



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

, "सीमा शुल्क भवन" पहलीमंजिल, पुराने हाई कोर्ट के सामने, नवरंगपुरा, अहमदाबाद- 380009

दूरभाष : (079) 2754 4630 **E-mail:** cus-ahmd-adj@gov.in, फैक्स : (079) 2754 2343

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PREAMBLE

A	फाइल संख्या/ File No.	:	VIII/10-30/SVPIA-C/O&A/HQ/2025-26
B	कारण बताओ नोटिस संख्या-तारीख Show Cause Notice No. and Date	:	VIII/10-30/SVPIA-C/O&A/HQ/2025-26 Dated: 23.09.2025
C	मूल आदेश संख्या/ Order-In-Original No.	:	184/ADC/SRV/O&A/HQ/2025-26
D	आदेश तिथि/ Date of Order-In-Original	:	19.12.2025
E	जारी करने की तारीख/ Date of Issue	:	19.12.2025
F	द्वारा पारित/ Passed By	:	Shree Ram Vishnoi, Additional Commissioner Customs, Ahmedabad
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	:	Ms. Rinku Rameshbhai Muliya, D/o Shri Rameshbhai Bhagubhai Muliya, Jay Khodiyar Nivas, 2/11 Gaytrinagar, Rajkot, Gujarat-360002
1	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हें यह जारी की गयी है।		
2	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क अपील)चौथी मंजिल, हुड़को भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
3	अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:		
i	अपील की एक प्रति और;		
ii	इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।		
4	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को 7.5 % (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE:

On the basis of specific information of passengers by the Air Intelligence Unit (AIU) officers, SVPIA, Customs, Ahmedabad, intercepted a passenger Ms. Rinku Rameshbhai Muliya, aged 33 years, D/o Shri Rameshbhai Bhagubhai Muliya, having Indian Passport No. U4497334 residing at Jay Khodiyar Nivas, 2/11 Gaytrinagar, Rajkot-360002, Gujarat, arriving on 25.03.2025 from Indigo Flight No. 6E-1478 from Dubai to Ahmedabad, at the arrival Hall of the SVPIA, Ahmedabad, while she was attempting to exit through green channel without making any declaration to the Customs. Passenger's personal search and examination of her baggage was conducted in presence of two independent witnesses and the proceedings were recorded under the said Panchnama dated 25.03.2025.

2. The passenger was questioned by the AIU officers as to whether she was carrying any dutiable/contraband goods in person or in her baggage, to which she denied. The officers

informed the passenger that a search of her baggage as well as her personal search was to be carried out and gave her an option to carry out the search in presence of a magistrate or a gazetted officer of Customs to which the passenger desired to be searched in presence of a gazetted customs officer. Before commencing the search, the officers offered themselves to the said passenger for conducting their personal search, which was declined by the said passenger imposing faith in the officers. The officers asked her to pass through the Door Frame Metal Detector (DFMD) installed at the arrival hall after removing all the metallic substances. Thereafter, the passenger removed metallic objects from her body/clothes such as mobile, purse etc. and kept them in a plastic tray placed on the table. The said passenger then passed through the DFMD Machine and no beep sound was heard in the DFMD machine indicating there was nothing objectionable/dutiable on her body/clothes.

Thereafter, on proper frisking of the said passenger by the AIU lady officers, it was observed that the legging (trouser) of the said passenger was unusually heavy. Accordingly, the passenger was asked to remove the leggings (trouser) and wear some other legging which she carries in her bag. The passenger readily agreed to this and gave the legging which she wore to the AIU lady officers. Further, the AIU officers scan the legging(trouser) of the passenger in the X-Ray baggage scanning machine and some unusually dark colour image was seen on the X-Ray Machine. Looking at the X-ray image of the legging and due to its unusually heavy weight, AIU officers doubted that some Gold material is concealed within the legging. Accordingly, the AIU officers decide to cut some portion of the legging to check the presence of gold. As the officers cut the said legging, a golden colour paste start showing up which was hidden between the two layers of the legging. The image is produced as under:



2.1 Thereafter, the AIU officer called the Govt. Approved Valuer Shri Kartikey Vasantrai Soni and informed him that gold paste hidden between the two layers of the legging had been recovered from **Ms. Rinku Rameshbhai Muliya**, who had arrived on 25.03.2025 by Indigo Flight No. 6E-1478 from Dubai to Ahmedabad at Terminal-2 of SVPIA Ahmedabad and that he needed to come to the Airport for examination and valuation. In reply, the Government Approved Valuer informed the AIU officer that the testing of the said material is only possible at her workshop, as gold has to be extracted from such semi solid paste by melting it. Accordingly, the panchas along with the passenger and the AIU officer reached the premises of the Govt. Approved Valuer. The AIU officer introduced the panchas as well as the passenger to one person namely Shri Kartikey Soni Vasantrai, Government Approved Valuer. Here, the Government approved valuer weighs the legging of the passenger containing the gold paste hidden between the two layers of the legging and found to be **1028.00 grams**. Photograph of the same is as under:



Then the Govt. approved valuer burnt the legging along with the paste concealed within it and subsequently a **powdered form substance containing of gold and ash totally weighing 394.00 grams** was derived from it. The photograph of the same is as under:



2.2 Thereafter, the Government approved valuer started the process of melting the powdered substance by putting the it into the furnace and upon heating, it turned into liquid material. The said substance in liquid state was taken out of furnace, and poured in a bar shaped plate and after cooling the same it became yellow coloured solid metal in form of **a bar weighing 382.170 grams**. The photograph of the same is as under:



