

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

"सीमाशुल्कभवन", पहलीमंजिल, पुरानेहाईकोर्टकेसामने, नवरंगपुरा, अहमदाबाद -380009.

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DIN No. 20250471MN000000AB38

PREAMBLE

A	फाइल संख्या/ File No.	: VIII/10-240/SVPIA-C/O&A/HQ/2024-25
B	कारणबताओनोटिससंख्या-तारीख / Show Cause Notice No. and Date	: VIII/10-240/SVPIA-C/O&A/HQ/2024-25 dated: 02.12.2024
C	मूलआदेशसंख्या/ Order-In-Original No.	: 15/ADC/SRV/O&A/2025-26
D	आदेशतिथि/ Date of Order-In-Original	: 24.04.2025
E	जारीकरनेकीतारीख/ Date of Issue	: 24.04.2025
F	द्वारापारित/ Passed By	: Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad.
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	: Shri Azizul Islam Borbhuyan, S/o Shri Noor Uddin Borbhuyan, At:-Doboka Pathar, Doboka, Dist-Hojai, Doboka Pather, Nagaon, Assam-782440
(1)	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हें यह जारी की गयी है।	
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्ति की तारीख के 60 दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क अपील चौथी मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।	
(3)	अपील के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:	
(i)	अपील की एक प्रति और;	
(ii)	इस प्रति या इस आदेश की कोई प्रति के साथ केवल पांच (5.00) रुपये का न्यायालय शुल्क टिकिट लगा होना चाहिए।	
(4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को 7.5% (अधिकतम 10 करोड़) शुल्क अदा करना होगा जहां शुल्क या इयूटी 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: -

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

On the basis of passenger profiling and suspicious movements of passengers by the Air Intelligence Unit (AIU) Officers, SVPIA, Customs Ahmedabad, intercepted a male passenger named **Shri Azizul Islam Borbhuyan** S/o Noor Uddin Borbhuyan (D.O.B. 04.08.1995) (hereinafter referred to as the said **"Passenger/Noticee"**), residing at Vill. Doboka Pather, P.O. Doboka, Hojai, Assam, India- 782440 (address as per passport), holding an Indian Passport X1050666, arriving from Kuwait to Ahmedabad on 09.06.2024 via Kuwait Flight No. KU 345 (Seat No. 2C), at the arrival hall of the Terminal-2 of SVPIA, Ahmedabad, while he was attempting to exit through green channel without making any declaration to the Customs. Passenger's personal search and examination of his baggage was conducted in presence of two independent witnesses and the proceedings thereof were recorded under the Panchnama dated 09.06.2024.

2. Whereas, the passenger was questioned by the AIU Officers as to whether he was carrying any contraband/dutiable goods in person or in baggage to which he denied. The Officers asked/ informed the passenger that a search of his baggage as well his personal search was to be carried out and give him an option to carry out the search in presence of a magistrate or a gazetted officer of Customs to which the Passenger desired to be searched in presence of a gazetted 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.

2.1 The AIU officers then asked the passenger to put his baggage in the X-Ray baggage scanning machine, installed near Green Channel at Arrival Hall, Terminal-II, SVPI Airport, Ahmedabad. The Officers found some suspicious dark yellow-coloured images in the wheels of his trolley bag. The officers asked the passenger about this suspicious image in the trolley bag, however the passenger failed to give any satisfactory reply. The Officers in presence of the Panchas, then removed one wheel of the trolley bag with the help of screw driver wherein one yellow coloured spherical cut ring coated with white rhodium was found in the wheel. Thereafter, the Officers removed all the other three wheels and found the identical 03 yellow coloured spherical cut rings coated with white rhodium in these 03 wheels. The AIU officers then asked the said passenger to pass through the Door Frame Metal Detector (DFMD) Machine installed near the green channel

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

in the Arrival Hall of Terminal 2 building, after removing all metallic objects from his body/clothes. The passenger removed all the metallic objects such as mobile, belt etc. and keep it in a plastic tray and passed through the DFMD. However, no beep sound was heard indicating there was nothing objectionable/metallic substance on his body/clothes. The Photograph of the cut rings is as under:



2.2 Thereafter, the AIU Officer called the Government Approved Valuer and informed him that 4 yellow metal spherical cut rings coated with white rhodium was recovered from the wheels of the trolley bag of Shri Azizul Islam Borbhuyan, who had arrived from Kuwait to Ahmedabad on 09.06.2024 by Kuwait Flight No. KU 345, (Seat No.2C) at Terminal-2 of SVPI Airport, Ahmedabad and that he needed to come to the Airport for verification, examination and valuation. In reply, the Government Approved Valuer informed the Officers that the testing of the material is possible only at his workshop as gold has to be extracted from the cut rings by melting it and also informs the address of his workshop.

