



प्रधान आयुक्त का कार्यालय, सीमाशुल्क ,अहमदाबाद

“ सीमाशुल्कभवन ,”पहलीमंजिल ,पुराने हाईकोर्ट के सामने ,नवरंगपुरा ,अहमदाबाद – 380 009.

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PREAMBLE

A	फ़ाइल संख्या/ File No.	:	VIII/10-59/SVPIA-A/O&A/HQ/2025-26
B	कारण बताओ नोटिस संख्या-तारीख / Show Cause Notice No. and Date	:	VIII/10-59/SVPIA-A/O&A/HQ/2025-26 Dated 11.02.2026
C	मूलआदेश संख्या/ Order-In-Original No.	:	230/ADC/SRV/O&A/HQ/2025-26
D	आदेश तिथि/ Date of Order-In-Original	:	25.03.2026
E	जारी करने की तारीख/ Date of Issue	:	25.03.2026
F	द्वारा पारित/ Passed By	:	Shree Ram Vishnoi, Additional Commissioner, Customs, Ahmedabad
G	आयातक का नाम और पता / Name and address of Importer/ Passenger	:	Shri Akashkumar Jayeshbhai, S/o Shri Jayeshbhai Ramsangbhai Gohil, Behind Gurukul, Baby Land Play House, Station Road, Surendranagar, Gujarat- 363002
(1)	यह प्रति उन व्यक्तियों के उपयोग के लिए निःशुल्क प्रदान की जाती है जिन्हे 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 मंज़िल, 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 ड्यूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, 1962 की धारा 129 के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।		

BRIEF FACTS OF THE CASE:

Based on passenger profiling and suspicious behavior, officers of the Air Intelligence Unit (AIU) at SVPI Airport, Ahmedabad, intercepted Shri Akashkumar Jayeshbhai holding Indian Passport No. U6633067, DOB: 15.05.1999 S/o Shri Jayeshbhai Ramsangbhai Gohil residing at Behind Gurukul, Baby Land Play House, Station Road, Surendra Nagar-Pin 363002, Gujarat, upon his arrival from Dubai on IndiGo Flight No. 6E 1478 at Terminal 2 of the SVP International Airport, Ahmedabad, while he was attempting to exit through green channel without making any declaration to the Customs. When questioned by AIU officers about declaring any dutiable goods, the passenger denied carrying or needing to declare any such items. His personal search and baggage were then examined in the presence of two independent witnesses, and the entire process was recorded under the Panchnama dated 20.08.2025.

2. The officers informed the passenger that his personal and baggage search would be conducted and offered him the option to have it carried out in the presence of a magistrate or a gazetted customs officer. The passenger chose to be searched in the presence of a gazetted customs officer. Before starting the search, the officers offered themselves for personal search to ensure transparency, but the passenger declined, expressing trust in the officers

2.1 The personal search of the passenger is carried out by the officer of the AIU in presence of a gazetted customs officer and nothing objectionable/dutiable found during the personal search of the passenger.

2.2 Thereafter, the AIU officers conducted a detailed search of the passenger's baggage at the scanning facility in the Arrival Hall of SVPI Airport. The baggage was examined both through a scanner and by physically opening it, revealing garments and food items. During the inspection, a black pouch containing a Rolex watch, a well-known international luxury brand, was discovered inside the baggage. The photograph of the said watch is as under:



2.3 The AIU officers asked Shri Akashkumar Jayeshbhai about the ownership and value of the recovered watch, to which he stated that he had purchased it from his personal savings in Dubai and was the rightful owner. When asked for supporting documents, he produced a copy of the invoice No.16 dated 20.08.2025 and confirmed that the outer packaging and warranty card, already recovered from his bag, were also with him. The watch, a Rolex Model-126710BLNR, is valued at AED 69,500 (₹17,13,175/-) in the international market according to the invoice.

2.4 The officers informed Shri Akashkumar Jayeshbhai that the Rolex Watch, valued at ₹17,13,175/-, was being attempted to be smuggled through the green channel without declaration, thereby constituting an offence under the Customs Act, 1962. He was further informed that the watch was liable for confiscation and seizure under the provisions of the said Act.

SEIZURE OF THE WATCH:

3. The officers placed the aforesaid watch in a plastic container and covered it with the packing lists marked as "C-1" which was duly signed by the Panchas, concerned passenger and officer Shri Abhishek Manihar. The officers tied the plastic containers with thread and sealed the same with Customs lac seal. Thereafter, Shri Abhishek Manihar prepared a Seizure Memo/ Order under the provisions of Section 110 of Customs Act, 1962 dated 20.08.2025 under the reasonable belief that the same is liable for confiscation under Section 111 of the Customs Act, 1962. The said sealed transparent plastic boxes containing watch was handed over to the Ware House In-charge, Customs, SVPI Airport, Ahmedabad vide Ware House Entry No. 7610 dated 20.08.2025. The officers seized copies of travelling documents i.e. Boarding Passes and identity proof i.e. copy of Passports for further investigation.