2.3 After testing and valuation of the 01-gold bar (derived from the gold paste concealed between the two layers of the legging), the Government Approved Valuer vide his Certificate No. 1827/2024-25 dated 25.03.2025, gave the report as under:

Sr No	Item	Pcs.	Net Weight	Purity	Market Value	Tariff Value
1	Gold Bar	01	382.170 Grams	999.0/24 Kt	Rs.34,73,925/-	Rs.31,39,500/-

2.4 Further, the Govt. Approved Valuer informed that the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging), weighing 382.170 grams, having purity 999.0/24Kt. is having total **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only), which has been calculated as per the Notification No. 13/2025-Customs (N.T.) dated 13.03.2025 (gold) and Notification No. 21/2024-Customs (N.T.) dated 21.03.2025 (exchange rate). He submitted her valuation report to the AIU Officers.

2.5 The method of testing and valuation used by the valuer was done in presence of the independent panchas, the passenger and the officers. All were satisfied and agreed with the testing and Valuation Certificate given by the valuer and in token of the same, the Panchas and the passenger put their dated signature on the said valuation certificates. The following documents produced by the passenger were withdrawn under the Panchnama dated 25.03.2025:

- i. Copy of Passport No. U4497334 issued at Ahmedabad, Gujarat on 10.07.2020 & valid up to 09.07.2030.
- ii. Boarding pass of Indigo Flight No. 6E-1478 from Dubai to Ahmedabad.

SEIZURE OF THE GOODS:

3. The said 01 gold bar derived from the gold paste concealed between the two layers of the legging totally weighing 382.170 grams having purity of 999.0/24Kt. were carried and attempted to be cleared through Customs without any legitimate Import documents inside the Customs Area, therefore the same fall under the category of Smuggled Goods and stand liable for confiscation under the Customs Act, 1962.

Therefore, the said 01 gold bar totally weighing 382.170 grams having purity 999.0/24Kt and having **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only), were placed under seizure vide Seizure Memo dated 25.03.2025 issued under the provisions of Section 110(1) and 110(3) of the Customs Act, 1962 under reasonable belief that the subject 01 gold bar is liable for confiscation under Section 111 of the Customs Act, 1962.

STATEMENT OF MS. RINKU RAMESHBHAI MULIYA:

4. Statement of Ms. Rinku Rameshbhai Muliya was recorded under Section 108 of the Customs Act, 1962 on 25.03.2025, wherein she inter alia stated as under:

(i) She has studied up to B. Com. and can read, write and speak Hindi & English language. Her monthly income is Rs.20,000/- which she earns by giving tuition classes in Rajkot.

(ii) This was the first time she had travelled abroad. This time she travelled to Dubai on 21.03.2025, and came back on 25.03.2025 by Indigo Flight 6E-1478 from Dubai to Ahmedabad. The to & from ticket from Ahmedabad Airport to Dubai, were booked by her known, Ms. Pooja.

(iii) She had known Pooja since quite some time although she was not aware of address and contact no. of her. One day Pooja told her that she can arrange her a trip to Dubai including airfare. She agreed for the same and went to Dubai as a tourist. When she reached Dubai, one person met her on Pooja's behalf and she gave her a trouser (legging) and told her to wear the same while she was coming back to Ahmedabad. She had promised to pay Rs.10,000/- if she carried the said trouser (legging) to India.

(iv) She had never carried any gold item before this and have never indulged in any smuggling activity in the past.

(v) She was aware that smuggling of gold without payment of Customs duty is an offence. She was well aware of the concealed gold paste between the layers of the legging but she did not make any declarations in this regard to evade the Customs duty. She had opted for green channel so that she can attempt to smuggle the gold without paying customs duty.

SUMMATION

5. The above said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) having purity 999.0/24Kt. weighing **382.170 grams** recovered from Ms. Rinku Rameshbhai Muliya was allegedly attempted to be smuggled into India, which is clear violation of the provisions of Customs Act, 1962. Thus, on a reasonable belief that the 01 gold bar was attempted to be smuggled by Ms. Rinku Rameshbhai Muliya, was liable for confiscation as per the provisions of Section 111 of the Customs Act, 1962. Hence, the above said 01 gold bar having purity 999.0 24 Kt weighing 382.170 grams having **Market Value of Rs.34,73,925/-** and **Tariff Value of Rs.31,39,500/-** along with its packing material used to conceal the said items, was placed under seizure under the provision of Section 110(1) and 110(3) of the Customs Act, 1962 vide Seizure memo Order dated 25.03.2025.

6. LEGAL PROVISIONS RELEVANT TO THE CASE:**Foreign Trade Policy 2015-20 and Foreign Trade (Development and Regulation) Act, 1992:**

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

Finance. Gold can be imported by the banks (Authorized by the RBI) and agencies nominated for the said purpose under Para 4.41 of the Chapter 4 of the Foreign Trade Policy or any eligible passenger as per the provisions of Notification no. 50/2017-Customs dated 30.06.2017 (Sr. No. 356). As per the said notification "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.

