

OIO No:41/ADC/SRV/O&A/2025-26
F. No: VIII/10-04/SVPIA-C/O&A/HQ/2025-26



प्रधान आयुक्त का कार्यालय, सीमा शुल्क ,अहमदाबाद

“सीमाशुल्कभवन ,”पहलीमंजिल ,पुरानेहाईकोर्टकेसामने ,नवरंगपुरा ,अहमदाबाद – 380009.

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PREAMBLE

A	फ़ाइलसंख्या/ File No.	:	VIII/10-04/SVPIA-C/O&A/HQ/2025-26
B	कारणबताओनोटिससंख्या-तारीख / Show Cause Notice No. and Date	:	Waiver of SCN by Pax.
C	मूलआदेशसंख्या/ Order-In-Original No.	:	41/ADC/SRV/O&A/2025-26
D	आदेशतिथि/ Date of Order-In-Original	:	28.05.2025
E	जारीकरनेकीतारीख/ Date of Issue	:	28.05.2025
F	द्वारापारित/ Passed By	:	Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad.
G	आयातककानामऔरपता / Name and Address of Importer / Passenger	:	Shri Prakash Patidar, Patel Wara VPO, Sakariya, Tehsil-Garhi, Banswara-327022
(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 मंज़िल, 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:

On the basis of passenger profiling and suspicious movement of passengers, Air Intelligence Unit (AIU) officers, SVPIA, Customs, Ahmedabad, intercepted a male passenger named, Shri Prakash Patidar

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(Indian Passport bearing No. W0769393), resident of Patel Wara VPO, Sakariya, Tehsil-Garhi, Banswara-327022 who arrived from Kuwait (KWI) to Ahmedabad (AMD) on 30.12.2024 by Indigo Flight No. 6E1244 (Seat No. 16E) on 30.12.2024 at Terminal- 2 of the SVP International Airport, Ahmedabad, while he was trying to exit through green channel without making any declaration to the Customs. The passenger was asked by the AIU Officers whether he had made any declarations to customs authorities for dutiable goods/items or wanted to declare any dutiable goods/items before customs authorities to which he replied in negative and informed that he was not carrying any dutiable items with him. Passenger's personal search and examination of his baggage was conducted in presence of two independent witnesses and the proceedings was recorded under **Panchnama dated 30.12.2024**.

2. The passenger was carrying one bag pack (black Colour) as cabin luggage and one trolley bag (beige Colour) and one carton box as checked in baggage. The AIU officer informed the said passenger that he along with his accompanied officers would be conducting his personal search and detailed examination of his baggage. The passenger was questioned by the AIU officers as to whether he was carrying any dutiable/ contraband goods in person or in his baggages, to which he denied. The officers asked/informed the passenger that a search of his baggages as well as his personal search was to be carried out and gave 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 gazetted custom officer. Before commencing the search, the officers offered themselves to the said passenger for conducting his personal search, which was declined by the said passenger imposing faith in the officers. Thereafter, the AIU officers scanned the checked in baggage of the passenger in the X-Ray baggage scanning machine, which was installed near Green Channel at Arrival Hall, Terminal II, SVPI Airport, Ahmedabad. However, nothing objectionable was found during scanning of his baggage.

2.1 The AIU officers asked the passenger, Shri Prakash Patidar to pass through the Door Frame Metal Detector (DFMD) installed near the AIU office at the arrival hall of Terminal 2 building, after removing all metallic objects from him body/clothes. The passenger readily kept mobile, wallet (kept in the jacket that he was wearing) and handbag in a

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plastic tray and passed through the DFMD machine. During DFMD, no beep sound was heard from the metal detector machine indicating the presence of any objectionable/ metal item on his body/ clothes. However, during X-ray scanning of plastic tray containing mobile, wallet and handbag, some dark black colored image was found which appeared to be a metallic object(s). The officers then thoroughly checked the wallet of the passenger, Shri Prakash Patidar, which resulted into the recovery of one Cut Gold Bar found wrapped in the white transparent plastic bag. At the outset, the cut gold bar appears to be made of 24 carat gold. Photograph of the same is as under :



2.2. Thereafter, the officers of AIU, the said passenger and the Panchas moved to the AIU office located opposite Belt No. 2 of the Arrival Hall, Terminal-2, SVPI Airport, Ahmedabad alongwith the baggage of the passenger. During frisking, the passenger Shri Prakash Patidar was examined thoroughly by the AIU Officer. On examination of the said passenger in presence of the panchas, nothing objectionable was found from the clothes or the body of the passenger.

2.3 Thereafter, the AIU Officer called the Government Approved Valuer on 30.12.2024 and informed him that one cut gold bar packed in white transparent plastic bag has been detected and requested him to come to the Airport for testing and valuation of the said bar. After some time one person came to the airport. The AIU officer introduced the panchas as well as the passenger to that person namely Shri Kartikey Soni Vasantrai, Government Approved Valuer. The Government approved valuer weighs the said cut gold bar on weighing

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machine and confirms that the weight of said cut gold bar is 174.200 grams. The Photograph of the same is as:-



2.4 Further, the valuer Shri Kartikey Soni Vasantrai started testing of the gold for its purity and valuation, the valuer vide its report No. 1353/2024-25 dated 30.12.2024 confirmed that the said cut gold bar was made of pure gold having purity 999.0/24kt. He further calculated the value of these gold items as per the Notification No. 85/2024-Customs (N.T.) dated 13.12.2024 (gold) and Notification No. 13/2024-Customs (N.T.) dated 20.12.2024 (exchange rate). The details of the gold recovered from the passenger are as under:

Details of gold Items	Certificate no.	Net Weight in Gram	Purity	Market value (Rs)	Tariff Value (Rs)
Cut Gold Bar	1353/2024-25	174.200	999.0 24Kt	13,73,219/-	12,93,623/-

Seizure of the gold:

3. The AIU Officer informed the panchas as well as the passenger Shri Prakash Patidar that the one cut gold bar of 999.0/24kt purity, totally weighing 174.200 Grams is attempted to be smuggled to India with intent to evade payment of Customs duty which is a clear violation of the provisions of Customs Act, 1962. Thus, the AIU officers having a reasonable belief that the aforesaid gold item is being attempted to be smuggled into India through SVPI Airport, Ahmedabad by the said passenger and is liable for confiscation as per the provisions of Customs

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Act, 1962. Therefore, the aforesaid gold item was placed under seizure vide seizure memo dated 30.12.2024.