STATEMENT OF SHRI AKASHKUMAR JAYESHBHAI:

4. Statement of Shri Akashkumar Jayeshbhai was recorded under Section 108 of the Customs Act, 1962 on 20.08.2025, wherein he inter alia stated as under:

4.1 He gave his personal details like name, age, address, education, profession and family details and informed that he was studied upto Diploma in Computer Science and was working as manager in Jewellery Shop in Dubai. His monthly income is ₹3,00,000/-. He was living in Dubai for last two years In token of having seen and correctness of the facts mentioned in the Panchnama dated 20.08.2025, he put his dated signature on last page of the said Panchnama. He stated that he was present during the entire panchnama proceedings.

4.2 On being asked, he stated that he was travelling from Dubai to Ahmedabad Airport by Indigo Flight No. 6E 1478 on 20.08.2025 which arrived at Ahmedabad Airport at 20.08.2025. He reached at Ahmedabad Airport At about 09:28 a.m. on 20.08.2025, he completed immigration procedure and collected his baggage. After Completion of immigration and receiving of check-in luggage he passed through the red channel and after that he passed through the Green Channel of Customs Notified Area. The Customs AIU Officer asked him regarding anything to declare in Customs, to which he denied the same and after that he asked for permission for his personal check and detailed check of his baggage. He permitted the same. The officer asked for him to pass through the Door Frame Metal Detector (DFMD) machine. Before passing through DFMD, he removed his purse, mobile and watch etc. When he passed through the DFMD Machine, no beep sound was heard. However, the expensive wristwatch of brand Rolex was recovered from his check in Baggage and the same was seized by the Customs officer during Panchnama dated 20.08.2025.

4.3 On being asked he stated that he was working as a manager in Jewellery shop in Dubai and came to India to take care of his mother. He also provided a copy of the resident card of Dubai.

4.4 On being asked he stated that he was fond of wearing watch and he has purchased the aforesaid watch from his personal saving in Dubai. Further, he gave a copy of Purchase Invoice No. 16 dated 20.08.2025 of his Rolex Watch SL No. 540388G9.

4.5 On being asked about the Payment Particulars he stated that he was working as a Manager in Carino Jewellery Trading LLC Shop since 2022 and he received his incentive in cash from my company. He made payment for this watch from credit card and his cash incentive which he had received from his company.

Further, he provided copy of my Bank statement. He further stated that he received cash incentive on his sales performance on monthly basis from his employer. This incentive he used for part payment of his Rolex watch.

4.6 Further statement of Shri Akashkumar Jayeshbhai was recorded under Section 108 of the Customs Act, 1962 on 09.09.2025, wherein he inter alia stated the said watch was purchased by him from his personal saving in Dubai for personal use. He stated that he has never indulged in any smuggling activity in the past and he was unaware about declaration to customs.

SUMMATION:

5. From the investigation conducted in the case, it appears that the aforesaid 01 luxury watch of brand Rolex (Model-126710BLNR) having watch SL No. 540388G9 valued at AED 69,500 (₹17,13,175/-) was attempted to be smuggled from the Customs Green channel by Shri Akashkumar Jayeshbhai without declaring the same before Customs authorities with an intent of illicitly clearing the same and to evade customs duty. Therefore, the same amount to smuggling of expensive watch and this watch was liable for confiscation under the provisions of Section 111 of the Customs Act, 1962. The same was clearly meant for commercial purpose and hence do not constitute Bonafide baggage within the meaning of Section 79 of the Customs Act, 1962. Accordingly, the aforesaid 01 luxury watch valued at ₹17,13,175/- was 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.

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.

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, she may seize such goods.

6.12 Section 111. Confiscation of improperly imported goods, etc.:*The following goods brought from a place outside India shall be liable to confiscation: -*

- (a) any goods imported by sea or air which are unloaded or attempted to be unloaded at any place other than a customs port or customs airport appointed under clause (a) of section 7 for the unloading of such goods;*
- (b) any goods imported by land or inland water through any route other than a route specified in a notification issued under clause (c) of section 7 for the import of such goods;*
- (c) any dutiable or prohibited goods brought into any bay, gulf, creek or tidal river for the purpose of being landed at a place other than a customs port;*
- (d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*
- (e) any dutiable or prohibited goods found concealed in any manner in any conveyance;*
- (f) any dutiable or prohibited goods required to be mentioned under the regulations in an import manifest or import report which are not so mentioned;*
- (g) any dutiable or prohibited goods which are unloaded from a conveyance in*

contravention of the provisions of section 32, other than goods inadvertently unloaded but included in the record kept under sub-section (2) of section 45;