- 6.2** As per Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992 the Central Government may by Order make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods or services or technology.
- 6.3** As per Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 all goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.
- 6.4** As per Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

The Customs Act, 1962:

- 6.5** As per Section 2(3) – "baggage includes unaccompanied baggage but does not include motor vehicles.
- 6.6** As per Section 2(22), of Customs Act, 1962 definition of 'goods' includes-
 - (a) vessels, aircrafts and vehicles;
 - (b) stores;
 - (c) baggage;
 - (d) currency and negotiable instruments; and
 - (e) any other kind of movable property
- 6.7** As per Section 2(33) of Customs Act 1962, prohibited goods means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force.
- 6.8** As per Section 2(39) of the Customs Act 1962 'smuggling' in relation to any goods, means any act or omission, which will render such goods liable to confiscation under Section 111 or Section 113 of the Customs Act 1962.
- 6.9** As per Section 11(3) of the Customs Act, 1962 any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.
- 6.10** As per Section 77 of the Customs Act 1962 the owner of baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer.
- 6.11** As per Section 110 of Customs Act, 1962 if the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods.
- 6.12** Section 111. Confiscation of improperly imported goods, etc.:

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

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

- (c) any dutiable or prohibited goods brought into any bay, gulf, creek or tidal river for the purpose of being landed at a place other than a customs port;
- (d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;
- (e) any dutiable or prohibited goods found concealed in any manner in any conveyance;
- (f) any dutiable or prohibited goods required to be mentioned under the regulations in an import manifest or import report which are not so mentioned;
- (g) any dutiable or prohibited goods which are unloaded from a conveyance in contravention of the provisions of section 32, other than goods inadvertently unloaded but included in the record kept under sub-section (2) of section 45;
- (h) any dutiable or prohibited goods unloaded or attempted to be unloaded in contravention of the provisions of section 33 or section 34;
- (i) any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;
- (j) any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission;
- (k) any dutiable or prohibited goods imported by land in respect of which the order permitting clearance of the goods required to be produced under section 109 is not produced or which do not correspond in any material particular with the specification contained therein;
- (l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;
- (m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54];
- (n) any dutiable or prohibited goods transited with or without transshipment or attempted to be so transited in contravention of the provisions of Chapter VIII;
- (o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;
- (p) any notified goods in relation to which any provisions of Chapter IV-A or of any rule made under this Act for carrying out the purposes of that Chapter have been contravened.

6.13 Section 112. Penalty for improper importation of goods etc-any person,

- (a) who, in relation to any goods, does or omits to do any act or omission which 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.

6.14.1 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.

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

Customs Baggage Rules and Regulations:

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

6.16 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 bon-fide baggage of jewellery upto weight, of twenty grams with a value cap of Rs. 50,000/- if brought by a gentlemen passenger and forty grams with a value cap of one lakh rupees, if brought by a lady passenger.

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

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

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

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

	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Condition No.
356.	71 or 98	<p>(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger</p> <p>(ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls</p>	10%	41

Condition no. 41 of the Notification:

If,- 1. (a) the duty is paid in convertible foreign currency; (b) the quantity of import does not exceed ten kilograms of gold and one hundred kilograms of silver per eligible passenger; and 2. the gold or silver is,- (a)carried by the eligible passenger at the time of his arrival in India, or (b) the total quantity of gold under items (i) and (ii) of Sr. No. 356 does not exceed one kilogram and the quantity of silver under Sr. No. 357 does not exceed ten kilograms per eligible passenger; and (c) is taken delivery of from a customs bonded warehouse of the State Bank of India or the Minerals and Metals Trading Corporation Ltd., subject to the conditions 1 ; Provided that such eligible passenger files a declaration in the prescribed form before the proper officer of customs at the time of his arrival in India declaring his intention to take delivery of the gold or silver from such a customs bonded warehouse and pays the duty leivable 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.

6.19 From the above paras, it appears that during the period relevant to this case, import of gold in any form (gold having purity above 22 kt.) was restricted as per DGFT notification and import was permitted only by nominated agencies. Further, it appears that import of goods whereas it is allowed subject to certain conditions are to be treated as prohibited goods under section 2(33) of the Customs Act, 1962 in case such conditions are not fulfilled. As such import of gold is not permitted under Baggage and therefore the same is liable to be held as prohibited goods.

CONTRAVICTION AND VIOLATION OF LAW:

7. It therefore appears that:
 - i The passenger Ms. Rinku Rameshbhai Muliya had dealt with and knowingly indulged herself in the instant case of smuggling of gold into India by any way concerned in carrying, removing, depositing, harboring, keeping, concealing, or in any manner dealing with the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) having purity 999.0 24 Kt weighing 382.170 grams having **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only).
 - ii The 01 Gold Bar was found concealed by way of concealing the paste of gold and chemical between the two layers of the legging worn by the passenger and not declared to the Customs. The passenger indulged herself in the instant case of smuggling of gold with 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 said 01 gold bar weighing 382.170 grams of purity 999.0/24Kt by Ms. Rinku Rameshbhai Muliya by way of concealment and without declaring it to the Customs cannot be treated as bonafide household goods or personal effects. **Ms. Rinku Rameshbhai Muliya** has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 as amended.
 - iii **Ms. Rinku Rameshbhai Muliya** by not declaring the value, quantity and description of the goods, the said passenger violated the provision of Baggage Rules, 2016, read with the Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.
 - iv The improperly imported/smuggled gold by **Ms. Rinku Rameshbhai Muliya**, in the form of 01 gold bar weighing 382.170 grams of purity 999.0/24Kt that was derived from the gold paste hidden between the two layers of the legging worn by her and

found to be having Gross weight **1028.00 grams**. at Terminal-2 SVPIA Ahmedabad, for the purpose of the smuggling without declaring it to the Customs is thus liable for confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) read with Section 2(22), 2(33), 2(39) of the Customs Act, 1962 and further read in conjunction with Section 11(3) of Customs Act, 1962.