4. Statement of Shri Prakash Patidar:

Statement of Shri Prakash Patidar was recorded on 30.12.2024 wherein he inter alia stated as under:

4.1 He gave his personal details like name, age, address, profession, family details and education etc.

4.2 His date of birth is 07.07.1983. His residential address is Patel Wara VPO, Sakariya, Tehsil Garhi, Banswara-327022, Rajasthan. He residing with his wife and two sons aged 22 years and 17 years, at above stated address. He stated that his wife is managing household work and his elder son is working in Kuwait with him and younger son is pursuing studies in India. He further stated that his family income is approx. Rs. 1,60,000/-. On being asked for his overseas travel, he stated that he is working at Kuwait for more than 10 years with work permit valid till 30.11.2026. As his family is residing in India, he visits them at regular intervals. The purpose of his present visit to India was home renovation at Banswara.

4.3 He has perused the Panchnama dated 30.12.2024 drawn at Arrival Hall of Terminal-2 of SVPI Airport, Ahmedabad and he stated that he has been present during the entire course of the said panchnama and he agreed with the contents of the said Panchnama. In token, he put his signature on every page of the panchnama.

4.4 On being asked about one cut gold bar which were recovered during the Panchnama proceeding on 30.12.2024 at SVPI Airport, Ahmedabad, Shri Prakash Patidar stated that he knows that smuggling of gold without payment of customs duty is an offence but as he had intention to evade customs duty, so he tried to smuggle the gold by carrying the one cut gold bar having purity 999.0, 24 Kt. by way of concealing/ hiding the same under her clothes that he was wearing. He further state that as he was to evade payment of customs duty and smuggle the gold by concealing/hiding the same, he did not declare the goods brought by her before the Customs officer. He was fully aware that clearing Gold in any form in excess of the eligible quantities for passenger without declaring before Customs, with an intent to evade payment of customs duty is an offence, under the provisions of

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Customs Act, 1962, Foreign Trade Policy, 2023 and Rules and Regulations made there under. He also did not file any declaration form for declaring dutiable goods one cut gold bar to Customs, carried by him on 30.12.2024 at SVPI Airport, Ahmedabad.

4.5 Shri Prakash Patidar also stated that he was aware that smuggling of gold without payment of Customs duty is an offence. He was aware of the concealed gold in the form of cut bar but he did not make any declarations in this regard to evade the Customs duty. He had concealed/hide the said cut gold bar wrapped with transparent plastic bag inside his wallet and he has opted for green channel so that he can attempt to smuggle the gold without paying customs duty.

5. From the investigation conducted in the case, it appears that the aforesaid gold was imported into India in violation of the provisions of the Baggage Rules, 2016, as amended, in as much as the quantity of gold brought by the passenger is more than the permissible limit allowed to a passenger under the Baggage Rules. Hence, it cannot be considered as a Bonafide baggage under the Customs Baggages Rules, 2016. According to Section 77 of the Customs Act, 1962, the owner of any baggage, for the purpose of clearing it, is required to make a declaration of its contents to the proper officer. In the instant case, the passenger had not declared the said gold items i.e. one cut gold bar weighing 174.200 grams having purity 999.0/24 Kt and having Market Value of Rs.13,73,219/- and Tariff Value of Rs.12,93,623/- because of malafide intention and thereby contravened the provision of Section 77 of the Customs Act, 1962. It therefore, appears that the said gold item totally weighing 174.200 grams recovered from Shri Prakash Patidar, was attempted to be smuggled into India with an intention to clear the same without discharging duty payable thereon. It, therefore, appears that the said gold item totally weighing 174.200 Grams is liable for confiscation under the provision of Section 111 of the Customs Act, 1962. Consequently, the said gold item totally weighing 174.200 Grams recovered from Shri Prakash Patidar, who had arrived from Kuwait (KWI) to Ahmedabad (AMD) on 30.12.2024 by Indigo Flight No.6E1244 (Seat No.16E) at the arrival hall of the SVPIA, Ahmedabad was placed under seizure vide Panchanama dated 30.12.2024 and Seizure order dated 30.12.2024 by the AIU Officers of Customs under the reasonable belief that the subject Gold is liable for confiscation.

6. Summation:

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From the investigation conducted in the case, it appears Shri Prakash Patidar had attempted to smuggle one cut gold bar weighing 174.200 grams having purity 999.0/24Kt and having Market Value of Rs.13,73,219/- and Tariff Value of Rs.12,93,623/-, liable for confiscation under the provisions of Section 111 of the Customs Act, 1962 and therefore the same were placed under Seizure vide seizure memo dated 30.12.2024.

7. LEGAL PROVISIONS RELEVANT TO THE CASE

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

- 7.1 In terms of Para 2.26 (a) of the Foreign Trade Policy 2015-20, (as amended) 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.
- 7.2 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.
- 7.3 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.
- 7.4 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 thereunder and the foreign trade policy for the time being in force.

The Customs Act, 1962:

- 7.5 As per Section 2(3) – “baggage includes unaccompanied baggage but does not include motor vehicles.
- 7.6 As per Section 2(22), of Customs Act, 1962 definition of 'goods' includes-

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

7.7 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.

7.8 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.

7.9 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.

7.10 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.

7.11 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.

7.12 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

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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

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77;

(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54];

(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.

7.13 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.

7.14 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 he are smuggled goods, the burden of proving that he are not smuggled goods shall be-

(a) in a case where such seizure is made from the possession of

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any person -

*(i) on the person from whose possession the goods was seized;
and*

*(ii) if any person, other than the person from whose possession
the goods was 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.*

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

Customs Baggage Rules and Regulations:

7.16 As per Customs Baggage Declaration (Amendment) Regulations, 2016 issued vide Notification no. 31/2016 (NT) dated 01.03.2016, all passenger who come to India and having anything to declare or are carrying dutiable or prohibited goods shall declare his accompanied baggage in the prescribed form under Section 77 of the Customs Act, 1962.

7.17 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 the bona-fide baggage of jewellery upto 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.

Notifications under Foreign Trade Policy and The Customs Act, 1962:

7.18 As per Notification no. 49/2015-2020 dated 05.01.2022, gold in any form includes gold in any form above 22 carats under Chapter 71 of the ITC (HS), 2017, Schedule-1 (Import Policy) and import of the same is restricted.