- (h) any dutiable or prohibited goods unloaded or attempted to be unloaded in contravention of the provisions of section 33 or section 34;*
- (i) any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;*
- (j) any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission;*
- (k) any dutiable or prohibited goods imported by land in respect of which the order permitting clearance of the goods required to be produced under section 109 is not produced or which do not correspond in any material particular with the specification contained therein;*
- (l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;*
- (m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of section 54];*
- (n) any dutiable or prohibited goods transitted with or without transshipment or attempted to be so transitted 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 she 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 he is smuggled goods, the burden of proving that he is 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 her 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 her bon-fide baggage of jewellery upto weight, of twenty grams with a value cap of ₹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.

7 From the above paras, it appears that during the period relevant to this case, import of watches was subject to the stringent provisions of Section 123 of the Customs Act, 1962. Further, the accused passenger failed to declare before the Customs authorities that he was bringing expensive watch with him and thereby rendered that watch liable for confiscation under the provisions of Section 111 of the Customs Act, 1962.

8. CONTRAVENTION AND VIOLATION OF LAWS:

It therefore appears that:

- (i) Shri Akashkumar Jayeshbhai had attempted to smuggle/improperly import 01 luxury watch of brand Rolex (Model-126710BLNR) having Watch SL No. 540388G9 valued at AED 69,500 (₹17,13,175/-) with a deliberate intention to evade the payment of customs duty and fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. The said passenger Shri Akashkumar Jayeshbhai had knowingly and intentionally smuggled the said watch on their arrival from Dubai to Ahmedabad on 20.08.2025 with an intent to clear that illicitly to evade payment of the Customs duty. Therefore, the aforesaid smuggled watch by Shri Akashkumar Jayeshbhai, cannot be treated as bonafide household goods or personal effects. Shri Akashkumar Jayeshbhai have, thus contravened the Foreign Trade Policy 2015-20 and Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992.
- (ii) Shri Akashkumar Jayeshbhai, by not declaring the said watch before the proper officer of the Customs has contravened the provisions of Section 77 of the Customs Act, 1962 read with Regulation 3 of Customs Baggage Declaration Regulations, 2013.

- (iii) The said watch smuggled by Shri Akashkumar Jayeshbhai, without declaring it to the Customs is liable for confiscation under Section 111(l) read with Section 2 (22), (39) of the Customs Act, 1962.
- (iv) Shri Akashkumar Jayeshbhai, by the above-described acts of omission/ commission and/or abetment has/have 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 01-luxury watch of brand Rolex (Model-126710BLNR) having watch SL No. 540388G9 valued at AED 69,500 (₹17,13,175/-) is not smuggled goods, is upon Shri Akashkumar Jayeshbhai, who is the Noticee in this case.

9. Accordingly, a Show Cause Notice was issued to the Noticee i.e. Shri Akashkumar Jayeshbhai, as to why:

- (i) One (01) luxury watch of brand Rolex (Model-126710BLNR) having watch SL No. 540388G9 valued at AED 69,500 (₹17,13,175/-) (Rupees Seventeen Lakhs Thirteen Thousand One Hundred Seventy Five Only) found illegally smuggled by the passenger, **Shri Akashkumar Jayeshbhai**, who arrived from Dubai to Ahmedabad on 20.08.2025 by Indigo Flight No. 6E1478, at Terminal-2 of SVPIA Ahmedabad, placed under Seizure under Panchnama Proceedings and Seizure Memo Order both dated 20.08.2025, should not be confiscated under the provision of Section 111(l) of the Customs Act, 1962;
- (ii) Penalty should not be imposed upon **Shri Akashkumar Jayeshbhai**, Penalty under Sections 112 of the Customs Act, 1962, for the omissions and commissions mentioned hereinabove.

DEFENSE REPLY:

10. The noticee has submitted his written submission vide letter dated 10.03.2026 through Shri Rishikesh Mehra, Advocate and Authorized Representative wherein he denied all the allegation against his client made under the SCN and stated that although a Rolex watch worth Rs.17,13,175/- was seized, any statements recorded under Section 108 of the Customs Act, 1962, were made under duress and fear of arrest, making them unreliable.

10.1 He explained that the watch was neither prohibited nor restricted and, therefore, was not liable for confiscation under Sections 111(d), 111(i), 111(l), or 111(m) of the Customs Act, 1962. He also contended that no penalty under Section 112 could be imposed on him.