- v The passenger has failed to produce the purchase documents of the said gold bar and Custom duty payment documents/proof has also not been submitted by the passenger for the same.
- vi The improperly imported 01 gold bar by the passenger and without declaring it to the Customs, was thus liable for confiscation under Section 111 of the Customs Act, 1962.
- vii As per Section 119 of the Customs Act, 1962 any goods used for concealing smuggled goods shall also be liable for confiscation.
- viii **Ms. Rinku Rameshbhai Muliya** by her above-described acts of omission and commission on her part has rendered herself liable to penalty under Section 112 of the Customs Act, 1962.
- ix As per Section 123 of Customs Act 1962, the burden of proving that the 01 gold bar **weighing 382.170 grams** of purity 999.0/24Kt and having **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only), found concealed with the passenger, without declaring it to the Customs, is not smuggled goods, is upon the passenger.

8. In view of the above, **Ms. Rinku Rameshbhai Muliya** is liable for:

- i Confiscation of 01 gold bar weighing 382.170 grams having purity 999.0/24Kt. and having **Market Value of Rs.34,73,925/-** (Rupees Thirty-Four Lakh Seventy-Three Thousand Nine Hundred Twenty-Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty-One Lakh Thirty-Nine Thousand Five Hundred Only) placed under seizure under panchnama proceedings dated 25.03.2025 and Seizure Memo Order dated 25.03.2025 under the provision of Section 111 of the Customs Act, 1962;
- ii Penalty under Sections 112 of the Customs Act, 1962, for the omissions and commissions mentioned hereinabove.

9. Accordingly, a Show Cause Notice was issued to the passenger i.e. **Ms. Rinku Rameshbhai Muliya**, D/o Shri Rameshbhai Bhagubhai Muliya, residing at Jay Khodiyar Nivas, 2/11, Gaytri Nagar, Rajkot, Gujarat-360002, as to why:

- (i) 01 gold bar weighing 382.170 grams having purity 999.0/24Kt and having **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only) placed under seizure under panchnama proceedings dated 25.03.2025 and Seizure Memo Order dated 25.03.2025 under the provision of Section 111 of the Customs Act, 1962, should not be confiscated under the provision of Section 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) of the Customs Act, 1962;
- (ii) Penalty should not be imposed upon **Ms. Rinku Rameshbhai Muliya**, under the provisions of Section 112 of the Customs Act, 1962, for the omissions and commissions mentioned hereinabove.

DEFENSE REPLY AND RECORD OF PERSONAL HEARING:

- 10.** The noticee has not submitted any written submission to the Show Cause Notice issued to her.
- 11.** The noticee was given opportunity for personal hearing on 10.11.2025, 19.11.2025 & 01.12.2025 but she failed to appear and represent her case. In the instant case, the noticee has been granted sufficient opportunity of being heard in person for three times but she

failed to appear. In view of above, it is obvious that the Noticee is not bothered about the ongoing adjudication proceedings and she do not have anything to say in her defense. I am of the opinion that sufficient opportunities have been offered to the noticee in keeping with the principle of natural justice and there is no prudence in keeping the matter in abeyance indefinitely.

12. Before, proceeding further, I would like to mention that Hon'ble Supreme Court, High Courts and Tribunals have held, in several judgments/decision, that ex-parte decision will not amount to violation of principles of Natural Justice. In support of the same, I rely upon some the relevant judgments/orders which are as under-

a). The Hon'ble Supreme Court in the matter of Jethmal Versus Union of India reported in 1999 (110) E.L.T. 379 (S.C.), the Hon'ble Court has observed as under;

"7. Our attention was also drawn to a recent decision of this Court in A.K. Kripak v. Union of India - 1969 (2) SCC 340, where some of the rules of natural justice were formulated in Paragraph 20 of the judgment. One of these is the well-known principle of audi alteram partem and it was argued that an ex parte hearing without notice violated this rule. In our opinion this rule can have no application to the facts of this case where the appellant was asked not only to send a written reply but to inform the Collector whether he wished to be heard in person or through a representative. If no reply was given or no intimation was sent to the Collector that a personal hearing was desired, the Collector would be justified in thinking that the persons notified did not desire to appear before him when the case was to be considered and could not be blamed if he were to proceed on the material before him on the basis of the allegations in the show cause notice. Clearly, he could not compel appearance before him and giving a further notice in a case like this that the matter would be dealt with on a certain day would be an ideal formality."

b). Hon'ble High Court of Kerala in the case of United Oil Mills Vs. Collector of Customs & C. Ex., Cochin reported in 2000 (124) E.L.T. 53 (Ker.), the Hon'ble Court has observed that;

"Natural justice - Petitioner given full opportunity before Collector to produce all evidence on which he intends to rely but petitioner not prayed for any opportunity to adduce further evidence - Principles of natural justice not violated."

c). Hon'ble High Court of Calcutta in the case of Kumar Jagdish Ch. Sinha Vs. Collector of Central Excise, Calcutta reported in 2000 (124) E.L.T. 118 (Cal.) in Civil Rule No. 128 (W) of 1961, decided on 13-9-1963, the Hon'ble court has observed that;