7.19 Notification No. 50 /2017 –Customs New Delhi, the 30th June, 2017 G.S.R. (E).-

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In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3, of Customs Tariff Act, 1975 (51 of 1975), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2012 - Customs, dated the 17th March, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 185 (E) dated the 17th March, 2017, except as respects things done or omitted to be done before such supersession, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below or column (3) of the said Table read with the relevant List appended hereto, as the case may be, and falling within the Chapter, heading, sub-heading or tariff item of the First Schedule to the said Customs Tariff Act, as are specified in the corresponding entry in column (2) of the said Table, when imported into India,- (a) from so much of the duty of customs leviable thereon under the said First Schedule as is in excess of the amount calculated at the standard rate specified in the corresponding entry in column (4) of the said Table; and (b) from so much of integrated tax leviable thereon under sub-section (7) of section 3 of said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table, subject to any of the conditions, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (6) of the said Table:

	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Condition No.
356.	71or 98	i. Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported	10%	41

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		by the eligible passenger		
		ii. Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls		

Condition no. 41 of the Notification:

If,- 1. (a) the duty is paid in convertible foreign currency; (b) the quantity of import does not exceed ten kilograms of gold and one hundred kilograms of silver per eligible passenger; and 2. the gold or silver is,- (a)carried by the eligible passenger at the time of his arrival in India, or (b) the total quantity of gold under items (i) and (ii) of Sr. No. 356 does not exceed one kilogram and the quantity of silver under Sr. No. 357 does not exceed ten kilograms per eligible passenger; and (c) is taken delivery of from a customs bonded warehouse of the State Bank of India or the Minerals and Metals Trading Corporation Ltd., subject to the conditions 1 ; Provided that such eligible passenger files a declaration in the prescribed form before the proper officer of customs at the time of his arrival in India declaring his intention to take delivery of the gold or silver from such a customs bonded warehouse and pays the duty leviable thereon before his clearance from customs. Explanation.- For the purposes of this notification, “eligible passenger” means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days and such passenger has not availed of the exemption under this notification or under the notification being superseded at any time of such short visits.

8. From the above paras, it appears that during the period relevant to this case, import of gold in any form (gold having purity above 22 kt.) was restricted as per DGFT notification and import was permitted only by nominated agencies. Further, it appears that import of goods whereas it is allowed subject to certain conditions are to be treated as prohibited goods under section 2(33) of the Customs Act, 1962 in case

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such conditions are not fulfilled. As such import of gold is not permitted under Baggage and therefore the same is liable to be held as prohibited goods.

CONTRAVENTION AND VIOLATION OF LAWS

9. It therefore appears that:

- (i) Shri Prakash Patidar had attempted to smuggle/improperly import 999.0/24 Kt. Pure gold cut bar as detailed hereunder, having total weight 174.200 grams and having total market value of Rs.13,73,219/-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. Shri Prakash Patidar knowingly and intentionally smuggled the said gold cut bar upon his arrival from Kuwait to Ahmedabad by Indigo Airlines Flight No. 6E1244 on 30.12.2024 with an intent to clear these illicitly to evade payment of the Customs duty. Therefore, the aforesaid gold cut bar smuggled by Shri Prakash Patidar, cannot be treated as bonafide household goods or personal effects. Shri Prakash Patidar has, thus contravened the Foreign Trade Policy 2015-20 as amended and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992.
- (ii) Shri Prakash Patidar, by not declaring the said gold items 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 gold items smuggled by Shri Prakash Patidar, without declaring it to the Customs are liable for confiscation under Section 111(d), 111(l) and 111(m) read with Section 2 (22), (33), (39) of the Customs Act, 1962.
- (iv) Shri Prakash Patidar by the above-described acts of omission/commission and/or abetment has/have rendered themselves liable to penalty under Section 112 of Customs Act, 1962.
- (v) As per Section 123 of Customs Act 1962, the burden of proving that the concerned gold items are not smuggled goods, is upon Prakash Patidar, who are the Noticee in this case.

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10. The passenger Shri Prakash Patidar through his advocate and authorized representative vide letter dated 28.03.2025 submitted request for waiver of SCN. He submitted that his client is owner of gold bar and his client is not a habitual offender and was not found involved in similar offence earlier. He submitted that his client has no knowledge of law and not done any act which cause loss to Country. Further, mentioned that the concerned officer explains the applicable provisions of Customs Act, 1962 which going to be invoked in Show Cause Notice and after understanding the same, he requested for waiver of SCN and ready to pay the applicable duty and penalty. He requested to decide the matter on merits. He further requests for the personal hearing in the matter.

11. PERSONAL HEARING:

To follow the principle of natural justice, personal hearing in the matter was granted on 29.04.2025. Shri M.B Bhansali, Advocate and authorized representative attended the PH on behalf of Noticee. He produces copy of Vakalatnama to represent the case and requested to appear for personal hearing in person instead of video conferencing. The noticee through his letter dated 28.03.2025 requested for waiver of SCN/Oral SCN under the provisions of Section 124 of Customs Act, 1962. 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 accordingly, the representative of the noticee has been explained the provisions of Section 124 thoroughly regarding the provision for issuing SCN and waiver of SCN has been granted and matter is taken up for decision on merits. Shri Mahavir Bhansali submits that the gold was not ingenious concealment as same was found in his plastic bag in his purse/wallet and purchased from their personal savings and also not in commercial quantity. He submitted the copy of invoice. He also submits that the gold is not prohibited item and it is the first time he brought gold. Due to ignorance of law the gold was not declared by his client. He further submits that his client is ready to pay applicable Customs Duty, fine and penalty and requested for release of seized gold. He requested to take lenient view in the matter and allow to release the gold on payment of reasonable fine and penalty. He relies on a number of case laws as submitted during the PH. Further, he submitted a Revisionary Authority (R.A) Order No.

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371/437/B/WZ/2022-RA dated 06.12.2023 in matter of Shri Shankarlal Nayak, in his defense wherein absolute confiscation of three cut gold bars was set aside and redemption fine was allowed. He also submitted a copy of invoice for purchase of gold.

DISCUSSION & FINDINGS:

12. I have carefully gone through the facts of this case and the submissions made by the Advocate of the noticee in his written submissions as well as during the personal hearing and documents available on record. I find that the noticee had requested for waiver of Show Cause Notice in written as well as her representative re-iterated the same during PH. Before proceeding further, I would like to go through the provisions for waiver of SCN as envisaged in Section 124 of Customs Act, 1962 as under:-

"124. Issue of show cause notice before confiscation of goods, etc.—No order confiscating any goods or imposing any penalty on any person shall be made under this Chapter unless the owner of the goods or such person—

(a) is given a notice in [writing with the prior approval of the officer of Customs not below the rank of [an Assistant Commissioner of Customs], informing] him of the grounds on which it is proposed to confiscate the goods or to impose a penalty;

(b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(c) is given a reasonable opportunity of being heard in the matter:

Provided that the notice referred to in clause (a) and the representation referred to in clause (b) may, at the request of the person concerned be oral.

