



प्रधान आयुक्त का कार्यालय, सीमाशुल्क, अहमदाबाद

“सीमा शुल्क भवन,” पहलीमंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380009.

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PREAMBLE

A	फ़ाइलसंख्या/ File No.	:	VIII/10-63/DRI/SVPIA/O&A/HQ/2025-26
B	कारण बताओ नोटिस संख्या-तारीख / Show Cause Notice No. and Date	:	DRI/AZU/GI-02/ENQ-64/2025 Dated: 02.01.2026
C	मूल आदेश संख्या/ Order-In-Original No.	:	03/ADC/SRV/O&A/HQ/2026-27
D	आदेश तिथि/ Date of Order-In-Original	:	15.04.2026
E	जारी करने की तारीख/ Date of Issue	:	15.04.2026
F	द्वारा पारित/ Passed By	:	Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad.
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	:	(i) Mr. Kaushikbhai Vinubhai Patel, 59, Karmabhumi Society, Gopal Chok Ni Bajuma, Saijpur Bogha, Nava Naroda, Ahmedabad-382350, (ii) Mr. Dilipbhai Nakubhai Senjaliya, B-301, Ashay Residency, Nikol Naroda Road, Nikol, Ahmedabad-382350 (iii) Mr. Mayur Dhansukhbhai Rudani, A-12, Amidhara Society, Harivilla Road, Shivaji Chowk, Parshwanath Township, Nava Naroda, Ahmedabad-382345
1)	यह प्रति व्यक्ति के उपयोग के लिए निःशुल्क प्रदान किया जाता है जिन्हें यह जारी किया जाता है।		
2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्त किया तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क (अपील), 4वि मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
3)	अपील के साथ केवल पांच (.५) 00) रुपये पे न्यायलय 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 साथकेवल पांच (.५) 00) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए।		
4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को ७करोड़ शुल्क हम करना अधिकतम १० %५. होगा जहां शुल्क या झूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह कीदंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, १९६२ के धरा १२९ के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE:

Intelligence developed by the Directorate of Revenue Intelligence, Zonal Unit, Ahmedabad (hereinafter referred to as "DRI") indicated that, two passengers namely (1) Mr. Kaushikbhai Vinubhai Patel, Male, Passport No. Y6862974 and (2) Mr. Dilipbhai Nakubhai Senjaliya, Male, Passport no. B6673383 arriving from Bangkok to Ahmedabad by Flight No. TG-343 on 10.07.2025 were suspected to be carrying contraband goods.

2. Acting upon the said intelligence, a team of DRI, Ahmedabad officers, accompanied by independent Panchas, gathered at approximately 11:15 PM on 09.07.2025 at the Green Channel of the Arrival Hall, Terminal 2, SVPI Airport, Ahmedabad. The team discreetly kept a watch over all passengers arriving from Bangkok to Ahmedabad by Flight No. TG-343 on 10.07.2025. The officers subsequently intercepted 2 passengers viz. (1) Mr. Kaushikbhai Vinubhai Patel, Male, Passport No. Y6862974 and (2) Mr. Dilipbhai Nakubhai Senjaliya, Male, Passport no. B6673383 by verifying their passport, when the said passengers tried to exit through the Green Channel at arrival hall of Terminal 2 of Sardar Vallabhbhai Patel International Airport (SVPI) Ahmedabad.

2.1. Upon inquiry, the passengers identified themselves as Mr. Kaushikbhai Vinubhai Patel, Passport No. Y6862974 and Mr. Dilipbhai Nakubhai Senjaliya, Passport No. B6673383, who had travelled from Bangkok to Ahmedabad on 10.07.2025. Their boarding passes confirmed arrival by Thai Airways Flight No. TG-343 (Seat Nos. 48K and 48J, respectively) at SVPI Airport, Ahmedabad, on the said date. Mr. Kaushikbhai Vinubhai Patel was carrying two green trolley bags, one black trolley bag, and one handbag/purse, while Mr. Dilipbhai Nakubhai Senjaliya was carrying two grey trolley bags and one handbag/purse.

2.2. The officers of DRI enquired with Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya whether they had any goods to declare before Customs, to which both passengers denied.

2.3. Thereafter the officers informed the passengers i.e. Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya that their personal search, along with their accompanied baggage, would be conducted. After scanning the baggage in the scanner installed near the exit gate of the arrival hall at SVPI Airport, Ahmedabad, the officers did not observe any unusual images indicating objectionable items. Subsequently, the officers systematically checked the entire baggage of both passengers, but found nothing objectionable.

2.4. Thereafter, the officers asked both passengers i.e. Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya whether they wished to be searched in the presence of an Executive Magistrate or a Superintendent of Customs; both agreed to be searched in front of a Superintendent of Customs (a Gazetted officer). They were then asked to pass through a Door Frame Metal Detector (DFMD) near the green channel in the arrival hall of Terminal 2, SVPI Airport, Ahmedabad, but no beep was heard from the machine.

2.5. The DRI officers again asked Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, if they had concealed any contraband or prohibited substance in their body, to which both denied. Even after thorough interrogation by the DRI officers, both did not confess to possessing any contraband, prohibited, or high-value dutiable goods. The officers then seated both passengers and offered them water and tea, which they declined. At this point, the officers observed nervousness and discomfort in the demeanor of both passengers, which heightened their suspicion of possible concealment of contraband on their person. Upon further sustained

interrogation, both passengers confessed that they were concealing four capsules each, covered with blue plastic tape, inside their rectum. The said capsules contained gold paste mixed with chemical substances in semi-solid form.

2.6. Thereafter, the officers then led both the passenger to the washroom located opposite baggage scanning machine outside AIU office of arrival hall, terminal 2, SVPI Airport, Ahmedabad. After sometime both the passengers came out with four capsules each wrapped in blue colour plastic tape.

2.7. Thereafter, in the presence of the Panchas and both passengers, the officer called Mr. Soni Kartikey Vasantrai, a Government Approved Valuer, and requested him to come to the airport for testing, weighing, and valuation. In reply, the valuer informed that testing could only be performed at his workshop, where gold extraction from the semi-solid paste by melting was possible; he also provided the workshop address. On reaching the premises of Mr. Soni Kartikey Vasantrai, the officer introduced the Panchas and the passengers to Mr. Soni Kartikey Vasantrai, government approved valuer. The valuer then commenced detailed examination of the capsules recovered from Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya. The recovered capsules were weighed on his electronic scale. Provided with the primary verification report of the semi-solid substance, it was informed that the four capsules seized from Mr. Kaushikbhai Vinubhai Patel had gross weight 643.54 grams. Similarly, weighed and reported, the four capsules recovered from Mr. Dilipbhai Nakubhai Senjaliya had gross weight 642.80 grams. The photographs of the same are, as under: -



Four capsules of gross weight 643.54 gms extracted from Mr. Kaushikbhai Vinubhai Patel



Four capsules of gross weight 642.80 gms extracted from Mr. Dilipbhai Nakubhai Senjaliya

2.8. Further, after extraction of gold from the recovered capsules containing gold paste mixed with chemical substances in semi-solid form, the purity test and weighment of the extracted gold were conducted. After completion of the procedure, the Government Approved Valuer confirmed both bars were pure gold. Certificate No. 341/2025-26 dated 10.07.2025 certified that the first gold bar extracted from 04 capsules recovered from Mr. Kaushikbhai Vinubhai Patel had a Tariff Value of Rs.52,20,335/- and Market Value of Rs.57,22,877/-; Certificate No. 342/2025-26 dated 10.07.2025 certified the second bar extracted from 04 capsules recovered from Mr. Dilipbhai Nakubhai Senjaliya had a Tariff Value of Rs.51,80,995/- and Market Value of Rs.56,79,690/-. The values of both gold bars were calculated as per Notification No. 44/2025-Customs (N.T.) dated 30.06.2025 and Exchange Notification No. 31/2024 dated 04.07.2025. The details and weighment pictures of which were as under:

Sr. No	Details of Items	PCS	Gross Weight in Gram	Net Weight in Gram	Purity	Market Value (Rs)	Tariff Value (Rs)
1	Gold extracted from the 04 capsules covered with blue tape recovered from Mr. Kaushikbhai Vinubhai Patel	1	643.540	574.580	999.0 24Kt	57,22,877/-	52,20,335/-

2	Gold extracted from the 04 capsules covered with blue tape recovered from Mr. Dilipbhai Nakubhai Senjaliya	1	642.800	570.250	999.0 24Kt	56,79,690/-	51,80,995/-
	Total	2	1286.340	1144.83		1,14,02,567/-	1,04,01,330/-



Gold bar of net weight 574.58 gms extracted from the 04 capsules recovered from Mr. Kaushikbhai Vinubhai Patel



Gold bar of net weight 570.25 gms extracted from the 04 capsules recovered from Mr. Dilipbhai Nakubhai Senjaliya

The above said proceedings were recorded under Panchnama dated 09-10.07.2025.

SEIZURE OF SMUGGLED GOLD:

2.9. Since the recovered two gold bars (extracted from capsules containing gold paste mixed with chemical substances in semi-solid form) recovered from Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya had been attempted to be smuggled into India in a concealed manner without any legitimate documents/records in violation of the provisions of the Customs Act, 1962. The said gold bars, along with the packing materials used for concealment were seized under Section 110 and 119 of the Customs Act, 1962 under the panchnama dated 09-10/07/2025 with a reasonable belief that the same were rendered liable to confiscation. Accordingly, the aforesaid gold bars along with the packing materials were placed under seizure on 10.07.2025 in respect of Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya. Seizure memos vide F. No. DRI/AZU/GI-02/Enq-64/2025 dated 10.07.2025 were also issued for seizure of the above gold bars.

2.10. The seized gold bars, along with the packing materials used for concealment, were handed over to the Warehouse In-Charge, SVPI Airport, Ahmedabad, for safe custody vide Warehouse Entry Nos. 7488 and 7488A in respect of Mr. Kaushikbhai Vinubhai Patel, and Warehouse Entry Nos. 7489 and 7489A in respect of Mr. Dilipbhai Nakubhai Senjaliya, all dated 10.07.2025 for safe custody.

3. STATEMENT OF KEY PERSONS:

3.1. Upon completion of the Panchnama proceedings at SVPI Airport, Ahmedabad, summons dated 10.07.2025 were issued to Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, for recording of their statements.

3.2. Statement of Mr. Kaushikbhai Vinubhai Patel, was recorded under Section 108 of the Customs Act, 1962 on 10.07.2025 wherein he interalia stated that:

- He was shown the Panchnama dated 09-10.07.2025 drawn at SVPI Airport, Ahmedabad along with valuation certificate issued by Shri Soni Karthikey, Govt. Approved Valuer and stated that he agreed with the facts mentioned therein.

- He admitted to concealing four capsules in his rectum, each wrapped in blue plastic tape, containing a semi-solid mixture of gold and chemicals.
- The travel arrangements were made by Mr. Mayur Rudani, who also booked the hotel, and he had informed him about the trip a month prior. He had no proof of communication with Mr. Mayur Rudani but used his phone no. +91 6354789803 for communication with Mr. Mayur Rudani on his phone no. +91 8140656342; he traveled with Mr. Dilipbhai Nakubhai Senjaliya, carrying four (4) capsules to evade customs duties.
- He was unaware of the gold's owner or details of its purchase; he also did not know who prepared the capsules, but stated he inserted them himself at Mr. Mayur Rudani's instructions. He admitted that it is illegal to smuggle gold without declaring the same to the Customs authorities.
- He perused the Section 110, 111, 112 and 135 of the Customs Act, 1962 and after reading and understanding them, accepting the legal consequences of his actions. He acknowledged the gold was liable for confiscation.

3.3 Statement of Mr. Dilipbhai Nakubhai Senjaliya was recorded under Section 108 of the Customs Act, 1962 on 10.07.2025 wherein he interalia stated that:

- He was shown the Panchnama dated 09-10.07.2025 drawn at SVPI Airport, Ahmedabad along with valuation certificate issued by Shri Soni Karthikey, Govt. Approved Valuer and stated that he agreed with the facts mentioned therein.
- He admitted to carrying four capsules containing gold paste mixed with chemicals wrapped in blue plastic tape concealed in his rectum, each wrapped in blue plastic tape, containing a semi-solid mixture of gold and chemicals.
- He stated prior visits to Thailand totaling 13-14 times, mainly to Bangkok and Pattaya, for job and business opportunities, though the current trip was arranged covering expenses by Mr. Mayur Rudani. Mr. Mayur Rudani directed him to bring goods from Thailand, specifically gold paste concealed in capsules, which he and Mr. Kaushikbhai Vinubhai Patel received and concealed as instructed. The gold capsules were inserted inside his rectum at the Bangkok airport restroom prior to departure.
- He did not possess documented proof of communication or booking with Mr. Mayur Rudani having phone no. +91 9824374917 as communications were deleted as per directions from his phone having no. +91 9016828281.
- He was unaware of who prepared or owned the gold and had no information about the intended recipients in India except that someone known to Mr. Mayur Rudani would contact him after arrival. He admitted that it is illegal to smuggle gold without declaring the same to the Customs authorities.
- He perused the Section 110, 111, 112 and 135 of the Customs Act, 1962 and after reading and understanding them, accepting the legal consequences of his actions. He acknowledged the gold was liable for confiscation.

4. ARREST OF MR. KAUSHIKBHAI VINUBHAI PATEL AND MR. DILIPBHAI NAKUBHAI SENJALIYA:

4.1. Based on the evidences gathered and the statements recorded as above, it appeared that Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya have committed an offence punishable under Customs Act, 1962, as they have smuggled two gold bars (extracted from total of 08 (eight) capsules covered with blue plastic tape inside their rectum, contained gold paste mixed with chemical substances in semi-solid form) without declaration of the same before Customs Authorities and with a view to evade payment of Customs duty. The said two gold bars smuggled by Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya were liable to confiscation under the provisions of Section 111 of the

Customs Act, 1962. Thus, they had knowingly concerned themselves in an offence punishable under Section 135(1) of the Customs Act, 1962, as they had knowingly concerned themselves in dealing/carrying Net weight 1144.83 grams of smuggled gold of 24 carat having purity of 999 having total market value of Rs.1,14,02,567/- and concerned themselves in carrying, removing, depositing, harboring, keeping, concealing of smuggled Gold which they knew and/or had reasons to believe were liable to confiscation under Section 111 of the Customs Act, 1962. Hence, (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya were arrested on 10.07.2025 at Ahmedabad under the provisions of Section 104 of the Customs Act, 1962 vide Arrest Memo dated 10.07.2025, after getting required authorization from the competent authority. They were further produced before the Hon'ble Court of ACMM, Ahmedabad, who ordered for their judicial custody.

5. FURTHER INVESTIGATION CONDUCTED:

5.1. During the course of recording statements dated 10.07.2025 of Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya respectively, they inter-alia stated that both the passengers in a very planned smuggling operation, in active connivance with them, under the instructions of one Mr. Mayur Rudani based in Ahmedabad, attempted to smuggle 08 (eight) capsules covered with blue plastic tape, inside their rectum, contained gold paste mixed with chemical substances in semi-solid form.

5.2. On examination of the Subscriber Data records provided by the respective Telecom Services, mobile no. 6354789803 belongs to Mr. Kaushikbhai Vinubhai Patel, mobile no. 9016808081 belongs to Mr. Dilipbhai Nakubhai Senjaliya, mobile no. 9824374917 belongs to Mr. Mayur Rudani and mobile no. 8140656342 belongs to Mrs. Minakshi Bhanubhai Vaghasiya.

It was established during the investigation that mobile number 8140656342 was used by Mr. Mayur Rudani, as revealed by the statement of Mr. Kaushikbhai Vinubhai Patel. Additionally, further investigation brought to light that Mrs. Minakshi Bhanubhai Vaghasiya is the sister-in-law of Mr. Mayur Rudani.

5.3. Accordingly, Customer Application Form (CAF), Subscriber Data records (SDR), Call Data Records (CDR) and certificate with reference to Mobile No. 6354789803 (Reliance Jio), 9016808081 (Airtel), 9824374917 (Airtel) and 8140656342 (Reliance Jio) were obtained from the respective Nodal Officer, of Telecom Services.

5.4. The analysis of call detail records disclosed active and repeated communication between Mr. Mayur Dhansukhbhai Rudani and carrier Mr. Kaushikbhai Vinubhai Patel, between Mr. Mayur Dhansukhbhai Rudani and carrier Mr. Dilipbhai Nakubhai Senjaliya, and between the two carriers, prior to and during the period of their foreign travel for the trip. This consistent pattern of communication, when read conjointly with their voluntary statements recorded under Section 108 of the Customs Act, 1962, clearly demonstrates that the noticees were well-acquainted with each other and were working together as part of a syndicate. Their synchronized travel itineraries, identical method of concealment of gold capsules in the rectum, and their close contact through mobile communications collectively establish their conscious, knowing and voluntary participation in the smuggling of foreign-origin gold into India in contravention of the Customs Act, 1962.

5.5. Accordingly, follow-up searches were conducted at two addresses obtained from the Subscriber Details Record (SDR):

(i) A/12, Amidhara Society, Harivilla Road, Shivaji Chowk, Parshwanath Township, Nava Naroda, Ahmedabad City, Gujarat-382345, and

(ii) Mota-Munjiyasar, at-Munjiyasar Mota, Ta-Bagasara, Munjiyasar, Amreli, Gujarat-365440.

The respective search proceedings at these locations were recorded under panchnama dated 28.10.2025 and 07.11.2025.

5.5.1. On 28.10.2025, officers of the Directorate of Revenue Intelligence (DRI), acting under proper authorization from the competent authority, conducted a search at the residence of Mr. Mayur Rudani, located at A/12, Amidhara Society, Harivilla Road, Ahmedabad, in the presence of independent Panchas. Upon arrival, Mr. Mayur Rudani was seen escaping the premises, as identified by his wife Mrs. Vandanaben Rudani, who stated that he worked as a real estate broker. Search consent was obtained from Mrs. Vandanaben Rudani, and later, Mr. Rohit Rudani (brother-in-law) joined the proceedings. Systematic search led to the recovery of melting instruments and a machine used for processing gold and silver. Image of the electric melting machine and instruments used for melting smuggled gold are as under: -



A locker in the premises, unable to be opened, was sealed on-site along with the almirah, with signatures from all parties.