"Natural justice - Show cause notice - Hearing - Demand - Principles of natural justice not violated when, before making the levy under Rule 9 of Central Excise Rules, 1944, the Noticee was issued a show cause notice, his reply considered, and he was also given a personal hearing in support of his reply - Section 33 of Central Excises & Salt Act, 1944. - It has been established both in England and in India [vide N.P.T. Co. v. N.S.T. Co. (1957) S.C.R. 98 (106)], that there is no universal code of natural justice and that the nature of hearing required would depend, inter alia, upon the provisions of the statute and the rules made there under which govern the constitution of a particular body. It has also been established that where the relevant statute is silent, what is required is a minimal level of hearing, namely, that the statutory authority must 'act in good faith and fairly listen to both sides' [Board of Education v. Rice, (1911) A.C. 179] and, "deal with the question referred to them without bias, and give to each of the parties the opportunity of adequately presenting the case" [Local Govt. Board v. Arlidge, (1915) A.C. 120 (132)]. [para 16]

d). Hon'ble High Court of Delhi in the case of Saketh India Limited Vs. Union of India reported in 2002 (143) E.L.T. 274 (Del.). The Hon'ble Court has observed that:

Natural justice - Ex parte order by DGFT - EXIM Policy - Proper opportunity given to appellant to reply to show cause notice issued by Addl. DGFT and to make oral submissions, if any, but opportunity not availed by appellant - Principles of natural justice not violated by Additional DGFT in passing ex parte order - Para 2.8(c) of

Export-Import Policy 1992-97 - Section 5 of Foreign Trade (Development and Regulation) Act, 1992.

e). The Hon'ble CESTAT, Mumbai in the case of Gopinath Chem Tech. Ltd Vs. Commissioner of Central Excise, Ahmedabad-II reported in 2004 (171) E.L.T. 412 (Tri. - Mumbai), the Hon'ble CESTAT has observed that;

Natural justice - Personal hearing fixed by lower authorities but not attended by appellant and reasons for not attending also not explained - Appellant cannot now demand another hearing - Principles of natural justice not violated. [para 5]

f). The Hon'ble High Court of Jharkhand in W.P.(T) No. 1617 of 2023 in case of Rajeev Kumar Vs. The Principal Commissioner of Central Goods and Service Tax & The Additional Commissioner of Central GST & CX, 5A Central Revenue Building, Main Road, Ranchi pronounced on 12.09.2023 wherein Hon'ble Court has held that:

"Accordingly, we are of the considered opinion that no error has been committed by the adjudicating authority in passing the impugned Order-in-Original, inasmuch as, enough opportunities were provided to the petitioner by issuing SCN and also fixing date of personal hearing for four times; but the petitioner did not respond to either of them.

8. *Having regard to the aforesaid discussions and admitted position with regard to non-submission of reply to the SCN, we failed to appreciate the contention of the petitioner that principle of natural justice has not been complied in the instant case. Since there is efficacious alternative remedy provided in the Act itself, we hold that the instant writ application is not maintainable.*

9. *As a result, the instant application stands dismissed. Pending I.A., if any, is also closed."*

DISCUSSION AND FINDINGS:

13. I have carefully gone through the facts of the case. Though sufficient opportunity for filing reply and personal hearing had been given, the Noticee has not come forward to file her reply/ submissions or to appear for the personal hearing opportunities offered to her. The adjudication proceedings cannot wait until the Noticee makes it convenient to file her submissions and appear for the personal hearing. I, therefore, take up the case for adjudication ex-parte, on the basis of evidences available on record.

13.1 In the instant case, I find that the main issue to be decided is whether the 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing **382.170 Grams (Net Weight)** and purity of 24Kt/999.0, having the total **Market Value of Rs.34,73,925/-** (Rupees Thirty Four Lakh Seventy Three Thousand Nine Hundred Twenty Five Only) and **Tariff Value Rs.31,39,500/-** (Rupees Thirty One Lakh Thirty Nine Thousand Five Hundred Only), seized vide Seizure Memo/ Order under Panchnama proceedings both dated 25.03.2025 on a reasonable belief that the same 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 penal action under the provisions of Section 112 of the Act.

14. I find that the Panchnama has clearly drawn out the fact, that, **Ms. Rinku Rameshbhai Muliya** was arrived from Dubai to Ahmedabad at the arrival Hall of the SVPIA, on dated 25.03.2025 and she was attempting to exit through green channel without making any declaration to the Customs. Therefore, the AIU officers questioned the said passenger that as to whether she was carrying any dutiable/contraband goods in person or in her baggage, to which she denied. Then, the officers informed her that a personal search to be carried out as well as her baggage. Accordingly, the AIU officers asked her to pass through the Door Frame Metal Detector (DFMD) installed at the arrival hall after removing all the metallic substances. The passenger passed through the DFMD machine, but no beep sound was heard in the DFMD machine and it was indicating that there was nothing objectionable/dutiable on her body/clothes.

14.1 However, on proper frisking of the said passenger by the AIU lady officers, it was observed that the legging (trouser) of the said passenger was unusually heavy. Accordingly,

the passenger was asked to remove the leggings (trouser) and wear some other legging which she carries in her bag. The passenger readily agreed to this and gave the legging which she wore to the AIU lady officers. Further, the AIU officers scan the legging(trouser) of the passenger in the X-Ray baggage scanning machine and some unusually dark colour image was seen on the X-Ray Machine. Looking at the X-ray image of the legging and due to its unusually heavy weight, AIU officers doubted that some gold material is concealed within the legging. Accordingly, the AIU officers decide to cut some portion of the legging to check the presence of gold. As the officers cut the said legging, a golden colour paste start showing up which was hidden between the two layers of the legging, which was she worn.

