प्रधान आयुक्त का कार्यालय, सीमा शुल्क ,अहमदाबाद

"सीमा शुल्क भवन ,"पहली मंजिल ,पुराने हाईकोर्टके सामने ,नवरंगपुरा ,अहमदाबाद – 380 009.

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PREAMBLE

A	फ़ाइलसंख्या/ File No.	:	VIII/10-37/SVPIA-C/O&A/HQ/2025-26
B	कारण बताओ नोटिस संख्या–तारीख / Show Cause Notice No. and Date	:	Waiver of SCN by the Pax.
C	मूल आदेश संख्या/ Order-In-Original No.	:	129/ADC/SRV/O&A/2025-26
D	आदेश तिथि/ Date of Order-In-Original	:	17.09.2025
E	जारी करने की तारीख/ Date of Issue	:	17.09.2025
F	द्वारा पारित/ Passed By	:	Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad.
G	आयातक का नाम और पता / Name and Address of Importer / Passenger	:	Shri Jameen Khan, 284, VPO-Detani, Tehsil-Gadra Road, Barmer, Rajasthan, Picode-344502
1)	यह प्रति व्यक्ति के उपयोग के लिए निःशुल्क प्रदान किया जाता है जिन्हे यह जारी किया जाता है।		
2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्त किया तारीख के ६० दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क (अपील), ४वि मंज़िल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।		
3)	अपील के साथ केवल पांच (५.00) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:		
i)	अपील की एक प्रति और;		
ii)	इस प्रति या इस आदेश की कोई प्रति के साथकेवल पांच (५.00) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए।		
4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को ७.५% अधिकतम १० करोड़ शुल्क हम करना होगा जहां शुल्क या ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, १९६२ के धरा १२९ के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE: -

On the basis of spot profiling, the officers of Air Intelligence Unit (AIU), SVPIA, Customs Ahmedabad, intercepted a male passenger named Shri Jameen Khan (D.O.B.02.03.1990) (hereinafter referred to as the said "passenger/Noticee") son of Akbar Khan residing at 284, VPO-Detani, Tehsil-Gadra Road, Barmer, Rajasthan, Picode-344502, India (address as per passport), holding an Indian Passport No. P19196735, arriving from Jeddah(JED) to Ahmedabad(AMD) on 28.02.2025 via Indigo Flight No. 6E76 (Seat No.21D), 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 28.02.2025.

2. 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 given 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-2, SVPI Airport, Ahmedabad. The Officers found nothing objectionable in the baggage. The passenger, Shri Jameen Khan was then made to pass through the Door Frame Metal Detector (DFMD) Machine installed near the green channel in the Arrival Hall of Terminal-2 building, after removing all metallic objects from his body/ clothes. The passenger readily kept his mobile and purse in a plastic tray and passed through the DFMD Machine. During DFMD strong beep sound was heard at the lower and

upper part of the metal detector machine indicating that there was still some objectionable/ metallic item on his body/clothes. Thereafter, during detailed frisking of the passenger, Shri Jameen Khan, it was observed that he was carrying two gold kadiwali chains concealed in his right pocket (unpolished), three gold kadiwali chains (polished) concealed in his left pocket and two gold kadiwali chains coated with white rhodium worn by him around his neck and concealed under the high neck white kurta worn by him. Thereby, total seven gold chains recovered from the passenger. Photograph of the same is as under:

2.1 The officers then called the Government Approved Valuer (Shri Kartikey Vasantrai Soni) and informed him that total seven gold chains have been recovered from the passenger and that he needed to come to the Airport for verification, examination and valuation of the recovered items. After some time, the Government Approved Valuer came at the Airport. The Government Approved Valuer then weighed the above said gold chains recovered from the

passenger and after testing the same, the valuer vide its Report No. 1686/2024-25 dated 28.02.2025 confirmed that the two chains coated with white rhodium are made of pure gold having purity 999.0/24Kt. and other items i.e. five pcs of gold chains are also having purity 999.0/24Kt. Item wise purity and valuation certified by the Government approved valuer as pr Certificate No. 1686/2024-25 dated 28.02.2025 is as under:

Name of passenger	Details of gold Items	No. of Pcs.	Certificate No. & date	Net Weight in Gram	Purity	Market Value Rs.	Tariff Value Rs.
Shri Jameen Khan	Gold Kadiwali Chain coated with White Rhodium	2	1686/ 2024-25 Dated 28.02.2025	246.800	999.0 24Kt	2168138/-	2031398/-
	Gold Kadiwali Chain Polished	3		142.900	999.0 24Kt	1255377/-	1176203/-
	Gold Kadiwali Chain un-Polished	2		98.800	999.0 24Kt	867958/-	813218/-
Total		7		488.500	999.0 24Kt	4291473/-	4020819/-

2.2 The photographs with weight of the recovered gold items are as under:

Photograph Of Gold Kadiwali Chains Coated with White Rhodium 02 Nos.

Photograph Of Gold Kadiwali Chains (03 Nos.) (Polished)

Photograph Of Gold Kadiwali Chains (02 Nos.) (Unpolished)

2.3 The Government Approved valuer further vide his Certificate No. 1686/2024-25 dated 28.02.2025 certified that total Seven nos. of Gold kadiwali chains, totally weighing 488.500 grams (Net Weight) having purity 999.0/24 Kt. and having Market Value of Rs.42,91,473/ (Rupees Forty-Two Lakhs Ninety-One Thousand and Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), which has been calculated as per the Notification

No. 10/2025-Customs (N.T.) dated 14.02.2025 (Gold) and Notification No. 19/2024-Customs (N.T.) dated 21.02.2025 (Exchange rate).

