



प्रधान आयुक्त का कार्यालय, सीमा शुल्क,अहमदाबाद
“सीमाशुल्कभवन”,पहलीमंजिल,पुरानेहाईकोर्टकेसामने,नवरंगपुरा,अहमदाबाद – 380 009.
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PREAMBLE

A	फाइलसंख्या/ File No.	: VIII/10-142/SVPIA-A/O&A/HQ/2024-25
B	कारणबताओनोटिससंख्या-तारीख / Show Cause Notice No. and Date	: Waiver of SCN by the Pax.
C	मूलआदेशसंख्या/ Order-In-Original No.	: 110/ADC/VM/O&A/2024-25
D	आदेशतिथि/ Date of Order-In-Original	: 26.07.2024
E	जारीकरनेकीतारीख/ Date of Issue	: 26.07.2024
F	द्वारापारित/ Passed By	Vishal Malani, : Additional Commissioner, Customs, Ahmedabad.
G	आयातककानामऔरपता / Name and Address of Importer / Passenger	Shri Abhishek Shantilal Gajera, : 19, Laxmiba Park Society-1, Simada Gam, Sarthana Jakat Naka, Surat, Pin – 395 006.
(1)	यह प्रति व्यक्ति के उपयोग के लिए निःशुल्क प्रदान किया जाता है जिन्हे 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 ६० दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क (अपील), ४वि 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 ७.५% अधिकतम १० करोड़ शुल्क हम करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, १९६२ के धरा १२९ के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।	

Brief facts of the case :

On the basis of spot profiling, a passenger, **Shri Abhishek Shantilal Gajera S/o Shri Shantilal Dhirubhai Gajera** holding an Indian Passport Number No. X5941293 Residence: 19, Laxmiba Park Society-1, Simada Gam, Sarthana Jakatnaka, Surat City - 395006, Gujarat, India (as per his passport) arrived at SVPI, Airport, Ahmedabad from Bangkok by Thai Airways Flight No. TG 343 dated 14.06.2024, was intercepted by the officers of AIU, SVPI, Airport, Ahmedabad. The AIU Officers asked the passenger, if he has anything to declare to Customs, in reply to which passenger denied.

2.1. The officers informed the passenger that he along with accompanied officers would be conducting his personal search and detailed examination of his baggage. The officers offered their personal search to the passenger, but the passenger denied the same politely. Then the officers asked the passenger whether he wanted to be checked in presence of the Executive Magistrate or the Superintendent (Gazetted officer) of Customs, in reply to which the passenger in presence of two independent witnesses gave his consent to be searched in presence of the Superintendent of Customs.

2.2. Thereafter, AIU officer asked the passenger to walk through the Door Frame Metal Detector (DFMD) machine; prior to passing through the said DFMD, the passenger was asked to remove all the metallic objects he is wearing on his body/ clothes. The passenger, readily removed the metallic substances from his body/ clothes such as Purse, belt etc. and keeps it on the tray placed on the table and after that AIU Officer asked him to pass through the Door Frame Metal Detector (DFMD) machine and while he passes through the DFMD Machine, no beep sound was heard indicating nothing dutiable/objectionable was there.

2.3. Thereafter, the baggage of the passenger was scanned in the X-Ray Bag Scanning Machine (BSM) installed near the Green Channel counter at terminal 2 of SVPI Ahmedabad to which the AIU officers noticed ten unusual round dark images on the screen of BSM, indicating

something objectionable is present in the baggage of the passenger. The officers requested the passenger to open the baggage and re-examined all the goods of the baggage thoroughly in BSM Machine and found that **10 buttons** of some clothes are heavier than usual and were coated with black colour. Further, on being asked the passenger in presence of the panchas accepted that he has carried gold in Ten Gold Buttons coated with black colour in concealed form.

3. Thereafter, the said passenger, Panchas and the officers of AIU moved to the AIU Office located opposite Belt No.2 of the Arrival Hall, Terminal-2, SVPI Airport, Ahmedabad along with the baggage of the passenger. On detailed examination of the baggage and personal search of the passenger, nothing other objectionable was noticed. The passenger in presence of the panchas confessed that he had concealed gold in 10 buttons in clothes to evade customs duty.