10.2 The noticee, Shri Akashkumar Jayeshbhai, an NRI residing in Dubai since 2022 having Resident Id Card No. 784199957285812, he is doing job in Dubai and earning 17000/-AED, and also earning from other income sources i.e. Just Life, Urban Clap service providers. He had purchased the Rolex watch in Dubai for personal use at social functions and possessed legitimate purchase bills.

10.3 He asserted that statements recorded under Section 108 were made under duress and that, as an eligible passenger under Notification No: 12/2012-CUS dated 17/03/2012, he could have brought the watch by paying the applicable 6% concession duty since he had stayed less than 30 days in India over the last six months.

10.4 The noticee argued that, being a first-time carrier, he was unaware of the customs declaration procedure and that airport officials did not provide any

assistance. He requested that the watch be released either upon payment of a fine, for re-export, or as per the provisions of the Customs Act, citing past judgments allowing similar relief.

10.5 He further stated that the watch was purchased from his personal savings in Dubai and the purchase bill had been produced and recorded in the panchnama. He was intercepted before formally declaring the watch, leading to the allegation of smuggling.

10.6 The noticee maintained that he had repeatedly requested release of the watch upon payment of duty, fine, and penalty, but these requests were ignored. He emphasized that he had not fully understood the English-language panchnama or statement and had signed it under fear of arrest.

10.7 He contended that Circular No. 9/2001-Cus procedures were not followed, and therefore the watch clearly remained his legitimate property. He also mentioned that airline staff did not provide him with a customs declaration form, which he would have duly filed.

10.8 The noticee reiterated on 20.08.2025 that the watch belonged to him, but the officers proceeded to book a case regardless. He argued that, given more time and guidance, he would have filed the required customs declaration, noting that he had not left the airport without paying duty nor been apprehended outside customs control.

10.9 He asserted that his Section 108 statement was recorded under duress, without allowing him to read or write it in Gujarati, making it legally unreliable. He referred to Section 138B of the Customs Act, the Supreme Court judgment in *Noor Aga v. State of Punjab*, and Article 20(3) of the Constitution, which he claimed supported the inadmissibility of coerced statements.

10.10 The noticee argued that he could not be penalized under Section 112 since there was no evidence of knowingly carrying or dealing with prohibited or confiscable goods, and emphasized that courts have consistently allowed non-prohibited, dutiable goods to be released upon payment of a redemption fine.

10.11 He noted that judgments on the release of watches seized in customs cases vary according to circumstances and the person's profile, and even technically "prohibited" goods could be released or re-exported at the discretion of the adjudicating authority in line with Supreme Court principles.

10.12 The noticee cited specific cases, such as *Mr. Zahir Khusroo Dhunjibhoy & Ors. vs. Additional Commissioner of Customs*, and others like *Copier Company vs. Commissioner of Customs (2007 ELT 218)* and *Union of India vs. Dhanak M Ramji (252 ELT A 102, SC)*, to support his claim that redemption fines could allow release of goods even if conditionally prohibited.

10.13 He emphasized that he had never previously brought any offending goods into India, that no smuggling-related currency, goods, or documents were recovered from him, and that this was his first occurrence, requesting leniency for his failure to seek timely guidance from customs officials.

10.14 Finally, the noticee requested that the seized watch be released at the earliest, even provisionally, and expressed willingness to provide a bond or pay the applicable duty. If release was not possible, he sought permission for **re-export**

with payment of fine and penalty, and also requested that a personal hearing be granted to him.

RECORD OF PERSONAL HEARING:

11. To follow the principle of natural justice, as per provisions of Section 122A of Customs Act, 1962; Personal Hearing to the Noticee Shri Akashkumar Jayeshbhai was granted on 12.03.2026. Accordingly, Shri Rishikesh Mehra, Advocate and Authorized Representative appeared for the personal hearing on 12.03.2026 on behalf of his client i.e. Shri Akashkumar Jayeshbhai. Shri Rishikesh Mehra submitted written submissions on 10.03.2026 and re-iterated the same. He submitted that the Noticee is a Non-Resident Indian (NRI) and an eligible passenger who arrived in Ahmedabad from Dubai on 20.08.2025 after staying abroad for more than six months. He has been employed in Dubai since 2022, earning AED 17,000 per month, along with additional income from services like Just Life and Urban Clap. During his visit to India for a social function in Surendra Nagar, Gujarat, he brought a luxury Rolex watch purchased from M/s. Carino Watches, using a credit card. The watch was for personal use and was safely kept in his bag, with no intention of concealment.

11.1 The Noticee argued that his failure to declare the watch was due to ignorance of Customs rules, as it was his first time carrying valuable goods. He cited a precedent in the case of Mr. Zahir Khushroo Dhunjibhoy (OIO No. ADC/MKS/ADJN/464/2024-25, dt. 25.11.2024) where re-export was allowed. He requested leniency, proposing to re-export the watch after paying applicable fines and penalties, and stated he had nothing further to add.