3. SEIZURE OF THE ABOVE GOLD ITEMS: -

The said Gold items i.e. 02 Nos. of Gold Kadiwali chains coated with white rhodium totally weighing 246.800 grams, 03 Nos. of Gold Kadiwali chains (Polished) totally weighing 142.900 grams and 02 Nos. of Gold Kadiwali Chains (Unpolished) totally weighing 98.800 grams and all the items having purity 999.00/24 Kt., kept and concealed in the clothes worn by the passenger, Shri Jameen Khan, were carried by him(passenger) without any legitimate Import documents inside the Customs Area, therefore the same falls under the category of Smuggled Goods and stands liable for confiscation under the Customs Act, 1962. Therefore, the said 07 Nos of gold chains, totally weighing 488.500 grams (Net Weight) having purity 999.0/24 Kt. and having Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), was placed under seizure vide Order dated 28.02.2025 issued under the provisions of Section 110(1) and (3) of the Customs Act, 1962 under reasonable belief that the subject gold items are liable for confiscation under Section 111 of the Customs Act, 1962.

4. STATEMENT OF SHRI JAMEEN KHAN:

4.1 Statement of Shri Jameen Khan was recorded on 28.02.2025, 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 3rd and working as a tourist guide for the passengers going to Jeddah for Umrah. He assisted and guide them during their air travel and stay at Jeddah. Being a tourist guide, he can speak and understand several languages like Urdu, Hindi, Sindhi and Gujarat, fluently and that his average monthly income is approx. Rs.25,000/-.

4.2 He further stated that he departed from Ahmedabad on 08.02.2025 and reached Jeddah by Flight No. QP563 and that the main purpose of his visit

was to accompany the guide the passengers for Umrah, who had booked tickets through the tour operator with whom he worked. He returned from Jeddah on 28.02.2025 by Indigo Flight No. 6E76. He also admitted that he had carried 02 pieces of gold Kadiwali Chains (Unpolished) in the right pocket of Kurta, 03 pieces of gold Kadiwali Chains (Polished) in the left pocket of Kurta and 02 Nos. of Gold Kadiwali Chains coated with white Rhodium worn around the neck and concealed under the high neck white kurta, worn by him, when he arrived at Terminal-2 of SVPI Ahmedabad from Jeddah vide Indigo Flight No.6E76, on 28.02.2025. He did this to evade payment of Customs duty without declaring the same to Customs and illicitly clear the same through Green Channel. He also stated that this is the first instance of his indulgement in smuggling of gold activity by way of concealing the 07 (Seven) Nos. of gold kadiwali chains having purity 24Kt.

4.3 On being asked, he further stated he did not have the bills for the said Seven Gold Kadiwali chains and that he would not be able to submit the same in future as these seven gold chains were purchased by him from three different places i.e. Mecca, Madina and Jeddah. He made cash payment in Riyal to the jewellers at all these three places for purchase of these seven foreign origin gold chains totally weighing 488.500 grams and having 24 Kt. He further stated that all these payments made in Riyal was arranged by his brother Shri Ishaq Khan who stays at Jeddah and that he has to pay back these money in instalments to his brother in future. He purchased all these seven gold chains during the period from 08.02.2025 to 28.02.2025. He also stated that he bought these seven gold chains so as to meet the future expenses of marriage of his three daughters.

4.4 He perused the Panchnama dated 28.02.2025 and stated that the facts narrated therein are true and correct.

4.5 He further admitted that smuggling of gold without payment of customs duty is an offence but as he had intention to evade customs duty, he tried to smuggle the gold by carrying these two gold chains having purity 999.0, 24 Kt. by way of concealing/ hiding the same under his clothes that he was wearing. Shri Jameen Khan also admitted that he was aware that smuggling of gold

without payment of Customs duty is an offence. He did not make any declarations in this regard and opted for green channel so that he can attempt to smuggle the gold chains without paying customs duty.

4.6 From the investigation conducted in the case, it appears that Shri Jameen Khan had attempted to smuggle total **488.500** grams of 999.0/24 kt. pure gold items i.e. 2 Nos. of Gold Kadiwali chains coated with white rhodium, 03 Nos. of Gold Kadiwali chains (Polished) and 02 Nos. of Gold Kadiwali chains (Unpolished), having total market value of Rs.42,91,473/- and Tariff Value of Rs.40,20,819/-. Since these gold chains of 24 kt. not worn as ornaments in the Indian culture and were clearly meant for commercial purpose and hence did not constitute Bonafide baggage within the meaning of Section 79 of the Customs Act, 1962. Accordingly, the aforesaid 24 Kt. pure gold chains having total weight of 488.500 grams and having total market value of Rs. 42,91,473/- were seized under the provisions of Section 110 of the Customs Act, 1962 on the reasonable belief that the same were liable to be confiscated in terms the provisions of Section 111 of the Customs Act, 1962. Further, the quantity of gold brought by Shri Jameen Khan 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.