4. Thereafter, the Officers of the AIU need to confirm the purity and actual weight of gold. So, the AIU officers called the Government Approved Valuer and informed him that Ten Gold Buttons coated with black colour from the clothes had been recovered from a passenger and the passenger had informed that it is gold and hence, he needs to come to the Airport for testing and Valuation of the said material. In reply, the Government Approved Valuer informed the AIU Officer that the testing of the said material is only possible at his workshop as gold has to be extracted from such Gold Buttons by melting it and also informs the address of his workshop i.e. 301, Golden Signature, Bh. Ratnam Complex, C.G. Road, Ahmedabad - 380006, hence, the AIU officers along with panchas and passenger reached at the above referred premises. After completion of the procedure, the Govt. Approved Valuer informed that the 01 (one) gold bar is made up of 24 Kt. gold having purity 999.0 total weighing **271.070** grams (**'the said gold'** for short), derived from the 273.340 grams of 10 Gold Buttons coated with black colour.

5. Further, the Govt. Approved Valuer confirmed valuation vide Certificate No. 313/2024-25 dated 15.06.2024. and informed that the total Market Value of the said recovered gold is **Rs.20,15,405/-**

(Rupees Twenty Lakhs Fifteen Thousand Four Hundred Five only) and Tariff value of **Rs.17,00,129/-** (Rupees Seventeen Lakh One Hundred and Twenty-Nine only), which has been calculated as per the Notification No. 43/2024-Customs (N.T.) dated 14.06.2024 (Gold) and Notification No. 40/2024-Customs (N.T.) dated 06.06.2024 (Exchange Rate).

6. Statement of Shri Abhishek Shantilal Gajera was recorded under Section 108 of the Customs Act, 1962 wherein the passenger admitted attempting to smuggle the said gold into the country, he admitted that he had smuggled total 271.070 grams of gold of 999.0 purity /24 kt. in the form of Buttons coated with black colour. The same was clearly meant for commercial purposes and hence, do not constitute bonafide baggage within the meaning of Section 79 of the Customs Act, 1962. Further, the said goods were also not declared before Customs by the passenger.

7. In view of above, 271.070 grams Gold in form of 01 gold bar was placed under Seizure on 15.06.2024 under Panchnama dated 14/15.06.2024 and Seizure Memo dated 15.06.2024 on reasonable ground that the same are liable for confiscation under the Customs Act, 1962 in as much as the said act was an attempt to smuggle the said goods inside India illegally.

8. LEGAL PROVISIONS RELEVANT TO THE CASE

- a)** As per para 2.26 of Foreign Trade Policy 2015-20 Bona-fide household goods and personal effects may be imported as part of passenger baggage as per limits, terms and conditions thereof in Baggage Rules notified by Ministry of Finance.
- b)** As per Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992 the Central Government may by Order make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods or services or technology.
- c)** As per Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 All goods to which any Order under sub-section (2) applies shall be deemed to be goods the

import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.

- d)** As per Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.
- e)** As per Section 11(3) of the Customs Act, 1962 Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.
- f)** As per Section 2(3) — “baggage” includes unaccompanied baggage but does not include motor vehicles
- g)** As per Section 2(22), of Customs Act, 1962 definition of 'goods' includes-
 - a. vessels, aircrafts and vehicles;
 - b. stores;
 - c. baggage;
 - d. currency and negotiable instruments; and
 - e. any other kind of movable property;
- h)** As per Section 2(33) of Customs Act 1962, prohibited goods means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force.
- i)** As per Section 2(39) of the Customs Act 1962 'smuggling' in relation to any goods, means any act or omission, which will render such goods liable to confiscation under Section 111 or Section 113 of the Customs Act 1962.
- j)** As per Section 77 of the Customs Act 1962 the owner of baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer.
- k)** As per Section 110 of Customs Act, 1962 if the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods.
- l)** Any goods which are imported or attempted to be imported or 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 shall be liable to confiscation under section 111(d) of the Customs Act 1962.
- m)** Any dutiable or prohibited goods required to be mentioned under the regulation in an arrival manifest,

import manifest or import report which are not so mentioned are liable to confiscation under Section 111(f) of the Customs Act 1962.