5.5.2 Summons dated 28.10.2025 were issued to Mr. Mayur Rudani and Mrs. Vandanaben Rudani to present themselves on 29.10.2025 and for recording their statements. Further, summons dated 29.10.2025 was issued to Mr. Rohit Rudani to appear on 30.10.2025 for recording his statements. None of them appeared in response to the summons. Consequently, another summons dated 03.11.2025 and 11.11.2025 were issued to all three, requesting their presence on 10.11.2025 & 20.11.2025 respectively. However, no one appeared, and no communication was received explaining their absence and Mr. Mayur Rudani remained absconding, demonstrating a clear pattern of non-cooperation and evasion.

5.5.3. Meanwhile, a follow up search was conducted at the residence of Mrs. Minakshi Bhanubhai Vaghasiya (sister-in-law of Mr. Mayur Rudani) located at Mota-Munjiyasar, Ta-Bagasara, Munjiyasar, Amreli, Gujarat-365440, wherein she revealed that she had no knowledge of the mobile number registered in her name. During the search at her residence, no objectionable or incriminating documents or evidence were found.

5.6. On 05.12.2025, upon fresh search authorization, simultaneous searches were carried out at (i) the residential premises at A/ 12, Amidhara Society, and (ii) Jewellery shop at S. No. 2-3, V-5, Indrajit Society, Nikol Gam Road, Opp. Swastik Sarita Society, Ahmedabad, under separate Panchnamas dated 05.12.2025. At the shop, no incriminating documents or goods were found. At the shop, Shri Mayur Rudani was found and was informed that his name had surfaced in a gold smuggling case and that he was required to give a statement under Section 108 of the Customs Act, 1962 at the office of the Directorate of Revenue Intelligence, AZU, Ahmedabad. Accordingly, he was served with summons dated 05.12.2025, to which he voluntarily agreed. His

brother, Shri Rohit Rudani, was also served with summons, and he likewise voluntarily complied, appearing at the Directorate of Revenue Intelligence, AZU, Ahmedabad on 05.12.2025 for recording of his statement.

At the residence, under Panchnama dated 05.12.2025, DRI officers, in the presence of independent Panchas and family members, one electric melting machine along with instruments used for melting gold and silver was found which were sealed, resumed and detained in a corrugated box marked "A" under reasonable belief of their nexus with the smuggling activity. Further, vide seizure memo dated 31.12.2025, the said electric melting machine along with the instruments used for melting smuggled gold, which had earlier been resumed and detained in corrugated box marked "A" under panchnama dated 05.12.2025, was placed under seizure in terms of section 110(3) of the Customs Act, 1962.

On the same day, the locker and almirah at the residence were sealed again. Subsequently, under panchnama dated 16.12.2025, the locker seal was found intact, opened in the presence of Panchas and family members, and no incriminating material was recovered from inside.

6. STATEMENTS OF MR. MAYUR RUDANI AND HIS BROTHER MR. ROHIT RUDANI:

6.1. Consequent to the summons dated 05.12.2025, statement of Mr. Rohit Rudani, was recorded under Section 108 of the Customs Act, 1962 on 05.12.2025 wherein he interalia stated that:

- He perused the Panchnama dated 05.12.2025, drawn at A/12, Amidhara Society (house search panchnama), and signed it in acknowledgment of having understood its contents.
- His father owns Jewellery shop M/s Ramdev Jewellery at Shop No. 2-3, Indrajit Society, Nikol Gam Road, Ahmedabad, and that his brother Shri Mayur Rudani mainly looks after sales and purchase at the shop.
- He clarifies that no electric melting machine is installed at M/s Ramdev Jewellery and that only imitation Jewellery is sold there, which is gets prepared from other jewelers.
- The electric melting machine and instruments resumed during residential panchnama dated 05.12.2025 at A/12, Amidhara Society are used by his brother Shri Mayur Rudani at home for melting gold and silver.
- His brother has various contacts who provide him gold in different forms such as gold paste and scrap, which Mayur melts in the said electric melting machine and converts into gold bars using the instruments resumed under the panchnama dated 05.12.2025.
- He does not presently know the names of such persons/suppliers, but mentions that persons travelling from Dubai to India bring gold in paste and other forms and get it melted through his brother.
- Regarding his own foreign travel, he states that he does not recall the exact number of foreign trips but remembers having visited Dubai about four times.

6.2. Statement of Mr. Mayur Dhansukhbhai Rudani was recorded under Section 108 of the Customs Act, 1962 on 05.12.2025 wherein he interalia stated that:

- He is 36 years old, resides at A/12, Amidhara Society, Nava Naroda, Ahmedabad, and he is engaged in the family business at M/s Ramdev Jewellers dealing in gold, silver and imitation Jewellery, jointly managed by his father, brother and himself; he also works as a real estate agent, with primary income from the Jewellery shop.

- He perused the panchnama dated 05.12.2025 drawn at his residence, agrees fully with its contents, signed it in token of perusal, and admitted that the furnace (electric melting) machine found at his premises was used by him for melting gold.
- He does not recall exact dates of all foreign trips but first visited Thailand in 2023; thereafter travelled mainly to Thailand and Dubai at 3–4-month intervals for bringing gold illegally into India; total 10 foreign trips that are on record were to these countries only.
- Out of the 10 trips: 3 trips with Shri Dilipbhai Nakubhai Senjaliya; 7 trips with both Shri Dilipbhai and Shri Kaushikbhai Vinubhai Patel;
- He does not specifically remember arrangements for each trip but most of the time he booked flight tickets and made stay arrangements for Shri Dilipbhai and Shri Kaushikbhai Vinubhai Patel.
- He is aware that Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel were intercepted at S.V.P.I. Airport, Ahmedabad on return; stated he accompanied them on both India-Thailand and Thailand-India trip. During their interception, 8 capsules of gold paste (net 1144.83 gms gold) were concealed in the rectum of Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel.
- He peruses statements dated 10.07.2025 of Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel, agrees with their contents, signs in token of perusal, and admits that the gold they carried was given by him in Thailand for smuggling into India. On his direction, they concealed the 8 capsules (net 1144.83 gms gold after extraction) in their rectum and brought it to India.
- He was the actual owner of the gold smuggled by Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel, and that after being brought into India, it was handed over to him. He possessed no bills or legal documents proving legitimate purchase/procurement of the gold smuggled into India by Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel on his instructions.
- Every foreign trip of their group was arranged with the intent to bring gold illegally into India. Further, he stated that payments to Shri Dilipbhai Nakubhai Senjaliya and Shri Kaushikbhai Vinubhai Patel were always made in cash, with amounts varying based on the volume of gold they brought concealed in their body. He does not remember the exact total volume but their group used to bring around 1200-1500 gms of gold per trip.

7. ARREST OF MR. MAYUR DHANSUKHBHAI RUDANI:

7.1. Based on the evidences gathered and the statements recorded as above, it appeared that the act of smuggling of gold was deliberately undertaken by Mr. Mayur Dhansukhbhai Rudani the main handler, who attempted to smuggle the gold into India in violation of the provisions of the Customs Act, 1962 without any declaration and with intent to evade Customs duty. The offence committed by him was also been admitted in his statement recorded under Section 108 of the Customs Act, 1962. The market value of the seized gold is more than one crore. He had therefore committed an offence under Section 135(1)(a) & (b) of the Customs Act, 1962, and the same was punishable under Section 135(1)(i)(A). Therefore, he was liable to be arrested under Section 104 of the Customs Act, 1962 read with Circular No. 28/2015-Customs dated 23.10.2015 and amended Circular No. 13/2022-Customs dated 16.08.2022. The offence was cognizable under Section 104(6)(c). Hence, (i) Mr. Mayur Dhansukhbhai Rudani was arrested on 06.12.2025 at Ahmedabad under the provisions of Section 104 of the Customs Act, 1962 vide Arrest Memo dated 06.12.2025, after getting required authorization from the competent authority. He was further produced before the Hon'ble Court of ACMM, Ahmedabad on 06.12.2025, who ordered for his judicial custody.

7.2. Further, a remand application dated 09.12.2025 was filed, explaining his role as organizer, financier and owner of smuggled gold, his non-cooperation and evasion of the summons, and the necessity of custodial interrogation to unearth the full extent of the syndicate, whereupon the Hon'ble Court granted DRI custody of the accused up to 17.12.2025 vide remand warrant dated 15.12.2025. On completion of DRI custody, he sent back to the judicial custody.

7.3. During the remand period, statement of Mr. Mayur Dhansukhbhai Rudani was recorded under Section 108 of the Customs Act, 1962 on 17.12.2025 wherein he interalia stated that: -

- He perused his earlier statement dated 05.12.2025 and panchnama dated 09-10.07.2025 drawn at SVPI Airport, Ahmedabad, agreed fully with their contents and signed in token of perusal.
- He admitted that mobile numbers 9824374917 and 8140656342 were being used by him. Further, He stated that his mobile phone was lost in July 2025 and he did not lodge any complaint regarding this loss at the Police Station.
- Mr. Dilipbhai and Mr. Kaushikbhai used to extract smuggled gold capsules in the washroom at his residence, A-12, Amidhara Society. He further stated that, on certain occasions, he personally carried and smuggled gold capsules himself.

His admission of possession of mobile numbers that were used to communicate with the passengers and further claim of being lost the mobile phones that have those mobile numbers establishes his mens rea of deliberate destruction of evidence that could have established his involvement beyond reasonable doubt.

8. FURTHER STATEMENT OF PERSONS INVOLVED:

8.1. In furtherance of the ongoing investigation and for the purpose of collecting additional information, summons dated 29.12.2025 were issued to Mr. Kaushikbhai Vinubhai Patel, Mr. Dilipbhai Nakubhai Senjaliya and Mr. Mayur Dhansukhbhai Rudani for recording of their statements.

8.2. Consequent to the above summons, statement of Mr. Kaushikbhai Vinubhai Patel, Mr. Dilipbhai Nakubhai Senjaliya and Mr. Mayur Dhansukhbhai Rudani, were recorded under Section 108 of the Customs Act, 1962 on 30.12.2025 wherein they interalia stated that:

- They confirmed the accuracy of 10 listed international trips including the current trip wherein they (Kaushik & Dilip) were intercepted trying to smuggle gold out (AMD-BKK/DMK-AMD) from 19.12.2023 to 10.07.2025, involving Mayur with Dilip (first 3 trips) and later Kaushik & Dilip.
- They admitted smuggling gold quantity ranging 1200-1500 grams per trip (total ~12-15 kg across trips).
- They also reaffirmed their respective prior statements by signing them; further, Shri Mayur Dhansukhbhai Rudani perused Shri Rohit Rudani's statement dated 05.12.2025 and he fully agreed with its contents and signed in token of perusal.
- Mr. Dilipbhai Nakubhai Senjaliya and Mr. Kaushikbhai Vinubhai Patel confirms that they had to extract smuggled gold capsules in the washroom at Mayur's residence at A-12, Amidhara Society. They further stated that, on certain occasions, Mr. Mayur Rudani also carried and smuggled capsules containing gold in paste form.

9. TRAVEL HISTORY OF PERSONS INVOLVED:

On the basis of the statements recorded and the evidence collected during the course of investigation, it has emerged that the noticees/accused persons, namely Mayur,

Kaushik and Dilip, previously undertook the following trips between Ahmedabad and Bangkok/Don Mueang on the dates and flight sectors indicated hereinbelow, during which quantities of gold about 1500 grams are stated to have been smuggled on each occasion: -

S. No	Flight Number	From	To	Date	Quantity Involved (as per statement) (In Grams)	Notification No.	Tariff Value @1500 (In Rs.)	Market Value @1500 (In Rs.)
1	TG 344	AMD	BKK	19.12.2023	1500	91/2023-CUSTOMS (N.T.) & 93/2023 - Customs (N.T.)	8283630.00	9660000.00
	FD 144	DMK	AMD	21.12.2023				
2	TG 344	AMD	BKK	08.03.2024	1500	17/2024-CUSTOMS (N.T.) & 18/2024 - Customs (N.T.)	8630437.50	10065000.00
	TG 343	BKK	AMD	11.03.2024				
3	TG 344	AMD	BKK	23.04.2024	1500	29/2024-CUSTOMS (N.T.) & 30/2024 - Customs (N.T.)	9786180.00	11182500.00
	TG 343	BKK	AMD	26.04.2024				
4	TG 344	AMD	BKK	26.06.2024	1500	46/2024-CUSTOMS (N.T.) & 45/2024 - Customs (N.T.)	9458460.00	11175000.00
	TG 343	BKK	AMD	30.06.2024				
5	TG 344	AMD	BKK	23.08.2024	1500	54/2024-CUSTOMS (N.T.) & Exchange Rate Notification No.: 4/2024	10118362.50	11085000.00
	TG 343	BKK	AMD	27.08.2024				
6	TG 344	AMD	BKK	11.11.2024	1500	80/2024-CUSTOMS (N.T.) & Exchange Rate Notification No.: 10/2024	10709415.00	11340000.00
	TG 343	BKK	AMD	15.11.2024				
7	FD 145	AMD	DMK	06.01.2025	1500	88/2024-CUSTOMS (N.T.) & Exchange Rate Notification No.: 14/2024	10911600.00	12285000.00
	FD 144	DMK	AMD	10.01.2025				
8	TG 344	AMD	BKK	16.02.2025	1500	10/2025-CUSTOMS (N.T.) & Exchange Rate Notification No.: 19/2024	12346425.00	13425000.00
	TG 343	BKK	AMD	20.02.2025				
9	TG 344	AMD	BKK	16.04.2025	1500	24/2025-CUSTOMS (N.T.) & Exchange Rate Notification No.: 25/2024	13374720.00	15105000.00
	TG 343	BKK	AMD	20.04.2025				
Total					13500		93619230.00	105322500.00

From the above, it is evident that the notices/accused persons, namely Mayur, Kaushik and Dilip, collectively carried a total quantity of about 13.5 kilograms of gold during the aforesaid trips, involving aggregate tariff value of about Rs. 9.36 crore rupees and corresponding aggregate market value of about Rs. 10.53 crore rupees.

10. LEGAL PROVISIONS:

10.1. According to the Customs Baggage Declaration (Amendment) Regulations, 2016 issued vide Notification 31/2016 (NT) dated 01.03.2016, all passengers who come to India and have anything to declare or are carrying dutiable or prohibited goods shall declare their accompanied baggage under Section 77 of the Customs Act, 1962.

10.2. All the dutiable articles imported into India by a passenger in his baggage are classified under CTH 9803. As per Section 77 of the Customs Act, 1962, the owner of any baggage shall for the purpose of clearing it, make a declaration of its contents to the proper officer. 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 Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders made there under and the Foreign Trade Policy for the time being in force.

10.3. In terms of Para 2.26 (a) of the Foreign Trade Policy 2015-2020, 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. The gold can be imported by the banks (authorized by RBI) and the agencies nominated for the said purpose under Para 4.41 of Chapter-4 of Foreign Trade Policy or by "Eligible Passenger" as per the provision of Notification No. 50/2017- Customs dated 30.06.2017 (Sr. No. 356). As per Notification No. 50/2017- Customs dated 30.06.2017, the 'eligible passenger' means passenger of Indian origin or a passenger holding valid passport issued under the Passport Act, 1967 who is coming to India after a period of not less than 6 months of stay abroad.

The above said legal provisions are reproduced below:

Para 2.26 (a) of the Foreign Trade Policy 2015-2020:

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

Para 4.41 of the Foreign Trade Policy 2015-2020:*Nominated Agencies:*

(i) Exporters may obtain gold / silver / platinum from Nominated Agency. Exporter in EOU and units in SEZ would be governed by the respective provisions of Chapter-6 of FTP / SEZ Rules, respectively.

(ii) Nominated Agencies are MMTC Ltd, The Handicraft and Handlooms Exports Corporation of India Ltd, The State Trading Corporation of India Ltd, PEC Ltd, STCL Ltd, MSTC Ltd, and Diamond India Limited.

(iii) Notwithstanding any provision relating to import of gold by Nominated Agencies under Foreign Trade Policy (2015-2020), the import of gold by Four Star and Five Star Houses with Nominated Agency Certificate is subjected to actual user condition and are permitted to import gold as input only for the purpose of manufacture and export by themselves during the remaining validity period of the Nominated Agency certificate.

(iv) Reserve Bank of India can authorize any bank as Nominated Agency.

(v) Procedure for import of precious metal by Nominated Agency (other than those authorized by Reserve Bank of India and the Gems & Jewellery units operating under EOU and SEZ schemes) and the monitoring mechanism thereof shall be as per the provisions laid down in Hand Book of Procedures.

(vi) A bank authorized by Reserve Bank of India is allowed export of gold scrap for refining and import standard gold strips as per Reserve Bank of India guidelines.

10.4. Condition 41 of Sl. No. 356 of CBIC Customs Notification No. 50/2017 dated 30.06.2017 where the condition regarding import of gold by passenger is regulated in the following manner:

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.

10.5. Baggage Rules, 2016:

10.5.1. 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 his bona fide baggage of Jewellery up to a weight, of twenty grams with a value cap of fifty thousand rupees if brought by a gentleman passenger, or forty grams with a value cap of one lakh rupees, if brought by a lady passenger".

10.5.2. A combined reading of the above-mentioned legal provisions under Foreign Trade Regulations, the Customs Act, 1962 and the notifications issued therein - clearly indicate that import of gold including gold Jewellery through Baggage is Restricted and conditions have been imposed on the said imports 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 those mandatory conditions can import gold as a part of their bona fide personal baggage and the same has to be declared to the Customs at the time of their arrival and applicable duty paid. These conditions are nothing but restrictions imposed on the import of gold through passenger baggage. Further, from the foregoing legal provisions of Foreign Trade Policy, 2015-2020 read with Reserve Bank of India circulars issued under Foreign Exchange Management Act (FEMA), Notifications issued by the Government of India and Circular issued by CBIC, it is evident that no one can import gold in any other manner as not explicitly stated/permitted above.

10.6. In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1962, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-

2020, as amended from time to time, the Central Government vide DGFT's Notification No. 49/2015-2020 dated 5th January, 2022 made amendment in import policy conditions of gold in any form Chapter 71 of ITC (HS), 2017, Schedule-1 (Import Policy) as under:

ITC(HS) Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
71061000	Powder	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71069110	Unwrought: Grains	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71069190	Unwrought: Others		Silver dore can be imported by refineries against a license with AU condition.	
71069210	Sheets, plates, strips, tubes and pipes	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71069290	Other	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71081100	Powder	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71081200	Other unwrought forms	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies). Gold dore can be imported by refineries against a license with AU condition.	Import is allowed only through nominated agencies as notified by RBI (in case of banks), DGFT (for other agencies) and IFSCA (for qualified jewellers through India International Bullion Exchange) Gold Dore can be imported by refineries against an import license with AU condition.
71081300	Other semi-manufactured forms	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71189000	Other	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	Import is allowed only through nominated agencies as notified by RBI (in case of banks), DGFT (for other agencies) and IFSCA (for qualified jewellers through India International Bullion Exchange).