[Provided further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.]"

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Perusal of Section 124 of the Act states that a Show Cause Notice may be issued in Oral on the request of noticee. If an oral SCN/ waiver has to be agreed to by the person concerned, the same ought to be in the form of a proper declaration, consciously signed by the person concerned. I find that the noticee through his advocate/authorized representative requested for waiver of SCN/Oral SCN after preciously go through the provisions of Show Cause Notice under Section 124 of Customs Act, 1962 vide letter dated 28.03.2025. Therefore, the Oral SCN/Waiver of SCN can be granted under Section 124 of Customs Act, 1962 on his written request and after following the principle of natural justice. In the instant case, I find that the noticee through his representative has submitted his request letter for waiver of SCN which was consciously signed and Authorized representative has attended the PH. 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 accordingly, the matter is taken up for decision on merits.

13. In the instant case, I find that the main issue that is to be decided is whether the gold i.e. one gold cut bar of 999.0/24kt purity, totally weighing 174.200 grams and having Market Value of Rs. 13,73,219/- and Tariff Value of Rs. 12,93,623/-, carried by the noticee, which were seized vide Seizure Order dated 30.12.2024 under the Panchnama proceedings dated 30.12.2024 on the reasonable belief that the said goods were smuggled into India, is liable for confiscation under Section 111 of the Customs Act, 1962 (hereinafter referred to as 'the Act') or not and whether the passenger is liable for penalty under the provisions of Section 112 of the Act.

14. It is on the record the noticee had tendered his statement voluntarily under Section 108 of Customs Act, 1962 and Statement recorded under Section 108 of Customs Act, 1962 has evidentiary value under the provision of law. For that, I relied upon the judgments as under:-

- Assistant Collector of Central Excise, Rajamundry Vs. Duncan Agro India Ltd reported in 2000 (120) E.L.T 280 (SC) wherein it was held that "Statement recorded by a Customs Officer under Section 108 is a valid evidences"
- In 1996 (83) E.L.T 258 (SC) in case of Shri Naresh J Sukhwani V. Union of India wherein it was held that " It must be remembered

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that the statement before the Customs official is not a statement recorded under Section 161 of the Criminal Procedure Code 1973. Therefore, it is material piece of evidence collected by Customs Official under Section 108 of the Customs Act,1962”

- There is no law which forbids acceptance of voluntary and true admissible statement if the same is later retracted on bald assertion of threat and coercion as held by Hon’ble Supreme Court in case of K.I Pavunny Vs. Assistant Collector (HQ), Central Excise Cochin (1997) 3 SSC 721.
- Hon’ble High Court of Mumbai in FERA Appeal No. 44 of 2007 in case of Kantilal M Jhala Vs. Union of India, held that “Confessional Statement corroborated by the Seized documents admissible even if retracted.”

15. I find that on the basis of passengers profiling and suspicious movement Shri Prakash Patidar, was intercepted by the AIU officers, when he was trying to exit through green channel without making any declaration. The baggage of Shri Prakash Patidar was passed through the X-Ray Baggage Scanning Machine, nothing suspicious noticed. Furter, while passing through the DFMD after removing the metallic objects, no beep sound was heard, indicating there is nothing suspicious with him. However, on X-ray scanning of plastic tray containing mobile, wallet and handbag, dark black coloured image was noticed indicating some metallic object and after thorough check of wallet, a cut gold bar wrapped in white transparent plastic bag was recovered. It is also on record that the Govt. approved valuer examined recovered item and submit his report vide certificate no. 1353/2024-25 dated 30.12.2024. wherein he submitted that the recovered gold cut bar was of purity of 24kt/999.0. The details of same is as under:-

Sl. No.	Details of Items	PC S	Net Weight In Gram	Purity	Market value (Rs)	Tariff Value (Rs)
1	Gold Cut Bar	1	174.200	999.0 24Kt	Rs.13,73,219/-	Rs.12,93,623/-
	TOTAL	1	174.200		Rs.13,73,219/-	Rs.12,93,623/-

Hence, I find that the noticee was well aware about the fact that the gold is dutiable item and he intentionally wanted to clear the same without payment of Customs duty. Ignorance of law is not an excuse but an attempt to divert adjudication proceedings.

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16. With respect to the prohibition of the goods, it is to submit that the Hon'ble Apex Court in case of M/s. Om Prakash Bhatia Vs. Commissioner of Customs Observed the following:-

“Further, Section 2(33) of the Act defines “Prohibited Goods” as under:- Prohibited goods means any goods import or export of which subject to any prohibition under this Act or any other law for time being in force but does not include any such goods in respect of which conditions subject to which the goods are to be permitted to be imported or exported have been complied with. *“From the aforesaid definition, it can be stated that (a) if there is any prohibition of import or export of goods under the Act or any other law for time being in force, it would be considered to be prohibited goods; and (b) this would not include any such goods in respect of which the conditions, subject to which the goods are imported or exported, have been complied with. This would mean that if the conditions prescribed for import or export of the goods are not complied with, it would be considered to be prohibited goods.* This would also be clear from the Section 11 of Customs Act, 1962 which empowers the Central Government to prohibit either ‘absolutely’ or ‘subject to such conditions’ to be fulfilled before or after clearance, as may be specified in the Notification, the import or export of the goods of any specified description. The notification can be issued for the purpose specified in sub section (2). Hence, prohibition of importation or exportation could be subject to certain prescribed conditions to be fulfilled before/after clearance of goods. If the conditions are not fulfilled, it may amount to prohibited goods. *This is also made clear by this court in Sheikh Mohd. Omer vs. Collector of Customs, Calcutta and others [(1970) 2 SSC 728] wherein it was contended that the expression ‘prohibited’ used in Section 111 (d) of the Customs Act, 1962 must be considered as a total prohibition and the expression does not be within its fold the restriction imposed in clause (3) of import control order, 1955. The Court negated the said contention and held thus:- “... what clause (d) of Section 111 says is that any goods which are imported or attempted to be imported contrary to” any prohibition imposed by any law for the time being in force in this country is liable to be confiscated. “Any prohibition” referred to in that section applies to every type of “prohibition”. That prohibition may be complete or partial. Any restriction on import or export is to an extent a prohibition. The expression “any prohibition” in section 111(d) of the Customs Act, 1962 includes restriction. Merely because section 3 of import or export*