4.7 According to Section 77 of the Customs Act, 1962, the owner of any baggage, for the purpose of clearing it, is required to make a declaration of its contents to the proper Officer. In the instant case, the passenger had not declared the said gold items totally weighing 488.500 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 07 Nos of Gold Kadiwali chains, totally weighing 488.500 gms having purity of 24 Kt/999.0 recovered from Shri Jameen Khan, was attempted to be smuggled into India with an intention to clear the same without discharging duty payable thereon. It, therefore, appears that the said gold kadiwali chains (07 Nos.) totally weighing 488.500 grams having purity of 24 Kt/999.0 are liable for confiscation under the provisions of Section 111 of the Customs Act, 1962. Consequently, 07 Nos. of Gold kadiwali chains totally weighing 488.500

gms having purity of 24Kt/999.0, which were brought by way of concealment in the clothes worn by the passenger, Shri Jameen Khan, who had arrived from Jeddah to Ahmedabad on 28.02.2025 via Indigo Flight No. 6E76, at Terminal-2 of SVPIA Ahmedabad were placed under seizure vide Panchnama dated 28.02.2025 and Seizure Order dated 28.02.2025 by the AIU Officers of Customs under the reasonable belief that the subject Gold is liable for confiscation.

SUMMATION:

5. The aforementioned proceedings indicates that Shri Jameen Khan attempted to smuggle the aforesaid gold items into India and thereby rendered the aforesaid gold items having the Market Value of Rs. 42,91,473/- (Rupees Forty two lakhs Ninety One Thousand Four Hundred and Seventy Three only) and Tariff value as Rs.40,20,819/- (Rupees Forty Lakhs Twenty Thousands Eight Hundred and Nineteen 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 28.02.2025 issued under the Provisions of Section 110(1) and (3) of the Customs Act, 1962 under reasonable belief that the subject Gold items (07 Gold Kadiwali chains) are liable for confiscation under Section 111 of the Customs Act, 1962.

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 transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54];

(n) any dutiable or prohibited goods transited with or without

transhipment 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 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.

6.14 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.

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

Customs Baggage Rules and Regulations:

6.16 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.

6.17 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:

6.18 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.

6.19 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 leviable thereon under the said First Schedule as is in excess of the amount calculated at the standard rate specified in the corresponding entry in column (4) of the said Table; and (b) from so much of integrated tax leviable thereon under sub-section (7) of section 3 of said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table, subject to any of the conditions, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (6) of the said Table:

	Chapter or heading or sub–heading or tariff item	Description of goods	Standard rate	Condition No.
356.	71or 98	(i) Gold bars, other than tola bars, bearing manufacturers 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 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 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.

8. Contravention and violation of laws:

8.1 In view of the above, it appears that:

(i) **Shri Jameen Khan** had attempted to smuggle/improperly import 07 Nos. of gold kadiwali chains totally weighing 488.500 Grams having purity 24KT 1999.0 and having the Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), which were kept and concealed in the clothes worn by the passenger, Shri Jameen Khan, 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 had knowingly and intentionally smuggled the said gold items by way of concealment, on his arrival from Jeddah to Ahmedabad on 28.02.2025 by Indigo Flight No. 6E76 (Seat No. 21D) at Terminal-2 SVPIA Ahmedabad, with an intent to clear it illicitly to evade payment of Customs duty. Therefore, the improperly imported gold items by Shri Jameen Khan, by way of concealment and without declaring it to Customs on arrival in India cannot be treated as Bonafide household goods or personal effects. Shri Jameen Khan 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 Jameen Khan by not declaring the gold items brought by him in the form of 07 Nos. of Gold Kadiwali chains totally weighing 488.500 gms having purity of 24Kt/999.0 kept and concealed in the clothes worn by the passenger, 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 Jameen Khan, in the form of 07 Nos. of thick Gold Chains totally weighing 488.500 gms having purity of 24Kt./ 999.0 kept and concealed in the clothes worn by the passenger, before arriving from Jeddah to SVPI Airport, Ahmedabad, on 28.02.2025 via Indigo Flight No. 6E76 (Seat No. 21D) at Terminal-2, SVPIA Ahmedabad on 28.02.2025, 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 Jameen Khan, by the above-described acts of omission/commission and/or abetment has rendered himself liable for 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 items i.e. 07 Nos. of Gold Kadiwali Chains totally weighing 488.500 grams, which were kept and concealed in the clothes worn by the passenger, Shri Jameen Khan who arrived from Jeddah via Indigo Flight No. 6E76 (Seat No. 21 D) at Terminal -2, SVPIA Ahmedabad on 28.02.2025 are not smuggled goods, is upon Shri Jameen Khan, who is Noticee in this case.

9. In view of the above, **Shri Jameen Khan, is liable for:**

(i) Confiscation of 07 Nos. of gold kadiwali chains totally weighing 488.500 Grams having purity 24KT 1999.0 and having the Market Value of **Rs.42,91,473/-** (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as **Rs. 40,20,819/-** (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only) recovered from **Shri Jameen Khan**, which have been placed under Seizure under Panchnama proceedings dated 28.02.2025 and Seizure Memo Order dated 28.02.2025 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 under Sections 112 of the Customs Act, 1962, for the omissions and commissions mentioned hereinabove.

10. The passenger **Shri Jameen Khan** through his advocate and authorized representative Shri Rishikesh J. Mehra vide letter dated 24.03.2025 submitted a request for waiver of SCN, wherein Shri Jameen Khan stated that he has been explained the provisions of the Customs Act, 1962 to be included in the Show Cause Notice orally and after understanding the same he is ready and willing to pay applicable/assessed duty and penalty and his case may be

decided on merits without the issuance of Show Cause Notice and by providing the opportunity of personal hearing in the case before the final outcome of the case.