DISCUSSION AND FINDINGS:

12. I have carefully gone through the facts of the case. The Noticee had submitted his written submission through his Advocate and Authorized Representative, Shri Rishikesh Mehra on dated 10.03.2026. The noticee has availed the opportunity of personal hearing granted to him on 12.03.2026 and reiterated the written submission dated 10.03.2026 in the personal hearing. Accordingly, I take up the case for adjudication on the basis of evidences available on record and submission made by the noticee during the personal hearing.

13. In the instant case, I find that the main issue to be decided is whether the:

- (i) One (01) luxury watch of brand Rolex (Model-126710BLNR) having SL No. 540388G9 valued at AED 69500 (₹17,13,175/-) (Rupees Seventeen Lakhs Thirteen Thousand One Hundred Seventy Five Only) found illegally smuggled by the passenger, **Shri Akashkumar Jayeshbhai**, who arrived from Dubai to Ahmedabad on 20.08.2025 by Indigo Flight No. 6E1478, at Terminal-2 of SVPIA Ahmedabad, placed under Seizure under Panchnama Proceedings and Seizure Memo Order both dated 20.08.2025, should not be confiscated under the provision of Section 111(l) of the Customs Act, 1962 or not;
- (ii) Penalty should not be imposed upon **Shri Akashkumar Jayeshbhai**, Penalty under Sections 112 of the Customs Act, 1962 or not.

14. I find that the Panchnama has clearly drawn out the fact that on the basis of specific intelligence regarding carrying restricted/prohibited goods, the Air Intelligence Unit (AIU) at SVPI Airport, Ahmedabad, intercepted passenger Akashkumar Jayeshbhai upon his arrival from Dubai on an IndiGo flight No. 6E1478, at Terminal-2 of SVPIA Ahmedabad, as he attempted to exit through the

green channel without declaring any dutiable goods. Upon questioning, he denied carrying any such items. His personal and baggage search was conducted in the presence of two independent witnesses, and the proceedings were documented under a Panchnama dated 20.08.2025. During the personal search conducted in the presence of a gazetted customs officer, no objectionable or dutiable items were found. Subsequently, the AIU officers carried out a detailed examination of his baggage using both scanning and physical inspection. Among the contents, which included garments and food items, officers discovered a black pouch containing a Rolex watch, a high-value luxury item. When questioned about the watch, the passenger stated that he had purchased it in Dubai using his personal savings and produced an invoice along with supporting items such as the packaging and warranty card. The watch, identified as Rolex Model-126710BLNR, was valued at ₹17,13,175/-. The officers concluded that he had attempted to smuggle the item without declaration, rendering it liable for confiscation under the Customs Act, 1962.

Hence, I find that the passenger was well aware about the fact that the luxury watch is dutiable item and he intentionally wanted to clear the same without payment of Customs duty which is also admitted by him in his statement dated 20.08.2025. Further, ignorance of law is not an excuse but an attempt to divert adjudication proceedings.

15. I find that Shri Rishikesh Mehra, Advocate of noticee appeared in personal and submitted that his client is doing Job as a manager in a Jewellery shop in Dubai, he purchased the watch in Dubai from M/s. Carino Watches through credit card, for personal use at social functions and presented legitimate bills for the purchase. Further, he gave copy of Tax Invoice No. 16 dated 20.08.2025 of Rolex watch SL No. 540388G9. He further submitted that the noticee was residing at Dubai since 2022 having resident **Id Card No. 784199957285812**, and being an NRI requested to allow release of watch on redemption fine with a permission to re-export. He has further added that watch is not prohibited and not in commercial quantity, the genuine lapse took place and thus a case has been booked against his client.

16. I find from the statement of the noticee Shri Akashkumar Jayeshbhai wherein he stated that he was working as a manager in a jewellery shop in Dubai and had come to India to take care of his mother. He had purchased the aforesaid watch from his personal savings in Dubai. In support of this, he submitted a copy of Tax Invoice No. 16 dated 20.08.2025 for his Rolex watch bearing serial number 540388G9. When asked about the payment particulars, he explained that he had been working as a manager at Carino Jewellery Trading LLC since 2022 and received incentives in cash from his company. He stated that he made the payment for the watch partly through his credit card and partly from the cash incentives received from his employer, and also provided a copy of his bank statement. He further added that he received cash incentives on a monthly basis based on his sales performance, which he used for partial payment of his Rolex watch.