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(control) act, 1947 uses three different expressions 'prohibiting', 'restricting' or 'otherwise controlling', we cannot cut down the amplitude of the word "any prohibition" in Section 111(d) of Customs Act, 1962. "Any prohibition" means every prohibition. In others words, all types of prohibition. Restriction is one type of prohibition. **From the said judgment of the Apex Court, it is amply clear that the goods are to be treated as 'prohibited' if there is failure to fulfil the conditions/restrictions imposed by the Government on such import or export. In this case, I find that the noticee has smuggled impugned goods, i.e. Gold cut bar, by concealment and attempted to clear from the Customs authorities without declaration. Accordingly, the goods brought by the noticee falls under the ambit of "Prohibited Goods" under the definition of Section 2(33) of the Customs Act, 1962.**

17. I find that as per paragraph 2.20 of Foreign Trade Policy (FTP), *bona fide* household goods and personal effects may be imported as a part of passenger's baggage as per the limit, terms and conditions thereof in Baggage Rules, 2016 notified by Ministry of Finance. Further, in terms of EXIM Code 98030000 under ITC (HS) Classification of Export and Import items 2009-2014 as amended, import of all dutiable article by a passenger in his baggage is "Restricted" and subject to fulfilment of conditions imposed under the Customs Act, 1962, the baggage rules, 2016.

Further, as per the Notification No. 12/2012-Cus dated 17.03.2012 (S.I-321) and Notification No. 50/2017-Cus dated 30.06.2017, Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger and gold in any form including tola bars and ornaments are allowed to be imported upon payment of applicable rate of duty as the case may be subject to conditions prescribed. As per the prescribed condition the duty is to be paid in convertible foreign currency, on the total quantity of gold so imported not exceeding 1 kg only when gold is carried by the "eligible passenger" at the time of his arrival in India or imported by him within 15 days of his arrival in India. It has also been explained for purpose of the notifications, "eligible passengers" means a passenger of India origin or a passenger holding a valid passport issued under Passport Act, 1967 who is coming

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to India after a period of not less than six months of stay abroad and short visits, if any made by the eligible passenger during the aforesaid period of 06 months shall be ignored, if the total duration of such stay does not exceeds 30 days and such passenger have not availed of the exemption under this notification.

18. Further, as per Notification no. 49/2015-2020 dated 05.01.2022 (FTP), gold in any form includes gold in any form above 22 carats under Chapter 71 of the ITC (HS), 2017, Schedule-1 (Import Policy) and import of the same is **restricted**. Further, I find that 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 the bonafide baggage, jewellery upto 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. Further, the Board has also issued instructions for compliance by “eligible passenger” and for avoiding such duty concession being misused by the unscrupulous elements vide Circular No. 06/2014-Cus dated 06.03.2014.

19. A combined reading of the above-mentioned legal provision under the Foreign Trade regulations, Customs Act, 1962 and the notification issued thereunder, clearly indicates that import of gold including gold jewellery through baggage is restricted and condition have been imposed on said import by a passenger such as he/she should be of Indian origin or an Indian passport holder with minimum six months stay abroad etc. only passengers who satisfy these mandatory conditions can import gold as a part of their bona fide personal baggage and the same has be declared to the Customs at their arrival and pay applicable duty in foreign currency/exchange. I find that these conditions are nothing but restrictions imposed on the import of the gold through passenger baggage. I find that noticee has brought the gold item having total weight 174.200 grams which is more than the prescribed limit. Further, the noticee has not declared the same before customs on his arrival which is also an integral condition to import the gold and same has been admitted in his voluntary statement that he wants to clear the gold items clandestinely without payment of eligible custom duty.

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20. Further, the noticee has accepted that he had not declared the said gold concealed by him, on his arrival to the Customs authorities. It is clear case of non-declaration with an intent to smuggle the gold. Accordingly, there is sufficient evidence to say that the noticee had kept the said gold items viz. one gold cut bar of 999.0/24Kt purity, totally weighing 174.200 grams and having Market Value of Rs. 13,73,219/- and Tariff Value of Rs. 12,93,623/-, which was in his possession and concealed by him in his wallet and failed to declare the same before the Customs Authorities on his arrival at SVPIA, Ahmedabad. The case of smuggling of gold recovered from his possession and which was kept undeclared with an intent of smuggling the same and in order to evade payment of Customs duty is conclusively proved. Thus, it is proved that the noticee violated Section 77, Section 79 of the Customs Act for import/ smuggling of gold which was not for bonafide use and thereby violated Rule 11 of the Foreign Trade Regulation Rules 1993 as amended, and para 2.26 of the Foreign Trade Policy 2015-20 as amended. Further as per Section 123 of the Customs Act, 1962, gold is a notified item and when goods notified thereunder are seized under the Customs Act, 1962, on the reasonable belief that they are smuggled goods, the burden to prove that they are not smuggled, shall be on the person from whose possession the goods have been seized. During the personal hearing, the authorized representative has submitted the copy of bill/invoice. Also, at the time of personal hearing the authorized representative on behalf of noticee submitted that the gold was belong to noticee. In this regard, I would like to refer to the conditions prescribed in Para 3 of Circular 06/2014-Cus dated 06.03.2014 wherein it is explicitly mentioned that "in case of gold in any other form, including ornaments, the eligible passenger must be asked to declare item wise inventory of the ornaments being imported. This inventory, duly signed and duly certified by the eligible passenger and assessing officer, should be attached with the baggage receipt". And "Wherever possible, the field officer, may, inter alia, ascertain the antecedents of such passengers, source for funding for gold as well as duty being paid in the foreign currency, person responsible for booking of tickets etc. so as to prevent the possibility of the misuse of the facility by unscrupulous elements who may hire such eligible passengers to carry gold for them". From the conditions it is crystal clear that all eligible passengers have to declare the item wise inventory of the ornaments and have to provide the source of money from which gold was purchased. Merely

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submission of invoice/bill copy without any documentary backing, is not proved that the goods purchased in legitimate way and as bona fide personal use. Also, I find that in his voluntary statement, he clearly admitted that the gold bar was not belong to him and one unknown person had handed over the same to carry and he had done this illegal activity for monetary benefit and there is no retraction has ben filed by the noticee showing that the statement was not voluntary, therefore, voluntary statement given by the noticee has evidentiary value. Further, I find that the net weight of recovered gold cut bar is found 174.200 as per the valuation report submitted by the Government Approved Valuer, however, on contrary, the weight indicated in the submitted invoice bearing invoice no. 82271 dated 29.12.2024 is 174.260 grams, therefore, the bill is not appeared genuine. Further, on-going through the bill, I find various crucial details missing in the invoice such as address of the seller, VAT Number/details of seller as it is mandatory for Saudi countries, therefore, it evidently appears that bill not is genuine and is an afterthought. For reference, I would like to paste the copy of submitted invoice as:-