- n)** Any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof are liable to confiscation under Section 111(i) of the Customs Act 1962.
- o)** Any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission are liable to confiscation under Section 111(j) of the Customs Act 1962.
- p)** 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 are liable to confiscation under Section 111(l) of the Customs Act 1962.
- q)** 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 are liable to confiscation under Section 111(m) of the Customs Act 1962.
- r)** As per Section 112 of the Customs Act 1962 any person,
(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 111, or abets the doing or omission of such an act, or (b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling or purchasing or in any manner dealing with any goods which he knows or has reason to believe are liable to confiscation under Section 111, shall be liable to penalty.
- s)** As per Section 119 of Customs Act 1962 any goods used for concealing smuggled goods shall also be liable for confiscation.
- t)** As per Section 123 of Customs Act 1962 (1) where any goods to which this section applies are seized under this Act in the reasonable belief that they are smuggled goods, the burden of proving that they are not smuggled goods shall be-
 - (a) in a case where such seizure is made from the possession of any person –
 - (i) on the person from whose possession the goods were seized;
 - and
 - (ii) if any person, other than the person from whose

possession the goods were seized, claims to be the owner thereof, also on such other person;

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

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

u) As per Customs Baggage Declaration Regulations, 2013 all passengers who come to India and having anything to declare or are carrying dutiable or prohibited goods shall declare their accompanied baggage in the prescribed form.

CONTRAVENTION AND VIOLATION OF LAWS

9. It therefore appears that:

a) Shri Abhishek Shantilal Gajera had actively involved himself in the instant case of smuggling of gold into India. Shri Abhishek Shantilal Gajera had improperly imported the impugned gold in the form of 10 gold buttons, totally weighing 271.070 grams made of 24kt/ 999.00 purity gold, having tariff value of Rs.17,00,129/- (Rupees Seventeen Lakhs One Hundred Twenty-Nine only) and market value of Rs.20,15,405/- (Rupees Twenty Lakhs Fifteen Thousand Four Hundred Five Only) by concealing in cloths, in the baggage, without declaring it to the Customs. He opted for Green Channel to exit the Airport with a deliberate intention to evade the payment of Customs duty and fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act, 1962 and other allied Acts, Rules and Regulations. Therefore, the improperly imported gold by the passenger by way of concealment without declaring it to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects. Shri Abhishek Shantilal Gajera has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

b) By not declaring the value, quantity and description of the goods imported by him, the said passenger has violated the provisions of Baggage Rules, 2016, read with the Section 77 of the Customs Act,

1962 and Regulation 3 of the Customs Baggage Declaration Regulations, 2013.

c) The improperly imported gold by the passenger, Shri Abhishek Shantilal Gajera, found concealed without declaring it to the Customs is thus liable for confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) read with Section 2 (22), (33), (39) of the Customs Act, 1962 and further read in conjunction with Section 11(3) of the Customs Act, 1962.

d) Shri Abhishek Shantilal Gajera, by his above-described acts of omission/ commission and/or abetment on his part has rendered himself liable to penalty under Section 112 of the Customs Act, 1962.

f) As per Section 123 of the Customs Act 1962, the burden of proving that the said improperly imported gold totally weighing 271.070 grams having tariff value of Rs.17,00,129/- and market value of Rs.20,15,405/- by way of concealment without declaring it to the Customs, are not smuggled goods, is upon the passenger and Noticee, Shri Abhishek Shantilal Gajera.

10. The passenger Shri Abhishek Shantilal Gajera, vide his letter dated 07.06.2024, forwarded through his Advocate Shri Rishikesh J Mehra, submitted that he is cooperating in investigation and claiming the ownership of the gold recovered from him. He is ready to pay Customs duty and other amount ordered by adjudicating authority. He understood the charges leveled against him. He requested to adjudicate the case without issuance of Show Cause Notice, which has been accepted by the department.