A lenient view may be taken before deciding the case on merits.

11. PERSONAL HEARING:

To follow the principle of natural justice, personal hearing in the matter was granted on 13.08.2025. Shri Rishikesh J. Mehra, Advocate and authorized representative of Shri Jameen Khan, attended the PH on behalf of Noticee. He produces copy of Vakalatnama to represent the case and requested to appear for personal hearing in person instead of video conferencing. The noticee through his letter dated 24.03.2025 requested for waiver of SCN/Oral SCN under the provisions of Section 124 of Customs Act, 1962. Accordingly, the request for non-issuance of written Show Cause Notice is accepted in terms of the first proviso to Section 124 of the Customs Act, 1962 and accordingly, the representative of the noticee has been explained the provisions of Section 124 thoroughly regarding the provision for issuing SCN and waiver of SCN has been granted and matter is taken up for decision on merits. He reiterated the written submission dated 11.08.2025. He submitted that the gold was not ingenious concealment and gold was purchased from his client's personal savings and borrowed money from his relative. Due to ignorance of law the gold was not declared by the passenger. He further submits that his client is ready to pay applicable Customs Duty, fine and penalty and requested for release of seized gold.

He requested to take lenient view in the matter and allow to release the gold on payment of reasonable fine and penalty.

DISCUSSION & FINDINGS:

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

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

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

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

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

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

Perusal of Section 124 of the Act states that a Show Cause Notice may be issued in Oral on the request of noticee. If an oral SCN/ waiver has to be agreed to by the person concerned, the same ought to be in the form of a proper declaration, consciously signed by the person concerned. I find that the noticee through his advocate/authorized representative requested for waiver of SCN/Oral SCN after preciously go through the provisions of Show Cause Notice under Section 124 of Customs Act, 1962 vide letter dated 24.03.2025. Therefore, the Oral SCN/Waiver of SCN can be granted under Section 124 of Customs Act, 1962 on his written request and after following the principle of natural justice. In the instant case, I find that the noticee through his representative has submitted his request letter for waiver of SCN which was consciously signed and Authorized representative has attended the PH. Accordingly, the request for non-issuance of written Show Cause Notice is accepted in terms of the first proviso to Section 124 of the Customs Act, 1962 and accordingly, the matter is taken up for decision on merits.

14. In the instant case, I find that the main issue that is to be decided is whether the gold i.e. 07 Nos. of gold kadiwali chains totally weighing 488.500

Grams having purity 24KT 1999.0 and having the Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), carried by the noticee, which were seized vide Seizure Order dated 28.02.2025 under the Panchnama proceedings dated 28.02.2025 on the reasonable belief that the said goods were smuggled into India, is liable for confiscation under Section 111 of the Customs Act, 1962 (hereinafter referred to as 'the Act') or not and whether the passenger is liable for penalty under the provisions of Section 112 of the Act.

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

- Assistant Collector of Central Excise, Rajamundry Vs. Duncan Agro India Ltd reported in 2000 (120) E.L.T 280 (SC) wherein it was held that "Statement recorded by a Customs Officer under Section 108 is valid evidence"
- In 1996 (83) E.L.T 258 (SC) in case of Shri Naresh J Sukhwani V. Union of India wherein it was held that "It must be remembered that the statement before the Customs official is not a statement recorded under Section 161 of the Criminal Procedure Code 1973. Therefore, it is material piece of evidence collected by Customs Official under Section 108 of the Customs Act,1962"
- There is no law which forbids acceptance of voluntary and true admissible statement if the same is later retracted on bald assertion of threat and coercion as held by Hon'ble Supreme Court in case of K.I. Pavunny Vs. Assistant Collector (HQ), Central Excise Cochin (1997) 3 SSC 721.
- Hon'ble High Court of Mumbai in FERA Appeal No. 44 of 2007 in case of Kantilal M Jhala Vs. Union of India, held that "Confessional Statement corroborated by the Seized documents admissible even if retracted."

16. I find that on the basis of suspicious movement Shri Jameen Khan, was intercepted by the AIU officers, when he was trying to exit through green channel without making any declaration. The baggage Shri Jameen Khan was passed through the X-Ray Baggage Scanning Machine, nothing suspicious noticed. Furter, while passing through the DFMD after removing the metallic objects, a loud beep sound was heard, indicating some suspicious goods alongwith him. Further, the noticee, Shri Jameen Khan in presence of panchas confessed that he has carried carrying two gold kadiwali chains concealed in his right pocket (unpolished), three gold kadiwali chains (polished) concealed in his left pocket and two gold kadiwali chains coated with white rhodium worn by him around his neck and concealed under the high neck white kurta worn by him. It is also on record that the Govt. approved valuer examined recovered item and submit his report vide Certificate No. 1686/2024-25 dated 28.02.2025. wherein he submitted that the recovered gold item was of purity of 24kt/999.0. The details of same are as under:-