Fine Gold Jewellery & Precious Metal Co. **شركة فاين جولد للمجوهرات والمعادن النقية**

فاتورة مبيعات الذهب
Gold Sales Invoice

Name: PRAKASH PATIDAR KODAR		Invoice No: 82271		رقم الفاتورة				
Phone No: 944115037		Date: 29/12/2024		تاريخ الفاتورة				
Card Id CR No: 283070707805								
No.	Item Description	Purity	Pcs	Gold Wt (Gms)	Price/Gm (KD)	MC Amount (KD)	Gold Amount (KD)	Total Amount (KD)
1	999.9 PURE GOLD 24CT	999.9		174.260	26.076		4,544.000	4,544.000
Total				174.260		0.000	4,544.000	4,544.000
Net Value in Word		KD FOUR THOUSAND FIVE HUNDRED FORTY FOUR AND XXX / 1000						
القيمة المكتوبة في كلمات								
Remark: SALE GOLD REC CASH 4544 KD								

Customer Signature: _____
توقيع العميل

شركة فاين جولد للمجوهرات والمعادن النقية
Fine Gold Jewellery & Precious Metal Co.

Signature: _____
التوقيع المستحق

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21. It is seen that for the purpose of customs clearance of arriving passengers, a two-channel system is adopted i.e Green Channel for passengers not having dutiable goods and Red Channel for passengers having dutiable goods and all passengers have to ensure to file correct declaration of their baggage. I find that the Noticee had not filed the baggage declaration form and had not declared the said gold which was in his possession, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013 and he was tried to exit through Green Channel which shows that the noticee was trying to evade the payment of eligible customs duty. I also find that the definition of “eligible passenger” is provided under Notification No. 50/2017- Customs New Delhi, the 30th June, 2017 wherein it is mentioned as - “eligible passenger” means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days. I find that the noticee has not declared the gold before customs authority. It is also observed that the imports were also for non-bonafide purposes. Therefore, the said improperly imported gold weighing 174.200 grams concealed by him, without declaring to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects. The noticee has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

It, is therefore, proved that by the above acts of contravention, the noticee has rendered the said gold weighing 174.200 grams, having Tariff Value of Rs. 12,93,623/- and Market Value of Rs.13,73,219/- recovered and seized from the noticee vide Seizure Order under Panchnama proceedings dated 30.12.2024 liable to confiscation under the provisions of Sections 111(d), 111(l) & 111(m) of the Customs Act, 1962. By using the modus of concealing the gold in form of cut bar in his wallet and in commercial quantity, it is observed that the noticee was fully aware that the import of said goods is offending in nature. It is, therefore, very clear that he has knowingly carried the gold items and failed to declare the same on his arrival at the Customs Airport. It is seen that he has involved himself in carrying, keeping, concealing,

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and dealing with the impugned goods in a manner which he knew or had reasons to believe that the same is liable to confiscation under the Act. Moreover, the noticee failed established the licit importation of the said good. It is, therefore, proved beyond doubt that the Noticee has committed an offence of the nature described in Section 112 of the Customs Act, 1962 making him liable for penalty under Section 112 of the Customs Act, 1962.

22. I thus, find that the recovery of gold from the possession of the noticee which was concealed and not declared to the Customs with an intention to illicitly clear it from the Airport to evade the payment of Customs duty is an act of smuggling and the same is conclusively proved. By his above act of commission, it is proved beyond doubt that the noticee has violated Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013. I also find from the statement that the gold in form of cut bar was given to him by an unknown person at Kuwait, however the same has not been declared before the Customs to evade payment of customs duty. Therefore, the gold imported by the noticee in the form of gold cut bar and deliberately not declared before the Customs on his arrival in India and in commercial quantity cannot be treated as a bonafide household goods and thus the noticee has contravened the Para 2.26 of the Foreign Trade Policy 2015-20 as amended and thereby 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 read in conjunction with Section 11(3) of the Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016, Customs Baggage Declaration Regulations, 2013 and Notification No.50/2017-Customs dated 30.06.2017 as amended. It is undisputed that as per the Foreign Trade Policy applicable during the period, gold was not freely importable and it could be imported only by banks authorized by RBI or other authorized by DGFT and to some extent by passengers. Therefore, gold which is restricted item for import but which was imported without fulfilling the conditions for import becomes prohibited goods in terms of Section 2(33) and it is liable for confiscation under Section 111 of Customs Act, 1962.

22.1 As per the provisions of Section 111(d) of the Customs Act, 1962, the following goods brought from a place outside India shall liable to confiscation: -

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(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;

Import of gold into India is regulated under various provisions and subject to strict conditions. According to Notification No. 50/2017-Customs dated 30.06.2017, as amended Gold, with description as below, is allowed to be imported by eligible passengers upon payment of applicable rate of duty subject to specific conditions as below being fulfilled.

Serial No. 356 (i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger, subject to fulfilment of Condition No. 41 of the Subject Notification.

Serial No. 356 (ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls, subject to fulfilment of Condition No. 41 of the Subject Notification. Condition 41 of the said Notification No. 50/2017 dated 30.06.2017, as amended states that:-

If,-

1. (a) the duty is paid in convertible foreign currency;
(b) the quantity of import does not exceed ten kilograms of gold and one hundred kilograms of silver per eligible passenger; and

2. the gold or silver is,-

(a) carried by the eligible passenger at the time of his arrival in India, or

(b) the total quantity of gold under items (i) and (ii) of Sr. No. 356 does not exceed one kilogram and the quantity of silver under Sr. No. 357 does not exceed ten kilograms per eligible passenger; and

(c) is taken delivery of from a customs bonded warehouse of the State Bank of India or the Minerals and Metals Trading Corporation Ltd., subject to the conditions 1 ;

Provided that such eligible passenger files a declaration in the prescribed form before the proper officer of customs at the time of his arrival in India declaring his intention to take delivery of the gold or silver from such a customs bonded warehouse and pays the duty leviable thereon before his clearance from customs.