2.3 Thereafter, the AIU Officers, along with the passenger and the panchas left the Airport premises in a government vehicle and reached at the premises of the Government Approved Valuer located at M/s. Kapil Jewellers, C.G.Road, Ahmedabad. On reaching the above referred premises, the officers introduced the panchas as well as the passenger to one person namely Shri Punit Tirathbhai Bhimani, Government Approved Valuer. Shri Bhimani asked the officers in presence of the panchas that he would do the examination of the 04 Nos. of spherical cut rings recovered from the wheels of the trolley bag. The valuer started the detailed examination of the 04 Nos of Spherical cut rings

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

that were recovered from wheels of the trolley bag belonging to Shri Azizul Islam Borbhuyan. After weighing the said 04 Nos. of Spherical cut rings on his weighing scale, Shri Bhimani provided detailed primary verification report and informed that the gross weight of the 04 Nos of yellow metal spherical cut rings coated with white rhodium is 523.760 gms. The photograph of the same is as under :



2.4. Thereafter, the Government Approved valuer led the Officers, panchas and the passenger to the furnace, which is located inside his business premises. Then, Shri Punit Tirathbhai Bhimani started the process of converting the said 04 Nos. of Spherical cut rings found concealed under the wheels of the trolley bag belonging to the passenger. The said 04 rings consisting of gold were put into the furnace and upon heating, the rings in solid form turned into mixture of gold like material. The said substance consisting of gold was taken out of the furnace, and poured in a bar shaped plate and after cooling for some time, it became yellow coloured solid metal in form of bar. After completion of the procedure, Government Approved Valuer issued Certificate No. CU001 dated 09.06.2024 and informed that Gold bar weighing 519.150 Grams having purity 999.0/24 Kt is derived from the 04 Nos. of Solid Yellow Metal Spherical cut rings coated with white rhodium consisting of Gold and Chemical mix having Gross weight 523.760 gms, that were found concealed in the wheels of the trolley bag of the passenger, Shri Azizul Islam Borbhuyan. The Photograph of the same is as under :

OIO No:15/ADC/SRV/O&A/2025-26
 F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25



2.5. After testing the said derived bar, the Government Approved valuer confirmed that it is pure gold and vide his Certificate No. CU001 dated 09.06.2024, certifies that the gold bar, having purity 999.0/24 Kt., weighing **519.150** gms (Net Weight), is having the Market Value of **Rs.38,28,212/-** (Rupees Thirty Eight Lakhs Twenty Eight Thousands Two Hundred and Twelve Only) and Tariff value as **Rs.33,08,584/-** (Rupees Thirty Three Lakhs Eight Thousand Five Hundred and Eighty Four only), which has been calculated as per the Notification No.38/2024-Customs (N.T.) dated 31.05.2024 (Gold) and Notification No. 40/2024-Customs (N.T.) dated 06.06.2024 (Exchange Rate). He submits his valuation report to the AIU Officers. The valuation provided by the said Govt. Approved Valuer is summarized as under:

Sl. No.	Item Particulars	PCS	Net Weight (in Grams)	Market Value (in Rs.)	Tariff Value (in Rs.)
1.	Gold Bar-999.0/24 purity Kt.	1	519.150	38,28,212/-	33,08,584/-
	Total	1	519.150	38,28,212/-	33,08,584/-

3. Thereafter, the Officers, panchas and the passenger came back to the SVPI Airport in a Government Vehicle, after the completion of the extraction of gold at the workshop of Govt. Approved Valuer, along with the extracted gold bar weighing 519.150 grams derived from the 04 Nos. of Solid Yellow Metal Spherical cut rings coated with white rhodium consisting of Gold and Chemical mix having Gross weight 523.760 gms, recovered on 09.06.2024.

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

4. The said 01 Gold Bar totally weighing 519.150 Grams was derived from the 04 Nos. of Solid Yellow Metal Spherical cut rings coated with white rhodium consisting of Gold and Chemical mix recovered from the wheels of the trolley bag of the passenger 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 gold bar totally weighing **519.510 grams** having purity 999 and having the Market Value of **Rs.38,28,212/-** (Rupees Thirty Eight Lakhs Twenty Eight Thousands Two Hundred and Twelve Only) and Tariff value as **Rs.33,08,584/-** (Rupees Thirty Three Lakhs Eight Thousand Five Hundred and Eighty Four only) was placed under seizure vide Order dated 09.06.2024 issued under the provisions of Section 110(1) and (3) of the Customs Act, 1962 under reasonable belief that the subject Gold bar is liable for confiscation under Section 111 of the Customs Act, 1962.

Statement of Shri Azizul Islam Borbhuyan:

5. Statement of Shri Azizul Islam Borbhuyan was recorded on 09.06.2024, wherein he inter alia stated that his personal details like name, address and family details as mentioned in the statement are true and correct and that he is educated up to class 10th. And is working as a helper in Goa.

5.1 He further stated that he travelled to Kuwait on 12.12.2023 and returned on 09.06.2024 by Kuwait Airways Flight No. KU 345 and that his to and fro air tickets were arranged by him from his income/ monthly savings. He also admitted that the gold rings concealed in the wheels of his trolley bag recovered during the Panchanama Proceedings dated 09.06.2024 were also purchased from his savings and to avoid payment of Customs duty, he had concealed the gold rings in the wheels of his trolley bag. He was also aware that import of gold by way of concealment and evasion of duty is an offence and that he knowingly did not make any declaration on his arrival and opted for green channel, as an attempt to smuggle the gold without payment of customs duty.