17. I note that as per Section 77 of Customs Act 1962, a passenger coming from abroad to India for the purpose of clearing his baggage, is required to make a declaration of its contents to the Customs Officer in accordance with the Regulation 3 of Customs Baggage Declaration Regulation 2013 which says that: - [All passengers who come to India and having anything to declare or are carrying dutiable or prohibited goods], shall declare their accompanied baggage in Form I appended to this regulation.

I find that the provisions of Regulation 3 of Customs Baggage Declaration Regulation 2013 read with Section 77 of Customs Act 1962 were not complied with an intention to evade payment of Customs duty.

18. As per the provision of section 123 of the Customs Act, 1962, the burden of proving that they are not smuggled goods, in case of goods which have been seized under this Act under the reasonable belief that they are smuggled goods, lies on the person from whose possession such seizure has been made. This section applies to watches.

19. As per the recorded statement of the passenger Shri Akashkumar Jayeshbhai, was working as a manager in Carino Jewellery Trading LLC since 2022 in Dubai having resident Id Card No. 784199957285812 and had come to India to take care of his mother. He had purchased the aforesaid watch from his personal savings in Dubai. In support of this, he submitted a copy of Tax Invoice No. 16 dated 20.08.2025 for his Rolex watch bearing serial number 540388G9. He stated that he made the payment for the watch partly through his credit card and partly from the cash incentives received from his employer, and also provided a copy of his bank statement. He further added that he received cash incentives on a monthly basis based on his sales performance, which he used for partial payment of his Rolex watch. I find that 'the passenger from whose possession said watch is recovered has reasonably submitted the proof that same is not brought in India with an intention to evade the customs duties and thus not smuggled. These circumstantial facts address the conditions under Section 123 of the Customs Act, 1962.

20. I find that in the instant case, the seized goods which were brought into India without declaring the same to Customs authorities have lost its status as bonafide imported goods and have assumed the status of smuggled goods, thereby rendering 'the watch' liable for confiscation under Section 111 of the Customs Act, 1962 read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992.

21. As per the section 2(39) of the Customs Act, 1962 non-declaration of goods is an act of smuggling. As per section 2(33) of Customs Act 1962 non fulfilment of any conditions would bring the goods under prohibition.

22. I find that this act of the passenger is in clear violation of the provisions of the Customs Act, 1962 as the goods have been imported in contravention of the conditions prescribed in the said Act and Notifications issued there under, and also attempted to smuggle 'the watch' without giving a declaration to Customs under Section 77 of the Customs Act, 1962 and without following the conditions prescribed in the said Act and in violation of the provisions of the Foreign Trade Policy 2023, with an intent to evade payment of customs duty, thus making it liable for confiscation under 111(1) of the Customs Act, 1962 read with Section 3(3) of the Foreign Trade (Development & Regulation) Act, 1992;

23. In view of the above findings, I find that 'the watch' valued at ₹17,13,175/- (Rupees Seventeen Lakhs Thirteen Thousand One Hundred Seventy Five Only), is liable for confiscation under section 111(1) of the Customs Act, 1962 read with Para 2.27 of the Foreign Trade Policy, 2023 and section 3(2), 3(3) and 11(1) of the Foreign Trade (Development and Regulation) Act, 1992 as the said seized good is not a bonafide personal baggage and was attempted to be brought into India without declaring to the Customs Authorities.

24. I find that the import policy of all dutiable articles, imported by a passenger or a member of a crew in his baggage under ITC(HS) 98030000 is “Restricted”. Para 2.26 of Foreign Trade Policy 2015-20 prescribes the provisions related with Passenger Baggage. As per sub para (a) of the said para 2.26 of the FTP 2015-20 “Bona-fide household goods and personal effects may be imported as part of passenger baggage as per limits, terms and conditions thereof in Baggage Rules notified by Ministry of Finance”. This apparently mean import of the impugned seized goods through baggage is allowed but as per limits, terms and conditions prescribed in Baggage Rules, 2016. In case of import of watch in passenger baggage, declaration of watch before Customs, constitute a condition for import as per Regulation 3 of Baggage Regulation 2013 and non-declaration of the same is construed as non-compliance of the condition for import in baggage.

25. Further, I find that there is no such specific absolute prohibition on import of watch but it is regulated with various conditions and import of the same without complying with those conditions entails the imported watches fall under Prohibited category within the definition of “Prohibited Goods” given under Section 2(33) of Customs Act, 1962 which says that "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;

26. In the instant case, I find that the impugned goods “watch” is brought by the passenger without complying with the laid down conditions for import as per my findings above. I further find that since declaration of the subject goods before Customs Red Channel as required under Section 77 of Customs Act 1962 was not made by the passenger, any possible argument that the seized goods do not fall within the ambit of section 111(l) of Customs Act, 1962, is nullified from the outset. I, therefore find that there is no need of extensive discussion and it is amply clear that the subject seized watch is offending goods as per the provisions of Section 111(l) warranting confiscation on such goods which are not included or are in excess or do not correspond in respect of any particulars with the declaration made under Section 77 of Customs Act 1962. Accordingly, I hold that the impugned goods are liable for confiscation under section 111(l) of Customs Act 1962.