10.6.1. As per the said Notification, the expression "*Gold in any form*" includes *gold in any form above 22 carats* under Chapter 71 of ITC (HS), 2017, Schedule-I (Import Policy).

10.7. Further, as per Section 2(33) of the 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 but does not include any goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with, implying that any goods imported in violation of the conditions subject to which the goods are permitted to be imported are nothing but prohibited goods. Hence, the smuggling of 1144.83 grams gold (extracted from the recovered capsules containing gold paste mixed with chemical substances in semi-solid form) having purity of 999.0/24 Ct recovered from Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya are in contravention of the Foreign Trade Policy 2015-20 read with the relevant notification issued under the Customs Act, 1962 & rules made thereunder, shall have to be treated as prohibited, by virtue of not being in conformity with the conditions imposed in the said Regulations. It is pertinent to note that any prohibition applies to every type of prohibition which may be complete or partial and even a restriction on import or export is to an extent a prohibition. Hence the restrictions imposed on the said imports are to an extent a prohibition and any violation of the said conditions/restrictions would make the impugned goods liable for confiscation under Section 111 of Customs Act, 1962.

10.8. Therefore, it appears that import of gold in contravention of the Foreign Trade Policy 2015-20 read with the Customs Act, 1962 and RBI circulars, as well as the Rules and regulations mentioned supra, shall have to be treated as prohibited, by virtue of not being in conformity with the conditions imposed in said Regulations.

Section 2(33) of the 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 but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

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.

10.9. Further, in terms of provisions under Section 123 of the Customs Act, 1962, it is the responsibility of the person who is in possession of the said gold / silver or the person claiming ownership of the same, to prove that the same were not smuggled gold. Relevant provisions of Section 123 of the Customs Act, 1962 are as under:

Section 123: Burden of proof in certain cases. -

- (1) Where any goods to which this section applies are seized under this act in the reasonable belief that they are smuggled goods, the burden of proving that they are not smuggled goods shall be -
 - (a) In a case where such seizure is made from the possession of any person,
 - (i) on the person from whose possession the goods were seized; and
 - (ii) if any person, other than the person from whose possession the goods were seized, claims to be the owner thereof, also on such other person.
 - (b) In any other case, on the person, if any, who claims to be the owner of the goods so seized.
- (2) This section shall apply to gold and manufactures thereof, watches, and any other class of goods which the Central Government may by notification in the Official Gazette specify.

10.10. Section 111 of the Customs Act, 1962 provides for the confiscation of the goods which are imported improperly.

Section 111. Confiscation of improperly imported goods, etc. -

The following goods brought from a place outside India shall be liable to confiscation: -
(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

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

10.11. Section 112 of the Customs Act, 1962 provides the penalty on the persons for the improper import of the goods.

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 other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

10.12. Section 119: Confiscation of goods used for concealing smuggled goods: *“Any goods used for concealing smuggled goods shall also be liable to confiscation”.*

10.13. From all the above paras, it appears that during the period relevant to this case, import of gold in any form (gold having purity above 22 carat) was restricted as per DGFT Notification and import was permitted only by nominated agencies. It clearly appears that import of goods whereof is allowed subject to certain conditions are to be treated as prohibited goods under Section 2(33) of the Customs Act, 1962 in case such conditions are not fulfilled. Gold is not allowed to be imported freely in baggage and it is permitted to be imported subject to fulfilment of certain conditions.

11. VIOLATIONS & CONTRAVENTION OF VARIOUS PROVISIONS:

11.1. The seized goods, two gold bars having purity of 999.0/24 Carat, totally weighing of Net 1144.83 grams & having a market value of Rs.1,14,02,567/- have been attempted to be illegally smuggled into India without declaring before the custom authority in violation of the provisions of the Customs Act, 1962 & FTP and Custom Baggage Rules and around 13.5 Kg of foreign origin Gold in paste form already smuggled into India in 9 past journeys as agreed by them in their respective statements. The said gold bars do not also appear to be allowed to be imported by 1) Mr. Kaushikbhai Vinubhai Patel and 2) Mr. Dilipbhai Nakubhai Senjaliya keeping the restrictions on such import under the provisions of FTP and Customs Act, 1962. Hence, it appears that the said two gold bars were brought into India with a motive to smuggle into India by way of fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. Therefore, the same prohibited goods may be treated as imported illegally into India and liable to confiscation under the provisions of Section 111(d) and 111(l) of the Customs Act, 1962.

Further, the packing materials used for concealing the above said two gold bars of purity 995/24 Kt. (extracted from the 8 capsules covered with blue tape), totally weighing net 1144.83 grams believed to be used for concealment is liable to confiscation under Section 119 of the Customs Act, 1962. Also, 1) Mr. Kaushikbhai Vinubhai Patel and 2) Mr. Dilipbhai Nakubhai Senjaliya and 3) Mr. Mayur Dhansukhbhai Rudani have claimed the ownership of the said seized gold. However, they failed to discharge their onus in terms of the provisions of Section 123 of the Custom Act, 1962. These actions render the said gold quantity liable for confiscation and also render penal action under the Customs Act, 1962.

11.2. A total quantity of about 13.5 kilograms of gold, involving aggregate tariff value of about Rs. 9.36 crore rupees and corresponding aggregate market value of about Rs. 10.53 crore rupees had been illegally smuggled into India without declaring before the custom authority in violation of the provisions of the Customs Act, 1962 & FTP and Custom Baggage Rules. The said gold does not appear to be allowed to import by 1) Mr. Mayur Dhansukhbhai Rudani, 2) Mr. Kaushikbhai Vinubhai Patel and 3) Mr. Dilipbhai Nakubhai Senjaliya keeping the restrictions on such import under the provisions of FTP and Customs Act, 1962. Hence, it appeared that the said gold had been brought into India with a motive to smuggle into India by way of fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. Therefore, the same

prohibited goods may be treated as imported illegally into India and liable to confiscation under the provisions of Section 111(d) and (l) of the Customs Act, 1962.

12. ROLE OF PERSONS IN THE ABOVE SMUGGLING OF GOLD:

12.1. Role of Mr. Kaushikbhai Vinubhai Patel:

12.1.1 From evidences gathered, both oral and documentary, available on records, clearly established, the role of Mr. Kaushikbhai Vinubhai Patel who indulged in the act of smuggling of Gold totally weighing net 1144.83 Grams (extracted from the 8 capsules covered with blue tape) grams having purity of 999.0 (24 Kt) which was carried concealing inside the rectum, by himself and Mr. Dilipbhai Nakubhai Senjaliya altogether. It reveals that he was knowingly and actively involved in the smuggling of two gold bars as per the instructions of one person namely Mr. Mayur Dhansukhbhai Rudani. The analysis of call detail records pertaining to the mobiles numbers under investigation disclosed active and repeated communication between Mr. Mayur Dhansukhbhai Rudani and Mr. Kaushikbhai Vinubhai Patel, between Mr. Mayur Dhansukhbhai Rudani and Mr. Dilipbhai Nakubhai Senjaliya, and between the two carriers, prior to and during the period of their foreign travel for the impugned trip.

12.1.2 He confessed that he, along with his associate Mr. Dilipbhai Nakubhai Senjaliya, coordinated to execute this smuggling operation, having prior knowledge of the concealment and retrieval process for monetary considerations and for personal enrichment. Four gold-containing capsules were found concealed in his rectum, and an additional four capsules were recovered from the rectum of Mr. Dilipbhai Nakubhai Senjaliya. Investigation also led to findings that he may get around Rs.20,000/- each trip for smuggling of gold. The investigation has further revealed that this was not a one-time act but was carried out on approximately seven occasions as part of a repeated modus operandi. These activities were undertaken for monetary gain, which varied according to the quantity of gold smuggled, with full awareness that such acts were illegal, unauthorized, and unsupported by any documentation.

12.1.3 During the course of interception, Mr. Kaushikbhai Vinubhai Patel was also enquired by the officers of DRI, whether, he wanted to declare any dutiable item before the custom authority, to which he had denied. Mr. Kaushikbhai Vinubhai Patel did not have any documents/purchase documents in respect of two gold bars (extracted from the 8 capsules covered with blue tape), which were attempted to be smuggled. Hence, he appears to be important part of the syndicate of such smuggling of two gold bars in nexus with Mr. Dilipbhai Nakubhai Senjaliya and Mr. Mayur Dhansukhbhai Rudani the main handler.

12.1.4. The act of concealing the gold items into the body cavity to dodge the custom authority itself suggests the mens-rea on the part of Mr. Kaushikbhai Vinubhai Patel with a view to smuggled the gold avoided payment of Customs duty. It therefore, appears that Mr. Kaushikbhai Vinubhai Patel, was not inclined to declare the goods viz. gold items that he was carrying before the Customs Authorities. Thus, two gold bars concealed by them, totally weighing 1144.83 Grams, purity of 999.0 24 Kt and having market value of Rs.1,14,02,567/-, recovered from the possession of Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, were illegally attempted to be smuggled by them into India without declaration and payment of appropriate Customs duties.

12.1.5. Therefore, Mr. Kaushikbhai Vinubhai Patel has concerned himself in the act of smuggling of two gold bars and additionally about 13.5 kilograms gold in previous 9 trips where he was actively or passively involved in the same syndicate as mentioned above, has knowingly violated the various provisions of Foreign Trade

Policy 2015-20, Baggage Rules, 2016, Customs Notifications, etc., which rendered the above goods liable to confiscation under Section 111(d) and (1) of the Customs Act, 1962 and rendered himself liable for penalty under Section 112 (a) and (b) of Customs Act, 1962. Mr. Kaushikbhai Vinubhai Patel has claimed the ownership of the said seized gold. However, he failed to discharge his onus in terms of the provisions of Section 123 of the Custom Act, 1962. These actions render the said gold quantity liable for confiscation and also render penal action under the Customs Act, 1962.

12.2. Role of Mr. Dilipbhai Nakubhai Senjaliya:

12.2.1. From evidences gathered, both oral and documentary, available on records, clearly established, the role of Mr. Dilipbhai Nakubhai Senjaliya who indulged in the act of smuggling of Gold totally weighing net 1144.83 Grams (extracted from the 8 capsules covered with blue tape) grams having purity of 999.0 (24 Kt) which was carried concealing inside the rectum, by himself and Mr. Kaushikbhai Vinubhai Patel all together. It reveals that he was knowingly and actively involved in the smuggling of two gold bars as per the instructions of one Mr. Mayur Dhansukhbhai Rudani. The analysis of call detail records pertaining to the mobiles numbers under investigation disclosed active and repeated communication between Mr. Mayur Dhansukhbhai Rudani and Mr. Kaushikbhai Vinubhai Patel, between Mr. Mayur Dhansukhbhai Rudani and Mr. Dilipbhai Nakubhai Senjaliya, and between the two carriers, prior to and during the period of their foreign travel for the impugned trip. Both belong to the same syndicate, whose handler was common. They indulged in smuggling of gold into India without the knowledge of the Customs Authorities and without declaration/payment of appropriate Customs duty at Airport. Both the said passengers travelled together from Ahmedabad to Bangkok. Both were given gold in paste form inside capsules by one person namely Mr. Mayur Dhansukhbhai Rudani, who travelled along with them and managed all the finance related to tickets, stay, food, taxi etc. These facts have been corroborated in the statements of the said two passengers.

12.2.2. He confessed that he, along with his associate Mr. Kaushikbhai Vinubhai Patel, coordinated to execute this smuggling operation, having prior knowledge of the concealment and retrieval process for monetary considerations and for personal enrichment. Four gold-containing capsules were found concealed in his rectum, and an additional four capsules were recovered from the rectum of Mr. Kaushikbhai Vinubhai Patel. Investigation also led to findings that he may get around Rs.10,000/- each trip for smuggling of gold. The investigation has further revealed that this was not a one-time act but was carried out on approximately ten occasions as part of a repeated modus operandi. These activities were undertaken for monetary gain, which varied according to the quantity of gold smuggled, with full awareness that such acts were illegal, unauthorized, and unsupported by any documentation.

12.2.3 During the course of interception, Mr. Dilipbhai Nakubhai Senjaliya was also enquired by the officers of DRI, whether, he wanted to declare any dutiable item before the custom authority, to which he had denied. Mr. Dilipbhai Nakubhai Senjaliya did not have any documents/purchase documents in respect of two gold bars (extracted from the 8 capsules covered with blue tape), which were attempted to be smuggled. Hence, he appears to be important part of the syndicate of such smuggling of two gold bars in nexus with Mr. Kaushikbhai Vinubhai Patel and Mr. Mayur Dhansukhbhai Rudani the main handler.

12.2.4. The act of concealing the gold items into the body cavity to dodge custom authority itself suggests the mens-rea on the part of Mr. Dilipbhai Nakubhai Senjaliya with a view to smuggle gold without any declaration and avoiding payment of Customs duty. It therefore, appears that Mr. Dilipbhai Nakubhai Senjaliya, was not

inclined to declare the goods viz. gold items that he was carrying before the Customs Authorities. Thus, two gold bars concealed by them, totally weighing 1144.83 Grams, purity of 999.0 24 Kt and having market value of Rs.1,14,02,567/-, recovered from the possession of Mr. Dilipbhai Nakubhai Senjaliya and Mr. Kaushikbhai Vinubhai Patel, were illegally attempted to be smuggled by them into India without declaration and payment of appropriate Customs duties.

12.2.5. Therefore, Mr. Dilipbhai Nakubhai Senjaliya has concerned himself in the act of smuggling of two gold bars and additionally about 13.5 kilograms gold in previous 9 trips as mentioned above has knowingly violated the various provisions of Foreign Trade Policy 2015-20, Baggage Rules, 2016, Customs Notifications, etc., which rendered the above goods liable to confiscation under Section 111(d) and 111(1) of the Customs Act, 1962 and rendered himself liable for penalty under Section 112(a) and 112(b) of Customs Act, 1962. Mr. Dilipbhai Nakubhai Senjaliya has claimed the ownership of the said seized gold. However, he failed to discharge his onus in terms of the provisions of Section 123 of the Custom Act, 1962. These actions render the said gold quantity liable for confiscation and also render penal action under the Customs Act, 1962.

12.3. Role of Mr. Mayur Dhansukhbhai Rudani:

12.3.1 As evident from the evidences available on record in the form of Panchnama dated 09-10.07.2025, statement dated 10.07.2025 of both the passengers Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya and statement dated 05.12.2025 and 17.12.2025 of Mr. Mayur Dhansukhbhai Rudani recorded under Section 108 of the Customs Act, 1962 etc., it appears that Mr. Mayur Dhansukhbhai Rudani is the main handler, financier, and mastermind of the gold smuggling syndicate to smuggled the said two gold bars into India through SVPI Airport, Ahmedabad from Thailand. He has arranged and financed the travel and hotel accommodation of carriers Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya for Bangkok, booked their tickets, and stayed with them at “Win Long Palace Service Apartment” / “Win Hotel”, investigation reveals that he was also travelling with them on Flight TG-343 from Bangkok to Ahmedabad on 09-10.07.2025. Mr. Mayur Dhansukhbhai Rudani himself admits in this statement that Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai used to extract smuggled gold capsules in the washroom at his residence, A-12, Amidhara Society. He further stated that, on certain occasions, he personally carried and smuggled gold capsules himself.

12.3.2 He provides the gold capsules to both the carriers in Thailand, instructed them to conceal the capsules in their rectum, and directed them to pass through the Green Channel without declaration, offering them monetary consideration (₹10,000 to Dilipbhai and ₹20,000 to Kaushikbhai) for acting as carriers. The investigation has revealed that he is the real owner of the seized gold (net weight 1144.83 grams, market valued about ₹1.14 crore) and as a person having no lawful documents for its procurement. He admitted in his statement dated 05.12.2025 that payments to Shri Dilipbhai and Shri Kaushikbhai were always made in cash, with amounts varying based on the volume of gold they brought concealed in their body.

12.3.3. During the investigation, evidence emerged and, on 28.10.2025, a DRI Officer proceeded to the residence of Shri Mayur Rudani to conduct a search pursuant to authorization obtained from the competent authority. However, Shri Rudani absconded and did not appear during the entire search proceedings. In view of certain material facts necessitating his presence, summons under Section 108 of the Customs Act, 1962 were issued on 28.10.2025, 03.11.2025, and 11.11.2025, requiring his appearance on the specified dates. The summons was served physically upon his wife and also dispatched by speed post to his declared address. Despite

this, Shri Mayur Dhansukhbhai Rudani failed to comply and remained absconding during the said period. Furthermore, in his statement dated 17.12.2025, he claimed that his mobile phone had been lost in July 2025, yet no complaint regarding the loss was lodged with the Police Station. These circumstances establish that he deliberately avoided the investigation and concealed the mobile phone to prevent disclosure of incriminating evidence.

12.3.4 His brother namely Shri Rohit Rudani acknowledged the panchnama dated 05.12.2025 and, in his statement recorded on the same date, stated that the machine and instruments seized from his premises were used by Shri Mayur Rudani for melting gold. He further confirmed that his brother used to melt gold and silver using the machine and instruments and has several contacts who supplied gold in various forms, such as paste and scrap, which he processed into bars.

12.3.5 Investigation reveals that, he owns a continuing organizer's role: call data records analysis indicate regular communication with the carriers before and during the journey, search at his residence resulted in the recovery of an electric melting machine and instruments used for converting gold paste/scrap into bars, and he has admitted to making around 10 foreign trips mainly to Thailand, usually smuggling 1,200–1,500 grams of gold per trip and travelling with the same carriers also staying in the same hotel. On this material, he is portrayed as the central figure of an organized gold smuggling racket. Thus, it appears that Mr. Mayur Dhansukhbhai Rudani in a very planned manner attempted to smuggle two gold bars through Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya to India through SVPI Airport. The said gold bars recovered and seized are liable to confiscation under Section 111 of the Customs Act, 1962. Thus, he appears to be the mastermind in this entire smuggling racket of the above two gold bars.