5.2 He perused the Panchnama dated 09.06.2024 and stated that the facts narrated therein are true and correct.

5.3 From the investigation conducted in the case, it appears that the aforesaid gold was imported into India in violation of the provisions of the Baggage Rules, 2016, as amended, in as much as gold or silver in

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

any form, other than ornaments is not allowed to be imported free of duty. In the instant case, 01 gold bar totally weighing 519.150 gms having purity of 24Kt/999.0 was derived from 04 pcs. of Solid Yellow Metal Spherical Cut Rings coated with white rhodium consisting of Gold and Chemical mix, found concealed in the wheels of the trolley bag of Shri Azizul Islam Borbhuyan, who had arrived from Kuwait to Ahmedabad via Kuwait Airways Flight No. KU-345 (Seat No. 2C) at Terminal 2 of SVPIA Ahmedabad. Further, the said quantity of gold is more than the permissible limit allowed to a passenger under the Baggage Rules and for these reasons alone it cannot be considered as a Bonafide Baggage under the Customs Baggage Rules, 2016.

5.4 Accordingly to Section 77 of the Customs Act, 1962, the owner of any baggage, for the purpose of clearing it, is required to make a declaration of its contents to the proper Officer. In the instant case, the passenger had not declared the said gold items totally weighing 519.150 grams having purity of 24 Kt/999.0 because of malafide intention and thereby contravened the provisions of Section 77 of the Customs Act, 1962. It therefore, appears that the said gold items totally weighing 519.150 gms having purity of 24 Kt/999.0 recovered from Shri Azizul Islam Borbhuyan, were attempted to be smuggled into India with an intention to clear the same without discharging duty payable thereon. It, therefore, appears that the said gold items totally weighing 519.150 grams having purity of 24 Kt/999.0 is liable for confiscation under the provisions of Section 111 of the Customs Act, 1962. Consequently, 01 gold bar totally weighing 519.150 gms having purity of 24Kt/999.0 derived from 04 pcs. of Solid Yellow Metal Spherical Cut Rings coated with white rhodium consisting of Gold and Chemical mix, found concealed in the wheels of the trolley bag of Shri Azizul Islam Borbhuyan, who had arrived from Kuwait to Ahmedabad via Kuwait Airways Flight No. KU-345 on 09.06.2024 was placed under seizure vide Panchanama dated 09.06.2024 and Seizure Order dated 09.06.2024 by the AIU Officers of Customs under the reasonable belief that the subject Gold is liable for confiscation.

Summation:

6. The aforementioned proceedings indicates that Shri Azizul Islam Borbhuyan had attempted to smuggle the aforesaid gold into India and thereby rendered the aforesaid gold having the Market Value of Rs.38,28,212/- (Rupees Thirty Eight Lakhs Twenty Eight Thousands

Two Hundred and Twelve Only) and Tariff value as Rs.33,08,584/- (Rupees Thirty Three Lakhs Eight Thousand Five Hundred and Eighty Four only), liable for confiscation under the provisions of Section 111 of the Customs Act, 1962 and therefore the same were placed under seizure vide Order dated 09.06.2024 issued under the provisions of Section 110(1) and (3) of the Customs Act, 1962 under reasonable belief that the subject Gold bar is liable for confiscation under Section 111 of the Customs Act, 1962.

7. RELEVANT LEGAL PROVISIONS:

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

- 7.1 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.
- 7.2 As per Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992 the Central Government may by Order make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods or services or technology.
- 7.3 As per Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 all goods to which any Order under subsection (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.
- 7.4 As per Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 no export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

The Customs Act, 1962:

- 7.5 As per Section 2(3) – “baggage includes unaccompanied baggage but does not include motor vehicles.
- 7.6 As per Section 2(22), of Customs Act, 1962 definition of 'goods' includes-
- (a) vessels, aircrafts and vehicles;
 - (b) stores;
 - (c) baggage;
 - (d) currency and negotiable instruments; and
 - (e) any other kind of movable property;
- 7.7 As per Section 2(33) of Customs Act 1962, prohibited goods means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force.
- 7.8 As per Section 2(39) of the Customs Act 1962 'smuggling' in relation to any goods, means any act or omission, which will render such goods liable to confiscation under Section 111 or Section 113 of the Customs Act 1962.
- 7.9 As per Section 11(3) of the Customs Act, 1962 any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.
- 7.10 As per Section 77 of the Customs Act 1962 the owner of baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer.
- 7.11 As per Section 110 of Customs Act, 1962 if the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods.
- 7.12 Section 111. Confiscation of improperly imported goods, etc.:
- The following goods brought from a place outside India shall be liable to confiscation:-*
- (a) any goods imported by sea or air which are unloaded or attempted to be unloaded at any place other than a customs port or customs airport appointed under clause (a) of section 7 for the unloading of such goods;*
 - (b) any goods imported by land or inland water through any*

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

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-

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

section (1) of section 54];

(n) any dutiable or prohibited goods transited with or without transshipment or attempted to be so transited in contravention of the provisions of Chapter VIII;

(o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;

(p) any notified goods in relation to which any provisions of Chapter IV-A or of any rule made under this Act for carrying out the purposes of that Chapter have been contravened.

7.13 Section 112. Penalty for improper importation of goods etc.:

any person,

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under Section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, 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.

7.14 As per Section 123 of Customs Act 1962,

(1) where any goods to which this section applies are seized under this Act in the reasonable belief that 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.