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Explanation.- For the purposes of this notification, "eligible passenger" means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days and such passenger has not availed of the exemption under this notification or under the notification being superseded at any time of such short visits

From the facts of the case available on record, it is clearly appeared that conditions stipulated above were not fulfilled. I find that well defined and exhaustive conditions and restrictions are imposed on import of various forms of gold by eligible passenger(s)/nominated banks/nominated agencies/premier or star trading houses/SEZ units/EOUTs. These conditions are nothing but restrictions imposed on import of gold. In the subject case, it appears that no such condition was satisfied rendering it a clear case of smuggling. It is pertinent to mention here that Hon'ble Supreme Court of India in Sheikh Mohd. Omer Vs. Collector of Customs, Calcutta [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 or export is to an extent a prohibition. Hence, the restriction on import of various forms of gold is to an extent a prohibition and any violation of the said conditions/restrictions would make the subject goods i.e gold bar in this case, liable for confiscation under Section 111(d) of the Customs Act, 1962.

22.2 In terms of Section 111 (l) of the Customs Act, 1962, the following goods brought from a place outside India shall be liable to confiscation –

(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](#);

I find that the said gold items were not declared by Shri Prakash Patidar to the Customs under Section 77 of the Customs Act, 1962 and he passed through the Green Channel. As per the facts of the case available on record and as discussed above, no such declaration of the impugned goods, namely gold cut bar which were found concealed and recovered in manner as described above, was made by the Noticee Shri

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Prakash Patidar, in the prescribed declaration form. Also, I find that noticee is not eligible to import gold and that too undeclared in substantial quantity of 174.200 grams and hence the same constitute prohibited goods, which are liable to confiscation under Section 111 (l) of the Customs Act, 1962.

22.3 In terms of Section 111(m) of the Customs Act, 1962, the following goods brought from place outside India shall liable to confiscation-

(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](#)];

In this regard, I find that gold items totally weighing 174.200 Grams recovered from the possession of noticee having market value of Rs. 13,73,219/- and admittedly smuggled into India. On test, those gold were found to be of purity of 999.0/24kt. Further, I find that the noticee could not produce any licit or valid documents regarding their legal importation/acquisition/possession/transportation of the gold of foreign origin found in person of Shri Prakash Patidar, thus failing to discharge their “burden of proof” that the gold was legally imported/possessed. They have also not declared the same to the customs in Indian Customs Declaration Form in terms of Section 77 of Customs Act, 1962, which read as:-

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

As per the facts of the case available on records, no such declaration of the impugned gold, which were found concealed in person of Shri Prakash Patidar in prescribed declaration form. I also find that the noticee was not eligible to import the said gold cut bar concealed by noticee in his wallet and that too undeclared in terms of Section 77 of Customs Act, 1962 and hence the said gold items are liable for confiscation under Section 111 (m) of the Customs Act, 1962.

23. I further find that the gold is not on the list of prohibited items but import of the same is controlled. The view taken by the Hon’ble Supreme Court in the case of Om Prakash Bhatia however in very clear

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terms lay down the principle that if importation and exportation of goods are subject to certain prescribed conditions, which are to be fulfilled before or after clearance of the goods, non-fulfilment of such conditions would make the goods fall within the ambit of 'prohibited goods'. This makes the gold seized in the present case "prohibited goods" as the passenger, trying to smuggle it, was not eligible passenger to bring it in India or import gold into India in baggage. The said gold weighing 174.200 grams, were recovered from his possession and was kept undeclared with an intention to smuggle the same and evade payment of Customs duty. Further, the noticee concealed the said gold cut bar in his wallet wrapped in transparent plastic bag. By using this modus, it is proved that the goods are offending in nature and therefore prohibited on its importation. Here, conditions are not fulfilled by the noticee.

24. In view of the above discussions, I find that the manner of concealment, in this case clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold. Thus, the noticee has failed to discharge the burden placed on him in terms of Section 123. Further, from the SCN, Panchnama and Statement, I find that the manner of concealment of the gold shows the intention to smuggle the same into India and evade payment of customs duty. Therefore, I hold that the said gold weighing 174.200 grams, carried and undeclared by the Noticee with an intention to clear the same illicitly from Airport and evade payment of Customs duty is liable for absolute confiscation. Further, the Noticee in his statement dated 30.12.2024 stated that he has carried the said gold in concealed manner to evade payment of Customs duty. Under his waiver request, the noticee has agreed to pay the duty, penalty, fine and requested to redeem the gold on payment of redemption fine. On Plain reading section 125 of Customs Act, 1962, I find that, the officers may allow the redemption fine, if he finds fit. The relevant portion of the same is as:-

Section 125. Option to pay fine in lieu of confiscation. -

(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods ¹ [or, where such owner is not known, the person from whose

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possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:

² [**Provided** that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of [section 28](#) or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, ³ [no such fine shall be imposed]:

Provided further that] , without prejudice to the provisions of the proviso to sub-section (2) of [section 115](#), such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

I find that it is settled by the judgment of Hon'ble Supreme Court in the case of Garg Wollen Mills (P) Ltd Vs. Additional Collector Customs, New Delhi [1998 (104) ELT 306(S.C)] that the option to release 'Prohibited goods' on redemption fine is discretionary. In the case of Raj Grow Impex (Supra), the Hon'ble Supreme Court has held that "that when it comes to discretion, the exercise thereof has to be guided by law; has to be according to the rules of reason and justice; has to be based on relevant consideration." Hon'ble Delhi High Court has, in case of Raju Sharma [2020(372) ELT 249 (Del.)] held that "Exercise of discretion by judicial, or quasi-judicial authorities, merits interferences only where the exercise is perverse or tainted by the patent illegality, or is tainted by oblique motive." Now in the latest judgment the Hon'ble Delhi High Court in its order dated 21.08.23 in W.P (C) Nos. 8902/2021, 9561/2021, 13131/2022, 531/2022 & 8083/2023 held 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 Adjudicating Officer." Therefore, keeping in view the judicial pronouncement above and nature of concealment alongwith the facts of the case, **I donot inclined to exercise the option to allow redemption fine in lieu of confiscation of gold.** Further, to support my view, I also relied upon the following judgment which are as :-

24.1. Before the Kerala High Court in the case of Abdul Razak [2012(275) ELT 300 (Ker)], the petitioner had contended that under the Foreign Trade (Exemption from application of rules in certain cases) Order, 1993, gold was not a prohibited item and can be released on payment of redemption fine. The Hon'ble High Court held as under:

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“Further, as per the statement given by the appellant under Section 108 of the Act, he is only a carrier i.e. professional smuggler smuggling goods on behalf of others for consideration. We, therefore, do not find any merit in the appellant's case that he has the right to get the confiscated gold released on payment of redemption fine and duty under Section 125 of the Act.”