12.3.6. Therefore, Mr. Mayur Dhansukhbhai Rudani has concerned himself in the act of smuggling of foreign origin two gold bars and additionally about 13.5 kilograms gold in previous 9 trips as mentioned above, has knowingly violated the various provisions of Foreign Trade Policy 2015-20, Baggage Rules, 2016, Customs Notifications, etc., which rendered the above goods liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962 and rendered himself liable for penalty under Section 112(a) and 112(b) of Customs Act, 1962. As per the evidences gathered, both oral and documentary, available on records Mr. Mayur Dhansukhbhai Rudani is one of the owners of the seized gold. However, he failed to discharge his onus to terms of the provisions of Section 123 of the Custom Act, 1962. These actions render the said gold quantity liable for confiscation and also render penal action under the Customs Act, 1962.

13. Accordingly, a Show Cause Notice was issued to the Noticees (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya and (iii) Mr. Mayur Dhansukhbhai Rudani, as to why:

(i) Two Gold bars weighing 1144.83 grams (8 capsules covered with blue tape) having a Market Value of Rs.1,14,02,567/- seized under Section 110 of the Customs Act, 1962 should not be confiscated under Section 111(d) and 111(l) of the Customs Act, 1962 also read with Section 123 of the Custom Act, 1962;

(ii) Packing materials believed to be used for concealing the above said two gold bars of purity 995/24Kt., totally weighing 1144.83 grams should not be confiscated under Section 119 of the Customs Act, 1962 also read with Section 123 of the Custom Act, 1962;

(iii) Total quantity of about 13.5 kilograms of gold smuggled during the 9 previous trips involving aggregate market value of about 10.53 crore rupees (as per para 9) notwithstanding their present unavailability as they were smuggled in violation of the

various provisions of Customs Act, 1962 should not be liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962 also read with Section 123 of the Custom Act, 1962;

(iv) Penalties should not be imposed upon them under Section 112(a) and 112(b) of the Customs Act, 1962.

DEFENSE REPLY:

14. The Noticees (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya and (iii) Mr. Mayur Dhansukhbhai Rudani have submitted written submission on dated 25.02.2026 through their Advocate and Authorized Representative, Shri Rishikesh Mehra.

Defence Reply of the Noticees (i) Mr. Kaushikbhai Vinubhai Patel:

14.1 Mr. Kaushikbhai Vinubhai Patel submitted a defence reply to SCN/ written submission on dated **25.02.2026**, through his advocate and authorised representative Shri Rishikesh Mehra. Vide the said letter Mr. Kaushik Vinubhai Patel responded to the Show Cause Notice dated 02.01.2026 by denying all allegations against him. He admitted that 574.580 grams of gold were recovered from him but claimed that his statements under Section 108 of the Customs Act, 1962 were made under fear and duress, making them unreliable. He contended that the gold was neither prohibited nor restricted, brought from Bangkok for personal use, and concealed only for safety during travel. He attributed his failure to declare it to ignorance of customs laws, being a first-time carrier, illiteracy, and the airline staff not providing the required declaration form, asserting that he was willing to pay duty and fines if given the opportunity. He emphasized that he had no malicious intent, was not involved in illegal activities, and was not a repeat offender. Mr. Patel maintained that he did not understand English, and his statements and documents signed under fear were involuntary and unreliable. Considering the lack of proper evidence, relevant legal provisions, and judicial precedents, he concluded that he should not be penalized and the gold should be released on payment of any applicable redemption fine.

14.2 He further submitted that numerous judicial decisions both supported and opposed the release of gold seized in customs cases, and a combined reading of these judgments along with the relevant policies and rules indicated that whether goods were classified as "prohibited" depended on the specific facts and the profile of the individual involved. It was further submitted that goods not explicitly listed as prohibited could still be treated as such based on circumstances; however, even if considered prohibited, they could be released or re-exported at the discretion of the adjudicating authority, provided such discretion followed the legal principles laid down by the Hon'ble Supreme Court. Judicial precedents were cited to support the release of seized gold upon payment of a redemption fine. In the case of Yakub Ibrasher Yousuf, the Tribunal allowed redemption of undeclared gold, holding that an option for redemption must be provided to the possessor even if the import was illicit and intended for profit, and this option could be granted even if ownership was not claimed. Similarly, in Shaikh Jameel Pasha vs Government of India, the Andhra Pradesh High Court held that unauthorized import of gold other than ornaments still entitled the importer to redemption upon payment of a fine, provided the goods were otherwise permissible. In Kadar Mydeen vs Commissioner of Customs, confiscation of undeclared gold was upheld, but the appellant was still granted the option to redeem the goods upon payment of a specified fine. Reference was also made to a Revisionary Authority order by the Government of India, which upheld the release of non-declared gold for eligible passengers. These precedents collectively supported the contention that seized gold could be released on payment of fine, penalty, and duty, even in cases of non-declaration.

14.3 It was submitted that the noticee's statement had been recorded under duress and threat, making it involuntary. He had never previously brought gold or other restricted goods into India, and the department had provided no evidence of prior violations, emphasizing that this was his first instance of non-compliance and merited leniency. It was noted that no Indian or foreign currency or other incriminating items were recovered, indicating he was not involved in organized smuggling. The noticee requested that the goods be released promptly, even provisionally, and expressed willingness to execute a bond or pay the applicable customs duty, fine, or penalty. Alternatively, if immediate release was not allowed, he sought permission to re-export the goods while complying with any penalties imposed.

He requested an opportunity for a personal hearing, with the ability to make further submissions following such a hearing.

Defence Reply of the Noticees (ii) Mr. Dilipbhai Nakubhai Senjaliya:

14.4 Mr. Dilipbhai Nakubhai Senjaliya submitted a defence reply to SCN/ written submission on dated **25.02.2026**, through his advocate and authorised representative Shri Rishikesh Mehra. Vide the said letter Mr. Dilipbhai Nakubhai Senjaliya responded to the Show Cause Notice dated 02.01.2026 by denying all allegations against him. He admitted that 570.250 grams of gold were recovered from him but contended that his statements under Section 108 of the Customs Act, 1962 were recorded under fear and duress, making them unreliable. He maintained that the gold, brought from Bangkok for personal use, was neither prohibited nor restricted, and was kept in his rectum solely for safety during travel. Being unaware of customs laws and a first-time carrier, he failed to declare the gold out of ignorance, and he emphasized that it was purchased from his personal savings. He alleged that his requests to release the gold upon payment of duty, fine, and penalty were ignored, and highlighted his illiteracy and inability to understand the English-language documents he signed under fear of arrest. He further stated that the declaration form under Section 77 was not provided by airline staff, and he would have complied with customs requirements if given the opportunity. He stressed that he was not involved in any illegal activity, was not a repeat offender, and his coerced statements violated legal and constitutional protections. Relying on judicial precedents, he requested that the gold be released upon payment of redemption fine, duty, and penalty, seeking appropriate relief from the authorities.

14.5 He further submitted that numerous judicial decisions both supported and opposed the release of gold seized in customs cases, and a combined reading of these judgments along with the relevant policies and rules indicated that whether goods were classified as "prohibited" depended on the specific facts and the profile of the individual involved. It was further submitted that goods not explicitly listed as prohibited could still be treated as such based on circumstances; however, even if considered prohibited, they could be released or re-exported at the discretion of the adjudicating authority, provided such discretion followed the legal principles laid down by the Hon'ble Supreme Court. Judicial precedents were cited to support the release of seized gold upon payment of a redemption fine. In the case of Yakub Ibrasher Yousuf, the Tribunal allowed redemption of undeclared gold, holding that an option for redemption must be provided to the possessor even if the import was illicit and intended for profit, and this option could be granted even if ownership was not claimed. Similarly, in Shaikh Jameel Pasha vs Government of India, the Andhra Pradesh High Court held that unauthorized import of gold other than ornaments still entitled the importer to redemption upon payment of a fine, provided the goods were otherwise permissible. In Kadar Mydeen vs Commissioner of Customs, confiscation of undeclared gold was upheld, but the appellant was still granted the option to redeem the goods upon payment of a specified fine. Reference was also made to a Revisionary Authority order by the Government of India, which upheld the release of

non-declared gold for eligible passengers. These precedents collectively supported the contention that seized gold could be released on payment of fine, penalty, and duty, even in cases of non-declaration.

14.6 It was submitted that the noticee's statement had been recorded under duress and threat, rendering it involuntary. He had never previously brought gold or any other restricted goods into India, and the department had provided no evidence of prior violations, emphasizing that this was his first instance of non-compliance and merited leniency. His failure to seek guidance from customs officials was pleaded as unintentional and not deserving of severe consequences. No Indian or foreign currency, incriminating documents, or other offending goods were recovered, indicating that he was not involved in illegal trade or organized smuggling. The noticee requested that the seized goods be released promptly, even provisionally, and expressed willingness to execute a bond or pay applicable customs duty. Alternatively, if immediate release was not permitted, he sought permission to re-export the goods while complying with any penalties imposed.

He requested a personal hearing, with the opportunity to make further submissions thereafter.

Defence Reply of the Noticees (iii) Mr. Mayur Dhansukhbhai Rudani:

14.7 Mr. Mayur Dhansukhbhai Rudani submitted a defence reply to SCN/ written submission on dated **25.02.2026**, through his advocate and authorised representative Shri Rishikesh Mehra and submitted that all allegations made against him were false, baseless, and without any legal foundation, and he denied each and every allegation except those specifically admitted. He claimed that he was an innocent person who had been wrongly implicated without any evidence of his conscious involvement, ownership, possession, or knowledge of the alleged goods. He submitted that co-noticees Mr. Kaushik Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya had been threatened and forced by officers to falsely implicate him in their statements recorded under Section 108 of the Customs Act, 1962.

14.8 He further alleged that the statements were prepared by the officers themselves in English and were forcibly signed without allowing the noticees to read, understand, or write in their own language. He contended that such statements, having been recorded under duress and coercion, could not be treated as voluntary or reliable evidence. He referred to Section 138B of the Customs Act and constitutional protections to argue that such statements lacked evidentiary value and could not be used against him.

14.9 He submitted that his alleged involvement was based only on mobile call records without any supporting voice recordings or independent evidence. He argued that mere suspicion or conjecture could not replace legal proof, and that all incriminating circumstances must be established through reliable and conclusive evidence. He stated that he was neither the owner, importer, nor claimant of the seized goods and had no control, possession, or interest in them at any time. He explained that his role was limited to assisting in booking flight tickets and hotel accommodation for the co-noticees in good faith, without any knowledge of illegal activities.

14.10 He further stated that he was not present at the airport during the alleged seizure and had no involvement in the import, concealment, or transportation of the goods. He emphasized that he had not received any financial benefit or gain and that there was no evidence of any financial transaction linking him to the alleged offence. He argued that reliance on confessional statements of co-accused was legally weak and insufficient for conviction without independent corroborative evidence. He concluded by stating that the Show Cause Notice was prejudged and legally flawed, denied any liability under the Customs Act, and requested that the proceedings against him be dropped and an opportunity for personal hearing be granted.

RECORD OF PERSONAL HEARING:

15. Opportunity for Personal Hearing to the Noticees (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya and (iii) Mr. Mayur Dhansukhbhai Rudani was given on 09.03.2026 and accordingly, Shri Rishikesh Mehra, Advocate and Authorised Representative alongwith all above noticees, appeared for hearing and produced copy of Vakalatnama to represent the case. Record of the Personal Hearing as under:

15.1 Personal Hearing to the Noticees (i) Mr. Kaushikbhai Vinubhai Patel:

Shri Rishikesh Mehra, Advocate and Authorised Representative, alongwith the noticee Mr. Kaushikbhai Vinubhai Patel, appeared for hearing and produced copy of Vakalatnama to represent the case on dated 09.03.2026.

Shri Rishikesh Mehra submitted written submission dated 25.02.2026 and reiterated the same. He stated that the noticee had brought gold from Bangkok, purchased from personal savings and borrowed money from friends for his family. He emphasized that the gold was not in commercial quantity and was not prohibited under law, requesting its release upon payment of duty and fine. The noticee, being a student of Gujarati medium, had his statement under Section 108 of the Customs Act, 1962, recorded in English, which he signed under fear of arrest and coercion by the officers. He relied on Government of India, Department of Revenue Order No. 516-517/2023, where gold was released in an identical case, and requested that a lenient view be taken, allowing the release of the gold on payment of the applicable duty, fine, and penalty.

15.2 Personal Hearing to the Noticees (ii) Mr. Dilipbhai Nakubhai Senjaliya:

Shri Rishikesh Mehra, Advocate and Authorised Representative alongwith the noticee Mr. Dilipbhai Nakubhai Senjaliya, appeared for hearing and produced copy of Vakalatnama to represent the case on dated 09.03.2026.

Shri Rishikesh Mehra submitted written submission dated 25.02.2026 and reiterated the same. He stated that the noticee had brought gold from Bangkok, purchased from personal savings and borrowed money from friends for his family. He emphasized that the gold was not in commercial quantity and was not prohibited under law, requesting its release upon payment of duty and fine. The noticee, being a student of Gujarati medium, had his statement under Section 108 of the Customs Act, 1962, recorded in English, which he signed under fear of arrest and coercion by the officers. He relied on Government of India, Department of Revenue Order No. 516-517/2023, where gold was released in an identical case, and requested that a lenient view be taken, allowing the release of the gold on payment of the applicable duty, fine, and penalty.

15.3 Personal Hearing to the Noticees (iii) Mr. Mayur Dhansukhbhai Rudani:

Shri Rishikesh Mehra, Advocate and Authorised Representative alongwith the noticee Mr. Mayur Dhansukhbhai Rudani, appeared for hearing and produced copy of Vakalatnama to represent the case on dated 09.03.2026.

Shri Rishikesh Mehra submitted that the noticee was not directly or indirectly involved in the present case and that there was no evidence showing his conscious involvement, ownership, possession, or knowledge of the alleged goods. The noticee denied all allegations made in the Show Cause Notice. Being a student of Gujarati medium, his statement under Section 108 of the Customs Act, 1962, which was recorded in English, was signed under fear of arrest and coercion by officers. The noticee was arrested solely based on the statements of co-accused, and no gold was physically recovered from him, making the allegations in the SCN baseless and

presumptive. The SCN's reference to his past foreign visits was speculative, and the noticee contended that he was wrongly implicated in a smuggling case involving 13.500 kg of gold, which was not available for confiscation. He requested that the SCN be dropped and that a lenient view be taken in the matter.

DISCUSSION AND FINDINGS:

16. I have carefully examined the case records, the Show Cause Notice, the documents relied upon therein, as well as the statements of the Noticees and any submissions made by them, in light of the relevant legal provisions applicable to this case. I am further of the view that adequate opportunities have been afforded to the Noticees in accordance with the principles of natural justice, and that it would not be prudent to keep the matter pending indefinitely.

16.1 Based on the evidence available on record, including the Panchnamas, the statements of the Noticees and other persons recorded under Section 108 of the Customs Act, 1962, as well as the analysis of Customer Application Forms, Subscriber Data Records, and Call Detail Records obtained from telecom service providers, I find that the Noticees, namely (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya, and (iii) Mr. Mayur Dhansukhbhai Rudani, were engaged in smuggling activities at Sardar Vallabhbhai Patel International (SVPI) Airport, Ahmedabad, in pursuit of monetary gain.

17. I find from the statement of Mr. Kaushikbhai Vinubhai Patel, recorded under Section 108 of the Customs Act, 1962 on 10.07.2025, that he acknowledged and accepted the contents of the panchnama dated 09–10.07.2025 as well as the valuation certificate issued by the Government-approved valuer. He admitted to having concealed four capsules in his rectum, wrapped in blue plastic tape, containing a semi-solid mixture of gold and chemicals. He further stated that the travel arrangements had been made by Mr. Mayur Rudani, who had informed him about the trip approximately one month in advance, and that he travelled along with Mr. Dilipbhai Nakubhai Senjaliya while carrying the said capsules with the intent to evade customs duty.

17.1 He further admitted that he was unaware of the ownership, procurement, or preparation of the said gold capsules, but had inserted them himself on the instructions of Mr. Mayur Rudani. He acknowledged that the act of smuggling gold without declaration is illegal and, upon being apprised of the relevant provisions of Sections 110, 111, 112, and 135 of the Customs Act, 1962, accepted the legal consequences of his actions and conceded that the seized gold was liable to confiscation.

In view of the foregoing, I find that Mr. Kaushikbhai Vinubhai Patel had directly facilitated the smuggling operation, in contravention of the provisions of the Foreign Trade Policy, 2023, the Baggage Rules, 2016, and the applicable Customs Notifications. Accordingly, the impugned gold is liable to confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962, and he is liable to penalty under Sections 112(a) and 112(b) of the said Act.

18 I find from the statement of Mr. Dilipbhai Nakubhai Senjaliya, recorded under Section 108 of the Customs Act, 1962 on 10.07.2025, that he acknowledged and accepted the contents of the panchnama dated 09–10.07.2025 as well as the valuation certificate issued by the Government-approved valuer. He admitted to having concealed four capsules in his rectum, wrapped in blue plastic tape, containing a semi-solid mixture of gold and chemicals. He further stated that, although he had previously travelled to Thailand on multiple occasions, the present trip had been arranged and financed by Mr. Mayur Rudani, who instructed him to smuggle gold paste concealed in capsules, along with Mr. Kaushikbhai Vinubhai Patel.

18.1 He further stated that the capsules were inserted in a restroom at Bangkok airport prior to departure and that, as instructed by Mr. Mayur Rudani, he had deleted all communication records with him. He admitted that he was unaware of the ownership, preparation, or intended recipient of the gold in India, except that an individual connected to Mr. Mayur Rudani would contact him upon arrival.

He acknowledged that smuggling gold without declaration is illegal and, upon being informed of the relevant provisions of Sections 110, 111, 112, and 135 of the Customs Act, 1962, accepted the legal consequences of his actions and admitted that the seized gold was liable to confiscation.

In view of the foregoing, I find that Mr. Dilipbhai Nakubhai Senjaliya had directly facilitated the smuggling operation, in contravention of the provisions of the Foreign Trade Policy, 2023, the Baggage Rules, 2016, and the applicable Customs Notifications. Accordingly, the impugned gold is liable to confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962, and he is liable to penalty under Sections 112(a) and 112(b) of the said Act.