7.15 All dutiable goods imported into India by a passenger in his

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

baggage are classified under CTH 9803.

Customs Baggage Rules and Regulations:

- 7.16 As per Customs Baggage Declaration (Amendment) Regulations, 2016 issued vide Notification no. 31/2016 (NT) dated 01.03.2016, all 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.
- 7.17 As per Rule 5 of the Baggage Rules, 2016, a passenger residing abroad for more than one year, on return to India, shall be allowed clearance free of duty in 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:

- 7.18 As per Notification no. 49/2015-2020 dated 05.01.2022, gold in any form includes gold in any form above 22 carats under Chapter 71 of the ITC (HS), 2017, Schedule-1 (Import Policy) and import of the same is restricted.
- 7.19 Notification No. 50 /2017 –Customs New Delhi, the 30th June, 2017 G.S.R. (E).-

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

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

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	(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 (ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls	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 leviable thereon before his

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

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.

7.20 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.

CONTRAVENTION AND VIOLATION OF LAWS

8. It therefore appears that:

- (i) **Shri Azizul Islam Borbhuyan** had attempted to smuggle/improperly import 01 Gold Bar totally weighing 519.150 Grams having purity 24KT /999.0 and having the Market Value of Rs.38,28,212/- (Rupees Thirty Eight Lakhs Twenty Eight Thousands Two Hundred and Twelve Only) and Tariff value as Rs.33,08,584/- (Rupees Thirty Three Lakhs Eight Thousand Five Hundred and Eighty Four only), recovered from the wheels of his trolley bag, with a deliberate intention to evade payment of Customs duty and fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act, 1962 and other allied Acts, Rules and Regulations. The said passenger **Shri Azizul Islam Borbhuyan** had knowingly and intentionally smuggled the said gold in the form of 04 solid Yellow Metal spherical cut rings coated with white rhodium consisting of Gold and Chemical mix, found concealed in the wheels of his trolley bag, on his arrival from Kuwait to Ahmedabad on 09.06.2024 by Kuwait flight KU 345 (Seat No. 2 C) at Terminal-2

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

SVPIA Ahmedabad, with an intent to clear it illicitly to evade payment of Customs duty. Therefore, the improperly imported gold by **Shri Azizul Islam Borbhuyan**, by way of concealment in the wheels of his trolley bag and without declaring it to Customs on arrival in India cannot be treated as Bonafide household goods or personal effects. **Shri Azizul Islam Borbhuyan** 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.

- (ii) **Shri Azizul Islam Borbhuyan** by not declaring the gold brought by him in the form of 04 spherical cut rings by way of concealment in wheels of the trolley bag, which included dutiable and prohibited goods to the proper officer of the Customs has contravened Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.
- (iii) The improperly imported/smuggled gold by **Shri Azizul Islam Borbhuyan**, in the form of 04 Nos of Spherical cut rings concealed in the wheels of his trolley bag before arriving from Kuwait to SVPI Airport, Ahmedabad, by Kuwait Airways Flight No. KU 345, (Seat No.2 C) at Terminal -2, SVPIA Ahmedabad on 09.06.2024, 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), (33), (39) of the Customs Act, 1962 and further read in conjunction with Section 11(3) of Customs Act, 1962.
- (iv) **Shri Azizul Islam Borbhuyan**, by the above-described acts of omission/commission and/or abetment has rendered himself liable to penalty under Section 112 of Customs Act, 1962.
- (v) As per Section 123 of Customs Act 1962, the burden of proving that the said Gold bar totally weighing 519.150 grams which was derived from the 04 Solid Yellow Metal Spherical cut rings coated with white rhodium consisting of gold and chemical mix, concealed in the wheels of trolley bag of **Shri Azizul Islam Borbhuyan** who arrived from Kuwait to SVPI Airport, Ahmedabad, by Kuwait Airways Flight No. KU 345 (Seat No.2 C)

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

at Terminal -2, SVPIA Ahmedabad on 09.06.2024 are not smuggled goods, is upon Shri **Shri Azizul Islam Borbhuyan**, who is the Noticee in this case.

09. Accordingly, a Show Cause Notice vide F.No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25 dated 02.12.2024 was issued to Shri Azizul Islam Borbhuyan S/o Noor Uddin Borbhuyan (D.O.B. 04.08.1995), residing at Vill. Doboka Pather, P.O. Doboka, Hojai, Assam, India- 782440, as to why:

- (i) 01 Gold Bar weighing **519.150 Grams** having purity 24KT /999.0 and having the Market Value of **Rs.38,28,212/-** (Rupees Thirty Eight Lakhs Twenty Eight Thousands Two Hundred and Twelve Only) and Tariff value as **Rs.33,08,584/-** (Rupees Thirty Three Lakhs Eight Thousand Five Hundred and Eighty Four only), derived from the 04 spherical cut rings consisting of gold by way of concealment in wheels of the trolley bag of **Shri Azizul Islam Borbhuyan**, who arrived from Kuwait to SVPI Airport, Ahmedabad, by Kuwait Airways Flight No. KU 345 (Seat No. 2C) at Terminal-2 SVPIA Ahmedabad on 09.06.2024, placed under seizure under Panchnama proceedings dated 09.06.2024 and Seizure Memo Order dated 09.06.2024, 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 the **Shri Azizul Islam Borbhuyan**, under Sections 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 him.