Name of passenger	Details of gold Items	No. of Pcs.	Certificate No. & date	Net Weight in Gram	Purity	Market Value Rs.	Tariff Value Rs.
Shri Jameen Khan	Gold Kadiwali Chain coated with White Rhodium	2	1686/ 2024-25 Dated 28.02.2025	246.800	999.0 24Kt	2168138/-	2031398/-
	Gold Kadiwali Chain Polished	3		142.900	999.0 24Kt	1255377/-	1176203/-
	Gold Kadiwali Chain un-Polished	2		98.800	999.0 24Kt	867958/-	813218/-
Total		7		488.500	999.0 24Kt	4291473/-	4020819/-

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

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

"Further, Section 2(33) of the Act defines "Prohibited Goods" as under: - Prohibited goods means any goods import or export of which subject to any prohibition under this Act or any other law for time being in force but does not include any such goods in respect of which conditions subject to which the goods are to be permitted to be imported or exported have been complied with. *"From the aforesaid definition, it can be stated that (a) if there is any prohibition of import or export of goods under the Act or any other law for time being in force, it would be considered to be prohibited goods*; and (b) this would not include any such goods in respect of which the conditions, subject to which the goods are imported or exported, have been complied with. *This would mean that if the conditions prescribed for import or export of the goods are not complied with, it would be considered to be prohibited goods.* This would also be clear from the Section 11 of Customs Act, 1962 which empowers the Central Government to prohibit either 'absolutely' or 'subject to such conditions' to be fulfilled before or after clearance, as may be specified in the Notification, the import or export of the goods of any specified description. The notification can be issued for the purpose specified in sub section (2). Hence, prohibition of importation or exportation could be subject to certain prescribed conditions to be fulfilled before/after clearance of goods. If the conditions are not fulfilled, it may amount to prohibited goods. *This is also made clear by this court in Sheikh Mohd. Omer vs. Collector of Customs, Calcutta and others [(1970) 2 SSC 728] wherein it was contended that the expression 'prohibited' used in Section 111 (d) of the Customs Act, 1962 must be considered as a total prohibition and the expression does not be within its fold the restriction imposed in clause (3) of import control order, 1955. The Court negatived the said contention and held thus: -* "… what clause (d) of Section 111 says is that any goods which are imported or attempted to be imported contrary to" any prohibition imposed by any law for the time being in force in this country is liable to be confiscated. "Any prohibition" referred to in that section applies to every type of "prohibition". That prohibition may be complete or partial. Any restriction on import or export is to an extent a prohibition. The expression "any prohibition" in section 111(d) of the Customs Act, 1962 includes restriction. Merely because section 3 of import or export (control) act, 1947 uses three different expressions 'prohibiting', 'restricting' or 'otherwise controlling', we cannot cut down the

amplitude of the word "any prohibition" in Section 111(d) of Customs Act, 1962. "Any prohibition" means every prohibition. In others words, all types of prohibition. Restriction is one type of prohibition. **Hence, in the instant case, Gold brought was under restriction/prohibition. Relying on the ratio of the judgment stated above, I find that the goods brought by and recovered from possession Shri Jameen Khan, are "Prohibited Goods" under the definition of Section 2(33) of the Customs Act, 1962.**

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

Further, as per the Notification No. 12/2012-Cus dated 17.03.2012 (S.I-321) and Notification No. 50/2017-Cus dated 30.06.2017, Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger and gold in any form including tola bars and ornaments are allowed to be imported upon payment of applicable rate of duty as the case may be subject to conditions prescribed. As per the prescribed condition the duty is to be paid in convertible foreign currency, on the total quantity of gold so imported not exceeding 1 kg only when gold is carried by the "eligible passenger" at the time of his arrival in India or imported by him within 15 days of his arrival in India. It has also been explained for purpose of the notifications, "eligible passengers" means a passenger of India origin or a passenger holding a valid passport issued under Passport Act, 1967 who is coming to India after a period of not less than six months of stay abroad and short visits, if any made by the eligible passenger during the aforesaid period of 06 months shall be ignored, if the total duration of such stay does not exceeds 30 days and such passenger have not availed of the exemption under this notification.

19. Further, as per Notification no. 49/2015-2020 dated 05.01.2022 (FTP), gold in any form includes gold in any form above 22 carats under Chapter 71 of the ITC (HS), 2017, Schedule-1 (Import Policy) and import of the same is **restricted**. Further, I find that as per Rule 5 of the Baggage Rules, 2016, a passenger residing abroad for more than one year, on return to India, shall be allowed clearance free of duty in the bon-fide baggage, jewellery upto weight, of twenty grams with a value cap of Rs. 50,000/- if brought by a gentlemen passenger and forty grams with a value cap of one lakh rupees, if brought by a lady passenger. Further, the Board has also issued instructions for compliance by "eligible passenger" and for avoiding such duty concession being misused by the unscrupulous elements vide Circular No. 06/2014-Cus dated 06.03.2014.

20. A combined reading of the above-mentioned legal provision under the Foreign Trade regulations, Customs Act, 1962 and the notification issued thereunder, clearly indicates that import of gold including gold jewellery through baggage is restricted and condition have been imposed on said import by a passenger such as he/she should be of Indian origin or an Indian passport holder with minimum six months stay abroad etc. only passengers who satisfy these mandatory conditions can import gold as a part of their bone fide personal baggage and the same has be declared to the Customs at their arrival and pay applicable duty in foreign currency/exchange. I find that these conditions are nothing but restrictions imposed on the import of the gold through passenger baggage. I find from the content of the statement tendered by the noticee under Section 108 of Customs Act, 1962 that the noticee travelled to Jeddah on 08.02.2025 and returned back on 28.02.2025 which clearly establish that the noticee is not an "eligible passenger" in terms of the conditions prescribed to become an eligible passenger. Further, I find that noticee has brought the gold item having total weight 488.500 grams which is more than the prescribed limit. Further, the noticee has not declared the same before customs on his arrival which is also an integral condition to import the gold and same has been admitted in his voluntary statement that the noticee wants to clear the gold items clandestinely without payment of eligible custom duty.