19. Based on the evidence gathered and the statements recorded, I find that Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya committed offences under the Customs Act, 1962 by smuggling two gold bars, extracted from eight capsules concealed in their rectums, without declaring the same to the Customs authorities and with the intent to evade payment of duty. The total net weight of the smuggled gold was 1144.83 grams of 999.0/24 Kt. purity, having a market value of Rs. 1,14,02,567/-, thereby rendering the goods liable for confiscation under Section 111 of the said Act.

Their acts attracted the penal provisions under Section 135(1) of the Customs Act, 1962, as they had knowingly carried, concealed, and dealt with smuggled goods. Accordingly, both individuals are found to have knowingly engaged in activities involving smuggled goods liable for confiscation and were, therefore, arrested on 10.07.2025 at Ahmedabad under Section 104 of the Customs Act, 1962.

19.1 I further find from the recording of statements on 10.07.2025, both Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya admitted that they were involved in a pre-planned smuggling operation under the instructions of Mr. Mayur Rudani of Ahmedabad, wherein they concealed eight capsules containing semi-solid gold paste inside their rectum. Investigation into subscriber data records confirmed the ownership of the mobile numbers used by the individuals and revealed that one of the numbers, though registered in the name of Mrs. Minakshi Bhanubhai Vaghasiya, was being used by Mr. Mayur Rudani, who is related to her.

20. I further find from the analysis of Customer Application Forms, Subscriber Data Records, and Call Detail Records obtained from telecom service providers established frequent and consistent communication between Mr. Mayur Rudani and both carriers, as well as between the two carriers themselves, before and during their foreign travel. This pattern of communication, along with their voluntary statements, demonstrated that they were well-acquainted and acting in coordination as part of a syndicate. Their synchronized travel, identical concealment methods, and continuous contact clearly indicated their deliberate and conscious involvement in smuggling foreign-origin gold into India in violation of the Customs Act, 1962.

21. I find that the statement of Mr. Rohit Rudani was recorded on dated 05.12.2025, under Section 108 of the Customs Act, 1962. Wherein, he stated that his father owns M/s Ramdev Jewellery at Shop No. 2-3, Indrajit Society, Ahmedabad, where his brother, Mr. Mayur Rudani, manages sales and purchases. I, further find that Mr. Rohit explained that the electric melting machine and instruments recovered during the residential search were used by his brother at home for melting gold and silver. He added that his brother receives gold in various forms, such as gold paste and scrap, from different contacts—some travelling from Dubai—and melts it into bars using these instruments. While he did not know the identities of all such

suppliers, he confirmed the activity and mentioned that he himself had visited Dubai about four times, though he could not recall the exact number of foreign trips.

22. I further find from the statement of Mr. Mayur Dhansukhbhai Rudani, recorded on 05.12.2025, under Section 108 of the Customs Act, 1962, revealed that he resides at A/12, Amidhara Society, Ahmedabad, and manages the family business, M/s Ramdev Jewellers, dealing in gold, silver, and imitation jewellery, along with working as a real estate agent. He acknowledged and signed the panchnama dated 05.12.2025 regarding the search at his residence and admitted that the electric melting furnace recovered from his home was used by him for melting gold. He stated that he made multiple trips abroad, mainly to Thailand and Dubai, to bring gold illegally into India, totaling ten recorded trips, of which three were with Shri Dilipbhai Nakubhai Senjaliya and seven with both Shri Dilipbhai and Shri Kaushikbhai Vinubhai Patel.

22.1 I further find that Mr. Rudani admitted arranging travel and stay for the carriers and confirmed that he supplied the eight capsules of gold paste (net 1144.83 grams) that were concealed in their rectum and brought into India. He claimed ownership of the smuggled gold, acknowledging no legal documents or bills for its procurement. He stated that all foreign trips were intended to illegally import gold, with payments to the carriers made in cash, varying by the quantity smuggled. He estimated that each trip brought around 1200–1500 grams of gold, showing a systematic, organized, and recurring operation of gold smuggling into India under his direction.

22.2 I find from the evidence and recorded statements, that Mr. Mayur Dhansukhbhai Rudani was the principal orchestrator of the gold smuggling operation, deliberately attempting to bring gold into India without declaration and with intent to evade Customs duty, in violation of the Customs Act, 1962. I find that he admitted to the offence in his statement under Section 108, and the seized gold's market value exceeded one crore rupees. His actions constituted an offence under Sections 135(1)(a) & (b) and were punishable under Section 135(1)(i)(A), making him liable for arrest under Section 104 of the Customs Act, 1962, as per Circulars No. 28/2015-Customs and No. 13/2022-Customs. Consequently, he was arrested on 06.12.2025.

22.3 I further find from, the statement of Mr. Mayur Dhansukhbhai Rudani, which was recorded on 17.12.2025 under Section 108 of the Customs Act, 1962, wherein he reaffirmed his earlier statement dated 05.12.2025 and the panchnama dated 09–10.07.2025 at SVPI Airport, Ahmedabad, agreeing fully with their contents. He admitted that mobile numbers 9824374917 and 8140656342 were used by him and disclosed that his mobile phone had been lost in July 2025 without any complaint lodged with the police. He further revealed that Mr. Dilipbhai Nakubhai Senjaliya and Mr. Kaushikbhai Vinubhai Patel used to extract smuggled gold capsules in the washroom at his residence, A-12, Amidhara Society, and admitted that on certain occasions he personally carried and smuggled gold capsules himself.

23. I also find from additional statements of Mr. Kaushikbhai Vinubhai Patel, Mr. Dilipbhai Nakubhai Senjaliya, and Mr. Mayur Dhansukhbhai Rudani recorded on 30.12.2025 under Section 108 of the Customs Act, 1962, wherein they confirmed the accuracy of 10 international trips between 19.12.2023 and 10.07.2025, including the trip during which Kaushik and Dilip were intercepted attempting to smuggle gold, involving Mayur with Dilip in the first three trips and later Kaushik and Dilip.

23.1 I find that Mr. Kaushikbhai Vinubhai Patel, Mr. Dilipbhai Nakubhai Senjaliya, and Mr. Mayur Dhansukhbhai Rudani admitted smuggling approximately 1200–1500 grams of gold per trip, totaling around 12–15 kg across all trips. They reaffirmed their prior statements, with Mayur also confirming and signing Shri Rohit Rudani's statement dated 05.12.2025. Kaushik and Dilip stated that the extraction of

smuggled gold capsules occurred in the washroom at Mayur's residence, A-12, Amidhara Society, and on certain occasions, Mayur himself personally carried and smuggled capsules containing gold paste. Accordingly, I find that the accused, Mr. Mayur Dhansukhbhai Rudani, Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, undertook multiple trips between Ahmedabad and Bangkok/Don Mueang, during which they smuggled approximately 1,500 grams of gold on each occasion. Collectively, over these trips, they carried an estimated total of 13.5 kilograms of gold, with an aggregate tariff value of about Rs.9.36 crore and an aggregate market value of approximately Rs.10.53 crore.

24. I find that, by the above acts of commission and omission **Mr. Kaushikbhai Vinubhai Patel** was actively involved in smuggling gold, including two gold bars weighing 1144.83 grams of 999.0/24Kt purity, concealed inside his and his associate Mr. Dilipbhai Nakubhai Senjaliya's bodies, under instructions from Mr. Mayur Dhansukhbhai Rudani. Investigation, including call detail records and confessions, confirmed repeated coordination between them prior to and during foreign travel. Each smuggling trip was for monetary gain, estimated at around Rs.20,000 per trip, and this was not a one-time act but part of a repeated modus operandi over multiple occasions. He knowingly concealed the gold and did not declare it to customs, demonstrating clear intent to evade duties.

24.1 I find that from further investigation that Mr. Kaushikbhai Vinubhai Patel had previously been involved in smuggling approximately 13.5 kilograms of gold, either actively or passively, as part of the same syndicate. His actions violated provisions of the Foreign Trade Policy 2015-20, Baggage Rules, 2016 and relevant Customs Notifications, making the seized gold liable for confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962, and rendering him personally liable for penalties under Sections 112(a) and 112(b) of the Customs Act, 1962. Additionally, his failure to participate in the investigation constitutes a breach of Section 123 of the Customs Act, 1962, further confirming his role in the smuggling syndicate and the illegality of the operation.

25. I find that, by the above acts of commission and omission **Mr. Dilipbhai Nakubhai Senjaliya** was found to be actively involved in smuggling gold, carrying 1144.83 grams of 24Kt gold (in 8 capsules) inside his rectum along with his associate, Mr. Kaushikbhai Vinubhai Patel. Both were acting under instructions from Mr. Mayur Dhansukhbhai Rudani, who provided the gold in paste form, managed finances for tickets, accommodation, transport, and coordinated the overall operation. Call records confirm repeated communication among the three, indicating their close coordination before and during the travel from Ahmedabad to Bangkok.

25.1 I find that Senjaliya and Patel knowingly concealed the gold to evade Customs authorities, traveling without declaring the items or paying the required duties. Their actions were deliberate, as the concealment method itself reflects clear intent (mens rea) to smuggle the gold illegally. During investigation, both passengers confirmed these facts, highlighting their active participation in the operation.

25.2 The investigation revealed that this was not an isolated incident. Senjaliya admitted that he participated in similar smuggling operations on approximately ten previous occasions, earning around Rs.10,000/- per trip. These repeated actions formed some clear modus operandi for personal monetary gain, carried out with full awareness that the acts were illegal and unsupported by documentation.

25.3 I find that during Customs interception, Senjaliya denied possession of any dutiable items and could not provide purchase documents for the gold. This further corroborates his deliberate attempt to avoid legal procedures. The two gold bars seized had a combined market value of Rs. 1.14 crore, emphasizing the significance and scale of the smuggling attempt.

25.4 In conclusion, Senjaliya's actions constitute a serious violation of the Foreign Trade Policy, Baggage Rules, and Customs Act, 1962. His repeated involvement in such operations establishes him as an integral member of a smuggling syndicate, acting in collusion with Patel and Rudani for financial gain. The seized gold liable for confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962, and rendering him personally liable for penalties under Sections 112(a) and 112(b) of the Customs Act, 1962. Additionally, his failure to participate in the investigation constitutes a breach of Section 123 of the Customs Act, 1962, further confirming his role in the smuggling syndicate and the illegality of the operation.

26. I find that, by the above acts of commission and omission **Mr. Mayur Dhansukhbhai Rudani** was identified as the main handler, financier, and mastermind of a gold smuggling syndicate that attempted to smuggle two gold bars into India via SVPI Airport, Ahmedabad, from Thailand. He arranged travel, hotel accommodation, and stayed with the carriers, Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, managing the entire operation. Evidence shows that the carriers used to extract gold capsules at Rudani's residence, and on certain occasions, he personally carried and smuggled gold capsules himself.

26.1 I find that Rudani supplied the gold capsules in Thailand, instructing the carriers to conceal them in their rectum and pass through the Green Channel without declaration, offering monetary payments of Rs.10,000/- to Dilipbhai and Rs.20,000/- to Kaushikbhai per trip. Investigations revealed that he was the actual owner of the seized 1144.83 grams of gold (valued at approximately Rs.1.14 crore) and lacked any lawful procurement documents. Payments to the carriers were always made in cash and varied according to the quantity of gold transported.

26.2 I find that during the investigation, Rudani evaded authorities and failed to comply with multiple summons under Section 108 of the Customs Act, 1962. He absconded during searches, claimed loss of his mobile phone without filing a police complaint, and deliberately avoided the investigation, indicating an attempt to hide incriminating evidence. His brother confirmed that Rudani used machines and instruments at his residence to melt gold and convert it into bars, sourced from contacts supplying gold paste and scrap.

26.3 I find that further investigations, including call data analysis and residence searches, revealed Rudani's organized role in smuggling operations. He had conducted around ten foreign trips, mainly to Thailand, usually carrying 1200-1500 grams of gold per trip, often traveling with the same carriers and staying at the same hotels. These findings portray him as the central figure of a well-planned, organized gold smuggling racket, orchestrating the attempted smuggling of two gold bars through Patel and Senjaliya.

26.4 In conclusion, Rudani knowingly violated provisions of the Foreign Trade Policy, Baggage Rules, and Customs Notifications, along with Section 111 and Section 112 of the Customs Act, 1962. He is one of the owners of the seized gold but failed to provide lawful documentation under Section 123, rendering the gold liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962 and rendered himself liable for penalty under Section 112(a) and 112(b) of Customs Act, 1962. His repeated involvement in smuggling approximately 13.5 kilograms of gold across multiple trips confirms his central role in the syndicate.

27. I perused the facts presented before me. The question that needs to be addressed in the instant case are within the jurisdiction of Customs Act, 1962 and allied laws. I, therefore, proceed to decide the case on the basis of evidence and documents available on record. In the instant case, I find that the main issues to be decided are (i) whether the two gold bars weighing 1144.83 grams (8 capsules covered with blue tape) having a Market Value of Rs.1,14,02,567/- seized under Section 110 of the Customs Act, 1962, are liable for confiscation under Section 111(d) and 111(l)

of the Customs Act, 1962 also read with Section 123 of the Custom Act,1962 or not; (ii) whether the packing materials believed to be used for concealing the above said two gold bars of purity 995/24Kt., totally weighing 1144.83 grams are liable for confiscation under Section 119 of the Customs Act, 1962 also read with Section 123 of the Custom Act,1962 or not; (iii) whether total quantity of about 13.5 kilograms of gold smuggled during the 9 previous trips involving aggregate market value of about 10.53 crore rupees (as per para 9) notwithstanding their present unavailability as they were smuggled in violation of the various provisions of Customs Act, 1962 is liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962 also read with Section 123 of the Custom Act, 1962 or not; and (iv) whether the penalties to be imposed upon them under Section 112(a) and 112(b) of the Customs Act, 1962 or not.

28. I find that the Panchnama has clearly drawn that the Directorate of Revenue Intelligence (DRI), Ahmedabad, had received information that two passengers, Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, arriving from Bangkok on Thai Airways Flight TG-343 on 10.07.2025, were suspected of carrying contraband goods. Acting on this intelligence, a DRI team, along with independent witnesses, positioned themselves at the Green Channel of the Arrival Hall at SVPI Airport, Ahmedabad, and intercepted the passengers after verifying their documents. It was stated that both individuals denied carrying any dutiable or prohibited goods, and although their baggage was scanned and physically checked, no suspicious items were initially found. However, due to their nervous behaviour, the officers remained suspicious and, after informing them of their rights, conducted personal searches in the presence of a Superintendent of Customs, but nothing unusual was detected at first. It was further reported that upon continued questioning, the passengers confessed that they had concealed capsules inside their rectum containing semi-solid gold paste mixed with chemicals, which they later retrieved and handed over to the officers. It was then stated that, in the presence of witnesses, a government-approved valuer, Mr. Soni Kartikey Vasantrai, was contacted, who informed that proper testing and extraction of gold could only be done at his workshop. Accordingly, it was reported that the officers, along with the witnesses and the passengers, proceeded to his premises where the examination process was initiated.

29. It is on record that during the detailed examination, the government-approved valuer Shri Kartikey Vasantrai Soni, weighed the capsules recovered from both passengers using an electronic scale and found that the four capsules seized from Mr. Kaushikbhai Vinubhai Patel had a gross weight of 643.54 grams, while the four capsules recovered from Mr. Dilipbhai Nakubhai Senjaliya weighed 642.80 grams. It was further stated that after extraction of gold from the semi-solid paste, the valuer conducted purity testing and confirmed that the extracted items were pure gold. It was also reported that, as per Certificate No. 341/2025-26 dated 10.07.2025, the gold bar obtained from the capsules recovered from Mr. Kaushikbhai Vinubhai Patel had a tariff value of Rs.52,20,335/- and a market value of Rs.57,22,877/-. Similarly, Certificate No. 342/2025-26 dated 10.07.2025 certified that the gold bar extracted from the capsules recovered from Mr. Dilipbhai Nakubhai Senjaliya had a tariff value of Rs.51,80,995/- and a market value of Rs.56,79,690/-, with both valuations determined as per the Relevant Customs Notification No. 44/2025-Customs (N.T.) dated 30.06.2025 and Exchange Notification No. 31/2024 dated 04.07.2025. The details of the Valuation of the said gold is tabulated as below:

Details of Items	PC S	Certificate no. & Dt.	Gross Weight in Gram	Net Weight in Gram	Purity	Market Value (Rs)	Tariff Value (Rs)
Gold extracted from the 04 capsules covered with blue tape recovered from Mr. Kaushikbhai Vinubhai Patel	1	341/2025-26 Dt.10.07.25	643.540	574.580	999.0 24Kt	57,22,877/-	52,20,335/-

Gold extracted from the 04 capsules covered with blue tape recovered from Mr. Dilipbhai Nakubhai Senjaliya	1	342/2025-26 Dt.10.07.25	642.800	570.250	999.0 24Kt	56,79,690/-	51,80,995/-
Total	2		1286.340	1144.83		1,14,02,567/-	1,04,01,330/-

30. I find that from the defence replies submitted by the noticees on 25.02.2026 and stated that the allegations made against them were false and baseless.

They further submitted that the panchnama and the statements recorded under Section 108 of the Customs Act, 1962 had been obtained under fear and duress of arrest and were not voluntary in nature. They stated that the statements had been typed by the officers themselves, and that they had been forced to sign the typed English statement under threat, without being allowed to read, understand, or write the statement in their own handwriting or language. They contended that such a statement could not be relied upon in law and referred to Section 138B of the Customs Act, 1962, explaining that statements recorded during inquiry would be relevant only under specific circumstances and subject to certain legal conditions. They also relied on the judgment of the Hon'ble Supreme Court in the case of Noor Aga v. State of Punjab, stating that confessional statements were considered weak evidence and could not be relied upon without independent corroboration.

They further submitted that Article 20(3) of the Constitution of India protected individuals from self-incrimination and prohibited compelling an accused person to be a witness against himself. The noticees further stated that they had been falsely implicated merely on assumptions and presumptions without any independent or legally admissible.

31. From the above defence submissions, I find that the noticees (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya and (iii) Mr. Mayur Dhansukhbhai Rudani has raised a series of defenses to contest the Show Cause Notice. The main contests are as under: -

➤ **Allegations and Defence:**

The noticees has denied all allegations made against him in the Show Cause Notice. They contend that they were falsely implicated and that the proceedings are based solely on assumptions without any independent or admissible evidence.