11. The noticee was given opportunity for personal hearing on 28.02.2025, 17.03.2025 & 04.04.2025 but he failed to appear and represent his case. In the instant case, the noticee has been granted sufficient opportunity of being heard in person for three times but he failed to appear. In view of above, it is obvious that the Noticee is not

bothered about the ongoing adjudication proceedings and he do not have anything to say in his 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.

11.1 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-

It 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:

12. 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 his reply/ submissions or to appear for the personal hearing opportunities offered to him. The adjudication proceedings cannot wait until the Noticee makes it convenient to file his submission 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. In the instant case, I find that the main issue to be decided is

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

whether the **519.150 grams** of 01 gold bar, derived from the 04 spherical cut rings consisting of gold by way of concealment in wheels of the trolley bag, having tariff value of **Rs.33,08,584/-** and market value is **Rs.38,28,212/-** seized vide Seizure Memo/Order under Panchnama proceedings both dated 09.06.2024, 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 noticee is liable for penal action under the provisions of Section 112 of the Act.

14. I find that the panchnama dated 09.06.2024 clearly draws out the fact that the noticee, who arrived from Kuwait in Flight No. KU 345 was intercepted by the Air Intelligent Unit (AIU) officers, SVP International Airport, Customs, Ahmedabad on the basis of passenger profiling and suspicious movement, while noticee was attempting to exit through green channel without making any declaration to the Customs. The officers informed him that a detailed examination/search of his luggage as well as his personal search was required to be conducted. The officer asked the noticee to pass through the DFMD (Door Frame Metal Detector) after removing all metallic objects from his body/clothes, while the noticee passed through the Door Frame Metal Detector (DFMD) Machine no beep sound was heard which indicated there was no objectionable/dutiable substance on his body/clothes. The AIU officers then asked the passenger to put his baggage in the X-Ray baggage scanning machine, installed near Green Channel at Arrival Hall, Terminal-II, SVPI Airport, Ahmedabad. The Officers found some suspicious dark yellow-coloured images in the wheels of his trolley bag. The officers asked the passenger about this suspicious image in the trolley bag, however the passenger failed to give any satisfactory reply. The Officers in presence of the Panchas, then removed one wheel of the trolley bag with the help of screw driver wherein one yellow coloured spherical cut ring coated with white rhodium was found in the wheel. Thereafter, the Officers removed all the other three wheels and found the identical 03 yellow coloured spherical cut rings coated with white rhodium in these 03 wheels. Now, it was necessary to confirm whether there was gold or not, the officer called the Govt. Approved Valuer.

14.1 It is also on the record that the Government Approved valuer Shri Punit Tirathbhai Bhimani examined the said 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

trolley bag found in possession of Shri Azizul Islam Borbhuyan. After weighing the said 4 yellow metal spherical cut rings coated with white rhodium on his weighing scale, Mr. Punit Tirathbhai Bhimani informed that the 4 yellow metal spherical cut rings coated with white rhodium containing gold having Gross weight 523.760 grams and after completion of the extraction process, the Government Approved Valuer Shri Punit Tirathbhai Bhimani informed that One gold bar total weighing **519.150 grams** having purity of 999.00 (24Kt.) derived from the said 4 yellow metal spherical cut rings coated with white rhodium containing gold and submitted his valuation report vide certificate No. CU001 dated 09.06.2024, wherein he mentioned that the total Market Value of the said recovered gold is **Rs.38,28,212/- and Tariff Value is Rs.33,08,584/-**. The value of the gold bar has been calculated as per the Notification No.38/2024-Customs (N.T.) dated 31.05.2024 (Gold) and Notification No. 40/2024-Customs (N.T.) dated 06.06.2024 (Exchange Rate).

15. I also find that the passenger/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 of his statement. Every procedure conducted during the panchnama by the Officers, was well documented and made in the presence of the panchas as well as the passenger/noticee. In fact, in his statement dated 09.06.2024, he has clearly admitted that he had travelled from Kuwait to Ahmedabad by Flight No. KU 345 dated 09.06.2024 carrying/concealed the gold in form of 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of trolley bag. He admitted that the said gold was purchased by him and to avoid the payment of customs duty he concealed the gold rings in wheels of trolley bag. Further, I find that the noticee has however claimed the ownership on the said gold but failed to submit any purchase invoice and any payment particulars which establishes his claim on the gold. Further, he mentioned that he had intentionally not declared the substance containing foreign origin gold before the Customs authorities as he wanted to clear the same illicitly and evade payment of customs duty; that he was aware that smuggling of gold without payment of customs duty is an offence under the Customs law and thereby, violated provisions of Customs Act, 1962 and the Baggage Rules, 2016.