21. Further, the noticee has accepted that he had not declared the said gold concealed by him, on his arrival to the Customs authorities. It is clear case of non-declaration with an intent to smuggle the gold. Accordingly, there is sufficient evidence to say that the noticee had kept the said gold items viz. 07 Nos. of gold kadiwali chains totally weighing 488.500 Grams having purity 24KT 1999.0 and having the Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), which were kept and concealed in the clothes worn by the passenger and failed to declare the same before the Customs Authorities on his arrival at SVPIA, Ahmedabad. The case of smuggling of gold items recovered from his possession and which was kept undeclared with an intent of smuggling the same and in order to evade payment of Customs duty is conclusively proved. Thus, it is proved that the noticee violated Section 77, Section 79 of the Customs Act for import/ smuggling of gold which was not for bonafide use and thereby violated Rule 11 of the Foreign Trade Regulation Rules 1993 as amended, and para 2.26 of the Foreign Trade Policy 2015-20. 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. In his submission/request letter, the noticee has submitted the copy of bills. Also, at the time of personal hearing the authorized representative on behalf of noticee submitted that the gold items were purchased by his client from his personal savings and money borrowed from his relative. In this regard, I would like to refer to the conditions prescribed in Para 3 of Circular 06/2014-Cus dated 06.03.2014 wherein it is explicitly mentioned that *"in case of gold in any other form, including ornaments, the eligible passenger must be asked to declare item wise inventory of the ornaments being imported. This inventory, duly signed and duly certified by the eligible passenger and assessing officer, should be attached with the baggage receipt".* And *"Wherever possible, the field officer, may, inter alia, ascertain the antecedents of such passengers, source for funding for gold as well as duty being paid in the foreign currency, person responsible for booking of tickets etc.*

so as to prevent the possibility of the misuse of the facility by unscrupulous elements who may hire such eligible passengers to carry gold for them". From the conditions it is crystal clear that all eligible passengers have to declare the item wise inventory of the ornaments and have to provide the source of money from which gold was purchased. Further, during the personal hearing, it was mentioned that the gold was purchased from personal savings and from the money borrowed from his brother. However, I find that the noticee has failed to establish the claim with the documentary evidences such as borrowing transaction and purchase transaction.

22. It is seen that for the purpose of customs clearance of arriving passengers, a two-channel system is adopted i.e. Green Channel for passengers not having dutiable goods and Red Channel for passengers having dutiable goods and all passengers have to ensure to file correct declaration of their baggage. *I find that the Noticee had not filed the baggage declaration form and had not declared the said gold which was in his possession, as envisaged under Section 77 of the Act read with the Baggage Rules and Regulation 3 of Customs Baggage Declaration Regulations, 2013* and he was tried to exit through Green Channel which shows that the noticee was trying to evade the payment of eligible customs duty. I also find that the definition of "eligible passenger" is provided under Notification No. 50/2017- Customs New Delhi, the 30th June, 2017 wherein it is mentioned as - *"eligible passenger" means a passenger of Indian origin or a passenger holding a valid passport, issued under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days*. I find that the noticee has not declared the gold before customs authority. It is also observed that the imports were also for non-bonafide purposes. Therefore, the said improperly imported gold items weighing 488.500 grams concealed by him, without declaring to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects. The noticee has thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992.

It, is therefore, proved that by the above acts of contravention, the noticee has rendered the said gold items weighing 488.500 Grams having purity 24KT 1999.0 and having the Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), recovered and seized from the noticee vide Seizure Order under Panchnama proceedings dated 28.02.2025 liable to confiscation under the provisions of Sections 111(d), 111(l) & 111(m) of the Customs Act, 1962. By using the modus of concealing the gold in form of 07 Kadiwali Chains and in commercial quantity, it is observed that the noticee was fully aware that the import of said goods is offending in nature. It is, therefore, very clear that he has knowingly carried the gold items and failed to declare the same on his arrival at the Customs Airport. It is seen that he has involved himself in carrying, keeping, concealing, and dealing with the impugned goods in a manner which he knew or had reasons to believe that the same is liable to confiscation under the Act. Moreover, the noticee failed established the licit importation of the said goods. It is, therefore, proved beyond doubt that the Noticee has committed an offence of the nature described in Section 112 of the Customs Act, 1962 making him liable for penalty under Section 112 of the Customs Act, 1962.