27. Once the seized goods are held to be liable for confiscation, the next question before me to decide is whether to allow the release of the impugned goods on Redemption Fine or order for absolute confiscation of the same. The provisions related to redemption of confiscated goods are stipulated in Section 125 of the Customs Act, 1962; sub-section (1) of the said section 125 says that- "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 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. It is, amply clear from the said Section that, where the confiscated goods are not prohibited for import or export, the Adjudicating Authority is under obligation to release the same. However, in those cases where the confiscated goods are prohibited for import or export, discretion has been vested in the Adjudicating Authority to decide the issue on the basis of the facts and circumstances involved.

28. A plain reading of the section 125 shows that the Adjudicating Authority is bound to give an option of redemption when goods are not subjected to any prohibition. There is no bar on the Adjudicating Authority allowing redemption of prohibited goods on merit. This exercise of discretion will depend on the nature of the goods and the nature of the prohibition. For instance, spurious drugs, arms, ammunition, hazardous goods, contaminated flora or fauna, food which does not meet the food safety standards, etc. are harmful to the society if allowed to find their way into the domestic market. On the other hand, release of certain goods on redemption fine, even though the same becomes prohibited as conditions of import have not been satisfied, may not be harmful to the society at large. Watches' are not prohibited items and there are no restrictions/conditions on the import of watches; from the above cited legal provisions, it is construed that section 125 of Customs Act, 1962 provides that in case of goods other than prohibited goods, the adjudicating authority has to give an option of redemption of the goods on fine in lieu of confiscation and in this way the adjudicating authority shall allow redemption of the confiscated goods. Accordingly, 'watches' may be considered for redemption by way of re-export on merit.

29. I find that there is a catena of judgments, over a period of time, of the Honorable Courts and other fora which have been categorical in the view that grant of the option of redemption under Section 125 of the Customs Act, 1962 can be exercised in the interest of justice. I place reliance on some of the judgments as under: -

- The Hon'ble High Court of Judicature at Madras, in the judgment in the case of Shaik Mastani Bi vs. Principal Commissioner of Customs, Chennai-1[2017(345) E.L.T. 201 (Mad)] upheld the order of the Appellate Authority allowing re-export of gold on payment of redemption fine.
- The Hon'ble High Court of Kerala at Ernakulam in the case of R. Mohandas vs. Commissioner of Cochin [2016(336) E.L.T, 399 (Ker.)] has, observed at Para 8 that "The intention of Section 125 is that, after adjudication, the Customs Authority is bound to release the goods to any such person from whom such custody has been seized."
- Also, in the case of Union of India vs Dhanak M Ramji [2010(252) E.L.T. A102(S.C)], the Hon'ble Apex Court vide its judgment dated 08.03.2010 upheld the decision of the Hon'ble High Court of Judicature at Bombay [2009(248) E.L.T. 127 (Bom)], and approved redemption of absolutely confiscated goods to the passenger.
- Judgment dated 17.02.2022 passed by the Hon'ble High Court, Rajasthan (Jaipur Bench) in D.B. Civil Writ Petition no. 12001/2020 in the case of Manoj Kumar Sharma vs. UOI and others.
- The High Court of Delhi at New Delhi in a judgment passed in the matter of Nidhi Kapoor Vs. Principal Commissioner And Additional Secretary to The Government of India & ORS, in W.P.(C) 8902/2021 dated 21.08.2023 where in it was observed that "The Court holds that an infraction of a condition for import of goods would also fall within the ambit of Section 2(33) of the Act and thus their redemption and release would become subject to the discretionary power of the Adjudging Officer. For reasons afore-noted, the Court finds no illegality in the individual orders passed by the Adjudging Officer and which were impugned in these writ petitions".

30. In the instant case, the passenger failed to declare the watch as mandated under Section 77 of the Customs Act, 1962; therefore, the goods are liable for confiscation. However, there was no deliberate or ingenious concealment on the part of the passenger, as the said watch was discovered inside the baggage during inspection by the Customs Officer. The passenger was carrying only one wristwatch, and thus the quantity cannot be considered commercial in nature.

30.1 The passenger has stated that his monthly income is ₹3,00,000/-, and that the watch was purchased solely for personal use. He has also produced a copy of Purchase Invoice No. 16 dated 20.08.2025 for the Rolex watch bearing Serial No. 540388G9, purchased from M/s. Carino Watches, Dubai, for AED 69,500 (₹17,13,175/-). This establishes that the passenger possesses the financial capacity to purchase the said watch.