11. DEFENCE REPLY:

Vide letter dated 27.06.2024, Shri Rishikesh Mehra, Advocate on behalf of Shri Abhishek Shantilal Gajera, the aforesaid passenger has requested to waive Show Cause Notice and the case may be decided on merits. He has further submitted that his client brought the Gold for his personal use and the said gold was purchased by him from his personal savings. He submitted copy of Bill No. 059/2024 dated

13.06.2024 issued by M/s. K.D. International Group Co. Ltd., Bangkok showing the purchase of said Gold by his client. He referred to the CBIC Circular No. 09/2001 and submitted that there is plethora of judgements wherein release/ re-export of gold has been allowed on payment of redemption fine, duty & penalty. He requested for release of the said seized gold on payment of duty, fine and penalty. He also submitted that his client after understanding the provisions of Customs Rules and Act, requested for waiver of Show Cause Notice and requested to grant personal hearing in the matter.

12. PERSONAL HEARING:

Personal Hearing in this case was held on 24.07.2024. Shri Rishikesh J Mehra, Advocate appeared for personal hearing on 24.07.2024 on behalf of Shri Abhishek Shantilal Gajera. Shri Rishikesh Mehra, Advocate submitted that he has filed written reply dated 27.06.2024 and reiterated the same. He submitted that his client Shri Abhishek S Gajera is engaged in the business of Diamond work and visited Bangkok for exploring new business opportunity. He also submitted that the gold was purchased by him (client) from his personal savings and borrowed money from his friends. He reiterated that his client brought Gold, in the form of 10 Gold Buttons coated with black colour, for his personal and family use. There was no malafide intention of smuggling or illegal activity by the Noticee. This is the first time he brought gold. He submitted copy of gold purchase bill No. 059/2024 dated 13.06.2024 issued by K.D. International Group Co. Ltd., Bangkok showing legitimate purchase of gold. Due to ignorance of law the gold was not declared by the passenger. He further submitted that his client is ready to pay applicable Customs Duty, fine and penalty and requested for release of the seized gold. He requested to take lenient view in the matter and allow to release the gold on payment of reasonable fine and penalty.

DISCUSSION & FINDINGS

13. I have carefully gone through the facts of this case and the submissions made by the Advocate of the passenger in his written submission as well as during the personal hearing and documents

available on record. I find that the passenger had requested for waiver of Show Cause Notice. The request for non-issuance of written Show Cause Notice is accepted in terms of the first proviso to Section 124 of the Customs Act, 1962 and accordingly, the matter is taken up for decision on merits.

14. In the instant case, I find that the main issue that is to be decided is whether the gold of 24Kt/999.0 purity, totally weighing 271.070 grams and having tariff value of Rs.17,00,129/- (Rupees Seventeen Lakhs One Hundred Twenty-Nine only) and market value of Rs.20,15,405/- (Rupees Twenty Lakhs Fifteen Thousand Four Hundred Five Only) carried by the passenger, which were seized vide Seizure Order dated 15.06.2024 under Panchnama proceedings dated 15.06.2024 on the reasonable belief that the said goods were smuggled into India, is liable for confiscation under Section 111 of the Customs Act, 1962 (hereinafter referred to as 'the Act') or not and whether the passenger is liable for penalty under the provisions of Section 112 of the Act.

15. I find that Advocate has submitted that the gold was brought by his client, for his personal use, and submitted copy of purchase Bill showing the purchase of said Gold by his client issued in the name of his client. He requested to allow release of gold on payment of redemption fine and penalty.

16. In this regard, I find that based on suspicious movement of Shri Abhishek Shantilal Gajera, he was intercepted at green channel when he was trying to exit through green channel. On scanning of his baggage, the said gold, concealed by him in for of gold buttons, totally weighing 271.070 grams was found/ recovered. Hence, I find that the passenger was well aware about the fact that the gold is dutiable item and he intentionally wanted to clear the same without payment of Customs duty which is also admitted by him in his statement dated 15.06.2024. Further, the Baggage Rules, 2016 nowhere mentions anything about import of gold in commercial quantity. It simply mentions the restrictions on import of gold which are found to be violated in present case. Ignorance of law is not an excuse but an attempt to divert adjudication proceedings.