23. I thus, find that the recovery of gold from the possession of the noticee which was concealed and not declared to the Customs with an intention to illicitly clear it from the Airport to evade the payment of Customs duty is an act of smuggling and the same is conclusively proved. By his above act of commission, it is proved beyond doubt that the noticee has violated Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013. I also find from the statement that the gold brought by the noticee from Jeddah, however the same has not been declared before the Customs to evade payment of customs duty. Therefore, the gold imported by the noticee in the form of Jewellery, viz. 07 gold kadiwali chains and deliberately not declared before the Customs on his arrival in India and in commercial quantity cannot be treated as a bonafide household goods and thus the passenger has contravened the Para 2.26 of the Foreign Trade Policy 2015-20 and thereby Section 11(1) of the Foreign Trade (Development and

Regulation) Act,1992 read with Section 3(2) and 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 read in conjunction with Section 11(3) of the Customs Act, 1962 and the relevant provisions of Baggage Rules, 2016, Customs Baggage Declaration Regulations, 2013 and Notification No.50/2017-Customs dated 30.06.2017 as amended. It is undisputed that as per the Foreign Trade Policy applicable during the period, gold was not freely importable and it could be imported only be banks authorized by RBI or other authorized by DGFT and to some extent by passengers. Therefore, gold which is restricted item for import but which was imported without fulfilling the conditions for import becomes prohibited goods in terms of Section 2(33) and it is liable for confiscation under Section 111 of Customs Act, 1962.

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

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

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

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

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

If,-

1. (a) the duty is paid in convertible foreign currency;

(b) the quantity of import does not exceed ten kilograms of gold and one hundred kilograms of silver per eligible passenger; and

2. the gold or silver is,-

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

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

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

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

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. As per the respective statements of Shri Jameen Khan recorded under Section 108 of the Customs Act, 1962, he went to Jeddah on 08.02.2025 and returned on 28.02.2025 well before the stipulated time of stay. I find that well defined and exhaustive conditions and restrictions are imposed on import of various forms of gold by eligible passenger(s)/nominated banks/nominated agencies/premier or star trading houses/SEZ units/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 goods i.e gold jewellery in this case, liable for confiscation under Section 111(d) of the Customs Act, 1962.

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

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

I find that the said gold items were not declared by Shri Shoukat Ali Joyia 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 jewellery which were found concealed and recovered in manner as described above, was made by the Noticee Jameen Khan, in the prescribed declaration form. Also, I find that noticee is not eligible to import gold and that too undeclared in substantial quantity of 488.500 grams and hence the same constitute prohibited goods, which are liable to confiscation under Section 111 (l) of the Customs Act, 1962.

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

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

In this regard, I find that gold items totally weighing 488.500 Grams recovered from the possession of noticee having the Market Value of Rs.42,91,473/- (Rupees Forty-Two Lakhs Ninety-One Thousand Four hundred and seventy-three only) and Tariff value as Rs. 40,20,819/- (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only), - and admittedly smuggled into India. On test, those golds were found to be of purity of 999.0/24kt. Further, I find that the noticee could not produce any licit or valid documents regarding their legal importation/ acquisition/ possession/ transportation of the gold of foreign origin found in person of Shri Jameen Khan, thus failing to discharge their "burden of proof" that the gold was legally imported/possessed. They have also not declared the same to the customs in Indian Customs Declaration Form in terms of Section 77 of Customs Act, 1962, which read as: -

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

As per the facts of the case available on records, no such declaration of the impugned gold, which were found concealed in pockets of the white kurta wore by Shri Jameen Khan in prescribed declaration form. I also find that the noticee was not eligible to import the said gold items concealed by noticee in his hand bag and pant pocket and that too undeclared in terms of Section 77 of Customs Act, 1962 and hence the said gold items are liable for confiscation under Section 111 (m) of the Customs Act, 1962.

24. 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 passenger, trying to smuggle it, was not eligible passenger to bring it in India or import gold into India in baggage. The said gold items weighing 488.500 grams, were recovered from his possession and was carried 02 pieces of gold Kadiwali Chains (Unpolished) in the right pocket of Kurta, 03

pieces of gold Kadiwali Chains (Polished) in the left pocket of Kurta and 02 Nos. of Gold Kadiwali Chains coated with white Rhodium worn around the neck and concealed under the high neck white kurta, worn by him undeclared with an intention to smuggle the same and evade payment of Customs duty. Further, the noticee concealed the said gold in form of jewellery concealed in his clothes. 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.

25. 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 items to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold items. 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 items in form of jewellery concealed pocket of his green kurta with intention to smuggle the same into India and evade payment of customs duty. Therefore, I hold that the said gold items weighing 488.500 grams, carried and undeclared by the Noticee with an intention to clear the same illicitly from Airport and evade payment of Customs duty is liable for absolute confiscation. Further, the Noticee in his statement dated 28.02.2025 stated that he has carried the said gold item in concealed manned to evade payment of Customs duty. Under his waiver request, the noticee has agreed to pay the duty, penalty, fine and requested to redeem the gold on payment of redemption fine. On Plain reading section 125 of Customs Act, 1962, I find that, the officers may allow the redemption fine, if he finds fit. The relevant portion of the same is as:-

> **Section 125. Option to pay fine in lieu of confiscation. -** *(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [1] [or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit:*