30.2 Further, there are no allegations on record to suggest that the passenger is a habitual offender or has been involved in similar offences in the past. Therefore, considering the facts and circumstances of the case, it is held that the passenger has discharged the burden of proof as envisaged under Section 123 of the Customs Act, 1962.

Accordingly, in terms of Section 125 of the Customs Act, 1962, I hold that the option to pay a fine in lieu of confiscation cannot be denied to the passenger.

31. In view of the foregoing discussion, I hold that the one Rolex watch bearing Serial No. 540388G9, recovered from the noticee, is liable for confiscation. However, it is observed that the impugned watch was carried by the passenger for personal use and not on behalf of any other person or for any profit motive.

31.1 The passenger has also produced a copy of Invoice No. 16 dated 20.08.2025, issued by M/s. Carino Watches, Dubai, evidencing purchase of the watch for AED 69,500 in his own name, namely Shri Akash Kumar Jayeshbhai. It is further noted that the passenger is an NRI holding a residency permit for Dubai.

Although the passenger had kept the watch in his baggage, such act cannot be termed as ingenious or deliberate concealment.

31.2 Accordingly, I exercise my discretion to grant the option to redeem the impugned seized Rolex watch bearing Serial No. 540388G9 on payment of a redemption fine, in terms of Section 125 of the Customs Act, 1962 for the purpose of re-export only.

32. I find that the passenger walked through the Customs Green Channel without making a proper declaration regarding the quantity and value of the goods, as mandated under Section 77 of the Customs Act, 1962, and without complying with the conditions prescribed therein. This act also constitutes a violation of the provisions of the Foreign Trade Policy 2015-20. By such acts of commission and omission, the passenger attempted to evade customs duty and avoid scrutiny by the Customs authorities.

33. In view of the above, the passenger has rendered himself liable to penalty under Section 112(a) and (b) of the Customs Act, 1962. Accordingly, I hold that the passenger is liable for penal action under the provisions of Section 112 of the Customs Act, 1962.

34. Accordingly, in view of the above discussion & findings, I proceed to pass the following order: -

ORDER

- i.** I order confiscation of the impugned One (01) luxury watch of brand Rolex (Model-126710BLNR) having SL No. 540388G9 valued at AED 69500 (₹17,13,175/-) (Rupees Seventeen Lakhs Thirteen Thousand One Hundred Seventy Five Only) found illegally smuggled by the passenger, **Shri**

Akashkumar Jayeshbhai, who arrived from Dubai to Ahmedabad on 20.08.2025 by Indigo Flight No. 6E1478, at Terminal-2 of SVPIA Ahmedabad, placed under Seizure under Panchnama Proceedings and Seizure Memo Order both dated 20.08.2025, under the provisions of Section 111(l) of the Customs Act, 1962;

- ii.** I give an option to Shri Akashkumar Jayeshbhai to redeem the impugned One (01) luxury watch of brand Rolex (Model-126710BLNR) having SL No. 540388G9 on payment of **Redemption Fine of ₹1,50,000/-** (Rupees One Lakh Fifty Thousand Only) under Section 125(1) of the Customs Act, 1962 **only for the purpose of re-export**. In addition to Redemption Fine, the passenger would be liable for payment of other levies/charges in terms of Section 125(2) of the Customs act, 1962.
- iii.** **I impose a penalty of ₹50,000/-** (Rupees Fifty Thousand Only) on Shri Akashkumar Jayeshbhai under the provisions of Section 112(a) and Section 112(b) of the Customs Act, 1962.

35. Accordingly, the Show Cause Notice No. VIII/10-59/SVPIA-A/O&A/HQ/2025-26 dated 11.02.2026 stands disposed of.

(Shri Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

DIN:20260371MN0000517157

F.No VIII/10-59/SVPIA-A/O&A/HQ/2025-26

Date :25.03.2026

By Speed Post

To,

Shri Akashkumar Jayeshbhai,
S/o Shri Jayeshbhai Ramsangbhai Gohil
Behind Gurukul, Baby Land Play House,
Station Road, Surendra Nagar, Gujarat-363002

Copy to:

- (i) The Principal Commissioner of Customs, Ahmedabad (Kindly Attention to RRA)
- (ii) The Deputy/Assistant Commissioner of Customs, Recovery Cell
- (iii) The Deputy/Assistant Commissioner of Customs, SVPIA, Ahmedabad
- (iv) The Deputy Commissioner of Customs (AIU), SVPIA, Ahmedabad
- (v) The System In-Charge, Customs, HQ., Ahmedabad for uploading on the official web-site i.e. <http://www.ahmedabadcustoms.gov.in>
- (vi) Guard File.