17. In this regard, I find that the Customs Baggage Rules, 2016 nowhere mentions about carrying gold in commercial quantity. It simply mentions about the restrictions on gold carried by the international passengers. Further, the Hon'ble Apex Court in Om Prakash Bhatia case reported at 2003 (155) ELT 423 (SC) has held that if importation and exportation of goods are subject to certain prescribed conditions, which are to be fulfilled before or after clearance of goods, goods would fall within the ambit of 'prohibited goods' if such conditions are not fulfilled. In the instant case, the passenger had concealed/ hidden the gold and did not declare the same even after asking by the Customs officers until the same was detected by scanning. Hence, I find that in view of the above-mentioned case citing, the passenger by his act of concealing the gold with an intention of clearing the same illicitly from Customs area by not declaring the same to Customs have held the impugned gold liable for confiscation under Section 111 of the Customs Act, 1962.

18. I find that the said gold totally weighing 271.070 grams was placed under seizure vide Seizure Order dated 15.06.2024 under Panchnama proceedings dated 15.06.2024. The seizure was made under Section 110 of Customs Act, 1962 on a reasonable belief that the said goods were attempted to be smuggled into India and are liable for confiscation. In the statement recorded on 15.06.2024, the passenger had admitted that he did not want to declare the seized gold carried by him to the Customs on his arrival in the SVPI Airport so that he could clear it illicitly and evade the payment of Customs duty payable thereon. It is also on record that the Government Approved Valuer has tested and certified that the said gold made of 24Kt/999.0 purity gold totally weighing 271.070 Grams, having tariff value of Rs.17,00,129/- and market value of Rs.20,15,405/-. The recovered gold was accordingly seized vide Seizure Order dated 15.06.2024 under Panchnama proceedings dated 15.06.2024 in the presence of the passenger and Panchas.

19. I also find that the passenger has neither questioned the manner of panchnama proceedings nor controverted the facts detailed in the

panchnama during recording of his statement. Every procedure conducted during the panchnama proceedings by the Customs Officers is well documented and made in the presence of the panchas as well as the passenger. The passenger in his statement dated 15.06.2024 has stated that the said gold was purchased by him from Bangkok and also produced purchase bill thereof. Shri Abhishek Shantilal Gajera has clearly admitted that he had intentionally not declared the gold recovered and seized from him, on his arrival before the Customs with an intent to clear it illicitly and evade payment of Customs duty, which is an offence under the Customs Act, 1962 and the Rules and Regulations made under it. In fact, in his statement dated 15.06.2024, the passenger admitted that he had intentionally not declared the seized gold having total net weight of 271.070 Grams on his arrival before the Customs officer with an intent to clear it illicitly and evade payment of Customs duty.

20. I thus find that the recovery of gold from the possession of the passenger which was concealed/ hidden and not declared to the Customs with an intention to illicitly clear it from the Airport to evade the payment of Customs duty is an act of smuggling and the same is conclusively proved. By his above act of commission, it is proved beyond doubt that the passenger has violated Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013. I also find that the gold imported by the passenger was purchased by him from Bangkok, however the same has not been declared before Customs to evade payment of tax. Therefore, the said gold imported by the passenger and deliberately not declared before the Customs on his arrival in India cannot be treated as a bonafide household goods and thus the passenger has contravened the Para 2.26 of the Foreign Trade Policy 2015-20 and thereby Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 read in conjunction with Section 11(3) of the Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016, the Customs Baggage Declaration Regulations, 2013 and Notification No. 50/2017-Customs dated 30.06.2017 as amended.

21. 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;

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).

22. Given the facts of the present case before me and the judgements and rulings cited above, 24 kt/999.0 purity gold, totally weighing 271.070 Grams, recovered from the above said passenger, that was kept undeclared and placed under seizure would be liable to confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Act. I find that the passenger is not a carrier and the said gold was brought by him for personal use under proper purchase bill and not carried on behalf of some other person with a profit motive.