I find that the said allegation is not tenable as on carefully going through the evidences available on record in the form of statements of the noticees and other related persons recorded under Section 108 of the Customs Act, 1962 etc. I find that the Noticees (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya were found to be actively involved in smuggling gold, carrying 1144.83 grams of 24Kt gold (in 8 capsules) inside rectum. Both were acting under instructions from Mr. Mayur Dhansukhbhai Rudani, who provided the gold in paste form, managed finances for tickets, accommodation, transport, and coordinated the overall illegal activity of gold smuggling through SVPI airport, Ahmedabad and had knowingly violated the various provisions of Foreign Trade Policy 2023, Baggage Rules, 2016, Customs Notifications, etc.

➤ **Statements Recorded under Section 108:**

The noticees (i) Mr. Kaushikbhai Vinubhai Patel, (ii) Mr. Dilipbhai Nakubhai Senjaliya and (iii) Mr. Mayur Dhansukhbhai Rudani submitted that the statements recorded under Section 108 of the Customs Act, 1962, and the panchnama were obtained under coercion, fear, and threat of arrest. They further stated that the statements were typed by the officers, not explained to them, and they were forced to sign them without understanding the contents, rendering them involuntary and unreliable.

I find that the said facts are nothing but an afterthought. As the noticees have neither made retraction immediately nor have produced any evidence that their statements were recorded under duress. Only at the time of filing reply to the SCN, the noticees have stated the facts of retraction without any evidence. Further, it is time and again held that statements recorded by the DRI Officer is valid. Further, I find that there is no dispute the gold weighing 1144.83 grams of 24Kt purity (in form of 08 capsules concealed in rectum) found from the possession of the noticees and onus is on the noticees to prove that the gold was not smuggled. To fortify my said stand, I rely on the decision of Hon'ble Allahabad High Court rendered in case of Commissioner of Customs, C.G.O. Vs. Sonam International reported in 2012 (275) ELT 326 (All.). Relevant Paras of the decision are reproduced as under:

“96. *In one other case reported in AIR 1965 SC 476 = 2008 (228) E.L.T. 8 (S.C.), Hukma v. State of Rajasthan, Hon'ble Supreme Court ruled that once it is found in consequence of Section 178A of the Sea Custom Act that the person was carrying the gold, the circumstances under which the gold was discovered, the manner in which he was carrying smuggled gold, the considerable quantity of the gold that was being carried namely, blocks and bars in which the major portion of the gold was found and expected to recover gold it may be inferred that the accused was evading the prohibition. The circumstances should be taken up cumulatively.*

97. *In the case of Kewal Krishan v. State of Punjab reported in AIR 1967 SC 737 = 1993 (67) E.L.T. 17 (S.C.) their lordship's held that when goods are seized with reasonable belief that they are smuggled one then onus proving that they are not smuggled goods i.e. not of foreign origin on which duty was not paid shall be on the person on whose possession the goods are seized. The onus shall not be on the prosecution to show that the goods are not of Indian origin.*

In case contention of respondent's counsel is accepted then it will amount to shifting of onus on the prosecution.

98. *Their Lordship of Hon'ble Supreme Court in a case reported in 1996 (83) E.L.T. 258 (S.C.). Naresh J. Sukhawani vs. Union of India had held as under-*

“4. It must be remembered that the statement made before the Customs officials is not a statement recorded under Section 161 of the Criminal Procedure Code, 1973. Therefore, it is a material piece of evidence collected by Customs officials under Section 108 of the Customs Act. That material incriminates the petitioner inculcating him in the contravention of the provisions of the Customs Act. The material can certainly be used to connect the petitioner in the contravention inasmuch as Mr. Dudani's statement clearly inculcates not only himself but also the petitioner. It can, therefore, be used as substantive evidence connecting the petitioner with the contravention by exporting foreign currency out of India. Therefore, we do not think that there is any illegality in the order of confiscation of foreign currency and imposition of penalty. There is no ground warranting reduction of fine.”

100. *In the case, Surjeet Singh Chhabra and Naresh J. Sukhawani (supra) Hon'ble Supreme Court while interpreting Section 108 and 111 of Customs Act, has held that confessional statement made before the custom officers, retracted, shall be binding since custom officers are not police officers. Accordingly, the statement of Pradeep Pathak cannot be thrown out as baseless only because of retraction at later stage.*

101. *It shall be relevant to take note of the fact that at no stage, the respondent has either led evidence or tried to rebut the appellant's version that M/s. Anivet Industries, does not have got any manufacturing unit at Nepal and it imports vitamin-E from China, Germany and other countries. No effort was made by the respondent to establish that vitamin-E to the extent of 49% could have been used*

as animal feed supplement. Rather, it has been submitted that 1-2 gms., is mixed in one tone or more in animal feed.”

Further, I rely on the ratio of decision of Hon’ble Supreme Court rendered in case of Hukma Vs. State of Rajasthan reported in 2008 (228) EKT 8 (S.C.). Relevant Para of said decision are reproduced as under:

“8. *There remains for consideration the last point raised by the learned counsel, [namely, that even if Lal Singh had authority to seize at the place where the seizure was made and s. 178-A of the Sea Customs Act applied, the prosecution had still to prove by further evidence that the accused had the mens rea necessary to constitute the offence. Learned counsel rightly pointed that while s. 178-A has the result of placing the burden of proof that the gold was not smuggled on the accused, it is of no assistance to the prosecution to prove that the accused was carrying the gold knowingly to evade the prohibition which was for the time being in force with respect to the import of gold into India. Once, however, it is found, as it must be found in this case, in consequence of the provisions of s. 178-A (the accused has not tried to discharge the burden that lay on him that the gold was not smuggled) that he was carrying smuggled gold, the circumstances under which the gold was discovered, the manner in which he was carrying the gold, the considerable quantity of the gold that was being carried and the form in which gold was being carried, namely, blocks and bars in which the major portion of the gold was found, all these circumstances establish beyond a shadow of doubt that accused was carrying the gold knowingly and with the intention of evading the prohibition that was in force with respect to the import of gold into the country. Mr. Kapur tried to argue that when gold is carried by persons, they often carry it in this manner in a pouli concealed under trousers. That may well be so. Here, however, there is an additional circumstance that a pointsman of the Railway, not expected to have so much gold in his possession, was carrying the gold which was, as already mentioned in six blocks and 22 bars apart from some small pieces and one pair of murkees. The total quantity was as much as 286 tolas and 11 annas, that is, about three kilograms. When all these circumstances are taken together, it is not possible to accept learned counsel’s suggestion that he might be carrying the gold innocently having purchased it from somebody. In our opinion, the High Court has rightly held that all the ingredients of the offence under s. 167(81) of the Sea Customs Act have been established. It may be mentioned that it has not been disputed before us that if we believe the story of the recovery of the gold from the appellant, the circumstances are sufficient to establish that Lal Singh seized the gold in the reasonable belief that these were smuggled goods.”*

➤ **Legal Provisions and Admissibility:**

They highlighted that under Section 138B of the Customs Act, 1962, statements made before a Gazetted Customs Officer are admissible only upon fulfillment of statutory conditions, including judicial scrutiny. They referred to the Supreme Court judgment in Noor Aga vs. State of Punjab, emphasizing that confessional statements are weak evidence and cannot be relied upon mechanically. They also cited Article 20(3) of the Constitution, which protects individuals from being compelled to be witnesses against themselves.

I find that the said allegation is baseless as the noticees have neither made retraction immediately nor have produced any evidence to prove that their statements were recorded under threat, duress or promise. The retraction made only at the time of filing reply to the Show Cause Notice. To negate this allegation, I rely on the ratio of decision of Hon’ble Gujarat High Court rendered in case of Principal Commissioner of Customs Vs. Kishan Manjibhai Gadhesariya reported in 2023 (2) Centax 63 (Guj). Relevant Paras are reproduced as under:

“43. *The Supreme Court, while interpreting Sections 107 and 108 respectively*

of the Customs Act, held in *Romesh Chandra Mehta vs. State of West Bengal* 1968 taxmann.com 3/[1969] 2 SCR 461, that any statement made by a person against whom an enquiry is made by a Customs Officer is not a statement made by a person accused of an offence, but he being an officer concerned or the person in authority, Section 24 of the Indian Evidence Act would be attracted and which provides that a confession made by an accused is irrelevant in a criminal proceedings, if the making of the confession appears to the Court to have been caused by any inducement, threat or promise having reference to the charge against accused persons, proceeding from a person in authority and sufficient in the opinion of the Court, to give the accused person grounds, which would appear to him reasonable, for supposing that by making it he would gain any advantage or avoid any evil of a temporal nature in reference to the proceedings against him.

44. In *D. Bhoormall's case (supra)*, while examining the provisions of Sections 167(8) and 178A of the Sea Customs Act, the Supreme Court held:

"33. Another point to be noted is that the incidence, extent and nature of the burden of proof for proceedings for confiscation under the first part of the entry in the 3rd column of clause (8) of Section 167, may not be the same as in proceedings when the imposition of the other kind of penalty under the second part of the entry is contemplated. We have already alluded to this aspect of the matter. It will be sufficient to reiterate that the penalty of confiscation is a penalty in rem which is enforced against the goods and the second kind of penalty is one in personam which is enforced against the person concerned in the smuggling of the goods. In the case of the former, therefore, it is not necessary for the Customs authorities to prove that any particular person is concerned with their illicit importation or exportation. It is enough if the Department furnishes prima facie proof of the goods being smuggled stocks. In the case of the latter penalty, the Department has to prove further that the person proceeded against was concerned in the smuggling."

45. In *K.T.M.S. Mohd. v. Union of India* [1992] 3 SCC 178, the Court made a distinction between the provisions of the FERA and the Income-tax Act held in para 31 as follows:

"31. Leave apart, even if the officers of the Enforcement intend to take action against the deponent of a statement on the basis of his inculpatory statement which has been subsequently repudiated, the officer concerned must take both the statements together, give a finding about the nature of the repudiation and then act upon the earlier inculpatory one. If on the other hand, the officer concerned bisects the two statements and make use of the inculpatory statement alone conveniently bypassing the other, such a stand cannot be a legally permissible because admissibility, reliability and the evidentiary value of the statement of the inculpatory statement depend on the bench mark of the provisions of the Evidence Act and the general criminal law."

46. Holding in categorical terms that Section 24 of the Indian Evidence Act shall apply, it was held:

"But suffice to say that the core of all the decisions of this Court is to the effect that the voluntary nature of any statement made either before the Custom Authorities or the officers of Enforcement under the relevant provisions of the respective Acts is a sine qua non to act on it for any purpose and if the statement appears to have been obtained by any inducement, threat, coercion or by any improper means that statement must be rejected brevi manu. At the same time, it is to be noted that merely because a statement is retracted, it cannot be recorded as involuntary or unlawfully obtained. It is only for the maker of the statement who alleges inducement, threat, promise etc. to establish that such improper means has been adopted. However, even if the maker of the statement fails to establish his allegations of inducement, threat etc. against the officer

who recorded the statement, the authority while acting on the inculpatory statement of the maker is not completely relieved of his obligations in at least subjectively applying its mind to the subsequent retraction to hold that the inculpatory statement was not extorted. It thus boils down that the authority or any Court intending to act upon the inculpatory statement as a voluntary one should apply its mind to the retraction and reject the same in writing. It is only on this principle of law, this Court in several decisions has ruled that even in passing a detention order on the basis of an inculpatory statement of a detenu who has violated the provisions of the FERA or the Customs Act etc. the detaining authority should consider the subsequent retraction and record its opinion before accepting the inculpatory statement lest the order will be vitiated."

47. *The Court then held in para 25 that the initial burden to prove that the confession was voluntary in nature, would be on the department. The special or peculiar knowledge of the person proceeded against would not relieve the prosecution or the Department altogether of the burden of producing some evidence in respect of that fact in issue.*

48. *In Vinod Solanki v. Union of India, 2009 (233) E.L.T. 157 (S.C.) = 2009 (13) S.T.R. 337 (S.C.), the Supreme Court considered the effect of retraction of the statement in proceedings of penalty under Foreign Exchange Regulation Act, 1973. The Supreme Court held that indisputably a confession made by an accused would come within the purview of Section 24 of the Indian Evidence Act, 1872. The proceedings under the Act are quasi criminal in nature. Section 50 of the Act is penal provision. It prescribes that in the event of contravention of any of the provisions of the Act or the Rules, directions or order penalty in exceeding 5 times of the amount of value involved in any such contravention may be imposed. Section 71 of the Act provides for burden of proof in certain cases. Sub-section (2) of Section 71 provides for burden of proof that foreign exchange acquired by such person, has been used for the purpose for which permission to acquire was granted, shall be on such person. The Act as Special Act confers various powers under the authorities. Even if salutary principle 'mens rea' and 'actus reus' in the proceedings under the Act may not be held to be applicable, it is now a settled principle that presumption of innocence as contained in Article 14(2) of the International Covenant on civil and political rights is a human right, although per se it may not be treated to be a fundamental right within the meaning of Article 21 of the Constitution of India. Sub-section (2) of Section 71 places burden of proof upon an accused or proceedee only when the foreign exchange acquired has been used for the purpose for which permission to acquire it was granted and not for mere possession thereof. The Parliament advisedly did not make any provision placing the burden of proof on the accused/proceedee.*

49. *In para 22 the Supreme Court said:*

"22. It is a trite law that evidence brought on record by way of confession which stood retracted must be substantially corroborated by other independent and cogent evidences, which would lend adequate assurance to the Court that it may seek to rely thereupon. We are not oblivious of some decisions of this Court wherein reliance has been placed for supporting such contention but we must also notice that in some of the cases retracted confession has been used as a piece of corroborative evidence and not as the evidence on the basis whereof alone a judgment of conviction and sentence has been recorded." [See Pon Adithan v. Deputy Director, Narcotics Control Bureau, Madras, MANU/SC/0403/1999: (1999) 6 SCC 1].

50. *In K.I. Pavunny vs. Assistant Collector (HQ), CCE 1997 (90) E.L.T. 241 (SC)/ [1997] 3 SCC 721, it was held that a person suspected by a Customs Officer is not an accused at that stage. He becomes an accused only when summons are*

issued by a competent Court/Magistrate pursuant to a complaint lodged by the competent Customs Officer. His statement recorded under section 108 or during confiscation proceedings is not that of an accused within the meaning of Section 24 of the Evidence Act. The Customs Officer in such case although not police officer, is an authority within the meaning of Section 24 of the Evidence Act. The evidence is admissible under section 135 of the Customs Act, although subsequently retracted, if on facts found voluntary and truthful. Only in such case it can form exclusive basis for conviction. It is, however, a rule of prudence and practice that the Court seeks assurance from other facts and circumstances to corroborate retraction of confession. The Supreme Court held that object of the Act in empowering the Customs Officer to record evidence under section 108 is to collect information of the contravention of the provisions of the Act or concealment of the contraband, to avoid or avoidance of the duty of excise so as to enable them to collect the evidence of the proof of contravention of the provisions of the Act for initiating proceedings for further action of confiscation of the contraband or imposition of penalty. By virtue of authority of law the officer exercises the power under the Act is an authority, within the meaning of Section 24 of the Evidence Act.

51. There is no prohibition under the Evidence Act to rely upon retracted confession to prove the prosecution case so as to make the same the basis for conviction of the accused. The practice and prudence require that the Court could examine the evidence adduced by the prosecution to find out whether there were any other facts and circumstances to corroborate the retracted confession. It is not necessary that there should be corroboration from independent evidence adduced by the prosecution to corroborate each detail contained on the confessional statement. The Court is required to examine whether the confessional statement was voluntary; in other words, whether it was not obtained by threat, duress or promise. If the Court is satisfied from the evidence that it was voluntary, then it is required to examine whether the statement is true. If the Court on examination of the evidence finds that the retracted confession is true, that part of the inculpatory portion could be relied upon to base the conviction. However, prudence and practice require that the Court would seek assurance getting corroboration from other evidence adduced by the prosecution.

95. The veracity of the facts admitted in the statements dated 21-4-2009, 29-4-2009, 24-6-2009 and 27-6-2009 respectively by Sanjay also find support from the statements of others/accomplices and the evidence which were found pursuant thereto, during the investigation. Although the said statements later came to be retracted by subsequent statement recorded on 4-7-2009 before the JMFC in the Criminal Proceedings under the NDPS Act, 1985, yet, the statements recorded under section 108 have evidentiary value and constitute substantive evidence. A belated retraction after considerable length of time would not have the same efficacy in law as the retraction made at the earlier point of time from the day of the statement.”

➤ **Seized Gold and Penalty:**

The noticees (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya have submitted in their submissions on 25.02.2026 as well as during personal hearing that the seized gold was purchased for their personal use and was not ingeniously concealed. It was inside body for safety purpose. Therefore, they argued that the penalty proposed under Section 112 of the Customs Act, 1962 was unjustified and requested that the proceedings against them be dropped.

Further, the noticee (iii) Mr. Mayur Dhansukhbhai Rudani submitted that the gold was not recovered from his possession and have been wrongly implicated in the present matter without any evidence showing his conscious involvement, ownership,

possession of the gold. Therefore, he argued that the penalty proposed under Section 112 of the Customs Act, 1962 was unjustified and requested that the proceedings against him be dropped.

