 1962, I find that Section 117 of Customs Act, 1962 provide for imposition of penalty on any person who contravenes any provision of the said Act or abets

any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, to be liable to a penalty not exceeding four lakhs rupees. The maximum amount of penalty prescribed under Section 117 initially at Rs. One lakh was revised upwards to Rs. Four lakhs, with effect from 01.08.2019. The detailed discussions in the preceding paragraphs clearly prove that the noticee not only failed to fulfill the conditions but also failed to abide by the responsibilities reposed on them as per the provision of Customs Act. He, initially stated in his 15 December 2025 statement under the Customs Act that, acting on instructions from his superior, he travelled to Dubai, collected two Rolex watches, concealed them to evade detection, and attempted to smuggle them into India without declaring them, admitting awareness of wrongdoing. However, in his subsequent statements on 19 December 2025 and 8 January 2026, he retracted key parts of his earlier confession, claiming it was made under stress and anxiety at the time of interception. He asserted that the watches were purchased by him for personal use, that his superior had no involvement beyond general guidance, and that his failure to declare the items was unintentional. Accordingly, attempted to shift responsibility to his business partner, creating additional grounds for penalties under Section 117 of the Customs Act, 1962. Hence, there are clear violations of the Section 77 & Section 79 of the Customs Act, 1962. Hence, it is, fit case for imposing penalty under Section 117 of Customs Act, 1962 on the Noticee Shri Rajesh Kumar Madnani.

39. In view of the above, the passenger has rendered himself liable to penalty under Section 112(a), 112(b) and 117 of the Customs Act, 1962. Accordingly, I hold that the passenger is liable for penal action under the provisions of Section 112 and 117 of the Customs Act, 1962 due to his actions of concealment, non-declaration, and attempt to mislead authorities.

40. Accordingly, in view of the above discussion & findings, I proceed to pass the following order: -

ORDER

i. I order confiscation of the impugned **the 02 Rolex Wrist Watches** (Model/Reference Nos. 126300 and 126334) which are valued at **Rs.18,18,000/-**(Rupees Eighteen Lakhs Eighteen Thousand Only) recovered from the said passenger **Shri Rajesh Kumar Madnani**, place under seizure under Panchnama proceedings dated 14-15.12.2025 and under Seizure Memo Order dated 15.12.2025 under the provisions of Section 111(d), 111(l) and 111(m) of the Customs Act, 1962;

F. No. VIII/10-73/SVPIA-A/O&A/HQ/2025-26
OIO No: /ADC/SRV/O&A/2026-27

- ii.** I give an option to Shri Rajesh Kumar Madnani to redeem the impugned 02 Rolex Watches on payment of **Redemption Fine of Rs.1,00,000/- (Rupees One Lakh Only)** under Section 125(1) of the Customs Act, 1962 in addition to the duty chargeable and any other charges payable in respect of the imported goods as per Section 125(2) of the Customs Act, 1962;
- iii.** I impose a penalty of **Rs.50,000/- (Rupees Fifty Thousand Only)** on **Shri Rajesh Kumar Madnani** under the provisions of Section 112 (a) & Section 112 (b) of the Customs Act 1962.
- iv.** I impose a penalty of **Rs.25,000/- (Rupees Twenty-Five Thousand Only)** on **Shri Rajesh Kumar Madnani** under the provisions of Section 117 of the Customs Act 1962.

41. This order is issued without prejudice to any other action that may be taken against the passenger/ Noticee or any other person(s) concerned with said goods under the Customs Act, 1962, or any other law for the time being in force in India.

(Shri Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

DIN:20260471MN0000414931

F.No VIII/10-73/SVPIA-A/O&A/HQ/2025-26

Date:02.04.2026

By Speed Post

To,

Shri Rajesh Kumar Madnani,
Sai Ashirvad, 69/42 Veer Teja Ji Road,
Mansarovar, Jaipur, Rajasthan 302020

Copy to:

- (i) The Principal Commissioner of Customs, Ahmedabad (Kindly Attention to RRA)
- (ii) The Deputy/Assistant Commissioner of Customs, Recovery Cell
- (iii) The Deputy/Assistant Commissioner of Customs, SVPIA, Ahmedabad
- (iv) The Deputy Commissioner of Customs (AIU), SVPIA, Ahmedabad
- (v) The System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. <http://www.ahmedabadcustoms.gov.in>
- (vi) Guard File.