23. I further find that the passenger had involved himself and abetted the act of carrying the said gold made up of 999.0/ 24Kt. purity gold having net weight of 271.070 grams by hiding/ concealing in the cloths in the baggage. He has agreed and admitted in the statement recorded that he travelled with the said gold of 24Kt/ 999.0 purity having net weight of 271.070 grams from Dubai to Ahmedabad. Despite his knowledge and belief that the gold carried and undeclared by him is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the passenger attempted to clear the said gold without making any declaration. The passenger in his statement dated 15.06.2024 stated that he did not declare the

impugned gold as he wanted to clear the same illicitly and evade the Customs Duty. Thus, it is clear that the passenger has actively involved himself in carrying, removing, keeping, concealing and dealing with the smuggled gold which he knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I find that the passenger is liable for penal action under provisions of Sections 112 of the Act and I hold accordingly.

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

25. I also find that in Order No. 345/2022-CUS (WZ)/ASRA/MUMBAI dated 25.11.2022, in the case of Mrs. Manju Tahelani Vs. Principal Commissioner of Customs, Ahmedabad, passed by the Revision Authority, Government of India, Mumbai in which it was held in para 13 that –

"In the instant case, the quantum of gold under import is small and is not of commercial quantity. The impugned gold jewellery had been worn by the applicant on her person and Government observes that sometimes passengers' resort to such methods to keep their valuables/ precious possessions safe. There are no allegations that the applicant is habitual offender and was involved in similar offence earlier. The fact of the case indicate that it is a case of non-declaration of gold, rather than a case of smuggling of commercial consideration."

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

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

27. In view of the above discussions, I hold that the said gold, weighing 271.070 grams, recovered from the noticee/ passenger is liable for confiscation. However, since the impugned gold carried by

the passenger was for personal use and not brought for another person for profit motive. The passenger has also produced copy of purchase Bill showing the purchase of said Gold by him. Further, the passenger has concealed/ hidden the said gold in his cloth in the baggage, which cannot be termed as an ingenious concealment. As such, I use my discretion to give an option to redeem the impugned seized gold on payment of a redemption fine, as provided under Section 125 of the Act.

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

- i. *Sapna Sanjeev Kohli vs. Commissioner* – 2010(253) E.L.T.A52(S.C.).
- ii *Union of India vs. Dhanak M Ramji* – 2010(252) E. L. T. A102(S.C.)
- iii *Shaikh Jamal Basha Vs. G.O.I.* – 1997(91) E. L. T. 277(A. P.)
- iv *Commissioner of Cust. & C. Ex. Nagpur-I Vs. Mohd. Ashraf Armar* – 2019(369) E. L. T. 1654 (Tri. Mumbai)
- v *Shri R. P. Sharma, Additional Secretary in RE Ashok Kumar Verma* – 2019(369) E. L. T. 1677 (G. O. I.)
- vi *Suresh Bhosle Vs. Commissioner of Customs (Rev.) Kolkatta* – 2009(246) E. L. T. 77(Cal.)
- vii *T. Elavarasan Versus Commissioner of Customs (Airport), Chennai* reported at 2011 (266) E.L.T. 167 (Mad.)

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

- i. *Abdul Razak Vs., U. O. I.* – 2012(275)E. L. T. 300 (Ker.) maintained by Hon'ble Supreme Court – 2017(350) E. L. T. A173(SC)

30. I further find that ingenious concealment is one of the important aspects for deciding on the redemption/ non-redemption of the goods. Further, while deciding the case, the CBIC Circular / Instruction F. No: 275/17/2015-CX.8A dated 11.03.2015 is also looked into, which emphasized that Judicial discipline should be followed while deciding pending show cause notices/ appeals.

31. I find that the option to redemption has been granted and absolute confiscation is set-a-side vide order No. 12/2021-

CUS(WZ)/ASAR dated 18.01.2021 by the Revision Authority, GOI issued under F. No: 371/44/B/2015-RA/785 dated 29.01.2021. Similar view was taken by Revision Authority vide Order No. 287/2022-CUS(WZ)/ASAR/Mumbai dated 10.10.2022; Order No. 245/2021-CUS(WZ)/ASAR dated 29.09.2021 issued under F. No: 371/44/B/15-RA/2020 dated 06.10.2021 and Order No: 314/2022-Cus (WZ)/ASAR/Mumbai dated 31.10.2022 issued from F. No: 371/273/B/WZ/2018 dated 03.11.2022. Further, the above mentioned 3 orders of RA has been accepted by the Department.