I find that questioning the applicability of the legal provisions alleged in the impugned Show Cause Notice is not tenable as it is an undisputed fact that based on the intelligence developed by the DRI. The noticees (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya were intercepted during arrival from Bangkok to Ahmedabad alongwith 1144.803 grams gold in form of 08 capsules concealed in body. The noticees failed to produce any evidence of its legal possession. Further investigation conducted by DRI and found the master mind of the gold smuggling racket Mr. Mayur Dhansukhbhai Rudani. He accepted in his statements that there were more than ten foreign trips were made by them and total 13.500 Kg gold brought to India by illegal smuggling. I find the ratio of decision of Hon'ble Delhi Tribunal rendered in the case of Rakesh Luthra Vs. Commr. of Cus. (Air Port & General), New Delhi reported in 2024 (387) ELT 691 (Tri. Del) is squarely applicable to the present case. Relevant Para is reproduced as under:

“8.1 *In the instant case, it is on record that the four passengers had gone to Bangkok on 5-6-2019 and had returned on 8-6-2019. Therefore, the appellants did not satisfy the requirements of the aforesaid notification in order to be eligible to import the gold legally. It is also on record that the appellants were intercepted near the exit gate. The argument that they were prevented from making the declaration is clearly an afterthought. The gold was recovered from their person. It is also noted that the appellants, in their respective statements have accepted that there were aware of the Customs procedures for passenger clearance, and that Gold was dutiable. Consequently, the argument that there is no concealment or attempt to smuggle cannot be accepted. As regards the argument of the appellants that Gold is not a prohibited item, we note that the High Court of Gujarat in the case Bhargavraj Rameshkumar Mehta v. Union of India [2018 (361) E.L.T. 260 (Guj.)] held that attempt to smuggle by concealing the same, and breaching the condition for the import of such goods would make them ‘prohibited goods’ in terms of Section 2(33) of the Customs Act, 1962. The relevant paras of the aforesaid decision is reproduced hereinbelow:*

We may recall, the contention of the “15. Counsel for the petitioner in this respect was that the gold at the relevant time was freely importable. Import of gold was not prohibited. Case of the petitioner would therefore, fall under clause (ii) of Section 112 and penalty not exceeding 10% of the duty sought to be evaded would be the maximum penalty imposable. Such contention shall have to be examined in the light of the statutory provisions noted above. As noted, Section 111 of the Act provides for various eventualities in which the goods brought from a place outside India would be liable for confiscation. As per clause (d) of Section 111, goods which are imported or attempted to be imported or are brought within the Customs quarters for import contrary to any prohibition imposed by or under the Act or any other law for the time being in force, would be liable for confiscation. Similarly, for dutiable or prohibited goods found concealed in any manner in any conveyance would also be liable to confiscation. As per Section 2(39) the term ‘smuggling’ would mean in relation to any goods, any act or omission which will render such goods liable to confiscation under Section 111 or Section 113. Thus, clearly Section 111 of the Customs Act prohibits any attempt at concealment of goods and bringing the same within the territory of India without declaration and payment of prescribed duty. Term ‘prohibited goods’ as defined under Section 2(33) means any goods, the import or export of which is subject to any prohibition under the Act or any other law for the time being in force but does not include any such goods in respect of which the

conditions subject to which the goods are permitted to be imported or exported have been complied with. This definition therefore, comes in two parts. The first part of the definition explains the term 'prohibited goods' as to mean those goods, import or export of which is subject to any prohibition under the law. The second part is exclusionary in nature and excludes from the term 'prohibited goods', in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with. From the definition of term 'prohibited goods', in case of goods, import of which is permitted would be excluded subject to satisfaction of the condition that conditions for export have been complied with. By necessary implication therefore in case of goods, import of which is conditional, would fall within the definition of prohibited goods if such conditions are not complied with.

Further clarity in this respect would be available when one refers to the term 'dutiable goods' as to mean any goods which are chargeable to duty and on which duty has not been paid. We refer to this definition since Section 112 makes the distinction in respect of goods in respect of which any prohibition is imposed and dutiable goods other than prohibited goods. When clause (ii) of Section 112 therefore, refers to dutiable goods other than prohibited goods, it shall necessarily have the reference to the goods, import of which is not prohibited or of which import is permissible subject to fulfilment of conditions and such conditions have been complied with. Condition of declaration of dutiable goods, their assessment and payment of customs duties and other charges is a fundamental and essential condition for import of dutiable goods within the country. Attempt to smuggle the goods would breach all these conditions. When clearly the goods are sought to be brought within the territory of India concealed in some other goods which may be carrying no duty or lesser duty, there is clear breach of conditions of import of goods though per se import of goods may not be prohibited."

8.2 Further, in the case at hand, the facts are the appellants were carrying gold in their person and were intercepted near the exit gate of the Customs Baggage Hall, which clearly establishes their intention to smuggle the Gold. In this regard, we note that the Supreme Court in the case of *Om Prakash Bhatia v. Commissioner of Customs, Delhi* reported in [2003 (155) E.L.T. 423 (S.C.) = 2003 taxmann.com 482 (S.C.)] and in case of *Sheikh Mohd. Omer v. Collector of Customs, Calcutta and Others* reported in [1983 (13) E.L.T. 1439 (S.C.)] held that smuggling in relation to any goods is forbidden and totally prohibited. Failure to check the goods on the arrival at the customs station and payment of duty at the rate prescribed, would fall under the second limb of Section 112(a) of the Act, which states omission to do any act, which act or omission, would render such goods liable for confiscation under Section 111 of the Act, and clause (b) to Section 111 of the Act covers the persons involved.

10. We now take up the appeal filed by the Department wherein the adjudicating authority had in the impugned order had permitted redemption of gold on payment of fine to appellant Rakesh Luthra, and permission to re-export the gold to 2 other appellants Sonia and Mamik Luthra, and have prayed for absolute confiscation of the gold. We note that all the four appellants collectively brought 5218 grams of gold (in the form of bars, not in the form of ornaments) from Bangkok. It is also established that all the appellants attempted to smuggle the gold with an intention to evade Customs Duty by not declaring the non-bona fide baggage which was commercial in nature. It is also established that the appellants were 'ineligible passengers' to import gold in terms of Notification No. 50/2017-Cus., dated 30-6-2017 and also provisions of Foreign Trade (Development and Regulation) Act, 1992, Foreign Trade (Exemption from Application of Rules in Certain Cases) Rules, 1993 and Foreign Trade Policy,

2015-20. We also note that Section 80 of Customs Act, 1962 provides for 'temporary detention of baggage', which is applicable in respect of only those goods for which a true declaration has been made under Section 77. Under Section 80, the proper officer may, at the request of the passenger, detain such article for the purpose of being returned to him on his leaving India. In the instant case, though the appellants had not declared the gold and the fact remains that the passengers were intercepted by the officers of customs at the exit gate. This clearly establishes the intent was to walk away with the gold without payment of duty that was lawfully due to the Government. This is also corroborated by their statements that similar modus operandi was adopted when they had returned from Dubai. In this regard, the decision of the High Court of Gujarat in the case *Bhargavraj Rameshkumar Mehta v. Union of India* (supra) held that attempt to smuggle by concealing the same, and breaching the condition for the import of such goods would make them 'prohibited goods' in terms of Section 2(33) of the Customs Act, 1962. Once it is established that the goods are prohibited, then there cannot be an option for either redemption or re-export, and such goods are liable for absolute confiscation. In this context, we note that the Tribunal in the case of *Sunny Kakkar v. Principal Commissioner of Customs (Preventive), New Delhi* [2023 (385) E.L.T. 258 (Tri. - Del.) = (2023) 5 Centax 261 (Tri. - Del.)] upheld the absolute confiscation of Gold. The relevant paras of this decision is reproduced hereinafter:

As per Section 2(39) "smuggling", in relation to any goods, '32. means any act or omission which will render such goods liable to confiscation under section 111 or section 113. Therefore, if the gold bars in dispute are held liable for confiscation under section 111, they will fall under the category of smuggled gold as per Section 2(39). Another important section in this regard is Section 123 which reads as follows:

Section 123 - Burden of proof in certain cases. Where any goods to - (1) 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.

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

Section 123 shifts the burden of proof from the Department to the person from whom the goods have been seized in respect to gold and certain other goods which are notified. Undisputedly, the bars in question were of gold and they had foreign markings and were packed in a bag with the address of the jeweller in Dubai. The bars were examined by an expert and were held to be foreign origin gold of 995 purity. All these gave the officers reasonable belief that the gold bars were of foreign origin. Since import of gold is restricted, if foreign origin gold bars were legally imported it was incumbent upon the importer and any other person to whom they may have been sold to show documents that the gold was legally imported. This responsibility is cast upon the appellant as per Section 123. The gold was seized and after its assessment, statements of the appellant were recorded in which he explained that he procured the gold from one Shri Harish of Dubai who told him that Shri Ahadees would contact him and give him the

gold bars and accordingly, he was waiting at Rajeev Chowk Metro Station whether transaction took place. He had, at no point of time, produced any document to show that the gold was legally imported. According to his statement, the arrangement which he had with Shri Harish was that he would send gold through one of his persons (Shri Ahadees in this case) and after selling the gold he would pay Shri Harish. At the time of receiving the gold he would pay only some amount to the person handing over the gold. In this case, the amount which he paid in a pink polythene bag was Rs. 5,45,000/- to Shri Ahadees. These statements were corroborated by the statement of Shri Ahadees. Neither Shri Ahadees nor the appellant have at any point of time produced any document to show that the gold was legally imported by them or that it was purchased by them from somebody who had legally imported it.

Learned Counsel for the appellant submitted that on 8-12-2015 the appellant had retracted his statement and, therefore, it cannot be relied upon. We have gone through the statements made before the Learned CMM by the appellant in his application for bail which is at pages 109 to 112 of the appeal book. The application only states that the statement was not made by the appellant. However, there is nothing in the statement made before the Learned CMM explaining the nature of the gold seized from the appellant. In the absence of any other explanation, the statements made by the appellant and Shri Ahadees before the officer must be accepted as correct. These statements corroborate each other and with the panchnama. The cross-examination of Shri Ahadees by the learned counsel for the appellant also confirm the facts pertaining to this seizure and also that on previous two occasions smuggled gold was transacted between the appellant and Shri Ahadees. The mobile phone recovered from the appellant and which was used to communicate with Shri Ahadees was also obtained in the name of Shri Kaskyrbayev a Kazakhi national who was not even in India at the time the SIM card was issued which corroborates the clandestine nature of the transaction in the confiscated gold.'

10.1 As per the facts of the case, the seizure of gold from the appellants, as recorded in the panchnama and admitted in their respective statements is undisputed. It is also established that the gold was of foreign origin. It is also established that the appellants were attempting to smuggle the gold without payment of duty. We also note that legal import of gold is governed by certain conditions which the appellant do not fulfil. Therefore, we are of the considered opinion that the gold recovered from the appellants is liable for absolute confiscation."

32. Role Played By the Noticees: I find from the Statements of the Noticees, Panchnama and other evidences available with records, the noticees Played Role in the case as under:

32.1 Mr. Kaushikbhai Vinubhai Patel was actively involved in smuggling gold, including two gold bars weighing 1,144.83 grams of 24-carat purity, concealed inside his and his associate Mr. Dilipbhai Nakubhai Senjaliya's bodies, under instructions from Mr. Mayur Dhansukhbhai Rudani. Investigation, including call detail records and confessions, confirmed repeated coordination between them prior to and during foreign travel. Each smuggling trip was for monetary gain, estimated at around Rs. 20,000 per trip, and this was not a one-time act but part of a repeated modus operandi over multiple occasions. He knowingly concealed the gold and did not declare it to customs, demonstrating clear intent to evade duties.

Further investigation revealed that Mr. Kaushikbhai Vinubhai Patel had previously been involved in smuggling approximately 13.5 kilograms of gold, either actively or passively, as part of the same syndicate. His actions violated provisions of the Foreign

Trade Policy, Baggage Rules, 2016, and various Customs Act regulations, making the seized gold liable for confiscation. Despite claiming ownership of the gold, he failed to fulfill his legal obligations under Section 123 of the Customs Act, 1962, exposing him to penalties under Sections 111(d), 111(l), 112(a), and 112(b), reinforcing his liability for both confiscation and legal prosecution.

32.2 Mr. Dilipbhai Nakubhai Senjaliya was found to be actively involved in smuggling gold, carrying 1,144.83 grams of 24 Kt gold (in 8 capsules) inside his rectum along with his associate, Mr. Kaushikbhai Vinubhai Patel. Both were acting under instructions from Mr. Mayur Dhansukhbhai Rudani, who provided the gold in paste form, managed finances for tickets, accommodation, transport, and coordinated the overall operation. Call records confirm repeated communication among the three, indicating their close coordination before and during the travel from Ahmedabad to Bangkok.

Senjaliya and Patel knowingly concealed the gold to evade Customs authorities, traveling without declaring the items or paying the required duties. Their actions were deliberate, as the concealment method itself reflects clear intent (*mens rea*) to smuggle the gold illegally. During investigation, both passengers confirmed these facts, highlighting their active participation in the operation.

The investigation revealed that this was not an isolated incident. Senjaliya admitted that he participated in similar smuggling operations on approximately ten previous occasions, earning around Rs.10,000 per trip. These repeated actions formed a clear *modus operandi* for personal monetary gain, carried out with full awareness that the acts were illegal and unsupported by documentation.

During Customs interception, Senjaliya denied possession of any dutiable items and could not provide purchase documents for the gold. This further corroborates his deliberate attempt to avoid legal procedures. The two gold bars seized had a combined market value of Rs. 1.14 crore, emphasizing the significance and scale of the smuggling attempt.

In conclusion, Senjaliya's actions constitute a serious violation of the Foreign Trade Policy, Baggage Rules, and Customs Act, 1962. The seized gold is liable for confiscation, and he is liable for penalties under the relevant provisions of the Customs Act. His repeated involvement in such operations establishes him as an integral member of a smuggling syndicate, acting in collusion with Patel and Rudani for financial gain. Despite claiming ownership of the gold, he failed to fulfill his legal obligations under Section 123 of the Customs Act, 1962, exposing him to penalties under Sections 111(d), 111(l), 112(a), and 112(b), reinforcing his liability for both confiscation and legal prosecution.

32.3 Mr. Mayur Dhansukhbhai Rudani was identified as the main handler, financier, and mastermind of a gold smuggling syndicate that attempted to smuggle two gold bars into India via SVPI Airport, Ahmedabad, from Thailand. He arranged travel, hotel accommodation, and stayed with the carriers, Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, managing the entire operation. Evidence shows that the carriers used to extract gold capsules at Rudani's residence, and on certain occasions, he personally carried and smuggled gold capsules himself.

Rudani supplied the gold capsules in Thailand, instructing the carriers to conceal them in their rectum and pass through the Green Channel without declaration, offering monetary payments of ₹10,000 to Dilipbhai and ₹20,000 to Kaushikbhai per trip. Investigations revealed that he was the actual owner of the seized 1144.83 grams of gold (valued at approximately ₹1.14 crore) and lacked any lawful procurement documents. Payments to the carriers were always made in cash and varied according to the quantity of gold transported.

During the investigation, Rudani evaded authorities and failed to comply with multiple summons under Section 108 of the Customs Act, 1962. He absconded during searches, claimed loss of his mobile phone without filing a police complaint, and deliberately avoided the investigation, indicating an attempt to hide incriminating evidence. His brother confirmed that Rudani used machines and instruments at his residence to melt gold and convert it into bars, sourced from contacts supplying gold paste and scrap.

Further investigations, including call data analysis and residence searches, revealed Rudani's organized role in smuggling operations. He had conducted around ten foreign trips, mainly to Thailand, usually carrying 1200–1500 grams of gold per trip, often traveling with the same carriers and staying at the same hotels. These findings portray him as the central figure of a well-planned, organized gold smuggling racket, orchestrating the attempted smuggling of two gold bars through Patel and Senjaliya.

In conclusion, Rudani knowingly violated provisions of the Foreign Trade Policy, Baggage Rules, and Customs Notifications, along with Section 111 and Section 112 of the Customs Act, 1962. He is one of the owners of the seized gold but failed to provide lawful documentation under Section 123, rendering the gold liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962 and rendered himself liable for penalty under Section 112(a) and 112(b) of Customs Act, 1962. His repeated involvement in smuggling approximately 13.5 kilograms of gold across multiple trips confirms his central role in the syndicate.

33. I find that the statements given by noticees under Section 108 of the Customs Act, 1962, were made voluntarily and carry evidentiary value under the law. In support of my view, I relied on the following judgements:

- i. Hon'ble Supreme Court in case of Surjeet Singh Chhabra Vs. U.O.I [reported in 1997 (89) E.L.T 646 (S.C)] held that ***evidence- confession statement made before Customs officer, though retracted within six days, in admission and binding, since Customs Officers are not police officers under Section 108 of the Customs Act and FERA.***
- ii. 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 evidence”***
- iii. 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 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”***
- iv. ***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.
- v. 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.”***
- vi. In the case of Rajesh Kumar Vs CESTAT reported at 2016 (333) ELT 256 (Del), the Hon'ble High Court of Delhi has observed as under:

Learned counsel for the appellant strenuously argued that a substantial question of law regarding the admissibility of the confessions allegedly made

by the Sh. Kishori Lal and Sh. Rajesh Kumar arises for our consideration. We regret our inability to accept that submission. The statements made before the Customs Officers constitute a piece of evidence available to the adjudicating authority for passing an appropriate order of confiscation and for levy of penalty. Any such confessional statement even if retracted or diluted by any subsequent statement had to be appreciated in the light of other circumstances and evidence available to the adjudicating authority while arriving at a conclusion whether the goods had been cleared without payment of duty, mis declared or undervalued.

- vii. The Hon'ble Apex Court in the case of Badaku Joti Svant Vs. State of Mysore reported at 1978 (2) ELT J 323(SC) held as "In this view of the matter the statement made by the appellant to the Deputy Superintendent of Customs and Excise would not be hit by Section 25 of the Evidence Act and would be admissible in evidence unless the appellant can take advantage of Section 24 of the Evidence Act. As to that it was urged on behalf of the appellant in the High Court that the confessional statement was obtained by threats. This was not accepted by the High Court and therefore, Section 24 of the Evidence Act has no application in the present case. it is not disputed that if this statement is admissible, the conviction of the appellant is correct. As we have held that a Central Excise Officer is not a Police officer within the meaning of those words in Section 25 of the Evidence Act, the appellant's statement is admissible. It is not ruled out by anything in Section 24 of the Evidence Act and so the appellant's conviction is correct and the appeal must be dismissed. "
- viii. In the case of **K. P. Abdul Majeed reported at 2017 (51) STR 507 (Ker)**, the Hon'ble High Court of Kerala has observed as under:

*Having regard to the legal implications evolved from the aforesaid factual situation, it is clear that confession statement of co-accused can be treated as evidence, provided sufficient materials are available to corroborate such evidence. **As far as retraction statement is concerned, it is for the person who claims that retraction has been made genuinely to prove that the statements were obtained under force, duress, coercion, etc., otherwise, the materials indicate that statements were given voluntarily.** When the statute permits such statements to be the basis of finding of guilt even as far as co-accused is concerned, there is no reason to depart from the said view.*

- ix. The Hon'ble Supreme Court in the case of K.T.M.S. Mohd. v. Union of India - (1992) 3 SCC 178 held as under:
"34. We think it is not necessary to recapitulate and recite all the decisions on this legal aspect. But suffice to say that the core of all the decisions of this Court is to the effect that the voluntary nature of any statement made either before the Custom Authorities or the officers of Enforcement under the relevant provisions of the respective Acts is a sine qua non to act on it for any purpose and if the statement appears to have been obtained by any inducement, threat, coercion or by any improper means that statement must be rejected brevi manu. At the same time, it is to be noted that merely because a statement is retracted, it cannot be recorded as involuntary or unlawfully obtained. It is only for the maker of the statement who alleges inducement, threat, promise etc. to establish that such improper means has been adopted. However, even if the maker of the statement fails to establish his allegations of inducement, threat etc. against the officer who recorded the statement, the authority while acting on the inculpatory statement of the maker is not completely relieved of his obligations in at least subjectively applying its mind to the subsequent retraction to hold that the inculpatory statement was not extorted. It thus boils down that the authority or any Court intending to act upon the inculpatory statement as a voluntary one should apply

its mind to the retraction and reject the same in writing. It is only on this principle of law, this Court in several decisions has ruled that even in passing a detention order on the basis of an inculpatory statement of a detenu who has violated the provisions of the FERA or the Customs Act etc. the detaining authority should consider the subsequent retraction and record its opinion before accepting the inculpatory statement lest the order will be vitiated..."