15. It is on record that Shri Kartikey Vasantrai Soni, the Government Approved Valuer, informed that the said 01 Gold Bar weighing **382.170 grams**, having purity 999.0/24Kt and having total Market Value of Rs.34,73,925/- (Rupees Thirty-Four Lakh Seventy-Three Thousand Nine Hundred Twenty-Five Only) and Tariff Value Rs.31,39,500/- (Rupees Thirty-One Lakh Thirty-Nine Thousand Five Hundred Only). The details of the Valuation of the said 01 Gold Bar is as under:

Sr. No.	Details of Items	Pcs	Net Weight in Gram	Purity	Market Value	Tariff Value
1.	Gold Bar	01	382.170	999/24Kt	Rs.34,73,925/-	Rs.31,39,500/-

16. Accordingly, the said 01 Gold Bar having purity 999.0/24Kt. weighing **382.170 grams**, recovered from noticee was seized vide Panchnama dated 25.03.2025, under the provisions of the Customs Act, 1962, on the reasonable belief that the said 01 Gold Bar was smuggled into India by the said noticee with an intention to evade payment of Customs duty and accordingly the same was liable for confiscation under the Customs Act, 1962 read with Rules and Regulation made thereunder.

I also find that the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing **382.170 grams** (Net Weight), having Market Value of **Rs.34,73,925/-** and Tariff Value of **Rs.31,39,500/-** was carried by the passenger appeared to be "smuggled goods" as defined under Section 2(39) of the Customs Act, 1962. The offence committed is admitted by the passenger in her statement recorded on 25.03.2025 under Section 108 of the Customs Act, 1962.

17. I also find that the noticee had neither questioned the manner of the Panchnama proceedings at the material time nor controverted the facts detailed in the Panchnama during the course of recording her statement. Every procedure conducted during the Panchnama by the Officers was well documented and made in the presence of the Panchas as well as the noticee. In fact, in her statement, she stated that she has studied up to B. Com. and can read, write and speak Hindi & English language. Her monthly income is Rs.20,000/- which she earns by giving tuition classes in Rajkot, Gujarat and had travelled for the first time abroad. This time she travelled to Dubai on 21.03.2025, and came back on 25.03.2025 by Indigo Flight 6E-1478 from Dubai to Ahmedabad. The to & from ticket from Ahmedabad Airport to Dubai, were booked by her known, Ms. Pooja. She had known Pooja since quite some time although she was not aware of address and contact no. of her. One day Pooja told her that she can arrange her a trip to Dubai including airfare. She agreed for the same and went to Dubai as a tourist. When she reached Dubai, one person met her on Pooja's behalf and she gave her a trouser (legging) and told her to wear the same while she was coming back to Ahmedabad. She had promised to pay Rs.10,000/- if she carried the said trouser (legging) to India. She admitted that the trouser (legging) containing gold was not her and the consignment/ trouser (legging) containing gold was supposed to be handed over to an unknown person at the outside of SVPI, Airport Ahmedabad. She further, stated that she had never carried any gold item before this and have never indulged in any smuggling activity in the past. She also accepted and aware that smuggling of gold without payment of Customs duty is an offence. She was well aware of the concealed gold paste between the layers of the legging but she did not make any declarations in this regard to evade the Customs duty. She had opted for green channel so that she can attempt to smuggle the gold without paying customs duty. I find from the content of the statement, that said smuggled gold was clearly meant for commercial purpose and hence do not constitute bonafide baggage within the meaning of Section 79 of the Customs Act, 1962. I find from the statement that the said goods were also not declared before Customs and she had to clear the gold without payment of Customs duty, she did not make any declarations in this regard. She admitted that she had opted for green channel so that she could attempt to smuggle the Gold without paying

customs duty and thereby violated provisions of the Customs Act, the Baggage Rules, the Foreign Trade (Development & Regulations) Act, 1992 as amended, the Foreign Trade (Development & Regulations) Rules, 1993 as amended and the Foreign Trade Policy 2015-2020.

18. Further, the noticee has accepted that she had not declared the said concealed gold paste between the layers of the legging carried by her, on her arrival to the Customs authorities. It is clear case of non-declaration with an intent to smuggle the gold. Accordingly, there is sufficient evidence to say that the noticee had kept the said 01 Gold Bar having net weight **382.170 grams**, having purity of 24Kt/999.0 was concealed in form of gold paste between the layers of the legging and failed to declare the same before the Customs Authorities on his arrival at SVPIA, Ahmedabad. The case of smuggling of gold recovered from her possession and which was kept undeclared with an intent of smuggling the same and in order to evade payment of Customs duty is conclusively proved. Thus, it is proved that the passenger violated Section 77 and Section 79 of the Customs Act for import/smuggling of gold which was not for bonafide use and thereby violated Rule 11 of the Foreign Trade Regulation Rules 1993 as amended, and para 2.26 of the Foreign Trade Policy 2015-20 as amended. Further as per Section 123 of the Customs Act, 1962, gold is a notified item and when goods notified thereunder are seized under the Customs Act, 1962, on the reasonable belief that they are smuggled goods, the burden to prove that they are not smuggled, shall be on the person from whose possession the goods have been seized.

19. From the facts discussed above, it is evident that noticee had carried the said 01 gold bar weighing **382.170 grams (Net Weight)**, while arriving from Dubai to Ahmedabad (AMD), with an intention to smuggle and remove the same without payment of Customs duty, thereby rendering the said 01 Gold Bar of 24Kt/999.00 purity totally weighing 382.170 grams, liable for confiscation, under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) of the Customs Act, 1962. By concealing the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) not declaring the same before the Customs, it is established that the noticee had a clear intention to smuggle the gold clandestinely with the deliberate intention to evade payment of Customs duty. The commission of above act made the impugned goods fall within the ambit of 'smuggling' as defined under Section 2(22), 2(33) and 2(39) of the Customs Act, 1962.