32. I also find that in Order No. 245/2021-CUS9WZ)/ASAR/MUMBAI dated 29.09.2021 in case of Shri Memon Anjum, the Revisionary Authority set aside the order of absolute confiscation. The Revisionary Authority in Para 14 observed as under:

"Government notes that there is no past history of such offence/violation by the applicant. The part of impugned gold jewellery was concealed but this at times is resorted to by travellers with a view to keep the precious goods secure and safe. The quantity/type of gold being in form of gold chain and 3 rings is jewellery and is not commercial in nature. Under the circumstance, the Government opines that the order of absolute confiscation in the impugned case is in excess and unjustified. The order of the Appellate authority is therefore liable to be set aside and the goods are liable to be allows redemption on suitable redemption fine and penalty."

33. I find that hiding the seized goods concealed in cloth in baggage cannot be considered as an ingenious concealment even though the charge of non-declaration of the seized gold is established. Further, the ownership of the seized gold by Shri Abhishek Shantilal Gajera cannot be denied, as he claims ownership of seized gold and also produced purchase invoice. Further, he brought gold for the first time and hence it is not a case of habitual offender. Looking to the facts that this is not a case of ingenious concealment, I am of the considered opinion that under Section 125 of the Customs Act,1962, the option for redemption can be granted. I further find that the passenger has submitted copy of gold purchase bill from Bangkok issued in his name.

34. I further find that the passenger had involved himself and abetted the act of carrying of 999.0/ 24Kt. purity gold having net

weight of 271.070 Grams by hiding/ concealing it. He has agreed and admitted in the statement recorded that he travelled with the said gold made up of 999.0/ 24Kt. purity gold having net weight of 271.070 grams by hiding it from Bangkok to Ahmedabad. Despite his knowledge and belief that the gold carried by him by hiding and undeclared in his person is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the passenger attempted to carry the said gold. The passenger has admitted that he did not declare the impugned gold as he wanted to clear the same illicitly and evade payment of the Customs Duty. Thus, it is clear that the passenger has involved himself in carrying, removing, keeping, concealing and dealing with the undeclared gold which he knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I find that the passenger is liable for penal action under provisions of Sections 112 of the Act and I hold accordingly.

35. Accordingly, I pass the order as under:

O R D E R

- i. I order confiscation of the impugned gold, in the form of 10 gold buttons of 999.0/ 24Kt. purity gold having total weight of **271.070 Grams** and having tariff value of **Rs.17,00,129/-** (Rupees Seventeen Lakhs One Hundred Twenty-Nine only) and market value of **Rs.20,15,405/-** (Rupees Twenty Lakhs Fifteen Thousand Four Hundred Five Only) recovered and seized from the passenger Shri Abhishek Shantilal Gajera vide Seizure Order dated 15.06.2024 under Panchnama proceedings dated 15.06.2024 under the provisions of Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962;
- ii. I give an option to Shri Abhishek Shantilal Gajera to redeem the impugned goods, of 24Kt/999.0 purity gold having total weight of 271.070 Grams on payment of redemption fine of **Rs.4,00,000/-** (Rupees Four Lakhs Only) under Section 125(1) of the Customs Act, 1962. In addition to redemption fine, the passenger would be liable for payment of applicable duties and

other levies/ charges in terms of Section 125(2) of the Customs Act, 1962;

- iii. I impose a penalty of **Rs.1,00,000/-** (Rupees One Lakh Only) on Shri Abhishek Shantilal Gajera under the provisions of Section 112 (a)(i) of the Customs Act, 1962.

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


26/7/24

(Vishal Malani)

Additional Commissioner
Customs, Ahmedabad

F. No. VIII/10-142/SVPIA-A/O&A/HQ/2023-24
DIN: 20240771MN0000318574

Date: 26.07.2024

BY SPEED POST A.D.

To,
Shri Abhishek Shantilal Gajera,
19, Laxmiba Park Society-1, Simada Gam,
Sarhana Jakat Naka,
Surat, Pin – 395 006.

Copy to:

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