16. I find that the noticee has clearly accepted that he had not declared the said gold bar (derived from 4 yellow metal spherical cut rings coated with white rhodium), to the Customs authorities. It is clear case of non-declaration with intent to smuggle the gold. Accordingly, there is sufficient evidence to conclude that the noticee had failed to declare the foreign origin gold before the Customs Authorities on his arrival at SVP International Airport, Ahmedabad. Therefore, it is a case of smuggling of gold without declaring in the aforesaid manner with intent to evade payment of Customs duty is conclusively proved. Thus, it is proved that noticee violated Section 77, Section 79 of the Customs Act for import/smuggling of gold which was not for bonafide use and thereby violated Rule 11 of the Foreign Trade Regulation Rules 1993, and para 2.26 of the Foreign Trade Policy 2015-20. 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.

17. From the facts discussed above, it is evident that the passenger/noticee had brought gold of 24 kt having 999.0 purity weighing 519.150 gms., retrieved/derived from 4 yellow metal spherical cut rings coated with white rhodium found concealed in wheels of trolley bag, while arriving from Kuwait to Ahmedabad, with an intention to smuggle and remove the same without payment of Customs duty, thereby rendering the gold weighing 519.150 gms., seized under panchnama dated 09.06.2024 liable for confiscation, under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962. By secreting the gold in form of 4 yellow metal spherical cut rings coated with white rhodium, in wheels of trolley bag and not declaring the same before the Customs, it is established that the passenger/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(39) of the Act.

18. It is seen that for the purpose of customs clearance of arriving passengers, a two-channel system is prescribed/adopted i.e Green

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

Channel for passengers not having dutiable goods and Red Channel for passengers having dutiable goods and all passengers have to ensure to file correct declaration of their baggage. I find that the Noticee had not filed the baggage declaration form and had not declared the said gold which was in his possession, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013 as amended and he was tried to exit through Green Channel which shows that the noticee was trying to evade the payment of eligible customs duty. I also find that the definition of “eligible passenger” is provided under Notification No. 50/2017- Customs New Delhi, the 30th June, 2017 wherein it is mentioned as - “eligible passenger” means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days. I find that the noticee has not declared the gold before customs authority. It is also observed that the imports were also for non-bonafide purposes. Further, the noticee has not fulfilled the conditions as prescribed for eligible passenger under Notification No. 50/2017-Cus dated 30.06.2017. Therefore, the said improperly imported gold weighing 519.150 grams concealed by him, without declaring to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects. The noticee has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

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

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

Import of gold into India is regulated under various provisions and subject to strict conditions. According to Notification No. 50/2017- Customs dated 30.06.2017, as amended Gold, with description as

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

below, is allowed to be imported by eligible passengers upon payment of applicable rate of duty subject to specific conditions as below being fulfilled.

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

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

If,-

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

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

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

not availed of the exemption under this notification or under the notification being superseded at any time of such short visits

From the facts of the case available on record, it is clearly appeared that conditions stipulated above were not fulfilled by the Noticee as the noticee visited Kuwait on 12.12.2023 and returned on 09.06.2024, therefore, the condition of staying more than six months for becoming eligible passenger was not fulfilled in the instant case. I find that a well-defined and exhaustive conditions and restrictions are imposed on import of various forms of gold by eligible passenger(s)/nominated banks/nominated agencies/premier or star trading houses/SEZ units/EOUs. These conditions are nothing but restrictions imposed on import of gold. In the subject case, it appears that no such condition was satisfied rendering it a clear case of smuggling. It is pertinent to mention here that Hon'ble Supreme Court of India in Sheikh Mohd. Omer Vs. Collector of Customs, Calcutta [1983 (13) ELT 1439] clearly laid down that any prohibition applies to every type of prohibitions which may be complete or partial and even a restriction on import or export is to an extent a prohibition. Hence, the restriction on import of various forms of gold is to an extent a prohibition and any violation of the said conditions/restrictions would make the subject gold in this case, liable for confiscation under Section 111(d) of the Customs Act, 1962.

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

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

I find that the said gold in form of gold rings concealed in the wheels of his trolley bag and was not declared to the Customs under Section 77 of the Customs Act, 1962 and he passed through the Green Channel. As per the facts of the case available on record and as discussed above, no such declaration of the impugned goods, namely gold in form of gold rings which were found concealed and recovered in manner as described above, was made by the Noticee, in the prescribed declaration form. Also, I find that he was not eligible to import gold and

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

that too undeclared in substantial quantity and hence the same constitute prohibited goods, which are liable to confiscation under Section 111 (l) of the Customs Act, 1962.

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

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

In this regard, I find that total 519.150 grams of derived gold bar of foreign origin which was recovered from possession of noticee and admittedly smuggled into India. On test, the gold was found to be of purity of 999.0/24kt. Moreover, I find that the noticee could not produce any licit or valid documents regarding their legal importation/acquisition/possession/transportation of the gold of foreign origin found in person of Shri Azizul Islam Borbhuyan, thus failing to discharge his "burden of proof" that the gold was legally imported/possessed. He has also not declared the same to the customs in Indian Customs Declaration Form in terms of Section 77 of Customs Act, 1962, which read as:-

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

As per the facts of the case available on records, no such declaration of the impugned gold, which were found concealed in person of Shri Azizul Islam Borbhuyan in prescribed declaration form and hence the said gold is liable for confiscation under Section 111 (m) of the Customs Act, 1962.