20. It is seen that for the purpose of customs clearance of arriving passengers, a two-channel system is prescribed/adopted i.e. Green Channel for passengers not having dutiable goods and Red Channel for passengers having dutiable goods and all passengers have to ensure to file correct declaration of their baggage. I find that the Noticee had not filed the baggage declaration form and had not declared the said gold which was in her possession, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013 and she was tried to exit through Green Channel which shows that the noticee was trying to evade the payment of eligible customs duty. I also find that the definition of "eligible passenger" is provided under Notification No. 50/2017- Customs New Delhi, the 30th June, 2017 wherein it is mentioned as - "eligible passenger" means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days. I find that the noticee has not declared the gold before customs authority. It is also observed that the imports were also for non-bonafide purposes. Therefore, the said improperly imported gold weighing 382.170 grams concealed by her in form of gold paste between the layers of the legging which was worn by her, without declaring to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects. The noticee has thus contravened the Foreign Trade Policy 2015-20 as amended and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

It, is therefore, proved that by the above acts of contravention, the noticee has rendered the said gold weighing **382.170 grams**, having Market Value of **Rs.34,73,925/-** (Rupees Forty Six Lakhs Sixteen Thousand Three Hundred Fifty Two only) and Tariff Value of **Rs.31,39,500/-** (Rupees Forty One Lakhs Seventy Four Thousand Eight Hundred Seventy One only) recovered and seized from the noticee vide Seizure Order under Panchnama

proceedings both dated 25.03.2025 liable to confiscation under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) of the Customs Act, 1962. By using the modus of concealing the 01 gold bar (derived from the gold paste concealed between the two layers of the legging), it is observed that the noticee was fully aware that the import of said goods is offending in nature. It is, therefore, very clear that she has knowingly carried the gold and failed to declare the same on her arrival at the Customs Airport. *It is seen that she has involved herself in carrying, keeping, concealing, and dealing with the impugned goods in a manner which she knew or had reasons to believe that the same is liable to confiscation under the Act.* It is, therefore, proved beyond doubt that the Noticee has committed an offence of the nature described in Section 112 of the Customs Act, 1962 making her liable for penalty under Section 112 of the Customs Act, 1962.

21. I find that the Noticee confessed of carrying the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing of **382.170 grams** (Net Weight) concealed by her and attempted to remove the said gold from the Airport without declaring it to the Customs Authorities violating the Para 2.26 of 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 further read in conjunction with Section 11(3) of the Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016 and Customs Baggage Declaration Regulations, 2013 as amended. As per Section 2(33) "prohibited goods" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force 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. The improperly imported gold by the noticee without following the due process of law and without adhering to the conditions and procedures of import have thus acquired the nature of being prohibited goods in view of Section 2(33) of the Act.

22. It is quite clear from the above discussions that the 01 gold bar (derived from the gold paste concealed between the two layers of the legging) was concealed and not declared to the Customs with the sole intention to smuggle the same clandestinely and to evade payment of Customs duty. The record before me shows that the noticee did not choose to declare the prohibited/ dutiable goods with the wilful intention to smuggle the impugned goods. The said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing **382.170 grams**, having Market Value of **Rs.34,73,925/-** and Tariff Value of **Rs.31,39,500/-** recovered and seized from the noticee vide Seizure Order under Panchnama proceedings both dated 25.03.2025. Despite having knowledge that the goods had to be declared and such import without declaration and by not discharging eligible customs duty, is an offence under the Act and Rules and Regulations made under it, the noticee had attempted to remove the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing 382.170 grams, by deliberately not declaring the same by her on arrival at airport with the wilful intention to smuggle the impugned gold into India. I, therefore, find that the passenger has committed an offence of the nature described in Section 112(a) & 112(b) of the Customs Act, 1962 making her liable for penalty under the provisions of Section 112 of the Customs Act, 1962.

23. I further find that the gold is not on the list of prohibited items but import of the same is controlled. The view taken by the Hon'ble Supreme Court in the case of Om Prakash Bhatia however in very clear terms lay down the principle that if importation and exportation of goods are subject to certain prescribed conditions, which are to be fulfilled before or after clearance of the goods, non-fulfilment of such conditions would make the goods fall within the ambit of 'prohibited goods' This makes the gold seized in the present case "prohibited goods" as the noticee, trying to smuggle it and was not eligible passenger to bring it in India or import gold into India in baggage as per the prescribed conditions. The said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing 382.170 grams, was recovered from her possession, and was kept undeclared with an intention to smuggle the same and evade payment of Customs duty. Further, the noticee concealed the gold paste between the two layers of the legging, which was worn by her during the arrival. By using this modus, it is proved that the goods are offending in nature and therefore prohibited on its importation. Here, conditions are not fulfilled by the passenger.

24. In view of the above discussions, I find that the manner of concealment, in this case clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by

the Customs Authorities. **Further, no evidence has been produced/ submitted to prove licit import of the seized gold bar, which shows that the noticee has nothing to submit in her defense and sole purpose of the noticee to smuggle the same into India and to avoid the payment of duty without declaring the same before customs authority at airport. Thus, the noticee has failed to discharge the burden placed on him in terms of Section 123.** Further, from the SCN, Panchnama and Statement, I find that the manner of concealment of the gold is ingenious in nature, as the noticee concealed the gold paste between the two layers of the legging with intention to smuggle the same into India and evade payment of customs duty. Therefore, I hold that the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging) weighing 382.170 grams, carried and undeclared by the Noticee with an intention to clear the same illicitly from Airport and evade payment of Customs duty is liable for absolute confiscation. Further, the Noticee in her statement dated 25.03.2025 stated that she had carried the said gold by concealment to evade payment of Customs duty. In the instant case, I find that the gold was carried by the Noticee for getting monetary benefit/ personal benefit and that too by concealment of the said 01 gold bar (derived from the gold paste concealed between the two layers of the legging). **I am therefore, not inclined to use my discretion to give an option to redeem the gold on payment of redemption fine, as envisaged under Section 125 of the Act.**

25. Further, 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]

26. 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.