(emphasis supplied)

- x. Further, burden is on the accused to prove that the statement was obtained by threat, duress or promise like any other person as was held in **Bhagwan Singh v. State of Punjab - AIR 1952 SC 214, Para 30.**

34. A combined reading of the above-mentioned legal provisions under the Foreign Trade Policy, the Customs Act, 1962, and the notifications issued thereunder clearly indicates that the import of gold, including gold jewellery, through passenger baggage is restricted. Conditions have been imposed on such import, including that the passenger should be of Indian origin or an Indian passport holder, and should have resided abroad for a minimum period of six months, among others. Only passengers who satisfy these mandatory conditions can import gold as part of their bona fide personal baggage, and the same must be declared to the Customs authorities upon arrival, with applicable duty paid in foreign currency/exchange.

34.1 In this connection, I also note the Board's instructions issued vide F. No. 495/6/97-Cus.VI dated 06.05.1996, reiterated in F.No. 495/19/99-Cus.VI dated 11.04.2000, wherein it was clearly stated that the import of goods, including gold in commercial quantities, is not permissible under the Baggage Rules, even on payment of duty. From the above findings and guidelines, it is evident that the noticee does not fall within the ambit of an "eligible passenger" to bring the gold as claimed in his submissions.

34.2 Further, the manner of concealment of the gold indicates that the act was not only premeditated but also ingeniously executed. The noticee has admitted to possession, carriage, non-declaration, concealment, and subsequent recovery of the gold. I also find that all procedures conducted during the Panchnama by the officers were properly documented and carried out in the presence of the panchas as well as the passenger/noticee.

35. In view of the non-declaration and the noticee's admission to the carriage and possession of the impugned gold, it is established that the noticees failed to declare the Two Gold bars weighing 1144.83 grams (recovered from 08 capsules of gold chemical mix) to the Customs authorities as required under Section 77 of the Customs Act, 1962. It is therefore evident that the noticees intended to evade duty, having not made a true and correct declaration of the dutiable goods in their possession.

Moreover, the noticees violated Sections 77 and 79 of the Customs Act, 1962, in relation to the import/smuggling of gold, which was not intended for bona fide use. Consequently, the noticees also contravened Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and paragraph 2.26 of the Foreign Trade Policy, 2015-20.

Further, as gold is a notified item, when goods notified thereunder are seized under the Customs Act, 1962, on the reasonable belief that they are smuggled goods, the burden of proving that such goods are not smuggled lies on the person from whose possession the goods have been seized, in terms of Section 123 of the Customs Act, 1962.

36. I find that the noticees (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya have clearly admitted that they did not declare the gold (in the

form of 08 gold chemical mix capsules, which were concealed in the body) to the Customs authorities. This is a clear case of non-declaration with the intent to smuggle the gold. Accordingly, there is sufficient evidence to conclude that the noticees failed to declare the foreign-origin gold before the Customs authorities upon their arrival at Sardar Vallabhbhai Patel International Airport, Ahmedabad.

Therefore, it is a case of smuggling gold without declaration, with the intent to evade payment of Customs duty, which is conclusively proved. Consequently, it is established that the noticees violated Sections 77 and 79 of the Customs Act, 1962, in relation to the import/smuggling of gold which was not for bona fide use, and thereby also contravened Rule 11 of the Foreign Trade (Regulation) Rules, 1993, and paragraph 2.26 of the Foreign Trade Policy, 2015–20.

Further, as gold is a notified item, when such goods are seized under the Customs Act, 1962, on the reasonable belief that they are smuggled, the burden of proof that they are not smuggled lies on the person from whose possession the goods have been seized, in terms of Section 123 of the Customs Act, 1962. In the instant case, the noticees have failed to submit any documentary evidence to discharge this burden.

37. From the facts discussed hereinabove, it is evident that the passengers/noticees, namely (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya, brought into India gold of 24 Kt. purity (999.0), weighing 1144.83 grams, in the form of eight capsules containing a gold–chemical mixture, which were clandestinely concealed inside their rectums while arriving from Bangkok to Ahmedabad. The seizure effected under the panchnama dated 09–10.07.2025 clearly establishes that the said noticees acted with a deliberate and premeditated intention to smuggle the gold into India and evade payment of applicable Customs duty. Accordingly, the said gold weighing 1144.83 grams is liable for confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962.

By secreting the gold within their bodies and wilfully failing to declare the same before the Customs authorities upon arrival, it stands conclusively established that the noticees had a clear intent to smuggle the gold clandestinely. Such acts squarely fall within the definition of “smuggling” as provided under Section 2(39) of the Customs Act, 1962. It is thus evident that the noticees knowingly carried and attempted to improperly import the said gold without declaration, in contravention of the provisions of the Act.

Further, it is observed that the said noticees actively engaged in carrying, concealing, and dealing with the impugned goods in a manner which they knew, or had reason to believe, rendered such goods liable to confiscation under the Customs Act, 1962. Consequently, I hold that the noticees have rendered themselves liable for penalty under Section 112 of the Customs Act, 1962.

From the material available on record, it is further established that Mr. Mayur Dhansukhbhai Rudani is the mastermind behind a well-organized gold smuggling syndicate engaged in the illegal import of gold into India through SVPI Airport, Ahmedabad, from Thailand. He orchestrated and financed the entire operation by arranging travel and logistics for the carriers, namely Mr. Kaushikbhai Vinubhai Patel and Mr. Dilipbhai Nakubhai Senjaliya, and by supplying gold capsules in Thailand with specific instructions to conceal the same internally to evade Customs detection. He also offered monetary consideration linked to the quantity of gold successfully smuggled.

Investigations reveal that Mr. Rudani is the owner of the seized gold weighing 1144.83 grams, valued at approximately ₹1.14 crore, for which he failed to produce any licit documents. It is further brought on record that he utilized his residence for processing smuggled gold by melting and converting the same into bars. His conduct during the course of investigation—marked by evasion, non-compliance with summons, and attempts to destroy or conceal evidence—further corroborates his culpability. Analysis of travel records and call detail data establishes that he undertook multiple trips to Thailand and was habitually engaged in smuggling

substantial quantities of gold, thereby confirming his central role in a systematic and organized smuggling network.

In view of the foregoing, I conclude that Mr. Mayur Dhansukhbhai Rudani has knowingly contravened the provisions of the Foreign Trade Policy, the Baggage Rules, applicable Customs Notifications, and the provisions of the Customs Act, 1962. Being the owner and key facilitator of the impugned goods, and having failed to discharge the burden of proof under Section 123 of the Act, the seized gold is liable for confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962. He is also liable to penalty under Sections 112(a) and 112(b) of the said Act.

His repeated and deliberate involvement in smuggling activities, cumulatively involving approximately 13.5 kilograms of gold across multiple instances, unequivocally establishes his pivotal and intentional role in the organized smuggling syndicate.

38. It is observed that, for the purpose of Customs clearance of arriving passengers, a two-channel system is in operation, namely, the Green Channel for passengers not carrying dutiable goods and the Red Channel for passengers carrying dutiable goods. All passengers are mandatorily required to make a true and correct declaration of their baggage.

In the present case, I find that the noticees failed to file the requisite baggage declaration form and did not declare the gold in their possession, as required under Section 77 of the Customs Act, 1962, read with the Baggage Rules, 2016 and Regulation 3 of the Customs Baggage Declaration Regulations, 2013, as amended.

Further, Notification No. 50/2017-Customs dated 30.06.2017 defines an “eligible passenger” as a passenger of Indian origin or a passenger holding a valid passport issued under the Passports Act, 1967, who is returning to India after a stay abroad of not less than six months. It is also stipulated that short visits made during the said period shall be ignored, provided the total duration of such visits does not exceed thirty days.

On examination of the facts on record, I find that the noticees, namely (i) Mr. Kaushikbhai Vinubhai Patel and (ii) Mr. Dilipbhai Nakubhai Senjaliya, neither declared the impugned gold before the Customs authorities nor satisfied the conditions prescribed for an “eligible passenger” under the Notification. It is further evident that the import of the said gold was not for bona fide purposes.

Accordingly, the gold weighing 1144.83 grams, which was clandestinely concealed and imported without declaration, cannot be treated as bona fide household goods or personal effects. The said acts amount to contravention of the provisions of the Foreign Trade Policy, 2015–20, and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992, read with Sections 3(2) and 3(3) of the said Act.

39. It is evident from the foregoing discussions that the impugned gold was deliberately concealed and not declared to the Customs authorities with the sole intention of smuggling the same into India and evading payment of applicable Customs duty. The records available on file clearly establish that the passengers/noticees wilfully chose not to declare the said dutiable goods and made a conscious attempt to smuggle the impugned goods.

Two gold bars, weighing 1144.83 grams (recovered from eight capsules containing a gold and chemical mixture, wrapped in blue tape), having a market value of Rs. 1,14,02,567/- and a tariff value of Rs. 1,04,01,330/-, were seized under panchnama dated 09–10.07.2025, having been clandestinely concealed within the body. The passengers/noticees have unequivocally admitted that, despite being aware of the legal requirement to declare such goods and the penal consequences under the Customs Act, 1962 and the rules and regulations framed thereunder, they deliberately refrained from declaring the same upon arrival, with the wilful intent to smuggle the gold into India.

In view of the above, I find that the passengers/noticees have committed acts of omission and commission rendering the goods liable to confiscation and have thereby attracted the provisions of Section 112 of the Customs Act, 1962, making them liable for penalty under the said section.

Further, the method of concealment adopted by the noticees clearly demonstrates a calculated attempt to evade detection by the Customs authorities. No documentary evidence has been produced to establish the licit import or lawful possession of the seized gold at the time of interception. From the Show Cause Notice, panchnama, and the statements recorded, it is conclusively established that the noticees had no intention to declare the impugned goods and had attempted to remove the same clandestinely with the intent to evade payment of Customs duty.

It is settled by the judgment of the Hon'ble Supreme Court in *Garg Wollen Mills (P) Ltd vs. Additional Collector of Customs, New Delhi [1998 (104) ELT 306 (SC)]* that the option to release 'prohibited goods' on payment of redemption fine is discretionary. In *Raj Grow Impex (Supra)*, the Hon'ble Supreme Court held that the exercise of discretion must be guided by law, reason, and justice, and based on relevant considerations. The Hon'ble Delhi High Court in *Raju Sharma [2020 (372) ELT 249 (Del.)]* held that the exercise of discretion by judicial or quasi-judicial authorities' merits interference only where it is perverse, tainted by patent illegality, or influenced by oblique motive. Further, in orders dated 21.08.2023 in W.P (C) Nos. 8902/2021, 9561/2021, 13131/2022, 531/2022 & 8083/2023, the Hon'ble Delhi High Court held that an infraction of a condition for import of goods falls within the ambit of Section 2(33) of the Act, and their redemption and release become subject to the discretionary power of the Adjudicating Officer.

Considering the above judicial pronouncements, the nature of concealment, and the facts of the present case, I am not inclined to exercise my discretion to permit redemption of the gold on payment of a redemption fine under Section 125 of the Customs Act, 1962.

40. Further, to support my view, I also relied upon the following judgment which are as:

40.1 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:

"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]

40.2 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.

40.3 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).

40.4 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-

“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.

40.5 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”.

40.6 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.”

40.7 The Supreme Court of India in State of Maharashtra vs. 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.”

41. In the present case, after considering all the facts and submissions, I find that the noticees deliberately violated the law by failing to make the mandatory declaration as required under Section 11 and Section 77 of the Customs Act, 1962, and further contravened para 2.20 of the Foreign Trade Policy read with the Baggage Rules, 2016. The passengers found in possession of gold in bullion form worth Rs.1,14,02,567/- clearly demonstrates an intention to evade payment of Customs duty and avoid compliance with the legal obligations laid down for import of gold into India under the Customs Act, 1962 and other applicable laws.

The impugned gold was in standard form and was ingeniously concealed by the passengers in rectum, which could be recovered only after detailed checking. The concealment was premeditated, deliberate, and designed to evade detection during routine checks and surveillance.

Accordingly, based on the foregoing discussion and findings, the gold weighing 1144.83 grams of 24Kt./ 999.0 purity, in the form of two gold bars, found concealed in the passenger's body (in 08 capsules form), is liable to be confiscated absolutely. I therefore hold unequivocally that the gold weighing 1144.83 grams of 24Kt./ 999.0 purity, seized under Panchnama, is liable to **absolute confiscation under Sections 111(d) and 111(l) of the Customs Act, 1962.**

42. 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.”

Despite having full knowledge and belief that carrying the gold in question constituted an offence under the Customs Act, 1962 and the rules and regulations made thereunder, the noticee attempted to smuggle 1144.83 grams of 24Kt./ 999.0 purity gold by concealing it inside body. It is, therefore, evident that the noticees concerned themselves with carrying, removing, keeping, concealing, and dealing with the smuggled gold, which they knew, or had reason to believe, were liable for confiscation under Section 111 of the Customs Act, 1962.

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.

Accordingly, I hold that the noticee **01 to 03** are liable for penalty under **Sections 112(a) and 112(b) of the Customs Act, 1962** and impose the same.

Thus, the noticees have thereby rendered the said goods liable for confiscation under Section 111(d) and 111(l) of the Customs Act, 1962. I also find that the

noticees are liable for penalty under Section 112(a) and 112(b) of the Customs Act, 1962 for abovementioned acts of commission and omission.

43. Accordingly, given my above findings, I pass the following Order:

O R D E R

- i) I Order Absolute Confiscation of Two Gold Bars weighing 1144.83 grams** (retreated from 08 capsules covered with blue tape) having purity of 999.0/24Kt. and Market Value of **Rs.1,14,02,567/-**(Rupees One Crore Fourteen Lakhs Two Thousand Five Hundred and Sixty Seven Only) and a Tariff Value of **Rs.1,04,01,330/-**(Rupees One Crore Four Lakhs One Thousand Three Hundred and Thirty Only), placed under seizure under Panchnama Proceedings dated 09-10.07.2025 and Seizure Memo Orders dated 10.07.2025, under the provisions of Section 111(d) and 111(l) of the Customs Act,1962, read with Section 123 of the Customs Act, 1962;
- ii) I Order Absolute Confiscation of the Packing Materials** believed to be used for concealing the above said two gold bars of purity 995/24Kt., totally weighing 1144.83 grams, under the provision of Section 119 of the Customs Act, 1962 also read with Section 123 of the Custom Act,1962;
- iii) I Order Absolute Confiscation of total quantity of about 13.5 kilograms** of gold smuggled during the 9 previous trips involving aggregate market value of about 10.53 crore rupees (as per para 9) notwithstanding their present unavailability as they were smuggled in violation of the various provisions of Customs Act, 1962, under the provisions of the Section 111(d) and 111(l) of the Customs Act, 1962 also read with Section 123 of the Custom Act, 1962
- iv) I Impose a Penalty of Rs.50,00,000/- (Rupees Fifty Lakh Only) on Mr. Kaushikbhai Vinubhai Patel** under the provisions of Section 112(a) and Section 112(b) of the Customs Act 1962;
- v) I Impose a Penalty of Rs.50,00,000/- (Rupees Fifty Lakh Only) on Mr. Dilipbhai Nakubhai Senjaliya** under the provisions of Section 112(a) and Section 112(b) of the Customs Act 1962;
- vi) I Impose a Penalty of Rs.1,00,000,00/- (Rupees One Crore Only) on Mr. Mayur Dhansukhbhai Rudani** under the provisions of Section 112(a) and Section 112(b) of the Customs Act 1962;

44. Accordingly, the Show Cause Notice No. DRI/AZU/GI-02/ENQ-64/2025 dated 02.01.2026 stands disposed of.

**(Shree Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad**

DIN: 20260471MN000000EF1B

F. No. VIII/10-63/DRI/SVPIA/O&A/HQ/2025-26

Date:15.04.2026

By Speed Post A.D./E-mail /Hand Delivery/Through Notice Board**To**

- 1.** Mr. Kaushikbhai Vinubhai Patel, s/o Mr. Vinubhai Patel,
Residing at 59, Karmabhumi Society, Gopal Chok Ni Bajuma,
Saijpur Bogha, Nava Naroda, Ahmedabad-382350,
Email id- kaushik574y@gmail.com, ranganikaushik394@gmail.com
- 2.** Mr. Dilipbhai Nakubhai Senjaliya, s/o Mr. Nakubhai Senjaliya,
Residing at B-301, Ashay Residency, Nikol Naroda Road, Nikol,
Ahmedabad-382350,
E-mail id- dilipsenjaliya4578@gamil.com
- 3.** Mr. Mayur Dhansukhbhai Rudani, s/o Mr. Dhansukhbhai Rudani,
residing at A-12, Amidhara Society, Harivilla Road, Shivaji Chowk,
Parshwanath Township, Nava Naroda, Ahmedabad-382345,
E-mail id- arthpatel2017@gmail.com

Copy to:

- (i)** The Principal Commissioner of Customs, Ahmedabad. (Kind Attn: RRA Section)
- (ii)** The Deputy Commissioner of Customs (Task Force), Ahmedabad.
- (iii)** The Additional Director, DRI, AZU, Ahmedabad.
- (iv)** The Deputy/Assistant Commissioner of Customs (AIU), T-2 Terminal, Sardar Vallabhbhai Patel International Airport, Ahmedabad-380003.
- (v)** The System In charge, Customs HQ, Ahmedabad for uploading on official website i.e. <http://www.ahmedabadcustoms.gov.in>
- (vi)** Guard File