19. It, is therefore, proved that by the above acts of contravention, the passenger/noticee has rendered gold of 24 kt having 999.0 purity weighing 519.150 gms., retrieved/derived from gold concealed in the form of 4 yellow metal spherical cut rings coated with white rhodium found concealed in wheels of trolley bag, having total Tariff Value of Rs.33,08,584/- and market Value of Rs.38,28,212/-, seized vide Seizure Memo/Order dated 09.06.2024 under the Panchnama

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

proceedings dated 09.06.2024 liable to confiscation under the provisions of Sections 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962. By using the modus of concealing gold in the form of 4 yellow metal spherical cut rings coated with white rhodium and without declaring to the Customs on arrival in India, it is observed that the passenger/noticee was fully aware that the import of said goods is offending in nature. It is therefore very clear that he has knowingly carried the gold and failed to declare the same to the Customs on his arrival at the Airport. Further, I find that in his voluntarily statement recorded under Section 108 of Customs Act, 1962, he admitted that he did not declare anything to Customs and while coming out of the green channel, he was apprehended by the officials of AIU, SVPIA, Ahmedabad and was found in possession with the gold in form of 4 yellow metal spherical cut rings coated with white rhodium found concealed in wheels of trolley bag. It is seen that he has involved himself in carrying, keeping, concealing and dealing with the impugned goods in a manner which he knew or had reasons to believe that the same were liable to confiscation under the Act. It, is therefore, proved beyond doubt that the noticee has committed an offence of the nature described in Section 112 of Customs Act, 1962 making him liable for penalty under Section 112 of the Customs Act, 1962.

20. I find that the passenger/noticee has confessed of carrying gold of 24kt having 999.0 purity, weighing 519.150 grams and attempted to remove the said gold by concealing the gold in form of 4 yellow metal spherical cut rings coated with white rhodium found concealed in wheels of trolley bag and attempted to remove the said gold from the Customs 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 Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016 and Customs Baggage Declaration Regulations, 2013. 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

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

the passenger 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.

21. It is quite clear from the above discussions that the gold was concealed and not declared to the Customs with the sole intention to evade payment of Customs duty. The records before me shows that the passenger/noticee did not choose to declare the prohibited/dutiable goods and opted for green channel customs clearance after arriving from foreign destination with the willful intention to smuggle the impugned goods. One Gold Bar weighing 519.150 grams of 24Kt./999.0 purity, having total Market Value of the recovered gold bar Rs.38,28,212/- and Tariff Value Rs.33,08,584/- retrieved/ derived from gold concealed in the form of 4 yellow metal spherical cut rings coated with white rhodium, in wheels of trolley bag, were placed under seizure vide panchnama dated 09.06.2024. The passenger/noticee has clearly admitted that despite having knowledge that the goods had to be declared and such import is an offence under the Act and Rules and Regulations made thereunder, he attempted to remove the gold by concealing in the form of 4 yellow metal spherical cut rings coated with white rhodium and by deliberately not declaring the same on his arrival at airport with the willful intention to smuggle the impugned gold into India. I therefore, find that the passenger/noticee has committed an offence of the nature described in Section 112(a) & 112 (b) of Customs Act, 1962 making him liable for penalty under provisions of Section 112 of the Customs Act, 1962.

22. I further find that 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 goods, non-fulfillment 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 the same was not eligible passenger to bring or import gold into India in baggage. The gold was recovered in a manner concealed in form of 4 yellow metal spherical cut rings coated with white rhodium, concealed in wheels of trolley bag and kept undeclared with an intention to smuggle the same and evade

payment of customs duty. 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.

23. I find that, the burden of proving that the seized gold bar was not smuggled goods lie on the person who claims to be the owner of the goods so seized or from whose possession the goods were seized. Section 123 of the Customs Act, 1962 stipulates that:-

Section 123. Burden of proof in certain cases. -

(1) Where any goods to which this section applies are seized under this Act in the reasonable belief that they are smuggled goods, the burden of proving that they are not smuggled goods shall be -

(a) in a case where such seizure is made from the possession of any person, -

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

(ii) if any person, other than the person from whose possession the goods were seized, claims to be the owner thereof, also on such other person;

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

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

In the instant case, the onus, for proving that the seized gold bar weighing 519.150 grams of foreign origin are not smuggled in nature lie on the noticee from whose possession of impugned goods were seized on 09.06.2024. The gold bar derived from the 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of trolley bag, recovered from noticee and he admitted to have smuggled it into India. The test report also shows that gold bar was found to be purity of 999.00/24Kt. In view of the above discussions, I find that the manner of concealment, in this case clearly of ***ingenious in nature*** and shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. *Further, the noticee could not produce any licit or valid documents regarding the legal importation/acquisition/possession/transportation of the gold found in his possession.* Thus, the noticee has failed to discharge the burden

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

placed on him in terms of Section 123 and also not declared the same to the Customs in the prescribed Indian Customs Declaration Form. In view of the above discussions, I hold that the gold weighing 519.150 grams of 24Kt./999.0 purity, retrieved/ derived from 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of trolley bag and undeclared by the passenger/noticee with an intention to clear the same illicitly from Customs Airport and to evade payment of Customs duty, are liable for absolute confiscation. Further, it becomes very clear that the gold was carried to India by the noticee in concealed manner to evade the customs duty. In the instant case, ***I am therefore, not inclined to use my discretion to give an option to redeem the gold on payment of redemption fine, as envisaged under Section 125 of the Act.***

24. In the case of Samynathan Murugesan [2009 (247) ELT 21 (Mad)], the Hon'ble 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 has ruled that as the goods were prohibited and there was concealment, the Commissioner's order for absolute confiscation was upheld.