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

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

I find that it is settled by the judgment of Hon'ble Supreme Court in the case of Garg Wollen Mills (P) Ltd Vs. Additional Collector Customs, New Delhi [1998 (104) ELT 306(S.C)] *that the option to release 'Prohibited goods' on redemption fine is discretionary*. In the case of Raj Grow Impex (Supra), the Hon'ble Supreme Court has held that *"that when it comes to discretion, the exercise thereof has to be guided by law; has to be according to the rules of reason and justice; has to be based on relevant consideration."*. Hon'ble Delhi High Court has, in case of Raju Sharma [2020(372) ELT 249 (Del.)] held that *"Exercise of discretion by judicial, or quasi-judicial authorities, merits interferences only where the exercise is perverse or tainted by the patent illegality, or is tainted by oblique motive."* Now in the latest judgment the Hon'ble Delhi High Court in its order dated 21.08.23 in W.P (C) Nos. 8902/2021, 9561/2021, 13131/2022, 531/2022 & 8083/2023 held that "---- an infraction of a condition for import of goods would also fall within the ambit of Section 2(33) of the Act and thus their redemption and release would become subject to the discretionary power of Adjudicating Officer." Therefore, keeping in view the judicial pronouncement above and nature of concealment alongwith the facts of the case, **I do not incline to exercise the option to allow redemption fine in lieu of confiscation of gold.** Further, to support my view, I also relied upon the following judgment which are as:-

25.1. Before the Kerala High Court in the case of Abdul Razak [2012(275) ELT 300 (Ker)], the petitioner had contended that under the Foreign Trade (Exemption from application of rules in certain cases) Order, 1993, gold was

not a prohibited item and can be released on payment of redemption fine. The Hon'ble High Court held as under:

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

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

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

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

89. While considering a prayer for provisional release, pending adjudication, whether all the above can wholly be ignored by the authorities, enjoined with a duty, to enforce the statutory provisions, rules and notifications, in letter and spirit, in consonance with the objects and intention of the Legislature, imposing prohibitions/restrictions under the Customs Act, 1962 or under any other law, for the time being in force, we are of the view that all the authorities are bound to follow the same, wherever, prohibition or

restriction is imposed, and when the word, "restriction", also means prohibition, as held by the Hon'ble Apex Court in Om Prakash Bhatia's case (cited supra).

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

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

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

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

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

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

*"**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**."*

26. Given the facts of the present case before me and the judgements and rulings cited above, the said gold items viz. 07 gold kadiwali Chains totally weighing 488.500 grams, carried by the noticee is therefore liable to be confiscated absolutely. **I therefore hold in unequivocal terms that the said gold items weighing 488.500 grams, placed under seizure would be liable to absolute confiscation under Section 111(d), 111(l) & 111(m) of the Customs Act, 1962**.

27. I further find that the noticee had involved himself and abetted the act of smuggling of the said gold items weighing 488.500 grams, carried by him. In regard to imposition of penalty under Section 112 of Customs Act, 1962, I find that in the instant case, the principle of mens-rea on behalf of noticee is established as the nature of concealment of gold items is ingenious in nature and clearly showed that the noticee was not inclined to declare the same and he wants to clear the gold items clandestinely, to evade the payment of applicable duty. Accordingly, on deciding the penalty in the instant case, I also take into consideration the observations of Hon'ble Apex Court laid down in the judgment of M/s. Hindustan Steel Ltd Vs. State of Orissa; wherein the Hon'ble Apex Court observed that *"The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in case where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct or act in conscious disregard of its obligation; but not in cases where*

there is technical or venial breach of the provisions of Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the Statute." In the instant case, the noticee was attempting to evade the Customs Duty by not declaring the gold items weighing 488.500 grams (07 gold kadiwali Chains of 999.0/24Kt). Hence, the identity of the goods is not established and non-declaration at the time of import is considered as an act of omission on his part. I further find that the noticee had involved himself and abetted the act of smuggling of the said gold items weighing 488.500 grams, carried by him. He has agreed and admitted in his statement that he travelled from Jeddah to Ahmedabad with the said gold items concealed in pockets of Kurta. Despite his knowledge and belief that the gold carried by him is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the noticee attempted to smuggle the said gold items weighing 488.500 grams, having purity 999.0/24Kt by concealment. Thus, it is clear that the noticee has concerned himself with carrying, removing, keeping, concealing and dealing with the smuggled gold which he knows very well and has reason to believe that the same are liable for confiscation under Section 111 of the Customs Act, 1962. Accordingly, I find that the noticee is liable for the penalty under Section 112(a) & 112(b) of the Customs Act,1962 and I hold accordingly.

28. Accordingly, I pass the following Order:

O R D E R

i. I order absolute confiscation of the impugned gold items i.e. 07 gold kadiwali chains weighing **488.500 grams** (Net Weight) having purity 999.0/24 Kt. and having **Market Value of Rs.42,91,473/-** (Rupees Forty-Two Lakhs Ninety-One Thousand and Four hundred and seventy-three only) and **Tariff value as Rs. 40,20,819/-** (Rupees Forty Lakhs Twenty Thousand Eight Hundred and Nineteen only) recovered and seized from the noticee **Shri Jameen Khan** vide Seizure Order dated 28.02.2025 under Panchnama proceedings dated 28.02.2025 under the provisions of Section 111(d), 111(l) & 111(m) of the Customs Act, 1962;

ii. I impose a penalty of **Rs.11,00,000/-** (Rupees Eleven Lakh Only) on Shri Jameen Khan under the provisions of Section 112 (a)(i) & Section 112 (b)(i) of the Customs Act 1962.

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

(Shree Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

F. No. VIII/10-37/SVPIA-C/O&A/HQ/2024-25 Date:17.09.2025
DIN: 20250971MN00003303C2

BY SPEED POST A.D.

To,

Shri Jameen Khan, son of Akbar Khan
284, VPO-Detani, Tehsil-Gadra Road,
Barmer, Rajasthan, Picode-344502

Copy to:

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