27. 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).

28. 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.

29. 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".

30. The Hon'ble High Court of Delhi in the matter of Rameshwar Tiwari Vs. Union of India (2024) 17 Cen-Tax 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 White 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-reas."

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

31. Given the facts of the present case before me and the judgments and rulings cited above, the said 01 Gold Bar weighing 382.170 grams (derived from the gold paste concealed between the two layers of the legging), carried by the noticee is therefore liable to be confiscated absolutely. **I therefore hold in unequivocal terms that the said 01 Gold Bar weighing 382.170 grams, placed under seizure would be liable to absolute confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) of the Customs Act, 1962.**

32. As regard to imposition of penalty under Section 112 of Customs Act, 1962 in respect of Noticee **Ms. Rinku Rameshbhai Muliya**, I find that in the instant case, the principle of mens-reas on behalf of noticee is established as the noticee has failed to follow the procedure and intentionally involved in smuggling of the gold and deliberately concealed the gold in form of the gold paste (concealed between the two layers of the legging), thus, established that the concealment of said gold is ingenious in nature. On deciding the penalty in the instant case, I also take into consideration the observations of Hon'ble Apex Court laid down in the judgment of M/s. Hindustan Steel Ltd Vs. State of Orissa; wherein the Hon'ble Apex Court observed that *"The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in case where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct or act in conscious disregard of its obligation; but not in cases where there is technical or venial breach of the provisions of Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the Statute."* In the instant case, the noticee was attempting to smuggle the 01 gold bar (derived from the gold paste concealed between the two layers of the legging) and attempting to evade the Customs Duty by not declaring the gold weighing 382.170 grams having purity of 999.0/24Kt. Hence, the identity of the goods is not established and non-declaration at the time of import is considered as an act of omission on her part. I further find that the noticee had involved herself and abetted the act of smuggling of the said 01 gold

bar (derived from the gold paste concealed between the two layers of the legging) weighing 382.170 grams, carried by her by concealment. She has agreed and admitted in her statement that she travelled from Dubai to Ahmedabad with the said gold in form of gold paste concealed between the two layers of the legging which was worn by her. Despite her knowledge and belief that the gold carried by her is an offence under the provisions of the Customs Act,1962 and the Regulations made under it, the noticee attempted to smuggle the said gold of 382.170 grams, having purity 999.0/24kt by concealment. Thus, it is clear that the noticee has concerned herself with carrying, removing, keeping, concealing and dealing with the smuggled gold which she knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Accordingly, I find that the noticee is liable for the penalty under Section 112(a) and Section 112(b) of the Customs Act,1962 and I hold accordingly.

33. Accordingly, I pass the following Order:

O R D E R

- i) I order absolute confiscation of the 01 Gold Bar** (derived from the gold paste concealed between the two layers of the legging), weighing **382.170 Grams** (Net Weight), having purity 999.0/24Kt. and having the Market Value of **Rs.34,73,925/-** (Rupees Thirty-Four Lakh Seventy-Three Thousand Nine Hundred Twenty-Five Only) and Tariff Value **Rs.31,39,500/-** (Rupees Thirty-One Lakh Thirty-Nine Thousand Five Hundred Only), recovered from the passenger **Ms. Rinku Rameshbhai Muliya**, who arrived from Dubai to Ahmedabad on 25.03.2025 by Indigo Flight No. 6E-1478, at Terminal-2 of SVPIA Ahmedabad, placed under seizure under Panchnama proceedings dated 25.03.2025 and Seizure Memo Order dated 25.03.2025, under the provisions of Section 111(d), 111(f), 111(i), 111(j), 111(l) and 111(m) of the Customs Act, 1962;
- ii) I impose a Penalty of Rs.8,75,000/-** (Rupees Eight Lakh Seventy-Five Thousand Only) on **Ms. Rinku Rameshbhai Muliya** under the provisions of Section 112(a)(i) and 112(b)(i) of the Customs Act, 1962.

34. Accordingly, the Show Cause Notice No. VIII/10-30/SVPIA-C/O&A/HQ/2025-26 dated 23.09.2025 stands disposed of.

(Shree Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

DIN:20251271MN0000818168

F. No: VIII/10-30/SVPIA-C/O&A/HQ/2025-26

By Speed Post AD

Date:19.12.2025

To,
Ms. Rinku Rameshbhai Muliya,
D/o Shri Rameshbhai Bhagubhai Muliya,
Jay Khodiyar Nivas, 2/11 Gaytrinagar,
Rajkot, Gujarat-360002

Copy to:

1. The Principal Commissioner of Customs, Ahmedabad. (Kind Attn: RRA Section)
2. The Assist. / Deputy Commissioner of Customs, Task Force, Ahmedabad
3. The Deputy Commissioner of Customs (AIU), SVPIA, Ahmedabad.
4. The Deputy Commissioner of Customs, SVPIA, Ahmedabad.
5. The Deputy Commissioner of Customs (Task Force), Ahmedabad.
6. The System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. <http://www.ahmedabadcustoms.gov.in>
7. Guard File.