25. Further I find that in a 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)."

26. The Hon'ble High Court of Madras in the matter of Commissioner of Customs (AIR), Chennai-I Vs. P. Sinnasamy [2016 (344) E.L.T. 1154 (Mad.)] has 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.

27. 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 7-10-2019 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 10-5-1993 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".

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

"23. *There is no merit in the contention of learned counsel for the Petitioner that he was not aware of the gold. Petitioner was carrying the packet containing gold. The gold items were concealed inside two pieces of Medicine Sachets which were kept inside a Multi coloured zipper jute bag further kept in the Black coloured zipper hand bag that was carried by the Petitioner. The manner of concealing the gold clearly establishes knowledge*

of the Petitioner that the goods were liable to be confiscated under section 111 of the Act. The Adjudicating Authority has rightly held that the manner of concealment revealed his knowledge about the prohibited nature of the goods and proved his guilt knowledge/mens-rea."

24.....

25.....

"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."

29. Given the facts of the present case before me and the judgements and rulings cited above, I find that the manner of concealment, in this case clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold bar. 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 in the form of 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of trolley bag, with intention to smuggle the same into India and evade payment of customs duty. Therefore, the gold weighing 519.150 grams of 24Kt./999.0 purity in form of gold bar, retrieved/ derived from 4 yellow metal spherical cut rings coated with white rhodium, is therefore, liable to be **confiscated absolutely. I therefore hold in unequivocal terms that the gold weighing 519.150 grams of 24Kt./999.0 purity, placed under seizure would be liable to absolute confiscation under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Act.**

30. I further find that the passenger had involved himself in the act of smuggling of gold weighing 519.150 grams of 24Kt./999.0 purity, retrieved from 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of trolley bag. Further, it is fact that the passenger/noticee has travelled with gold weighing 519.150 grams of 24Kt./999.0 purity, from Kuwait to Ahmedabad despite his knowledge and belief that the gold carried by him is an offence under the provisions of the Customs Act, 1962 and the Regulations made

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

thereunder. In regard to imposition of penalty under Section 112 of Customs Act, 1962, I find that in the instant case, the principle of mens-rea on behalf of noticee is established as the noticee has concealed the gold in form of 4 yellow metal spherical cut rings coated with white rhodium, in wheels of trolley bag to avoid the detection and to remove clandestinely without declaring the same and it establishes his malafide intention. Further, on deciding the penalty in the instant case, I also take into consideration the observations of Hon'ble Apex Court laid down in the judgment of M/s. Hindustan Steel Ltd Vs. State of Orissa; wherein the Hon'ble Apex Court observed that "The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in case where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct or act in conscious disregard of its obligation; but not in cases where there is technical or venial breach of the provisions of Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the Statute." In the instant case, the noticee was attempting to evade the Customs Duty by not declaring the gold bar weighing 519.150 grams having purity of 999.0 and 24kt. Hence, the identity of the goods is not established and non-declaration at the time of import is considered as an act of omission on his part. Thus, it is clear that the passenger has concerned himself with carrying, removing, keeping, concealing and dealing with the smuggled gold which he knew or had reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, I find that the passenger/noticee is liable for penal action under Sections 112(a)(i) & 112(b)(i) of the Customs Act, 1962 and I hold accordingly.

31. Accordingly, I pass the following Order:

ORDER

- i.)** I order absolute confiscation of the one Gold Bar weighing **519.150** grams having Market Value at **Rs.38,28,212/-** (Rupees Thirty Eight Lakhs Twenty Eight Thousands Two Hundred and Twelve Only) and Tariff Value is **Rs.33,08,584/-** (Rupees Thirty Three

OIO No:15/ADC/SRV/O&A/2025-26
F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25

Lakhs Eight Thousand Five Hundred and Eighty Four only) derived/retrieved from 4 yellow metal spherical cut rings coated with white rhodium concealed in wheels of Trolley bag, by the passenger/noticee Shri Azizul Islam Borbhuyan and placed under seizure under panchnama dated 09.06.2024 and seizure memo order dated 09.06.2024 under Section 111(d), 111(f), 111(i), 111(j), 111(l) & 111(m) of the Customs Act, 1962;

- ii.) I impose a penalty of **Rs. 10,00,000/-** (Rupees Ten Lakh Only) on Shri Azizul Islam Borbhuyan under the provisions of Section 112(a)(i) and Section 112(b)(i) of the Customs Act 1962.

32. Accordingly, the Show Cause Notice No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25 dated 02.12.2024 stands disposed of.

(Shree Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

F. No. VIII/10-240/SVPIA-C/O&A/HQ/2024-25 Date:24.04.2025

DIN: 20250471MN000000AB38

By SPEED POST A.D.

To,
Shri Azizul Islam Borbhuyan ,
S/o Shri Noor Uddin Borbhuyan,
At:-Doboka Pathar, Doboka,
Dist-Hojai, Doboka Pather, Nagaon,
Assam-782440.

Copy to :-

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