The case has been maintained by the Hon'ble Supreme Court in Abdul Razak Vs. Union of India 2017 (350) E.L.T. A173 (S.C.) [04-05-2012]

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

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

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

24.4 The Hon'ble High Court of Madras in the matter of Commissioner of Customs (AIR), Chennai-I Versus P. SINNASAMY 2016 (344) E.L.T. 1154 (Mad.) held-

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

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

24.5. In 2019 (370) E.L.T. 1743 (G.O.I.), before the Government of India, Ministry of Finance, [Department of Revenue - Revisionary Authority]; Ms. Mallika Arya, Additional Secretary in Abdul Kalam Ammangod Kunhamu vide Order No. 17/2019-Cus., dated 07.10.2019 in F. No. 375/06/B/2017-RA stated that it is observed that C.B.I. & C. had issued instruction vide Letter F. No. 495/5/92-Cus. VI, dated 10.05.1993 wherein it has been instructed that “in respect of gold seized for non-declaration, no option to redeem the same on redemption fine under Section 125 of the Customs Act, 1962 should be given except in very trivial cases where the adjudicating authority is satisfied that there was no concealment of the gold in question”.

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

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

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

24.7. I find that the noticee has relied on a case law of revisionary authority order F.No. 371/437/B/WZ/2022-RA dated 06.12.2023. in this regard, I find that the Hon’ble Supreme Court in case of Ambica Quarry Works Vs. State of Gujarat & Others [1987 (1) S.C C.213] observed that “the ratio of any decision must be understood in the background of fact of the case. It has been long time ago that a case is only an authority for what it actually decides and not what logically follows from it.” Further, in case of Bhavnagar University Vs. Palitana Sugar Mills (P) Ltd 2003 (2) SC 111, the Hon’ble Apex Court observed “ it is well settled that a little difference in facts or additional fact may make a lot of difference in the precedential value of a decision.” In view of above, I hold that every case has different moments and facts when compare in minute-to-minute details. With respect to case law submitted it is stated that every case is unique and facts are different in every case, the same has to be considered accordingly. The orders are having different facts and even a small change in facts can completely change the complexion of the case and hence, I find that judgment relied upon by the noticee, is not squarely applicable in the instant case. I am therefore, not inclined to use my discretion to give an option to redeem the gold on payment of redemption fine, as envisaged under Section 125 of the Act.

25. Given the facts of the present case before me and the judgements and rulings cited above, the said gold cut bar totally weighing 174.200 grams, carried by the noticee is therefore liable to be confiscated absolutely. **I therefore hold in unequivocal terms that the said gold weighing 174.200 grams, placed under seizure would be liable to absolute confiscation under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962.**

26. I further find that the noticee had involved himself and abetted the act of smuggling of the said gold weighing 174.200 grams, carried by him. In regard to imposition of penalty under Section 112 of Customs Act, 1962, I find that in the instant case, the principle of mens-rea on behalf of noticee is established as the nature of

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concealment of gold is ingenious in nature and clearly showed that the noticee was not inclined to declare the same and he wants to clear the gold clandestinely, to evade the payment of applicable duty. Accordingly, on deciding the penalty in the instant case, I also take into consideration the observations of Hon'ble Apex Court laid down in the judgment of M/s. Hindustan Steel Ltd Vs. State of Orissa; wherein the Hon'ble Apex Court observed that "The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in case where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct or act in conscious disregard of its obligation; but not in cases where there is technical or venial breach of the provisions of Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the Statute." In the instant case, the noticee was attempting to evade the Customs Duty by not declaring the gold weighing 174.200 grams (01 gold cut bar of 999.0/24Kt). Hence, the identity of the goods is not established and non-declaration at the time of import is considered as an act of omission on his part. I further find that the noticee had involved himself and abetted the act of smuggling of the said gold weighing 174.200 grams, carried by him. He has agreed and admitted in his statement that he travelled from Kuwait to Ahmedabad with the said gold concealed in his wallet. Despite his knowledge and belief that the gold carried by him is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the noticee attempted to smuggle the said gold weighing 174.200 grams, having purity 999.0/24Kt by concealment. Thus, it is clear that the noticee has concerned himself with carrying, removing, keeping, concealing and dealing with the smuggled gold 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. Bringing into India goods which contravene the provisions of Customs Act and omitting to declare the same under Section 77 of the Customs Act, 1962 are clearly covered under "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" and covered under Section 112(a) of the Customs Act, 1962 and Carrying/smuggling goods in an ingeniously concealed manner is clearly covered under Section 112(b) of the Customs Act, 1962. Therefore, I find that the noticee is liable for the penalty

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under Section 112(a) & 112(b) of the Customs Act, 1962 and I hold accordingly.

27. Accordingly, I pass the following Order:

ORDER

- i. I order absolute confiscation of the impugned gold item i.e. one gold cut bar weighing 174.200 grams made up of 999.0/24kt having tariff value of **Rs.12,93,623/-** and market value of **Rs.13,73,219/-** recovered and seized from the noticee Shri Prakash Patidar vide Seizure Order dated 30.12.2024 under Panchnama proceedings dated 30.12.2024 under the provisions of Section 111(d), 111(l) & 111(m) of the Customs Act, 1962;
- ii. I impose a penalty of **Rs.3,00,000/-** (Rupees Three Lakh Only) on Shri Prakash Patidar under the provisions of Section 112 (a)(i) & Section 112 (b)(i) of the Customs Act 1962.

28. 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.

(Shree Ram Vishnoi)

Additional Commissioner
Customs, Ahmedabad

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DIN: 20250571MN000000F3AC

BY SPEED POST A.D.

To,
Shri Prakash Patidar,
Patel Wara VPO, Sakariya, Tehsil-Garhi,
Banswara, Rajasthan-327022.

Copy to:

- (i) The Principal Commissioner of Customs, Ahmedabad. (Kind Attn: RRA Section).
- (ii) The Dy./Asstt. Commissioner of Customs (AIU), SVPIA, Ahmedabad.
- (iii) The Dy./Asstt. Commissioner of Customs (TRC), Ahmedabad.
- (iv) The System In charge, Customs HQ, Ahmedabad for uploading on official web-site i.e. <http://www.ahmedabadcustoms.gov.in>.
- (v) Guard File.